CA IMMO

ANNUAL FINANCIAL REPORT 2021
I.A.W. ARTICLE 124 OF THE
AUSTRIAN STOCK EXCHANGE ACT

CONTENT

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, the 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. Following the liquidation of almost all Cypriot companies and the exit from Slovakia, further subsidiaries exist in the Netherlands. As at key date 31 December 2021, the Group comprised 165 companies (31.12.2020: 184) with 441 employees (437 on 31.12.2020).

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, Poland, Romania, the Czech Republic and Hungary. For Romania, the evaluation of all strategic options, including a potential sale of the entire portfolio, was started at the end of November 2021. Additional earnings contributions are generated by the preparation and utilisation of land reserves in the development business area. CA Immo either transfers completed projects to its portfolio or sells them to investors. The Group currently controls property assets of around €6.3 bn in Germany, Austria and Eastern Europe (€5.6 bn on 31.12.2020).

Austria

The company's domestic properties are held in direct or indirect subsidiaries of CA Immobilien Anlagen AG. As at 31 December 2021, the parent company also directly held property assets of approximately €302 m (€323 m on 31.12.2020). As at 31 December 2021, the total Austrian portfolio comprised solely investment properties with a market value of €497 m (€530 m on 31.12.2020).

COMPANIES BY REGION

Number of companies[1]	31.12.2021	31.12.2020
Austria	18	19
- *Of which joint ventures*	*3*	*3*
Germany[2]	98	98
- *Of which joint ventures*	*22*	*23*
Central and Eastern Europe[3]	50	67
- *Of which joint ventures*	*2*	*2*
Group-wide	**165**	**184**
- *Of which joint ventures*	*25*	*28*

[1] Joint ventures involving consolidated companies.
[2] Includes one company in Switzerland.
[3] Includes three holding companies in the Netherlands and one company in Cyprus 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 CEE investment property portfolio is held by direct or indirect CA Immo subsidiaries. All Eastern European properties are managed by regional subsidiaries under the name **CA Immo Real Estate Management**.

ECONOMIC ENVIRONMENT

THE ECONOMIC TREND[1)]

Over the past decade intensifying geopolitical risk has been a constant feature of world politics, yet the world economy and financial markets have shrugged it off. Russia's invasion of Ukraine is likely to break this pattern, because it will result in the isolation of the world's 11th-largest economy and one of its largest commodity producers. The immediate global implications will be higher inflation, lower growth and disruption to financial markets as deeper sanctions take hold. The longer-term fallout could be a further debilitation of the system of globalised supply chains and integrated financial markets. The impact of the Russia-Ukraine crisis on the worlds' economy cannot be quantified properly yet and depends on further geopolitical development. Therefore it has not been taken into account in the latest economic forecasts.

Following the outbreak of the Covid-19 pandemic with a severe recession in 2020 and the subsequent economic recovery in 2021, the International Monetary Fund (IMF) drew a more cautious but still positive outlook for the global economy in its World Economic Outlook update published in January 2022 (and therefore not taking into account latest geopolitical happenings). The global economy was entering 2022 weaker than previously expected. Countries had reimposed mobility restrictions with the spread of the new Omicron Covid-19 variant. Rising energy prices and supply disruptions have led to higher and broader-based inflation than anticipated, particularly in the United States and many emerging and developing economies.

Global growth is expected to slow from 5.9% in 2021 to 4.4% in 2022 – half a percentage point lower for 2022 than anticipated in the October 2021 World Economic Outlook, mainly due to forecast cuts in the two largest economies (USA, China). Revised assumptions related to the "Build Back Better" fiscal policy packages, as well as an earlier withdrawal of accommodative monetary policy and persistent supply constraints, led to a downward revision of 1.2 percentage points for the United States. In China, pandemic-related disruptions associated with the Covid-19 zero-tolerance policy and protracted financial tensions among real estate companies led to a downgrade of 0.8 percentage point.

Furthermore, high inflation is expected to persist longer than projected in the October 2021 World Economic Outlook, with continued supply chain disruptions and high energy prices in 2022, further fuelled by the Russia-Ukraine crisis.

According to an initial estimate of the annual growth rate for 2021, based on seasonally and calendar-adjusted quarterly data, GDP in the euro area and the EU increased by 5.2%. According to the current forecast, GDP in the EU shall increase by around 4.0% in 2022 and by around 2.8% in 2022. This means that the output of the European economy at the end of this year would be roughly back at its pre-crisis level.

CA IMMO CORE MARKETS IN 2021[2)]

Compared with the previous quarter, seasonally adjusted GDP increased by 0.3% in the euro area and by 0.4% in the EU in Q4 2021. This is the result of a preliminary flash estimate published by Eurostat. In Q3 2021, GDP had increased by 2.3% in the euro area and by 2.2% in the EU. Compared to the corresponding quarter of the previous year, seasonally adjusted GDP in the fourth quarter of 2021 increased by 4.6% in the euro area and by 4.8% in the EU, after +3.9% in the euro area and +4.1% in the EU in the previous quarter.

In December 2021, the seasonally adjusted unemployment rate in the euro area was 7.0%, down from 7.1% in November 2021 and from 8.2% in December 2020, and the unemployment rate in the EU was 6.4% in December 2021, down from 6.5% in November 2021 and from 7.5% in December 2020.

At the end of the third quarter of 2021, the government debt-to-GDP ratio was 97.7% in the euro area, compared to 98.3% at the end of the second quarter of 2021, while in the EU the ratio decreased from 90.9% to 90.1%. In both the euro area and the EU, the public debt-to-GDP ratio decreased at the end of the third quarter due to the recovery in GDP, while debt continued to increase due to the financing needs of government responses to the Covid-19 pandemic measures used to mitigate the economic and social impact. Compared to the third quarter of 2020, the government debt-to-GDP ratio increased in

[1)] Sources: Eurostat, European Commission, Bloomberg, Financial Times, The Economist

[2)] Sources: Eurostat, European Commission, Bloomberg, Financial Times, The Economist both the euro area (from 96.6% to 97.7%) and the EU (from 89.2% to 90.1%).

Annual inflation in the euro area in January 2022 is estimated at 5.1%, up from 5.0% in December 2021, according to a flash estimate published by Eurostat, the statistical office of the European Union. In terms of the main components of inflation in the euro area, energy is expected to have the highest annual rate in January (28.6%, up from 25.9% in December).

The economy in **Austria** grew by 4.5% in real GDP terms in 2021. The inflation rate was 3.8% and the unemployment rate was 4.9% in December 2021. Gross public debt as a percentage of GDP decreased to 84.1% in the third quarter of 2021.

Positive economic momentum in **Germany** was reflected in GDP growth of 2.9% in 2021. In a pan-European comparison, Germany is below the average for the EU and the euro zone though. The unemployment rate in Germany decreased from 4.0% to 3.2% over the course of the year. The inflation rate for Germany in December 2021 was reported at 5.7%.

Within the core Central and Eastern European markets, **Hungary** and **Romania** showed the strongest economic growth in 2021 at 7.1% and 5.9%, respectively. GDP in **Poland** and **Czechia** increased by 5.7% and 3.3%, respectively.

The unemployment rate in the Central and Eastern European countries remains significantly lower than in the EU-27 and the euro area average. It is 2.1% in Czechia, 2.9% in Poland, 3.7% in Hungary and 5.4% in Romania.

The inflation rate showed a significant increase in 2021 and was above the euro area average in all core Central and Eastern European countries. Poland reported an inflation rate of 8.0% for December 2021, while the annual figure in Hungary was 7.4%. Annual inflation was registered at 6.7% in Romania and 5.4% in Czechia.

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**
	2021	**2020**	**in %**	**in %**	**as % of GDP 3Q 2021**	**as % of GDP 3Q 2021**	**as % of GDP 3Q 2021**
EU – 27	5.3	-5.9	5.3	6.4	–3.7	90.1	0.9
Eurozone – 19	5.3	-6.4	5.0	7.0	–4.0	97.7	1.0
Austria	4.5	-6.7	3.8	4.9	–1.4	84.1	1.4
Germany	2.9	-4.6	5.7	3.2	–2.4	69.4	0.4
Poland	5.7	-2.5	8.0	2.9	–1.0	56.6	- 0.5
Czechia	3.3	-5.8	5.4	2.1	–6.0	40.5	0.2
Hungary	7.1	-4.7	7.4	3.7	–5.6	80.3	0.8
Romania	5.9	-3.7	6.7	5.4	–7.1	48.5	- 0.4

Source: Eurostat
[1] Change on the previous year (%); [2] Change on the previous year as at December 2021; [3] As at December 2021

THE MONEY MARKET AND INTEREST ENVIRONMENT[1)]

At its most recent meeting on March 10, 2022, the Governing Council expressed its full support to the people of Ukraine. It said it will ensure smooth liquidity conditions and implement the sanctions decided by the European Union and European governments. They will take whatever action is needed to fulfil the ECB's mandate to pursue price stability and to safeguard financial stability.

Based on its updated assessment and taking into account the uncertain environment, the Governing Council revised the purchase schedule for its Asset Purchase Programme (APP) for the coming months. Monthly net purchases under the APP will amount to €40 bn in April, €30 bn in May and €20 bn in June. The calibration of net purchases for the third quarter will be data-dependent and reflect its evolving assessment of the outlook. If the incoming data support the expectation that the medium-term inflation outlook will not weaken even after the end of its net asset purchases, the Governing Council will conclude net purchases under the APP in the third quarter. If the medium-term inflation outlook changes and if financing conditions become inconsistent with further progress towards the 2% target, the Governing Council stands ready to revise its schedule for net asset purchases in terms of size and/or duration.

The Governing Council also intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when it starts raising the key ECB interest rates and, in any case, for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

Moreover, 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. Any adjustments to the key ECB interest rates will take place some time after the end of the Governing Council's net purchases under the APP and will be gradual. The path for the key ECB interest rates will continue to be determined by the Governing Council's forward guidance and by its strategic commitment to stabilise inflation at 2% over the medium term. Accordingly, the Governing Council expects the key ECB interest rates to remain at their present levels until it sees inflation reaching 2% well ahead of the end of its projection horizon and durably for the rest of the projection horizon, and it judges that realised progress in underlying inflation is sufficiently advanced to be consistent with inflation stabilising at 2% over the medium term.

In the first quarter of 2022, the Governing Council has been conducting net asset purchases under the Pandemic Emergency Purchase Programme (PEPP) at a lower pace than in the previous quarter. It will discontinue net asset purchases under the PEPP at the end of March 2022. The Governing Council intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance. The Council said, that "the pandemic has shown that, under stressed conditions, flexibility in the design and conduct of asset purchases has helped to counter the impaired transmission of monetary policy and made the Governing Council's efforts to achieve its goal more effective".

The Governing Council will continue to monitor bank funding conditions and ensure that the maturing of operations under the third series of targeted longer-term refinancing operations (TLTRO III) does not hamper the smooth transmission of its monetary policy. It will also regularly assess how targeted lending operations are contributing to its monetary policy stance. As announced before, it expects the special conditions applicable under TLTRO III to end in June this year.

The 3-month Euribor continued to move in negative territory and fluctuated between -0.53% and -0.61% in the reporting period. Since December 2021, a clear upward trend in the Euribor has been noticeable.

Following historic lows in bond yields on 10-year government bonds issued by eurozone members at the end of 2020, a slight upward trend was recognizable in the course of 2021. Since the fourth quarter of 2022, this trend has intensified. After the 10-year German Bund turned positive in spring 2021 for the first time since 2019, there were recurring crossings above and below the zero percent mark. Since the end of last year, however, the yield has risen steadily to just under 0.5% in the meantime.

1) Sources: European Central Bank, Eurostat, Bloomberg
2) Sources: European Commission, European Central Bank, Financial Times, The Economist

OUTLOOK [2)]

Even though the future impact of the Russia-Ukraine crisis on the worlds' economy cannot be assessed properly at this point in time it already has substantially increased uncertainty and volatility on global markets, which has also been reflected in deteriorating financial market conditions. The Russian invasion has, beyond the human cost of the conflict, already driven commodity prices higher—and there could be profound and protracted effects on macroeconomic prospects around the world such as energy supply disruptions or price shocks and sustained inflationary pressures. The risk of further escalations in the conflict as well as additional geopolitical tensions will remain a key topic to watch in 2022.

In its January 2022 World Economic Outlook, the International Monetary Fund projects economic growth of 4.4% in 2022 and 3.8% in 2023. Inflation is expected to remain high in the near future, averaging 3.9% in developed economies and 5.9% in developing and emerging economies in 2022 before declining in 2023. The impact of the Russia-Ukraine crisis has not been taken into account in these forecasts.

Assuming that the pandemic reduces its impact, higher inflation could ease if supply chain disruptions subside, monetary policy tightens, and demand shifts from goods-intensive consumption to services. However, the Russia-Ukraine crisis has opposite effects due to the sharp rise in commodity costs and the renewed impairment of supply chains.

"The Russian invasion of Ukraine is a watershed for Europe," the ECB said in a statement after its governing council's meeting in Frankfurt on March 10, adding that it would "take whatever action is needed to pursue price stability and to safeguard financial stability". Market participants interpreted the move to speed up the ECB's exit from buying more bonds as a signal that it could raise interest rates in the fourth quarter in an effort to contain soaring inflation — which would be the first such move for more than a decade. However, the ECB also gave itself more leeway to wait longer before raising interest rates after its bond-buying ends. Christine Lagarde said Russia's invasion of Ukraine had created "a major shock" for the eurozone economy, adding that the central bank was forecasting higher inflation and lower growth over the next three years. "Inflation could be considerably higher in the near term," Lagarde said. "However, in all scenarios, inflation is expected to stabilise around our target by 2024."

The emergence of new Covid-19 variants could further prolong the pandemic and cause renewed economic disruption. Global access to vaccines, tests and treatments is essential to reduce the risk of further dangerous Covid-19 variants. This will require increased stockpile production, as well as better supply systems in each country and more equitable international distribution. In addition, supply chain disruptions, energy price volatility, and local wage pressures mean that uncertainty about inflation and the stance of monetary policy is high. If leading economies raise policy rates, risks could emerge for financial stability and emerging and developing economies' capital flows, currencies, and fiscal positions, especially as debt has increased significantly over the past two years.

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA [1)]

The investment market

Due to the seasonal slowdown of the pandemic and governmental support for companies, a further slump in the investment market, as seen in the previous year, was interrupted; thus, an increase of around 25% (€4.3 bn) was reported in Austrian real estate in 2021 compared to the previous year. Around €2.8 bn (65%) of the investments were registered in Vienna. Office investments with a focus on core properties in premium locations in combination with residential properties accounted for the largest share of the total volume. Contrary to the general trend, retail also recorded an upswing, which can be attributed to two large deals and therefore does not appear to be a long-term trend.

The Austrian investment market has been stable last year and was able to continue the trend of the previous year. The prime yield for office properties fell moderately and is currently at the historically low level of 3.20% (–15 bps compared to the previous year) for properties in Vienna's Central Business District (CBD).

The office property market

Vienna's total office stock amounted to approximately 11.4 m sqm at the end of 2021 and was therefore almost unchanged from the previous year. The completion volume of office space totaled around 65,000 sqm in 2021, around 32% less than in 2020. The low completion volume continues to highlight the lack of new office properties in Vienna.

The letting performance was also somewhat below the previous year's level and, at around 166,200 sqm, recorded a decline of approximately 18.2%. The Covid-19 pandemic-related economic crisis has also had a negative impact on the office market in 2021. CBRE Research therefore assumes a slightly rising letting performance in the next two years, also due to the still tense situation with regard to low new supply coming to the market.

The vacancy rate fell by around 40 bps to approximately 4.2% over the course of 2021. CBRE Research expects the vacancy rate to settle at approximately 4.0% in 2022 and 2023 due to limited additional space, high level of pre-letting and a slight increase in demand. The monthly prime rent in Vienna rose by around 4% over last year to €26.0 per sqm per month. Above all, top offices in attractive locations remain in demand, whereas properties with lower building standards in weaker locations will probably have to expect less demand in the future. A steady increase in focus on the topic of ESG and certifications can also be observed on the market.

OFFICE MARKET DEVELOPMENT VIENNA

	2021	2020	Change in %/bps
Take up in sqm	166,200	203,300	–18.2
Vacancy rate in %	4.2	4.6	–40 bps
Prime rent in €/sqm net	26.00	25.00	4.0
Prime yield in %	3.20	3.35	–15 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

In 2021, the German real estate market was unaffected by the Covid-19 pandemic developments, achieving a record result of €111.0 bn; this represents an increase of approximately 40% compared to 2020 results. The record merger activity in the residential segment has had a major positive impact on this development. The commercial real estate sector contributed €62.1 bn (+5% y-o-y); there continues to be a strong focus on office properties in prime locations that can adapt to hybrid work thanks to their flexibility and location. With a turnover of around €30.0 bn, office properties accounted for 50% of the total commercial real estate investment volume.

The share of the top 7-markets in Germany increased from around 53.0% in 2020 to 57.0% in 2021. Berlin, Cologne, Munich and Stuttgart showed significantly higher volumes of transactions, whereas supply-related declines had to be recorded in Frankfurt, Düsseldorf and Hamburg. In 2021, a total of 125 major transactions above the €100 m mark were registered of which 79 transactions were in the office segment, 23 transactions related to logistics properties and 13 were retail deals. In the top 7-locations there was a clear trend towards individual transactions, as a result of which portfolio transactions in these

[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 2022, Berlin, Munich, Frankfurt Office MarketView Q4 2021; Oxford Economics markets fell by around 32% y-o-y. Furthermore, the excess demand in all top 7-markets for prime properties is leading to a compression of prime yields.

CBRE Research expects the German commercial real estate investment market to achieve a transaction volume of well above €55.0 bn in 2022, which would be only slightly below the record levels of 2021. The decisive factor will be product availability, which already proved to be a challenge in some markets in the previous year. From an investor's perspective office properties remain in focus. Particularly in the current exceptional times, the trend is moving even more towards core and core-plus properties in established locations in the major office market centers. Defensive investment products with solid tenants have experienced an additional boost in demand, which, however, could not be fully met on the supply side. CBRE Research therefore assumes that yields for these products will sharpen even further.

The share of foreign investment declined from 46% in 2020 to 39% in 2021 in line with strong domestic demand. Nevertheless, the share of North American investors increased significantly, by 34% y-o-y to €6.7 bn and approximately 11% of total investments.

The **Berlin** investment market for commercial real estate recorded a record value of €11.8 bn and an increase of more than 50% compared to the previous year. Main contribution to this result has been a large number of transactions over €100 m in the last quarter of the year. The prime yield for office properties fell slightly to 2.50% due to the high demand for high quality office space (–15 bps y-o-y).

In 2021, a transaction volume of around €2.5 bn has been registered on the commercial property market in **Düsseldorf**. This is around a third less than in 2020. Nevertheless, the Düsseldorf commercial real estate market showed a positive trend towards the end of the year. In the last quarter of 2021, €1.3 bn has been invested; more than in the three preceding quarters combined. Office properties represent the core of Düsseldorf's commercial property market, accounting for approximately 73% of the total transaction volume. Prime yields fell by around 25 bps y-o-y to a record low of 2.75%.

The commercial property market in **Frankfurt** registered investments of €5.5 bn. With a decline of approximately 23% y-o-y, the market recorded the weakest overall result since 2014; this is due to a lack of product, which does not allow demand to be matched. As in the previous year, office properties accounted for well over 80% of transactions. The prime yield for CBD offices fell by 20 bps to 2.70% in 2021.

The commercial investment market in **Munich** recorded a 46% increase y-o-y with a volume of €7.2 bn, slightly less than in the record year 2019, due to a strong fourth quarter in which around €3.2 bn was transacted. Office properties accounted for approximately 83% of the total volume at around €6.0 bn. Due to unabated strong demand for real estate locations with stable values, the prime yield fell slightly by 5 bps to 2.50%.

The office property market [1]

2021 again has been characterized by further lockdowns and restrictions of public gatherings which had an impact on the economic situation. Various industries as well as inflation and GDP were negatively impacted by global supply chain disruptions. Furthermore, hybrid forms of work have been adapted in most industries due to restrictions and expansion of digital infrastructure. Nevertheless, in Germany in particular, there is a strong confidence in offices as a sustainable real estate investment while at the same time demand for office space started rising again significantly in all markets. Lack of prime inner-city space generally resulted in an upward trend in rental price dynamics.

Berlin registered a 23.7% y-o-y take-up increase in 2021 with office take-up of 817,000 sqm. The vacancy rate rose slightly over the course of the year to approximately 2.8% (2020: 2.4%). Lettings recorded a significant gain compared to the previous year, not least due to the unbroken confidence in the importance of the office for companies in Germany. Due to the comparably low vacancy rate in Berlin combined with the lack of premium space the prime rent rose by €2.5 per sqm to €41.00 per sqm per month. The weighted average monthly rent remains almost unchanged from the previous year at €27.99 per sqm (€28.02 per sqm in 2020). Around 510,700 sqm of new space was completed in 2021, which is significantly less compared to the forecast at the beginning of the year. According to CBRE Research, around 1.2 m sqm of space is now expected to be added to the market in 2022. The office stock at the end of the year was around 20.2 m sqm.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2021	2020	Change in %/bps
Berlin			
Take up in sqm	817,000	660,500	23.70
Vacancy rate in %	2.80	2.40	40 bps
Prime rent in €/sqm net	41.00	38.50	6.50
Prime yield in %	2.50	2.65	–15 bps
Frankfurt am Main			
Take up in sqm	436,800	330,200	32.30
Vacancy rate in %	8.60	7.00	160 bps
Prime rent in €/sqm net	45.50	44.00	3.40
Prime yield in %	2.70	2.90	–20 bps
Düsseldorf			
Take up in sqm	301,500	293,500	2.70
Vacancy rate in %	9.00	7.50	150 bps
Prime rent in €/sqm net	28.50	28.50	0.00
Prime yield in %	2.75	3.00	–25 bps
Munich			
Take up in sqm	643,900	558,500	15.30
Vacancy rate in %	4.50	3.80	70 bps
Prime rent in €/sqm net	41.50	39.50	5.10
Prime yield in %	2.50	2.55	–5 bps

Sources: Data provided by CBRE Research
Note: floor space take-up includes owner-occupied transactions

[1] Sources: CBRE: Data supplied by CBRE Research, Munich, Frankfurt, Berlin Office MarketView Q4 2021; Oxford Economics

Office take-up in **Frankfurt** amounted to 436,800 sqm in 2021 (+32.3% y-o-y). The fall of pandemic-related restrictions in the second half of the year generally improved results in the last quarters of 2021. High quality office space with high-class fit outs was the focus of leasing activities accounting for 62% of take-up. The vacancy rate amounted to 8.6% and thus increased by 160 bps y-o-y. The prime rent in Frankfurt also saw an increase to €45.50 per sqm per month (+3% y-o-y) due to a lack of premium space. The weighted average rent, on the other hand, fell by 7% to €21.57 per sqm under the pressure from rising vacancy. The completion volume of around 200,400 sqm was slightly above the level of the previous year (185,800 sqm).

According to current forecasts, a total of around 587,000 sqm is in the completion pipeline by the end of 2024. The total stock was reported at around 11.5 m sqm at the end 2021.

Düsseldorf confirmed a take-up of 301,500 sqm, showing little change from the 293,500 sqm in the previous year. Prime quality properties with a high standard of fit-out are sought after by tenants in Düsseldorf and account for 57% of total take-up. The vacancy rate increased by around 150 bps y-o-y to approximately 9.00%. Nevertheless, the monthly prime rent, unaffected by increased pressure from growing vacancies, remained unchanged at €28.50 per sqm. The weighted average monthly rent increased from around €15.20 per sqm per month to €16.30. Completions of 96,300 sqm were on par with previous year's level (99,300 sqm). The office stock at the end of the year amounted to around 9.5 m sqm.

Munich recorded a take-up of 643,900 sqm in 2021. This corresponds to an increase of 15.3% y-o-y. The office vacancy rate increased to approximately 4.5% in Q4 2021 (+70 bps y-o-y) due to more vacant space in existing stock but also more unlet space from recent completions. Prime rents were unaffected by the pandemic and the growing vacancy rate. The achievable monthly prime rent rose y-o-y to €41.50 per sqm (+5% y-o-y). At around €23.95 per month the weighted average rent is 11.9% above the previous year's level. Due to the continuing shortage of modern and high quality space, tenants continue to be willing to pay corresponding prices for higher quality in central locations.

The completion volume of around 321,900 sqm in 2021 (new buildings and core refurbishments) fell by approximately 5% y-o-y. Total office space stock amounted to around 22.0 m sqm at the end of the year.

THE REAL ESTATE MARKET IN CENTRAL AND EASTERN EUROPE [1]

The investment market

In Central and Eastern Europe, the effects of the Covid-19 pandemic and its economic consequences on the real estate markets are already slightly less visible than in 2020. The positive momentum of the last few years before the start of the pandemic could slowly be resumed. This is also evident in CA Immo's core cities Warsaw, Prague, Budapest and Bucharest. The commercial property transaction volume of €9.1 bn registered in these cities has exceeded the 2020 values by almost 60%. The office investment volume in the cities mentioned rose by just over 26% y-o-y from €2.9 bn to €3.7 bn, Warsaw accounted for the largest volume (46%), followed by Budapest (26%), Prague (17%) and Bucharest (11%).

In **Warsaw**, an investment volume of €5.6 bn was registered in 2021 of which approximately 31% was in the office sector. The prime office yield is approximately 4.50% (2020: 4.60%).

Despite a continued decline in investment volume of 1.8 bn in 2021 (2020: €2.7 bn) in **Prague**, demand from national and international investors for high quality, ESG compliant properties in good locations remained strong. The sharp decline can be explained by a persistent lack of corresponding products. As in the previous year, the prime yield was stable at 4.25%.

In 2021, the investment volume in **Budapest** shows a positive trend and rose to €1.2 bn (2020: €1.0 bn), of which around 82% was accounted for by offices. Prime yields for top office properties fell by 50 bps y-o-y and stood at 5.25%.

Bucharest registered an investment volume of around €490 m in 2021 (–11% y-o-y), of which around 81% was in the office sector. The prime yield is reported at 6.75%, 25 bps below the previous year's result.

The office property market[2]

All of CA Immo's Central and Eastern European core markets (Warsaw, Prague, Budapest and Bucharest) achieved a modest increase in take-up with the exception of Warsaw, where activity fell slightly. All markets saw

[1] Sources: Data supplied by CBRE Research

[2] Sources: Data supplied by CBRE Research

further increases in vacancy rates, with the lowest increase in Budapest and the highest in Warsaw. Prime rents, on the other hand, remained largely constant with a minimal negative trend, with the exception of Prague, where a positive trend can be observed.

At year-end 2021, the total office space in **Warsaw** was around 6.1 m sqm, following the completion of around 325,000 sqm during the year. Currently, 323,000 sqm space is under construction and new supply of around 230,000 sqm is expected during 2022. The office pipeline is heavily concentrated in the CBD of the Polish capital. At 356,600 sqm, office take-up in 2020 was only slightly below the previous year's level. The vacancy rate increased by 280 bps y-o-y to approximately 12.7% at year-end. The prime rent in central locations was around €25.50 per sqm per month (+€0.5 per sqm y-o-y). The weighted average rent in central locations improved slightly from the previous year to €19.5 per sqm.

The office property market in **Prague** experienced another quiet year in 2021, characterized by a lack of new space. The office stock was expanded by around 57,000 sqm to around 3.8 m sqm by the end of 2021. Take-up reached around 217,300 sqm, approximately 21.5% above the previous year's volume, but still well below 2019 levels. The vacancy rate increased by 80 basis points to 7.8% at the end of the year. Due to the lack of new supply prime rents in central locations were nevertheless rising to €24.00 per sqm per month.

The annual take-up in **Budapest** in 2021 was around 217,900 sqm, which is approximately 14.7% above the previous year's level. The total office space at the end of the year was around 4.0 m sqm. As expected, the completion volume in 2021 was significantly below the 2020 level at 44,500 sqm. CBRE Research nevertheless expects a new record figure of up to 303,000 sqm for the coming year. The vacancy rate increased slightly by 10 bps to 9.2%. Due to the high number of expected completions in 2022 and 2023, a further increase in vacancy is expected. The prime rent decreased over the year and is now stated at €24.00 per sqm per month.

By the end of 2021, about 162,800 sqm of office space was let in **Bucharest**, an increase of approximately 16.0% compared to the previous year. The office stock totaled 3.2 m sqm at the end of the year, following a completion volume of around 245,100 sqm. The vacancy rate increased by further 70 bps and stood at 13.1% at year-end. The prime rent in Bucharest remained stable at €18.75 per sqm per month.

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

	2021	2020	Change in %/bps
Warsaw			
Take up in sqm	356,600	383,000	–6.90
Vacancy rate in %	12.70	9.90	280 bps
Peak rent in €/sqm net	25.50	25.00	2.00
Prime yield in %	4.50	4.60	–10 bps
Prague			
Take up in sqm	217,300	178.800	21.50
Vacancy rate in %	7.80	7.00	80 bps
Peak rent in €/sqm net	24.00	22.50	6.7
Prime yield in %	4.25	4.25	0 bps
Budapest			
Take up in sqm	217,900	190,000	14.70
Vacancy rate in %	9.20	9.10	10 bps
Peak rent in €/sqm net	24.00	25.00	–4.0
Prime yield in %	5.25	5.75	–50 bps
Bucharest			
Take up in sqm	163,800	141,200	16.00
Vacancy rate in %	13.10	12.40	70 bps
Peak rent in €/sqm net	18.75	18.75	0.00
Prime yield in %	6.75	7.00	–25 bps

Sources: Data provided by CBRE Research. Note: floor space take-up includes owner-occupied transactions

PROPERTY ASSETS

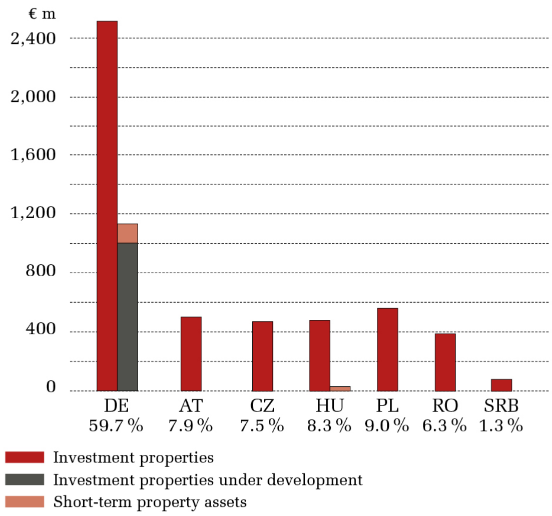
Business areas

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 CA Immo core markets. Additional earnings will be generated through the preparation, development and utilisation of land reserves in the investment properties under development business segment.

€6.3 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 2021 by 12% up to €6.3 bn (2020: €5.6 bn). Of this figure, investment properties account for €5.0 bn (80% of the total portfolio), property assets under development represent €1.1 bn (17%) and short-term properties[1] €162 m (3%). With a proportion of 60% 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 31.12.2021 (PORTFOLIO VALUES)

in € m	Investment properties [2]	Investment properties under development	Short-term property assets [3]	Property assets	Property assets in %
Austria	496.5	0.0	0.0	496.5	7.9
Germany	2,503.4	1,097.0	131.2	3,731.7	59.7
Czechia	471.5	0.1	0.0	471.7	7.5
Hungary	485.1	0.0	30.3	515.5	8.3
Poland	563.7	0.0	0.0	563.7	9.0
Romania	395.4	0.0	0.0	395.4	6.3
Serbia	79.9	0.0	0.0	79.9	1.3
Total	**4,995.5**	**1,097.1**	**161.6**	**6,254.2**	**100.0**
Share of total portfolio	79.9%	17.5%	2.6%		

[2] Includes properties used for own purposes; incl. the recently completed office buildings ZigZag (Mainz) and Mississippi House und Missouri Park (Prague), which have been added to the portfolio and 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 2021

In the 2021 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 objective is to profitably dispose of properties which, according to the portfolio strategy, are not part of the core business, while at the same time improve the quality, management efficiency and sustainability of the CA Immo portfolio. CA Immo invests the sales proceeds in the continuation of its first-class German development development pipeline and in attractive portfolio acquisitions.

Project completions (for own stock)

In 2021, CA Immo transferred three self-developed buildings with a total investment volume of approximately €83.7 m to its investment portfolio. Assuming full occupancy, these will boost rental revenue by around €5 m annually over the years ahead.

In the first quarter of 2021, CA Immo completed the **office building ZigZag** in the north of the new Mainz city quarter. The office building has a lettable space of around 4,600 sqm.

In the third quarter of 2021, CA Immo completed the construction of two **premium office buildings Mississippi House and Missouri Park** in the River City Prague campus. The two buildings offer a total of 20,750 sqm of lettable area and are targeting highest sustainability standards (LEED platinum) as well as tenant health and wellbeing features (WELL Platinum and WELL Health&Safety certification.

Mississippi House and Missouri Park make up the final component in the River City Prague urban district development project and have been part of the CA Immo portfolio since Q3 2021.

PROPERTY ASSETS BRIDGE 2020 TO 2021 AND KEY FIGURES 2021

		Austria	Germany	CEE	Total
Property assets 31.12.2020	**€ m**	**530.0**	**3,015.6**	**2,050.6**	**5,596.2**
Capital expenditure[2]	€ m	0.5	237.4	34.1	272.0
Change from revaluation/impairment/depreciation	€ m	14.0	523.3	23.2	560.5
Changes lease incentive	€ m	0.0	–0.3	–3.9	–4.2
Disposals	€ m	–48.1	–44.3	–78.0	–170.3
Other changes	€ m	0.0	0.0	0.1	0.1
Property assets 31.12.2021	**€ m**	**496.5**	**3,731.7**	**2,026.1**	**6,254.2**
Rental income (actual)[3]	€ m	26.8	84.0	118.3	229.1
Annualised rental income	€ m	25.9	82.2	119.2	227.2
Economic vacancy rate for investment properties	%	11.6	4.3	15.2	11.1
Gross yield (investment properties)	%	5.3	3.3	6.1	4.6

[2] Excluding maintenance
[3] Includes annual rental income from properties sold in 2021 (€2.7 m)

Acquisitions
In December 2021, the signing for the purchase of an office property in Düsseldorf, Kasernenstrasse 67, took place. The transaction was closed at the beginning of February 2022 (see Supplementary Report).

Sales
CA Immo successfully completed the sale of older portfolio buildings and German land reserves in the fiscal year, thus withdrawing from two non-core markets (Slovakia and Kassel).

Property assets[1)] sold in 2021 generated total **trading revenue** of €162.9 m (2020: €229.8 m) and contributed €64.5 m to the result (compared to €55.3 m in 2020).

In February 2021, CA Immo successfully completed the sale of the office buildings **BBC 1 and 1 Plus (BBC 1)** in Bratislava and withdrew from the non-core market of Slovakia. The sale of a **hotel property in Lübeck** was also completed in February.

This was followed at the end of March by the sale of the **"Hafeninsel I" and "Marina"** construction sites in the Zollhafen Mainz in a joint venture with Mainzer Stadtwerke AG (Zollhafen Mainz GmbH Co. KG).

In the 2nd quarter of 2021, the sale of a 17,600 sqm plot of land in the **BelsenPark** district of Düsseldorf, which was fixed in December 2020, was completed with gross sales proceeds of around €62 m. CA Immo withdrew from another regional non-core real estate market with the sale of an approx. 11,700 sqm commercial building in Kassel.

In the course of the second half of the year, CA Immo sold a total of four portfolio buildings: the office buildings **Canada Square** (approx. 5,000 sqm rental space, Budapest), **Wspolna** 47-49 (approx. 7,700 sqm, Warsaw) and **Wolfganggasse 58-60** (20,300 sqm, Vienna) as well as the **Meininger Hotel Downtown Franz** in Vienna.

In December 2021, the signing also took place for the sale of a hotel property in Bodenseestraße and the Meininger Hotel Frankfurt as well as for the Seagull project in Mainz. The closing of the transactions is expected in the first quarter of 2022

Investments
In 2021, CA Immo invested a total of €277.2 m (2020: €271.5 m) in its property portfolio (investments and maintenance). Of this figure, €32.9 m was earmarked for modernisation and optimisation measures and €244.3 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 80% 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.

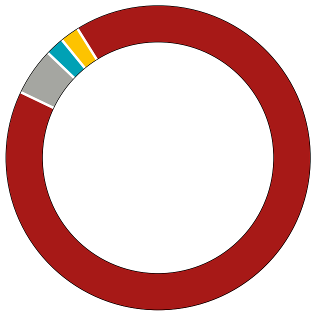
€5.0 bn investment portfolio

As at key date 31 December 2021, the Group's investment portfolio incorporated a total rentable effective area of 1.3 m sqm with an approximate book value of €5.0 bn (2020: €4.7 bn). With a share of 50% of book value, the German segment accounts for the largest proportion of the investment portfolio. In 2021, CA Immo generated total rental income of €229.1 m (€235.6 m in 2020); the CEE segment accounted for roughly 52% of total rental revenue. On the basis of annualised rental revenue, the asset portfolio produced a yield of 4.6%[2)] (2020: 5.2%[3)]). 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 91%.

The occupancy rate for the investment portfolio stands at 88.9%[2)] on 31 December 2021 (31 December 2020: 94.8%[3)]). This decrease is due, among other things, to the transfer of a project completion that is not yet fully let to the Munich portfolio as well as higher vacancy rates in some CEE markets.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: € 5.0 bn)

Office	91%
Hotel	5%
Retail	2%
Other	2%



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	491.5	190,720	88.4	25.9	5.3
Germany	2,482.4	400,185	95.7	81.2	3.3
Czechia	394.0	130,758	82.7	18.7	4.8
Hungary	485.1	194,392	77.2	27.3	5.6
Poland	532.2	164,114	88.4	33.3	6.3
Romania	395.1	164,557	92.1	29.6	7.5
Serbia	78.3	46,471	79.0	6.6	8.4
Subtotal	**4,858.6**	**1,291,197**	**88.9**	**222.6**	**4.6**
Other investment properties[4)]	136.9	29,082			
Total investment properties	**4,995.5**	**1,320,279**			

4) Incl. properties used for own purposes; incl. the recently completed office buildings ZigZag (Mainz) and Mississippi House und Missouri Park (Prague), which have been added to the portfolio 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 stabilization 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". The portfolio properties Bodenseestrasse 229, Meininger Hotel Frankfurt and R70, which were sold in the 1st quarter of 2022, were reclassified to IFRS 5 in the 4th quarter of 2021 (short-term property assets) and are therefore not included in the key figures in this section.

2) Excl. properties used for own purposes; excl. the recently completed office buildings ZigZag (Mainz) and Mississippi House und Missouri Park (Prague), which have been added to the portfolio and are still in the stabilisation phase

3) Excl. properties used for own purposes; excl. the project completions NEO (Munich) and the quarter garage (Mainz), which have been transferred to the investment portfolio in 2021 and are still in the stabilisation phase

LIKE-FOR-LIKE COMPARISON OF PROPERTIES IN THE STABILISED PORTFOLIO AS AT 31.12.2020

The like-for-like analysis of the portfolio provides an overview of the organic year-on-year development of the key portfolio figures, adjusted for portfolio changes (property additions and disposals) to enable comparability. The increase in the balance sheet value over the course of 2021 resulted mainly from a positive revaluation result in Germany. Declines in rental income in all Central and Eastern European locations as well as Austria could not be compensated by the increase in rental income in Germany. Gross yields fell by 52 basis points, mainly due to increases in balance sheet values in Germany and lease expiries in Central and Eastern Europe. The occupancy rate decreased by 563 basis points over the period under review. The declines in Central and Eastern Europe, which are primarily responsible for the overall development, are mainly attributable to the departure of major tenants in Hungary, Poland and Serbia.

	Book values		Rental income P&L		Gross yield in % 1)		Occupancy rate in % 2)	
€ m	2021	2020	2021	2020	2021	2020	2021	2020
Austria	491.5	493.6	24.9	25.5	5.3	5.3	88.4	92.1
Germany	2,333.8	2,053.3	76.6	71.4	3.3	3.6	98.1	98.7
Czechia	394.0	387.9	19.2	21.1	4.8	5.7	82.7	97.0
Hungary	485.1	479.5	26.1	30.5	5.6	6.5	77.2	89.9
Poland	444.3	447.3	26.9	27.9	6.1	6.4	87.7	94.1
Romania	395.1	390.1	28.0	29.3	7.5	8.1	92.1	94.9
Serbia	78.3	82.9	6.9	7.5	8.4	9.6	79.0	94.2
Total	**4,622.1**	**4,334.6**	**208.6**	**213.1**	**4.6**	**5.1**	**89.5**	**95.1**

1) Annualised contractual rent / book value
2) Economic occupancy (annualized contractual rent / contractual rent at full occupancy)

Lettings performance 2021

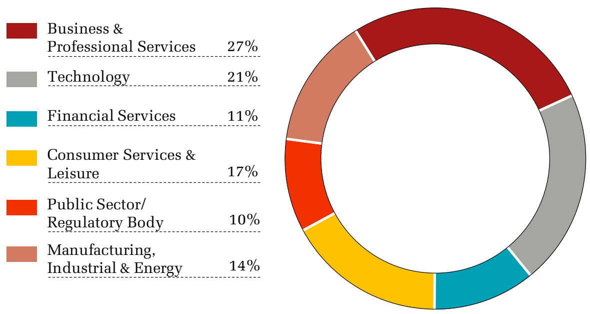
Across the Group, CA Immo leased around 240,000 sqm of rentable area in 2021 (2020: around 136,200 sqm), of which pre-lettings of development projects accounted for 23% (around 56,200 sqm). Excluding these pre-lettings, this equates to lettings performance of 14% for the Group's total investment portfolio, which amounts to around 1.3 m sqm. New lettings and contract expansions by existing tenants accounted for 34%; contract extensions by existing tenants represent 66%. Office space accounted for around 83% of total lettings performance.

40% of lease contracts (in terms of letting volume) are concluded for terms of more than five years. As at 31 December 2021, the WALT (Weighted Average Lease Term) was 3.8 years (2020: 4.0 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 35.8% of total rental income (on the basis of annualised rental revenue).

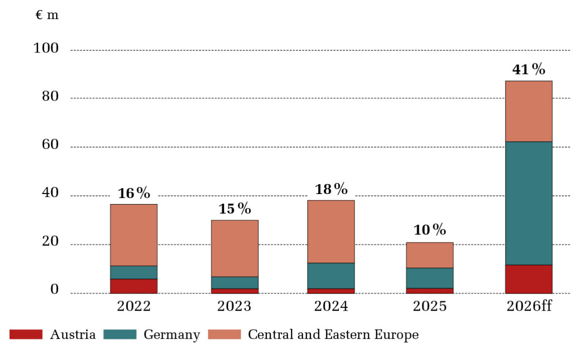
LETTINGS PERFORMANCE BY REGION

in sqm	Pre-lease development projects	New lease investment properties	Lease extensions	Total
Germany	54,864	16,211	35,544	106,620
Austria	0	6,979	18,019	24,998
CEE	1,327	40,200	66,815	108,342
Total	**56,191**	**63,391**	**120,378**	**239,960**

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)

	Sector	Region	Share in % of total rent
PWC	Professional Services	Germany	3.3%
InterCityHotel GmbH	Consumer Services & Leisure	Germany	2.8%
The European Border and Coast Guard Agency	Public Sector / Regulatory Body	CEE	2.7%
Bundesanstalt für Immobilienaufgaben	Public Sector / Regulatory Body	Germany	2.2%
Google Germany GmbH	Technology	Germany	2.2%
KPMG AG Wirtschaftsprüfungsgesellschaft	Professional Services	Germany	2.0%
Morgan Stanley	Financial Services	CEE	1.9%
BRITISH AMERICAN TOBACCO	Manufacturing Industrial & Energy	CEE	1.9%
Land Berlin	Public Sector / Regulatory Body	Germany	1.8%
TOTAL Deutschland GmbH	Manufacturing Industrial & Energy	Germany	1.8%
Robert Bosch AG	Consumer Services & Leisure	Austria	1.7%
JetBrains	Technology	Germany	1.7%
Verkehrsbüro	Consumer Services & Leisure	Austria	1.7%
AstraZeneca	Manufacturing Industrial & Energy	CEE	1.6%
Hypoport SE	Financial Services	Germany	1.5%
salesforce.com Germany GmbH	Technology	Germany	1.2%
S.C. ORANGE ROMANIA S.A.	Technology	CEE	1.0%
VOBA Vermietungs- und Verpachtungs GmbH	Financial Services	Austria	1.0%
Accenture	Business Services	CEE	1.0%
S.C. THALES SYSTEMS ROMANIA S.R.L.	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	Serbia	Total
Investment properties [1]	**522,247**	**2,475,948**	**399,910**	**489,950**	**448,743**	**399,467**	**79,474**	**4,815,739**
Annualised cash rental income (gross)	25,044	76,307	19,090	27,288	27,934	29,708	6,812	212,183
Property operating expenses	-6,455	-5,975	-1,617	-3,952	-2,454	-4,959	-1,125	-26,538
Annualised cash rental income (net)[1]	**18,589**	**70,332**	**17,472**	**23,336**	**25,480**	**24,749**	**5,687**	**185,645**
EPRA Net Initial Yield	**3.6%**	**2.8%**	**4.4%**	**4.8%**	**5.7%**	**6.2%**	**7.2%**	**3.9%**
Lease incentives	**-160**	**-985**	**-400**	**-1,043**	**-549**	**-1,742**	**126**	**-4,754**
EPRA "topped-up" Net Initial Yield	**3.5%**	**2.8%**	**4.3%**	**4.5%**	**5.6%**	**5.8%**	**7.3%**	**3.8%**

[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 RATE

€ m	Vacancy ERV	Full Reversion ERV	EPRA Vacancy Rate
Austria	3.4	30.4	11.1%
Germany	3.7	116.9	3.1%
Hungary	8.1	35.8	22.6%
Poland	4.4	36.4	12.0%
Czechia	3.9	22.8	17.1%
Romania	2.5	32.3	7.8%
Serbia	1.7	8.1	21.5%
CEE	20.7	135.4	15.3%
Total	27.7	282.7	9.8%

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises a rentable effective area of 193.2 k sqm with a market value of around €496.5 m (2020: €530.0 m) according to current valuations. In 2021, two Austrian portfolio buildings were sold (for details on the portfolio changes in 2021, please refer to the section 'Property assets'). In 2021 this portfolio generated rental income of €26.8 m (2020: €29.7 m). equivalent to an average yield of 5.3%[1] (2020: 5.4%[1]).

In 2021 CA Immo invested around €1.8 m in its Austrian investment portfolio (investments and maintenance costs), compared to €5.6 m in 2020.

Lettings performance

In Austria, around 25,000 sqm of office space was newly let or extended in 2021. The economic occupancy rate in the asset portfolio was 88.4%[1] as at the key date (2020: 91.1%[1]). The decrease in occupancy is in part due to the sale of the Meininger Hotel Vienna in 2020, which had an occupancy rate of 100%.

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES[4]

in € m	31.12.2021	31.12.2020	Change
Book value	491.5	524.7	–6.3
Annualised rental income[5]	25.9	28.3	–8.7
Gross yield in %	5.3	5.4	–10 bp
Economic vacancy rate in %	11.6	8.9	270 bp

[4] Excl. properties used for own purposes
[5] Monthly contractual rent as at key date multiplied by 12

THE GERMANY SEGMENT

The addition of a project completion (ZigZag office building, Mainz) to the portfolio, a portfolio acquisition (Pohlstrasse 20 office building, Berlin) and a positive revaluation result further increased the value of the German real estate portfolio in 2021 and had a year-on-year boosting effect on all key portfolio figures (for details on projects completed in 2020 refer to the 'Property assets' section; for details on the German revaluation result, please refer to the chapter 'Property valuation').

As at the key date, CA Immo held investment properties in Germany with an approximate market value of €2,503.4 m (€2,228.5 m in 2020) and a rentable effective area of 406 k sqm (2020: 422 k sqm). By portfolio value. 50% 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 €84.0 m was generated in 2021, compared to €78.3 m in 2020. The yield on the portfolio was 3.3%[2] as at 31 December 2021 (2020: 3.6%[3]). CA Immo spent approximately €11.0 m on maintaining its German investment properties (investments and maintenance costs) in 2021 (2020: €24.7 m).

Occupancy rate at 96%

The occupancy rate for the asset portfolio in Germany stood at a very high level of 95.7%[2] on 31 December 2021 (98.8%[3] on 31 December 2020). In Germany approximately 52,000 sqm of floor area was newly let or extended during 2021.

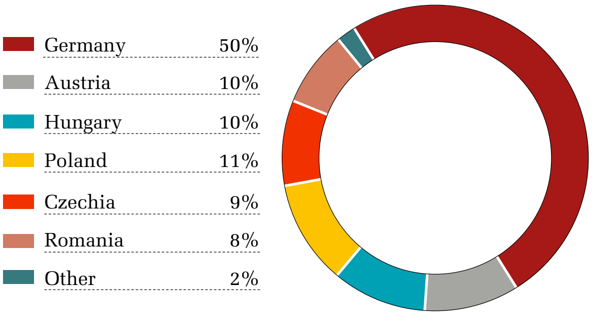
INVESTMENT PROPERTIES GERMANY: KEY FIGURES

in € m	31.12.2021[6]	31.12.2020[7]	Change
Book value	2,482.4	2,129.3	16.6
Annualised rental income[8]	81.2	77.1	5.3
Gross yield in %	3.3	3.6	–30 bp
Economic vacancy rate in %	4.3	1.2	310 bp

[6] Excludes properties used for own purposes, excl. the recently completed office building ZigZag (Mainz), which has been added to the portfolio and is still in the stabilisation phase as at the key date
[7] Excl. properties used for own purposes; excl. the project completions NEO (Munich) and the quarter garage (Mainz), which have been transferred to the investment portfolio in 2020 and are still in the stabilisation phase
[8] Monthly contractual rent as at key date multiplied by 12

[1] Excludes properties used for own purposes
[2] Excludes properties used for own purposes, excl. the recently completed office building ZigZag (Mainz), which has been added to the portfolio and is still in the stabilisation phase as at the key date
[3] Excludes properties used for own purposes, excl. NEO (Munich) and the quarter garage (Mainz). which have been transferred to the investment portfolio in 2020 and are still in the stabilisation phase

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY COUNTRY (Basis: € 5.0 bn)



THE CEE SEGMENT

CA Immo has been investing in CEE since 1999. As at the key date, the company holds investment properties in five countries in the region.

As at key date 31 December 2021, the value of the CEE investment properties was €1,995.6 m (€1,977.4 m on 31 December 2020), equivalent to a share (by portfolio value) of around 40% 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.

52% of rental revenue from CEE

The company's asset portfolio comprises 721 k sqm of rentable effective area (2020: 733 k sqm) which generated rental income of €118.3 m in 2021 (compared to €127.6 m in 2020) [1]. This represents 52% of CA Immo's total rental revenue. The portfolio produced a gross yield of 6.1% [1] (2020: 6.8%). In 2021, CA Immo invested €20.1 m (2020: €30.3 m) in its CEE investment portfolio.

Occupancy rate at 85%

The economic occupancy rate (measured on the basis of annualised rental income) was 84.8% [1] as at 31 December 2021 (2020: 93.4%). The decrease in occupancy is due in part to the sale of the Canada Square and Wspolna office buildings in 2020, both of which had occupancy rates above 96%, as well as a higher vacancy rate in Budapest. Total lettings performance for the CEE segment amounted to roughly 107,000 sqm of rentable office space in 2021; thereof 38% accounted for new lettings of investment properties (incl. lease expansions), 62% were lease extensions.

INVESTMENT PROPERTIES IN CEE: KEY FIGURES[2]

	Book value investment properties in € m	Annualised rental income [3] in € m	Occupancy rate in %	Yield in %
Poland	532.2	33.3	88.4	6.3
Hungary	485.1	27.3	77.2	5.6
Romania	395.1	29.6	92.1	7.5
Czechia	394.0	18.7	82.7	4.8
Serbia	78.3	6.6	79.0	8.4
Total	**1.884.7**	**115.6**	**84.8**	**6.1**

[2] Excl. the recently completed office buildings Mississippi House und Missouri Park (Prague), which have been transferred to the portfolio and are still in the stabilisation phase
[3] Monthly contractual rent as at key date multiplied by 12

[1] Excludes properties used for own purposes; excl. the recently completed office buildings Mississippi House und Missouri Park (Prague), which have been added to the portfolio and are still in the stabilisation phase

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 them to its investment portfolio upon completion. In this content CA Immo benefits 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.

Project completions in 2021

In 2021, CA Immo completed three buildings (the ZigZag office buildings in the north of the Zollhafen Mainz district and Mississippi House and Missouri Park in the River City Prague campus) for its own portfolio (for details, please see the 'Property assets' section). The total investment volume of these completed development projects totalled approximately €83.7 m in 2021.

Pre-letting on projects

In 2021, CA Immo signed lease agreements for 59,400 sqm of usable space in development projects under construction. This includes, among other things, a 15-year lease for 34,850 sqm in the Berlin landmark **Upbeat** project development.

100% of development activity in Germany

As at 31 December 2021, the development division represented around 19% (equivalent to approximately €1,190.4 m) of CA Immo's total property assets (2020: €826.3 m). 100% (by book value) of the development activity is in Germany. Investment properties under development in Germany with a total book value of €1,190.3 m are divided into landbanks (€260.4 m), projects in planning (€164.0 m) and projects under construction (€765.8 m).

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY[1)]

		Landbank		Projects in planning		Projects under construction		Total investment properties under development
in € m	Book value	Book value in %	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**	**0.0**	**0.0**
Frankfurt	32.1	12.3	131.8	80.3	363.0	47.4	526.8	44.3
Berlin	121.2	46.5	10.8	6.6	402.8	52.6	534.8	44.9
Munich	107.2	41.1	21.4	13.1	0.0	0.0	128.6	10.8
Germany	**260.4**	**99.9**	**164.0**	**100.0**	**765.8**	**100.0**	**1,190.3**	**100.0**
Czechia	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0
Hungary	0.0	0.0	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	0.0	0.0
Romania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Serbia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eastern Europe	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**
Total	**260.6**	**100.0**	**164.0**	**100.0**	**765.8**	**100.0**	**1,190.4**	**100.0**

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

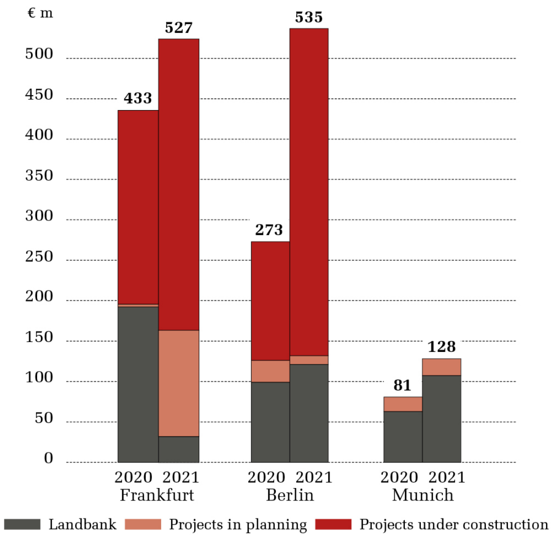
THE AUSTRIA SEGMENT

During business year 2021, 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 2021, CA Immo held rentable effective area under construction amounting to approximately 140 k sqm in Germany with a total investment volume (including plots) of around €963.5 m (2020: €637.1 m). In addition to the current project volume, CA Immo holds German land reserves with a value of €260.4 m (incl. properties held for trading or sale). These existing land 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	Usage	Utilisation in % [3)]	Scheduled completion
Projects for own stock								
Upbeat	323.4	276.8	34,911	5.1	Berlin	Office	100	Q1 2026
ONE	431.0	113.9	68,575	5.2	Frankfurt	Office	60	Q2 2022
Hochhaus am Europaplatz	140.5	46.2	22,948	6.2	Berlin	Office	100	Q1 2024
Grasblau	68.5	27.7	13,350	8.1	Berlin	Office	47	Q4 2022
Total	**963.5**	**464.6**	**139,784**	**5.5**			**79**	

[1)] Excl. Joint Ventures (residential construction). All projects included in the table are 100% owned by CA Immo
[2)] Incl. plot (total investment cost excl. plot €870.9 m)
[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

2 **INTERCITY HOTEL BERLIN**
hotel / 20,600 sqm / 2013 / rented

3 **MONNET 4**
office / 8,100 sqm / 2015 / rented

4 **TOUR TOTAL**
office / 14,200 sqm / 2012 / rented

5 **OFFICE BUILDING HEIDESTRASSE 58**
office / 12,800 sqm / 2018 / rented

6 **HAMBURGER BAHNHOF**
museum

7 **BÜROGEBÄUDE AM KUNSTCAMPUS**
office / 7,900 sqm / 2019 / rented

8 **MY.B**
office / 14,800 sqm / 2020 / rented

PROJECTS UNDER CONSTRUCTION

9 HIGH-RISE BUILDING ON EUROPAPLATZ

office / 22,900 sqm / 2024 / under construction

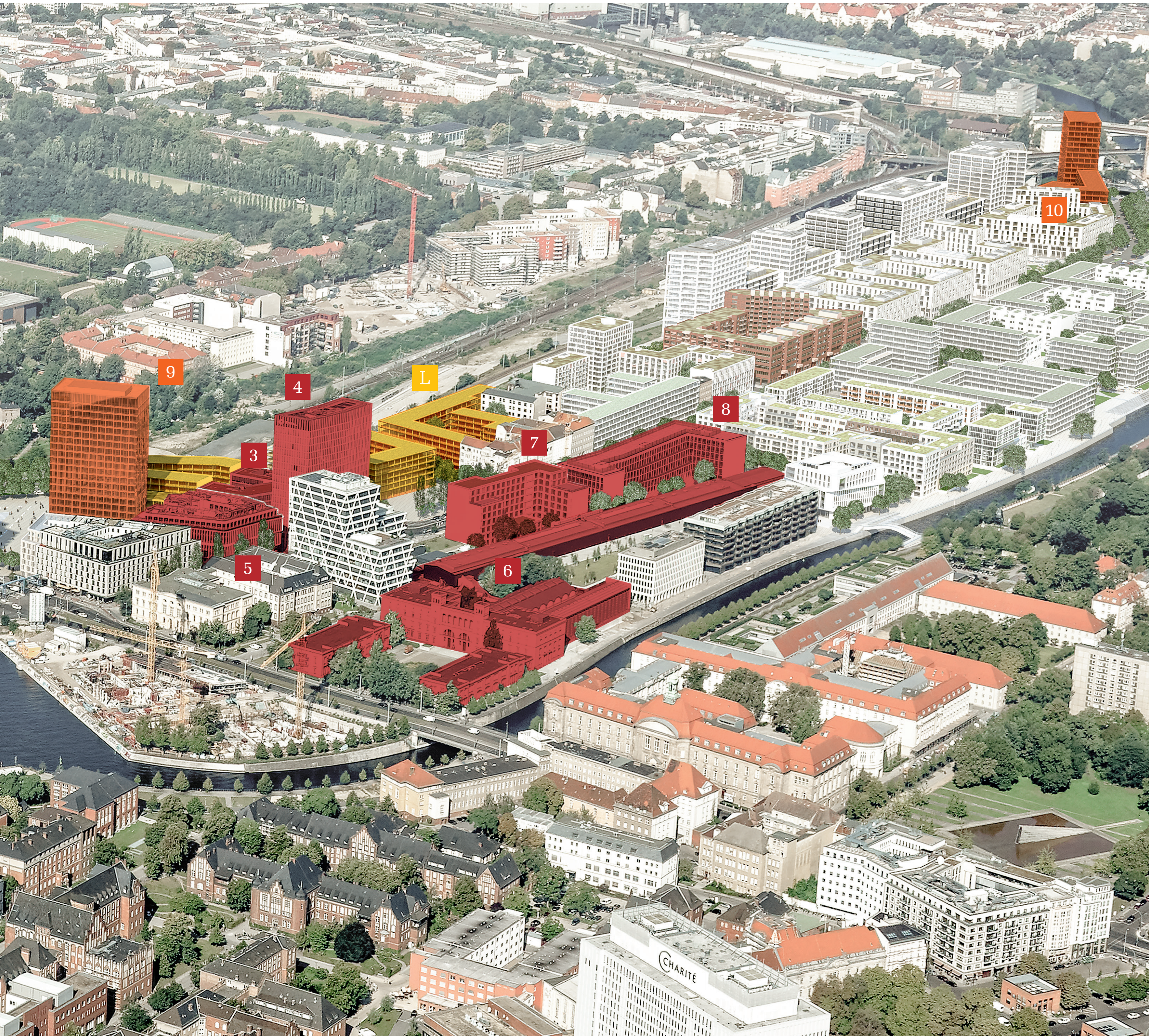
10 UPBEAT

office / 34,900 sqm / 2026 / under construction

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, DKB and IntercityHotel have already signed up as tenants, the location has developed into an attractive environment for work, leisure, culture and living. As at the key date, CA Immo had two office projects under development in this urban district:

In September 2021, construction began on the **Upbeat** office building, which was fully leased to Deutsche Kreditbank (DKB) even before construction began.

Also in September 2021, the topping-out ceremony was held for the 84-meter office tower Hochhaus am Europaplatz. The landmark building was already 100% prelet to KPMG before construction began.

Outside Europacity, CA Immo already started construction of the Grasblau office building in the immediate vicinity of Potsdamer Platz in the first half of 2020. The shell of the **Grasblau office building** was completed in April 2021.

Munich
In the north of Munich, CA Immo is currently preparing to build an innovative business campus under the name "Viertel Four" on the site of the former Freimann repair plant. The four office buildings planned by renowned architects such as 3XN and Eller + Eller will have a total of around 50,000 sqm of rental space.

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**. The building is already 60% leased ahead of its planned completion in 2022. In 2021, leases were signed with Crédit Agricole Corporate and Investment Bank and the consulting firm Baker Tilly, among others.

The realization competition concluded in August 2021 created the basis for the further development of the so-called "**Millennium Areal**". The aim is to develop a mixed-use building ensemble with two high-rise buildings and a perimeter block development with a total gross floor area of approx. 185,000 sqm. The approximately 8,700 sqm competition site is centrally located, not far from Frankfurt's main train station on the western edge of Frankfurt's banking district. The ensemble concept envisages a high, urban mix of uses for the site, comprising apartments, office space, a hotel and a daycare center, as well as complementary gastronomy, retail, service and leisure areas.

The international realization competition for the CA Immo "Millennium Areal" in Frankfurt has been decided: Ferdinand Heide wins with iconographic design

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 northern area of the Zollhafen, CA Immo is developing two buildings with a focus on residential use under the names Flösserhof and Kaufmannshof together with UBM Development Deutschland GmbH. In addition, around 3,000 sqm of office space is being created in the Kaufmannshof. Construction of the Kaufmannshof started in July 2020, and construction of the Flösserhof was scheduled to begin in mid-2021.

THE CEE SEGMENT

The CEE segment accounts for property assets under development with an approximate book value of €0.1 m as at 31 December 2021.

In the sought-after Karlin district, CA Immo 2021 completed two high-quality office buildings, **Mississippi House and Missouri Park**, and transferred them to its own portfolio. For more information, please refer to the chapter "Investment properties".

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 31.12.2021 or values were based on binding purchase agreements. Other property assets were valued internally. In 2021, all external valuations commissioned by CA Immo were carried out by CB Richard Ellis.

Market environment in 2021

Following a pandemic-related decline in 2020, 2021 saw a recovery in real estate investment worldwide, with Europe exceeding 2019 levels. Office investment volumes in CA Immo's core markets increased by 13% year-on-year to reach €23.8 bn, which is particularly encouraging in light of ongoing operational complications, supply chain disruptions and increasing pricing pressure in the construction sector.

For the full year 2021, CA Immo Group recorded a significantly positive revaluation result of €540.1 m (2020: €183.5 m). Of this amount, 41% was attributable to active development projects and land reserves and 59% to investment properties. The German segment contributed the largest share of the valuation gain, with Berlin generating a contribution of 62%, Munich 28% and Frankfurt 8% of the German valuation uplift.

The result reflects the continued attractive market environment for prime ("Class A") properties in Germany, and particularly in Munich and Berlin, despite the Covid-19 pandemic. In addition, the company's profitable property development activities were a key driver of the valuation uplift, both in terms of progress on ongoing projects under construction most notably the CA Immo projects Upbeat and Hochhaus am Europaplatz in Berlin and ONE in Frankfurt – and in terms of the development of land reserves.

CA Immo's hotel properties in Germany recorded an increase in value of €23.1 m in 2021, following a decline in value of €24.7 m in the previous year. Including one hotel property in Austria, CA Immo's hotel properties recorded an overall increase in value of €22.5 m (2020: €–35.6 m).

AUSTRIA

While the total investment volume in commercial real estate in Vienna rose by 24% in 2021, office investments fell to around €660 m (33% less than in the previous year). The 15 basis point decline in prime office yield over the year to 3.20% illustrates that the decline in market activity was due to low availability of prime properties. Positive net absorption and a supply of new properties below the long-term average contributed to the steady decline in vacancy rates and growth in prime rents last year.

The revaluation result in Austria totaled €–2.0 m as of the reporting date (2020: €–12.5 m). The average gross yield of the portfolio properties fell year-on-year from 5.4% to 5.3% (fully consolidated properties).

GERMANY

High rent stability and comparatively low vacancy rates in Germany's key office markets supported investor demand, resulting in an 11% year-on-year increase in investment activity. Munich and Berlin were the top destinations for office investors in Germany in 2021. Both markets benefited from their high liquidity, solid occupancy rates and increased supply of new prime product, recording annual investment volume growth of 91% and 28%, respectively. As a result of increased market activity, prime yields in all of CA Immo's main German markets fell by 5 to 25 basis points during the year.

As in previous years, the robust market development of the German office property market led to a positive performance in the Group's Germany segment. This is mainly attributable to rising market values of office properties in Berlin and Munich and the successful implementation of development projects.

The valuation result in Germany totaled €524.2 m as of December 31, 2021 (December 31, 2020: €270.0 m). The largest contributions to the revaluation gain in terms of amount were made by revaluations in the investment portfolio, primarily in Munich and Berlin, such as Skygarden, Kontorhaus, MY.O (Munich) and Spreebogen, John F. Kennedy Haus, Königliche Direktion (Berlin), as well as the properties under development in the German capital (Hochhaus am Europaplatz, Grasblau and Upbeat) and Frankfurt (ONE). Year-on-year the gross yield declined from 3.6% to 3.3% (fully consolidated properties).

VALUATION RESULT FOR AUSTRIA[1]

	Book value in € m	Revaluation/ Impairment in € m	Gross yield in %	
	31.12.2021		31.12.2020	31.12.2021
Investment properties[2]	491.5	-2.0	5.4	5.3
Investment properties under development	0	0		
Assets held for sale	0	0		
Total	**491.5**	**-2.0**		

[1] Based on fully consolidated properties
[2] Excludes properties used for own purposes

VALUATION RESULT FOR GERMANY [1]

	Book value in € m 31.12.2021	Revaluation/ Impairment	31.12.2020	Gross yield in % 31.12.2021
Investment properties[2]	2,497.2	279.7	3.6	3.3
Investment properties under development	1,097.0	221.4		
Properties held for trading	131.2	23.1		
Total	**3,725.5**	**524.2**		

[1] Based on fully consolidated properties
[2] Excludes properties used for own purposes

CENTRAL AND EASTERN EUROPE

The CEE region enjoyed a renewed increase in interest in office investments in 2021, which rose by 26% compared to 2020. Investor interest was particularly strong in Warsaw and Budapest, where volumes increased by 35% and 57%, respectively.

Vacancy rates in Warsaw and Bucharest remained at the upper end of the pre-pandemic five-year range. In Prague and Budapest, vacancy rates also remained at elevated levels. However, all CEE markets recorded positive net absorption in 2021, and vacancy rates largely stabilized in the CBDs and city center locations in the second half of 2021. Prime yields declined little or marginally in Prague (4.25%, no change) and Warsaw (4.50%, –10 basis points), while they declined somewhat more significantly in Bucharest and Budapest, by 25 and 50 basis points, respectively, to 6.75% and 5.25% over the year.

Revaluation gains in the Central and Eastern Europe segment amounted to €17.9 m as of the reporting date (2020: €–74.0 m). The largest single contribution to this was made by the successful completion of the Mississippi House and Missouri Park development project in Prague. The gross yield of the CA Immo portfolio fell year-on-year from 6.8% to 6.1% (fully consolidated properties), which in addition to the positive valuation result is also attributable to the slightly lower occupancy rate in the CEE core markets in the meantime.

VALUATION RESULT FOR CENTRAL AND EASTERN EUROPE [1]

	Book value in € m 31.12.2021	Revaluation/ Impairment	31.12.2020	Gross yield in % 31.12.2021
Investment properties	1,995.6	19.7	6.8	6.1
Investment properties under development	0.1	0.0		
Properties held for trading	30.3	-1.8		
Total	**2,026.1**	**17.9**		

[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 31.12.2021, the total financial liabilities of the CA Immo Group stood at €2.6 bn, below the previous year's value of €2.8 bn. After deduction of the Group's cash and cash equivalents, net debt amounted to €1.9 bn at year end (against €1.9 bn in 2020). In addition to the full conversion of the convertible bond with a volume of €200 m, the redemption of a corporate bond (€107 m) maturing in July 2021 was one of the factors responsible for this reduction. The company has thus maintained an extremely robust balance sheet with a healthy equity ratio of 46.3% (2020: 45.9%), which in conservative debt figures equates to gearing (net) of 59.1% (2020: 60.4%) or a loan-to-value (LTV, net) of 31.1% (2020: 33.8%). Financing costs, a key element in recurring earnings, stood at €–47.7 m (2020: €–42.3 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 €217 m at the reporting date, taking into account joint ventures in the amount of the interest held.

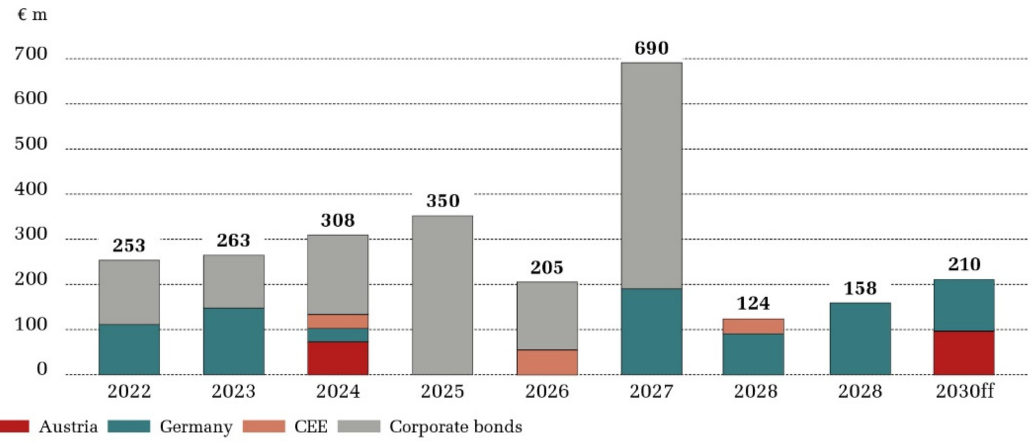
In addition, the company has a financing line (revolving credit facility) of €300 m at holding level, which was concluded in the fourth quarter of 2021 and whose margin is linked, among other things, to the company's sustainability performance. Following the placement of a Green Bond in 2020, CA Immo thereby signed its second sustainability-related financing instrument with a term of 3 years plus two one-year extension options. This facility can be used for general corporate purposes (including acquisitions) and was provided by a syndicate of five banks led by Crédit Agricole CIB.

Investment grade rating

In December 2015, following a comprehensive credit analysis, the international rating agency Moody's Investors Service assigned CA Immobilien Anlagen AG an investment grade - long-term issuer rating of Baa2 with a stable outlook. CA Immo's investment grade rating makes it possible to increase the flexibility and therefore further optimize the financing structure by improving access to the institutional debt capital market. This broadens the range of financing options available to the Group. Key indicators for obtaining and maintaining this investment grade rating are a strong balance sheet with low gearing, recurring earnings power and the associated solid interest cover, and a sufficiently large proportion of unsecured real estate.

As a result of the offer announcement by SOF-11 Klimt CAI S.à.r.l, Moody's had already placed CA Immo's investment grade rating (Baa2 with stable outlook) under review at the beginning of 2021 with an outlook for a possible downgrade. On November 16, 2021, Moody's downgraded CA Immo's long-term issuer rating and senior unsecured rating to Baa3 with a negative outlook.

MATURITY PROFILE[1] as at December 31, 2021, basis: 2.6 € bn



[1] The database includes fully consolidated financing

Maturity profile

The chart above shows the maturity profile of CA Immo Group's financial liabilities as of December 31, 2021 (assuming that extension options are exercised). The maturities shown for 2022, secured mortgage loans in Germany and an unsecured corporate bond issued in 2015 with an annual coupon of 2.75%, amount to around €253 m as of the reporting date. Of this amount, around €142 m relates to the corporate bond maturing in February 2022, which was repaid from freely available cash.

In 2021, the construction financing for the completed NEO office project (Munich), which was transferred to the investment portfolio, was transferred to long-term financing with a total volume of around €38 m. Newly concluded bank financing includes the Flößerhof project in Mainz (around €39 m). Furthermore, as stated above, a sustainability-linked revolving credit facility in the amount of €300 m was secured at the holding level of CA Immobilien Anlagen AG.

In 2022, secured financing activities will focus on the German portfolio, with upcoming extensions of the bank loans Tour Total and John F. Kennedy - Haus in Berlin, as well as the transfer of the construction financing of the ONE project in Frankfurt (€250 m) to long-term financing as part of the completion and reclassification to the investment portfolio.

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 1.49% as at key date 31.12.2021 (2020: 1.50%). 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 1.24%.

INTEREST RATE DEVELOPMENT

Source: Bloomberg
Interest rate in %

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
Serbia	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 interest rate changes while maximising average terms and flexibility.

Maintaining and improving the investment grade rating and financial policy 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 90%; this should be kept at a high level to cushion the risk of interest rate rises.

Financing structure

With a share of around 56% of the total financing volume, the majority is currently accounted for by unsecured financing in the form of corporate bonds placed on the capital market. 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 investment grade rating was obtained in 2015 and, as of the reporting date, comprised six corporate bonds placed on the capital market with a total volume of around €1.4 bn.

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 maturity of seven years and an annual coupon of 0.875%. This transaction represented an important milestone in the implementation of the company's growth strategy, further accelerated the optimization of the capital structure and created access to the most liquid international debt market, thus further improving CA Immo's market position.

In October 2020, CA Immo was able to take advantage of the extraordinarily favorable market conditions once again with the successful issuance of a fixed-interest unsecured €350 m Green Bond. The issuance had a maturity of five years and was priced with an annual coupon of 1.0%. The transaction generated strong demand from more than 150 investors and was more than 5 times oversubscribed.

The net proceeds have been dedicated to the full or partial financing and refinancing of sustainable buildings in line with the Sustainability Bond Framework. This framework was provided by Sustainalytics, a leading global provider of ESG and corporate governance research and ratings to investors). This covers the financing and refinancing of commercial properties that either have sustainability certificates (including LEED or DGNB Gold Standard) or whose primary energy demand is at least 25% below nationally defined standards such as the Energy Saving Ordinance (EnEV) in Germany or PENB in the Czech Republic.

Two examples of the use of funds include the Grasblau sustainable development project currently under construction in Berlin and the recently completed Mississippi House and Missouri Park office project in Prague. The Green Bond Report on the use of funds published in November 2021 documents an investment volume of around €222 m, which was used for qualifying projects within the first year since issuance.

The carrying amount of unencumbered real estate, a key criterion for the Group's investment grade rating, amounted to around €2.7 bn as of December 31, 2021 and was thus higher than in the previous period (December 31, 2020: €2.6 bn). This corresponds to a ratio of around 43% of total real estate assets.

Bonds

As at key date 31.12.2021, CA Immo had the following outstanding bonds registered for official trading on the Vienna Stock Exchange:

ISIN	Type	Outstanding volume[1]	Tenor	Coupon
AT0000A1CB33	Corporate bond	142 m €	2015-2022	2.750%
AT0000A1JVU3	Corporate bond	117 m €	2016-2023	2.750%
AT0000A1TBC2	Corporate bond	175 m €	2017-2024	1.875%
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%

Both, the corporate bond due in July 2021 (€107 m) and the corporate bond due in February 2021 (€142 m) were repaid upon maturity. 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, 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.

Convertible bond

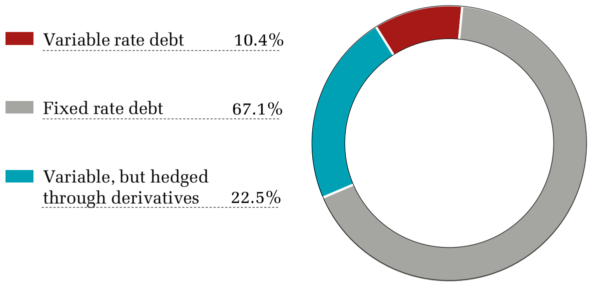
Due to the change-of-control clause of the convertible bond issued in October 2017 and due in 2025, which was triggered by the Starwood offer, 100% of the convertible bond was converted into equity. The conversion rights were serviced by conditional capital and partly by issuing new shares. Overall, the total number of voting rights increased by 7,688,090 from 98,808,336 to a total of 106,496,426 voting rights. As a consequence, the share capital increased by €55.9 m from €718.3 m to €774.2 m and is divided into four registered shares and 106,496,422 ordinary bearer shares, each with a pro-rata share of the share capital of €7.27.

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

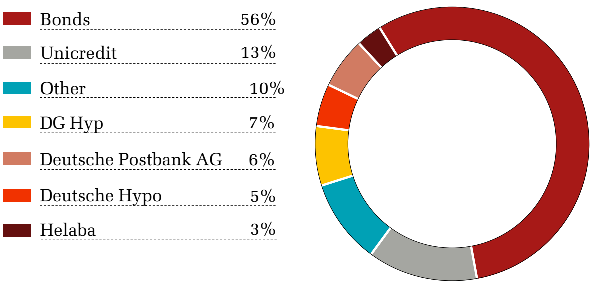
Secured financing

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 chart shows, DG Hyp, Deutsche Postbank, Deutsche Hypo and Helaba also accounted for larger shares as at the key date.

FINANCIAL DEBT AS OF 31.12.2021
(Basis: €2.6 bn)



FINANCING SPLIT BY BANKS*
(Basis: €2.6 bn)



Long-term interest rate hedging

Since interest expenses makes up a significant expense item on 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 €756.0 m (€815.8 m on 31.12.2020) and interest rate floors account for €42.1 m (€23.9 m on 31.12.2020). The weighted average term remaining on derivatives used for interest rate hedging was around 6.7 years on the key date, compared to a weighted remaining term of 4.3 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 'Result from derivatives'. As at key date 31.12.2021, contracts with a nominal value of €473.1 m in total and a fair value of €–18.9 m were classified as fair value derivatives (31.12.2020: €633.7 m and €–80.9 m, respectively). As at 31.12.2021, the company held contracts classified as cash flow hedges with a nominal amount of €225.0 m and an attributable fair value of €4.0 m.

RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

Sustained earnings

Rental income for CA Immo declined by –2.8% to €229.1 m. By region, around 52% of total rental income was generated by the Central and Eastern European portfolio, followed by Germany with around 37% and Austria with around 12%.

The recent completions of MY.O and NEO (both in Munich) and MY.B (Berlin) made a positive rental contribution of €4.4 m in total. The acquisitions of investment properties in 2020 (Am Karlsbad 11 and Pohlstrasse in Berlin as well as Postepu 14 in Warsaw) generated an increase in rental income of €8.3 m in total.

On the other hand, there were losses on leases in connection with non-strategic property disposals (including exits from the Zagreb, Bratislava and Graz markets) and a higher vacancy rate in Central- and Eastern European core markets, which could not be fully compensated for by the positive effects mentioned above.

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 2021, straight line amortisation of this kind accounted for €–4.2 m (2020: €4.2 m).

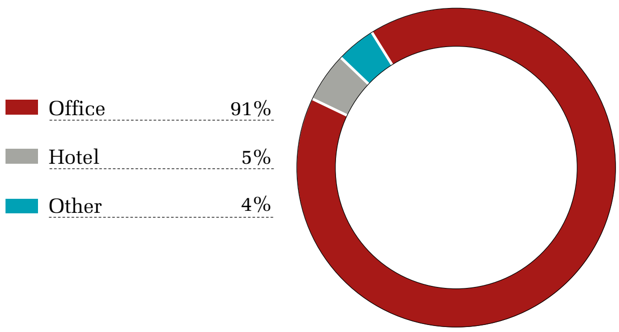
In year-on-year comparison, property expenses directly attributable to the asset portfolio, including own operating expenses were up at €–29.6 m (2020: €–25.9 m). This expenditure item consists of vacancy costs and operating expenses that cannot be passed on (€–7.7 m), agency fees (€ –3.0 m), maintenance (€–5.2 m), allowances for bad debt (€–1.3 m) and other directly attributable expenses (€–13.6 m). A positive effect of €3.7 m (release of provisions for property-related taxes) was recorded in connection with proceedings concerning the payment of building taxes decided in favour of the CA Immo Group in the previous year.

The net rental income generated by the rental activities after deduction of direct management costs declined by –4.9% from €209.7 m to €199.5 m. The Covid-19 pandemic had a negative impact of €–3.1 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.

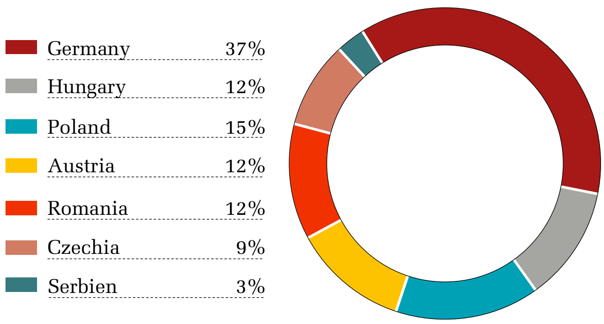
The operating margin on letting activities (net rental income in relation to rental income), an indicator of the efficiency of the rental business, decreased from 89.0% in the previous year to 87.1% .

Other expenditure directly attributable to project development stood at €–1.9 m at year end (2020: € –2.2 m).

RENTAL INCOME BY MAIN USAGE
(Basis: €229.1 m)



RENTAL INCOME BY COUNTRY
(Basis: €229.1 m)



CHANGE IN RENTAL INCOME FROM 2020 TO 2021[1)]

€ m	Austria	Germany	CEE	Total
2020	**29.7**	**78.3**	**127.6**	**235.6**
Change:				
Resulting from change in vacancy rate, indexation or rental price	–0.6	–0.2	–9.6	–10.3
Resulting from new acquisitions	0.0	3.0	5.5	8.5
Resulting from completed projects	0.0	4.9	0.7	5.6
Resulting from sale of properties	–2.3	–2.0	–6.0	–10.3
Total change in rental income	**–2.9**	**5.7**	**–9.3**	**–6.5**
2021	**26.8**	**84.0**	**118.3**	**229.1**

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

INDIRECT EXPENSES

€ m	2021	2020
Personnel expenses	–49.8	–45.9
Legal, auditing and consulting fees	–14.0	–9.1
Third party acquired development services	–1.9	–1.9
Office rent	–0.7	–0.8
Travel expenses and transportation costs	–0.3	–0.4
Other expenses internal management	–2.9	–2.7
Other indirect expenses [1)]	–5.8	–29.0
Subtotal	**–75.4**	**–89.7**
Own work capitalised in investment property	16.2	15.2
Change in properties held for trading	1.0	1.4
Indirect expenses	**–58.2**	**–73.2**

[1)] The figure includes provisioned 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 €8.2 m was generated in 2021 in connection with the scheduled sale of properties held in current assets and construction services (2020: €43.3 m). This income was offset by book value deductions and other directly attributable expenditure of € –1.6 m. The trading portfolio thus contributed a total of €6.7 m to the result (2020: €7.9 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 €52.7 m was above the previous year's value of €43.9 m. The sale of a non-strategic land plot in Düsseldorf in the second quarter generated the largest part of this result in terms of value, followed by an investment property in Vienna sold in the fourth quarter.

Income from services

Gross revenue from services dropped by –0.4% to €8.1 m (2020: €8.2 m). This item mainly includes development revenues for third parties by the Group subsidiary omniCon.

Indirect expenses

In 2021 indirect expenditures fell substantially by –20.4% from € –73.2 m in the previous year to €–58.2 m. The figure of the previous year includes 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.

As shown in the table above, the item "Own work capitalized" remained essentially unchanged at €16.2 m (2020: €15.2 m). 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.

Indirect expenses also contains expenditure counterbalancing the aforementioned gross revenue from services.

Other operating income

Other operating income amounted to a total of €3.2 m compared to the 2020 reference value of €1.2 m.

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

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to €210.1 m, up 7.4% on the previous year's figure of €195.6 m. The contribution of the individual regional segments to the overall result was as follows: With an EBITDA of €102.4 m, the Germany segment generated the largest share of around 49%. The largest EBITDA contribution from the Central and Eastern European core markets is attributable to Poland, with generated EBITDA of €31.5 m (15%), followed by Hungary with €27.3 m (13%) and Romania with €20.7 m (10%). The Austrian segment generated an EBITDA of €7.2 m (3%).

Adjusted for the BUWOG provision for court fees in 2020 and other one-off effects, EBITDA remained stable year-on-year at €217.8 m.

Revaluation result

The total revaluation gain of €602.4 m in 2021 was counterbalanced by a revaluation loss of €–61.2 m. The cumulative revaluation result based on independent external appraisals of €541.1 m was therefore extraordinarily positive and was significantly above the previous year's value (2020: €183.5 m).

The result reflects the attractive market environment for first-class properties ("Class A") in Germany, particularly in Munich and Berlin, despite the Covid-19 pandemic. In addition, CA Immo's profitable property development activities were a key driver of the valuation increase, both in terms of the construction progress of current projects under construction - in particular the CA Immo projects Upbeat and Hochhaus am Europaplatz in Berlin and ONE in Frankfurt - and in terms of the development of land reserves.

Broken down by region, the revaluation result in Germany totalled €525.2 m. In addition to the active development projects mentioned above, the largest contributions in terms of value were made by the investment portfolio in Munich and in particular properties such as Skygarden, Kontorhaus and MY.O as well as Berlin with the properties Spreebogen, John F. Kennedy - Haus and Königliche Direktion.

Central- and Eastern Europe recorded positive value adjustments of €17.9 m, among other things due to the successful completion of the Mississippi House and Missouri Park development project in Prague. In contrast, Austria recorded a valuation loss of €–2.0 m.

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 2021 this contribution totalled €3.6 m (2020: €1.9 m).

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) totalled €749.6 m and doubled compared to the corresponding figure for the previous year of €375.4 m (+99.6%), in particular due to the significantly higher revaluation result.

In regional terms, the Germany segment accounted for the lion's share of Group EBIT at €627.4 m. Central- and Eastern Europe Austria generated EBIT of €117.9 m, and Austria €4.3 m.

Financial result

The financial result for 2021 was €–74.4 m, compared to €–27.2 m last year. In detail, the elements of the financial result developed as follows:

The Group's financing costs totalled €–47.6 m (2020: €–42.3 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 €5.8 m (2020: €4.9 m) with a weighted average interest rate of 1.37% (2020: 1.30%) were capitalised in business year 2020 in connection with the construction of real estate.

The result from derivatives came to €–25.9 m (2020: €21.4 m). The result for 2021 includes a derivative valuation in the amount of €–46.2 m for the convertible bond issued in October 2017 (2020: €32.2 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.

In contrast, the interest rate development over 2021 resulted in a positive valuation effect of the company's interest rate derivatives in the amount of €20.3 m (2020: € –10.8 m).

At € –0.8 m, the result from financial investments was improved compared to the figure for the reference period (2020: €–3.6 m). Other items of the financial result (other financial result and exchange rate differences) totalled €–0.1 m (2020: €–2.7 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 €675.2 m (2020: €348.3 m) showed a significant year-on-year increase of 93.9% based on the earnings developments described above.

Taxes on income

Taxes on earnings amounted to €–195.4 m in 2021 (2020: €–94.3 m) of which the majority is accounted for by deferred taxes.

Consolidated net income

At €479.8 m, consolidated net income for the period was 88.9% above the previous year's figure of €253.9 m, which translates into the highest result in the company’s history. Earnings per share (basic) amounted to €4.89 (2020: €2.73 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 €150.9 m (2020: €185.1 m).

Cash flow from investment activities, which comprises the net balance between investments and real estate sales, stood at €–10.3 m in 2021 compared to the previous year’s value of €–334.7 m. Cash flow from financing activities was €–445.1 m (2020: €650.1 m).

CASH FLOW-STATEMENT – SHORT VERSION

€ m	2021	2020	Change in %
Cash and cash equivalents - beginning of the business year	935.5	439.4	>100
Cash flow from			
- business activities	150.9	185.1	–18
- Investment activities	–10.3	–334.7	–97
- financing activities	–445.1	650.1	n.m.
Changes in cash and cash equivalents	**–304.6**	**500.5**	**n.m.**
Other changes	2.2	–5.0	n.m.
Changes in cash and cash equivalents - the end of the business year	**633.1**	**934.9**	**–32**

[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 €128.3 m was generated in 2021, –4.1% below the previous year's value of €133.8 m. FFO I per share stood at €1.31 at the key date, a similar decline of –9.1% in year-on-year comparison (2020: €1.44 per share). The FY 2021 guidance of > €128 m was therefore achieved. FFO I, a key indicator of the Group's recurring earnings power, is reported before taxes and adjusted for the sales result and other non-recurring effects.

Adjusted non-recurring effects totalled €13.7 m (2020: €22.9 m). These primarily related to administrative expenses in the amount of €7.7 m and financing expenses of €6.2 m. Adjusted non-recurring effects of the previous year primarily comprised 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 societies and associated legal costs of around €26.1 m) and operating expenses of €–3.7 m. The latter mainly include a positive effect from the reversal of provisions for property-related taxes.

FFO II, including trading, other non-recurring results and after taxes, is an indicator for the Group's overall profitability and totalled €143.1 m, compared to €141.1 m in the previous year (up 1.4%). FFO II per share amounted to €1.46 (2020: €1.52 per share).

FUNDS FROM OPERATIONS (FFO)

€ m	2021	2020
Net rental income (NRI)	199.5	209.7
Income from services	8.1	8.2
Other operating income/expenses excl. services	3.2	1.2
Other operating income/expenses	11.4	9.4
Indirect expenses	–58.2	–73.2
Result from joint ventures	9.9	3.9
Finance costs	–47.6	–42.3
Result from financial investments[1]	–0.5	3.5
Non-recurring adjustments[2]	13.9	22.9
FFO I (excl. trading and pre taxes)	**128.3**	**133.8**
Result from trading and construction works	6.7	7.9
Result from the sale of investment properties	52.7	43.9
Result from disposal of joint ventures	0.0	0.1
At-equity result property sales	5.2	3.4
Property sales result	64.5	55.3
Result from disposal of assets at fair value	0.8	–1.2
Other financial results	0.0	–5.1
Other adjustments[3]	–18.9	–26.4
Current income tax	–31.7	–15.5
FFO II (incl. trading and after taxes)	**143.1**	**141.1**

[1] Excluding value adjustments for cash and restricted cash
[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 €6,249.5 m (87.8% of total assets). The growth of investment property assets on the balance sheet to €4,984.3 m (31 December 2020: €4,723.1 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.

The balance sheet item 'Property assets under development' increased by 38.7% to €1,097.1 m compared to 31 December 2020. Total property assets (investment properties, properties used for own purposes, property assets under development and property assets held as current assets) amounted to €6,254.2 m on the key date, hence up on the level for the end of 2020 (€5,596.2 m).

The net assets of joint ventures are shown in the balance sheet item 'Investments in joint ventures', which stood at €55.8 m on the key date (31 December 2020: €57.6 m).

Cash and cash equivalents stood at €633.1 m on the balance sheet date, below the level for 31 December 2020 (€934.9 m). This use of cash included the redemption of a corporate bond maturing in 2021 (€107 m) and the payment of a special dividend of approximately €252 m in December 2021.

Liabilities

Equity

The balance sheet equity grew in 2021 by 5.2% from €3,128.3 m at the end of last year to €3,291.0 m. Apart from the net profit for the period of €479.8 m, this figure also reflects the payment of the regular dividend and special dividend (in total €604.2 m).

Since the start of the year, the Group's total assets increased by around 4.3% to €7,114.4 m (31.12.2020: €6,820.3m). Despite the increase in assets, the equity ratio of 46.3% on the key date remained within the strategic target range (31 December 2020: 45.9%).

Interest-bearing liabilities

On the reporting date, interest-bearing liabilities amounted to €2,583.9 m, –8.6%% below the previous year's value of €2,827.5 m. The reduction is related, among other things, to the above-mentioned redemption of a corporate bond upon maturity. Net debt (interest-bearing liabilities less cash and cash equivalents) increased from €1,890.5 m in the previous year to €1,946.2 m. Gearing (ratio of net debt to shareholders' equity) was 59.1% at year-end (31 December 2020: 60.4%). The loan-to-value ratio (financial liabilities less cash and cash equivalents to property assets) stood at 31.1% on the key date, compared to 33.8% 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	31.12.2021	31.12.2020
Shareholders' equity	**3,291.0**	**3,128.3**
Long-term interest-bearing liabilities	2,186.5	2,622.2
Short-term interest-bearing liabilities	397.4	205.3
Cash and cash equivalents	–633.1	–934.9
Restricted cash	–4.6	–2.1
Net debt	**1,946.2**	**1,890.5**
Equity ratio	46.3	45.9
Gearing (net)	59.1	60.4
Gearing (gross)	78.5	90.4
Loan-to-value (net)	31.1	33.8
Loan-to-value (gross)	41.3	50.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: SHORT VERSION

	2021 € m	2021 in %	2020 € m	2020 in %	Change in %
Property assets	6,092.6	86	5,527.1	81	10
Investments in joint ventures	55.8	1	57.6	1	–3
Intangible assets	3.4	0	3.0	0	14
Financial and other assets	95.0	1	68.3	1	39
Deferred tax assets	2.7	0	4.4	0	–39
Long-term assets	**6,249.5**	**88**	**5,660.4**	**83**	**10**
Assets held for sale and relating to disposal groups	76.2	1	37.1	1	>100
Properties held for trading	87.2	1	35.2	1	>100
Receivables and other assets	68.4	1	152.8	2	–55
Securities	0.0	0	0.0	0	n.m.
Cash and cash equivalents	633.1	9	934.9	14	–32
Short-term assets	**864.9**	**12**	**1,159.9**	**17**	**–25**
Total assets	**7,114.4**	**100**	**6,820.3**	**100**	**4**
Shareholders' equity	3,291.0	46	3,128.3	46	5
Shareholders' equity as a % of total assets	46.3		45.9		
Long-term interest-bearing liabilities	2,186.5	31	2,622.2	38	–17
Short-term interest-bearing liabilities	397.4	6	205.3	3	94
Other liabilities	541.2	8	328.2	5	65
Deferred tax assets	698.3	10	536.3	8	30
Total liabilities and shareholders' equity	**7,114.4**	**100**	**6,820.3**	**100**	**4**

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 KEY FIGURES

		31.12.2021	31.12.2020
EPRA NRV	€ m	4,450.5	4,346.7
EPRA NRV per share	€	44.19	43.58
EPRA NTA	€ m	4,033.9	3,999.3
EPRA NTA per share	€	40.05	40.09
EPRA NDV	€ m	3,393.8	3,423.4
EPRA NDV per share	€	33.70	34.32

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 follows[1]:

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.

Net Asset Value (IFRS) stood at €3,290.9 m on 31 December 2021 (€32.68 per share) against €3,128.3 m at the end of 2020 (€33.63 per share); this represents a decline of 2.2% on a diluted basis (2.8% per share). Aside from the annual result of €479.6 m, this change also reflects other changes in equity, such as the conversion of the convertible bond (€282.2 m) and the distribution of dividends (€–604.2 m). The latter includes the regular dividend (€100.6 m) as well as special dividends (€503.2 m, see chapter "Capital markets").

EPRA Net Tangible Assets (NTA) stood at €4,033.9 m as at the reporting date, 0.9% above the value at year-end 2020 (€3,999.3 m). This corresponds to an EPRA NTA per share of €40.05, which is at a similar level to the EPRA NTA as at 31 December 2020 of €40.09 per share.

The number of shares in circulation on the reporting date was 100,716,389 (31 December 2020: 99,747,036, diluted). The values per share in the table below are presented on a diluted basis and thus reflect the dilution effect in connection with the convertible bond issued by the Group (€200 m), which was fully converted during the period under review (see chapter "Capital markets").

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

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

€ m			31.12.2021			31.12.2020
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**3,290.9**	**3,290.9**	**3,290.9**	**3,128.2**	**3,128.2**	**3,128.2**
i) Hybrid instruments (Convertible)	0.0	0.0	0.0	235.3	235.3	235.3
Diluted NAV	**3,290.9**	**3,290.9**	**3,290.9**	**3,363.5**	**3,363.5**	**3,363.5**
ii.a) Revaluation of IP (if IAS 40 cost option is used)	11.9	11.9	10.0	9.7	9.7	8.2
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	149.4	124.5	110.5	151.0	138.8	110.9
Diluted NAV at Fair Value	**3,452.2**	**3,427.3**	**3,411.4**	**3,524.2**	**3,512.0**	**3,482.5**
v) Deferred taxes in relation to fair value gains of IP	694.9	598.6		531.2	451.9	
vi) Fair value of financial instruments	12.9	9.2		40.5	37.4	
vii) Goodwill as a result of deferred tax	–1.2	–1.2	–1.2	–2.0	–2.0	–2.0
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			–16.4			–57.2
x) Revaluation of intangibles to fair value	0.0			0.0		
xi) Purchasers' costs	291.7	0.0		252.8	0.0	
NAV	**4,450.5**	**4,033.9**	**3,393.8**	**4,346.7**	**3,999.3**	**3,423.4**
Fully diluted number of shares	100,716,389	100,716,389	100,716,389	99,747,036	99,747,036	99,747,036
NAV per share in €	**44.19**	**40.05**	**33.70**	**43.58**	**40.09**	**34.32**

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, thus generating shareholder value. At 14.9% in 2021 (2020: 8.3%), this figure was significantly above the target value. The increase compared to the previous year was mainly driven by the significantly higher property revaluation result. 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.

NON-FINANCIAL PERFORMANCE INDICATORS

As the financial indicators ultimately represent the success achieved in the operating real estate business, they are preceded by a number of other performance indicators, including non-financial indicators, that are essential for measuring and managing the operating business performance:

– **Occupancy rate** is an indicator for the quality and management success of the portfolio. The economic letting rate of CA Immoblien Anlagen AG in the portfolio remained at around 89% (around 95% as at 31 December 2020)[1)].

– **Vacancy rate** shows the ratio of unlet space to the total area of the property 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 property portfolio of CA Immoblien Anlagen AG had a vacancy rate of around 11% as at 31 December 2021 (31 December 2020: around 5%).

– **WAULT - 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 property portfolio and amounts to 3.9 years at CA Immoblien Anlagen AG as at 31 December 2021 (31 December 2020: 4.0 years).

– **Location quality and infrastructure** are decisive for the marketability of the properties. The majority of the Group's office stock is located in CBD or central business locations in central European capitals.

– **Sustainability certification**: the development of sustainable buildings for its own portfolio to increase the quality of its building stock has been an important part 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 existing buildings certified.

– **Local presence and market knowledge**: a decentralised organisational structure with our own branches in the core markets ensures efficient management and tenant loyalty.

– **Reduction of the CO_2 emission intensity** of the investment portfolio as an indication of a targeted active improvement in the energy performance of the buildings, thereby increasing the attractiveness of the investment portfolio. CA Immo focuses in particular on measures such as increasing the energy efficiency of buildings, renovation measures and modernization, the gradual switch to renewable energy sources, and the incorporation of its own project completions, which were realized under sustainable aspects, into the own portfolio.

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.

[1] 2021: Excl. owner-occupied properties and excl. the Mississippi House, Missouri Park (Prague) and ZigZag (Mainz) office buildings completed in 2021 and transferred to the portfolio, which are still in the stabilisation phase; 2020: excl. owner-occupied properties and excl. the NEO (Munich) and Quartiersgarage (Mainz) project completions, which were still in the stabilisation phase as at 31 December 2020.

OUTLOOK

ANTICIPATED DEVELOPMENTS AND THE MAIN OPPORTUNITIES AND THREATS

Russia's invasion of Ukraine has shaken the global economy. The immediate global impact will be higher inflation, lower growth and dislocations in financial markets. The crisis has significantly increased uncertainty and volatility in global equity and financial markets. Major equity indices have performed negatively since the onset of the crisis and debt capital markets have been completely closed for a period of time or are currently very limited in access. The risk of a further escalation of the conflict and additional geopolitical tensions must continue to be monitored.

The CA Immo Group has no properties in Russia or Ukraine in its portfolio and monitors developments on the stock and financial markets. In addition, we counter exchange rate risk by generally pegging rents to the euro and converting liquid funds in foreign currencies into euros on an ongoing basis. This means that the CA Immo Group is not exposed to any significant currency risk.

The war in Ukraine and the resulting sanctions and countermeasures may have an impact on the CA Immo Group's balance sheet. The global consequences of the war could have an impact on the valuation of receivables and the calculation of expected credit losses. Furthermore, increased caution is required in property valuations due to the uncertainty. We are constantly evaluating current developments and possible effects on the company. Despite the uncertainty and possible direct and indirect effects, the CA Immo Group assumes that the Russia-Ukraine war will not affect the company's long-term ability to conduct business successfully.

The emergence of new Covid-19 variants could further prolong the pandemic and cause renewed economic disruption. Global access to vaccines, tests and treatments is essential to reduce the risk of further dangerous Covid-19 variants. This will require increased stockpile production, as well as better supply systems in each country and more equitable international distribution. In addition, supply chain disruptions, energy price volatility, and local wage pressures mean that uncertainty about inflation and the stance of monetary policy is high. If leading economies raise policy rates, risks could emerge for financial stability and emerging and developing economies' capital flows, currencies, and fiscal positions, especially as debt has increased significantly over the past two years.

Portfolio strategy

In addition to the increased focus of the portfolio on Class A office buildings in the core markets of Berlin, Munich, Vienna, Prague and Warsaw, our focus remains on sustainability and intensive tenant retention. The goal with our buildings is to offer the best product, the best support and the greatest possible flexibility for our tenants.

The special synergy of being an experienced developer of green buildings and manager of an international Class A office portfolio in attractive metropolitan areas makes us the ideal partner for blue-chip companies. We want to use and further develop these strengths to expand our good market position in the long term.

The profitable sale of non-strategic properties as part of the strategic capital rotation programme should also lead to a strong EBITDA-effective sales result and a corresponding inflow of liquidity. The 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.

As part of this portfolio optimisation programme, we decided, together with the Supervisory Board of CA Immo, to start evaluating all strategic options for Romania, including a potential sale of the entire portfolio.

Development

In 2021, we were able to add three more of our own project completions to our portfolio as planned with the completion of office projects in Prague and Mainz.
CA Immo’s largest development project ONE in Frankfurt with a total investment volume of around €430 m is due for completion in the second quarter of 2022. In addition, the Grasblau office project in Berlin (total investment volume of around €70 m) is expected to complete towards the end of the business year.

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.

Key business factors

Key factors that may influence the business development planned for 2022 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

At the beginning of November 2021, the majority shareholder SOF-11 Klimt CAI S.à r.l. requested that an extraordinary general meeting be convened to resolve on special dividends totaling €5.00 per dividend-bearing share to be paid to all shareholders in two tranches. The Extraordinary General Meeting was held virtually on November 30, 2021 and resolved to adopt the proposed resolutions.

After a thorough evaluation, we have decided to propose to the Annual General Meeting to be held on 5 May 2022 to deviate from the previous dividend policy and to carry forward the entire balance sheet profit for the 2021 financial year. The background to this decision is the fact that, as outlined above, dividends totalling €3.50 per share have already been distributed in the 2021 financial year from the net profit reported as at 31 December 2020, and a further dividend of €2.50 per share was distributed to shareholders in the current financial year on March 15, 2022. Especially in view of the current geopolitical environment and the increased uncertainty and volatility in the markets, no additional dividend payment is planned for the 2021 financial year.

Earnings target 2022

The profitable sale of non-strategic properties as part of the strategic capital rotation programme should continue to lead to a strong EBITDA-effective sales result and a corresponding inflow of liquidity. We plan to specify the annual financial target for the 2022 financial year in the course of the year.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2022:

Acquisitions

In February 2022, CA Immo acquired a 10,400 sqm office building (Kasernenstraße 67) in a prime downtown Düsseldorf location. The office building was recently extensively modernized and leased on a long-term basis as headquarters to a leading fin-tech company in Germany.

The office building "Kasernenstraße 67" is located in a prime central location in Düsseldorf's Central Business District (CBD).

Sales

In January, CA Immo successfully signed and closed the sale of the Hungarian office building **R70**.

In February 2022, the sale of two German hotel buildings was successfully completed with the sale of the **Meininger Hotel Frankfurt** (4,750 sqm gross floor area) and a hotel on **Bodenseestraße** in the Aubing district of Munich.

Dividend

At the beginning of November 2021, the majority shareholder SOF-11 Klimt CAI S.à r.l. requested that an extraordinary general meeting be convened to resolve on special dividends totaling €5.00 per dividend-bearing share to be paid to all shareholders in two tranches. The Extraordinary General Meeting was held virtually on November 30, 2021 and resolved to adopt the proposed resolutions.

After a thorough evaluation, we have decided to propose to the Annual General Meeting to be held on 5 May 2022 to deviate from the previous dividend policy and to carry forward the entire balance sheet profit for the 2021 financial year. The background to this decision is the fact that, as outlined above, dividends totalling €3.50 per share have already been distributed in the 2021 financial year from the net profit reported as at 31 December 2020, and a further dividend of €2.50 per share was distributed to shareholders in the current financial year on March 15, 2022. Especially in view of the current geopolitical environment and the increased uncertainty and volatility in the markets, no additional dividend payment is planned for the 2021 financial year.

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 UNIVERSE OF CA IMMO

Development risks

Cost risk
Quality risk
Permit risk
Partner risk
Time risk

Investment Property Risks

Vacancy risk
Portfolio risk
Valuation risk
Tenant default risk

Financial risks

Currency risk
Capital market risk
Transaction risk
Liquidity risk
Tax risk

ESG Risks

Climate risk
Governance risk
Social risk

Other risks

Operating risk
Legal risk
IT risk
HR risk
Insurance risk

CA IMMO
URBAN BENCHMARKS.

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 (Code of Ethics, Code of Conduct) is a matter of course. For CA Immo, risk culture implies raising of risk awareness and consciously addressing risks in day-to-day business – both for managers and individual employees.
- Risk strategy: The risk strategy describes how risks arising from CA Immo's business strategy or business model are managed. It sets out the framework for the nature, extent and appropriateness of risks, thus reflecting the company's own definition of a "sensible" approach to risks and describing these risks in terms of their impact on the economic situation of the company and the guidelines for managing risks that are to be derived from this.

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 (for example, on the topic of the Covid-19 pandemic). 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

At CA Immo, the opportunity/risk situation is assessed on a quarterly basis within the framework of reports that are prepared, among other things, on the basis of the results of the risk committee. 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, continuous 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 now also evaluates specific risks once a year, 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 ensuring 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 assessed on a random basis 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.

IMPACT OF THE COVID-19 PANDEMIC

As in the previous fiscal year, 2021 overall was dominated by the effects of the global Covid-19 pandemic. Many countries again imposed general lockdowns and travel restrictions. As a result, market activity in many sectors continued to be severely impacted.

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 still have to close 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 be operated as planned. CA Immo is experiencing the first effects on construction sites, but even after two years of the pandemic, there have been no significant time or financial shortfalls to date. However, 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 will be. Developments remain to be seen.

Volatility and uncertainty on stock markets, corporate profit warnings and negative economic forecasts related to the Covid-19 pandemic underline its potential threat to the European and global economies. The real effects cannot be conclusively assessed given the fast-moving situation, and are subject to constant evaluation. Temporary restrictions on the course of 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. rent payments not received in accordance with the contract, delays in construction activities, effects on real estate markets, development of covenants for financings, consequences for planned real estate transactions). However, CA Immo relies on a wide range of possible measures to minimise the impact on the Group.

INVESTMENT PROPERTY RISKS

Risks linked to the market environment and composition of the portfolio (portfolio risk)

The economic success of CA Immo depends, among other things, on the development of real estate markets of relevance to the Group. Key factors influencing the economic trend include the overall 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. Economic instability and limited 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.

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.

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 2021, values for the property assets as at the reporting date of 31 December 2021 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. For further information on changes in fair values, please refer to the chapter ‘Property Valuation’.

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 60% of the total portfolio. The regional portfolio target distribution envisages a medium-term target for the German share of 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 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 properties in this category as at the balance sheet date were the Skygarden office building in Munich and the ONE project development in Frankfurt. The portfolio as a whole is highly diversified: the top ten Group assets represent less than one-third of the total portfolio. The concentration risk in respect of **single tenants** is also manageable. As at 31 December 2021, the top ten tenants were generating some 22% of rental revenue. With an approximate share of 3% of total rental income, PricewaterhouseCoopers 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 ten years.

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.

All of CA Immo's core cities have already seen a decline in demand for office space and/or an increase in vacancy rates due to the challenging conditions and economic impact of the pandemic. After 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 in some cases decline in office space take-up in 2021 will develop in fiscal year 2022. 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), CA Immo is confronted with different requests for rent reduction. 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. 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 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 its own 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. Among other things, there are pandemic measures ordered by the authorities, such as lockdowns, which have a particularly severe impact on hotel operators and the retail sector.

RISKS ASSOCIATED WITH THE PROJECT DEVELOPMENT FIELD

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 these 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 and quality. 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. 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. Projects currently in progress are generally on time and within approved budgets; they are continually monitored as regards cost risk.

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 (e.g. permit risk) 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 investment properties and 15% development projects under construction, including land bank reserves.

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 (**partner risks**); 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

Capital market, 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 relies on debt 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 debt capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing options depends on a range of factors, not all of which can be influenced by the Group (market interest rates, required collateral 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 ongoing 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 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 force the Group to sell properties 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. In order to maintain the investment grade - long-term issuer rating from Moody's (currently Baa3 with negative outlook) at an acceptable level, adequate equity capitalisation is also required.

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 facility at parent company level (e.g. 3-year RCF of €300 m). 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.

Despite careful 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

Although the current economic environment remains characterised by low interest rates and relatively high valuations of real estate portfolios, 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. Raising equity or debt capital could become considerably more difficult, making expansion plans almost or completely impossible.

Market-related 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 96% 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 was also raised. The financing profile has thus become more robust.

Tax risks

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 may be 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 or the possible accrual of real estate transfer tax in connection with direct or indirect changes of control in German partnerships and corporations, (iii) the fiscal recognition of outsourcing operating equipment or (iv) 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.

Moreover, in connection with past restructuring measures in Eastern Europe, there are uncertainties regarding the possible retroactive application of any subsequent tax changes. However, CA Immo considers the probability of an actual charge to be low.

With regard to the tax deductibility of internal service charges within the Group, CA Immo always attempts to charge an arm's length price for internal services and to adequately record this in order to comply with all legal requirements (transfer pricing documentation). However, it is possible that the tax authorities may take a different view and come to a different conclusion, which could have tax consequences with regard to the deductibility of internal cost transfers undertaken in the past and thus trigger subsequent tax payments.

Currency risks

The possible reintroduction of national **currencies** by individual Eurozone members would also have serious consequences for the European economies and financial markets. Finally, the exit of individual nations from European Monetary Union could lead to a complete collapse of the monetary system.

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.

Transaction risk and risks from sales transactions

The German real estate transaction market was unimpressed by the pandemic and developments in the surrounding countries in 2021 and achieved a record result in terms of investment volume. Due to a seasonal slowdown in the pandemic and government aid for companies, there was no further slump in the Austrian real estate market as seen in the previous year. In Central and Eastern Europe, too, the impact of the pandemic and its economic consequences on the real estate markets in 2021 were already less noticeable than in the previous year. The positive momentum of the last few years before the start of the pandemic was slowly resumed. This is also evident in CA Immo's core cities of Warsaw, Prague, Budapest and Bucharest. However, in the current situation, it cannot be excluded that the **real estate transaction market** will decline again and that transactions will be suspended or even canceled due to problems in pricing and financing.

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.

OTHER 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 high operational risk where their type and scope fail to take account of business volumes or prove vulnerable to cybercrime (**IT and cyber risks**). 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 (**HR risk**).

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. The law applicable in each case, the varying degrees of efficiency of the competent courts and the complexity of the matters in dispute may in some cases result in a considerable length of proceedings or other delays. CA Immo is confident that 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 of January 2022 against the defendants, ex-Federal Minister of Finance Grasser et al., which are relevant for these civil proceedings, essentially confirmed that illegal and biased actions were taken to the detriment of CA Immo in connection with the BUWOG privatization proceedings. An assessment of the impact of the criminal proceedings on the pending civil proceedings for damages will only be possible once all appeal proceedings have been concluded with a final criminal verdict. In 2020, a provision of approximately €25 m has been recognised for court fees in connection with the damages proceedings; the payment of the court fees was made following a ruling of the Federal Administrative Court in 2021. CA Immo has filed an appeal against this ruling with the Constitutional Court.

It is not possible to predict changes to **legal regulations**, case law and administrative practice, or the impact of these on business results and operations; such changes may in particular 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.

ESG RISKS

Current developments on the capital market (e.g. sustainable finance) and new legal requirements are creating pressure for companies to report more prominently than before on ESG risks resulting from their business activities. Environmental, social and governance aspects have also become increasingly important across the real estate sector. Buildings are seen as one of the key factors for climate protection due to their high energy consumption, which is why attention is currently still primarily focused on environmental issues, however, the social and governance factors are also becoming increasingly relevant.

Environmental risks

Energy use in buildings for lighting, heating or cooling leads to direct or indirect CO_2 emissions. Building materials contain carbon that is produced during their extraction, manufacture, transportation and processing. Since carbon is contained in almost every phase of the construction and operation of buildings, companies should start implementing appropriate **real estate decarbonisation programmes** in time to contribute to the ambitious goal of climate neutrality in Europe by 2050.

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).

For CA Immo, improving energy efficiency in existing buildings is a key factor in achieving climate neutrality. Since carbon efficiency results depend significantly on decisions made in the planning phase, we pay attention to future environmental impacts at a very early stage in our project developments. Where possible, we focus on increasing the proportion of bio-based materials, paying attention to the CO_2 footprint of conventional materials and on-site energy generation (solar panels, heat pumps, heat grids, etc.). Our procurement process also ensures that the high green standards are met in accordance with the certification levels set for the building in question. We require our construction service providers to comply with the sustainability standards according to DGNB Gold or LEED Gold (e.g. material declaration, worker protection).

GROUP MANAGEMENT REPORT

Detailed information on this – in particular on climate risks and opportunities including risk assessment – can be found in the ESG Report.

Other 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.

Social risks

In the social sector, our strategic focus is on the following topics in particular: Compliance with human rights, health & safety, employment & working conditions, and social aspects of sustainable urban development. In the case of construction services, for example, CA Immo requires and monitors its contractors for compliance with statutory regulations on occupational health and safety, workplace and working time regulations, and collective bargaining agreements.

Information on the key social risks faced by CA Immo and 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.

Governance risks

§ Best practice in corporate governance represents an opportunity for CA Immo to increase its value in the long term. Conversely, failure to comply with governance and compliance standards entails high risks, ranging from penalties and fines to loss of reputation. These include not only compliance with legal requirements, governance standards and (internal) guidelines, but also a transparent approach to conflicts of interest, granting of appropriate remuneration, promotion of open communication with all stakeholders, and adherence to our ethical principles and corporate values. CA Immo clearly opposes any form of unequal treatment, human rights violations, organized crime (e.g. fraud, extortion, bribery and corruption), money laundering or terrorism financing. In contrast, we want to promote integrity and diversity at all levels.

The risk of corruption is addressed, for example, 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)). 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.

Already as part of the tender process, we require our contractors and suppliers (vendors) to accept and comply with our Code of Ethics and Code of Conduct as well as the governance, social and environmental standards we have defined. CA Immo screens its business partners – including construction companies in particular – as part of the tender process not only in terms of their professional qualifications and economic situation, but also with regard to social aspects. As part of a third-party compliance check, questionnaires and the use of company and risk databases for undesirable media, sanctions, watchlists, etc. are also used to check compliance with governance, social and environmental standards and taken into account in tendering processes. In the governance field, we pay particular attention to compliance with the law, our internal requirements for contractual partners, for example, with regard to business ethics, ensuring compliance, and measures to combat corruption, money laundering, and terrorism financing.

Details of our key standards and related control mechanisms are available at Our values (caimmo.com).

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

SHARE CAPITAL & SHAREHOLDER STRUCTURE

Due to the change-of-control clause of the convertible bond triggered by the Starwood offer, almost all convertible bond holders have exercised their conversion rights. Since the end of April, the conversion rights have been serviced by conditional capital and partly by issuing new shares. Overall, the total number of voting rights increased by 7,688,090 from 98,808,336 to a total of 106,496,426 voting rights. As of the end of April 2021, the share capital increased by a total of €55,892,414.30 from €718,336,602.72 and amounted to €774,229,017.02 at the balance sheet date, divided into four registered shares and 106,496,422 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 58% as at 31 December 2021 (61,654,765 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 held in free float by both institutional and private investors who, with the exception of Petrus Advisers Ltd. (4.57% as of 18 March 2022), each hold a stake below the 4% threshold required by law to be reported. 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)).

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). In addition to the conditional capital available for this purpose, authorised capital of €9,098,448.62 was used to service the conversion rights exercised by holders of convertible bonds, resulting in unused authorised capital of €350,069,852.74 as of 31 December 2021, which can be drawn down until 18 September 2023 at the latest.

In the same Annual General Meeting 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 34th Annual General Meeting held on 6 May 2021, 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 5 November 2023), 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 2021, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total; given the total number of 106,496,426 voting shares issued, this corresponds to approximately 5% 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

The new Management Board contracts concluded in fiscal year 2021 do not contain any commitments assuring payments in the event of premature termination of Management Board duties following a change of control ("change of control" provisions).

ESG REPORT

CA Immo is an investor, developer and long-term manager 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´s stakeholders in a responsible balance, thereby safeguarding 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 2021.

Reporting standards and guidelines

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 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.

In addition, we show and explain the **United Nations Sustainable Development Goals (SDGs)** considered within the framework of our sustainability strategy.

With the **EU Taxonomy Regulation**, the 2021 financial year brought a new material standard for sustainability reporting. The topics and approaches of this regulation were already taken into account in the preparation of our ESG materiality analysis in 2020. In addition, we devote a separate chapter in this report to the EU taxonomy, its significance for CA Immo including an initial assessment of the relevant economic activities and the financial ratios covered by the EU taxonomy.

Reporting boundaries and coverage

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

Reporting: Status and Outlook

We aim to optimise the transparency and comparability of our sustainability performance through reporting that is as relevant and meaningful as possible. In 2021, our sustainability report, which is integrated into the annual report, received an "EPRA sBPR Gold" award for exemplary ESG reporting for the second year in a row. We also participate annually in established ESG ratings. In the 2021 business year, CA Immo actively reviewed and com-mented on various ratings, including Sustainalytics and the MSCI ESG Rating. In addition, CA Immo was ranked for another consecutive year as the only real estate com-pany in the VÖNIX sustainability index of the Vienna Stock Exchange[1].

CA IMMO ESG RATINGS PERFORMANCE

	Rating Agency	Score 2020	Score 2021
MSCI ESG Rating	MSCI	A	AA
Sustainalytics ESG Risk Rating	SUSTAINALYTICS	17.1 (low)	14.6 (low)
ISS Corporate Rating	ISS ESG	C-	C-
EPRA sBPR	EPRA	Gold Award	Gold Award

[1] www.voenix.at

The goal for the coming reporting periods is to further expand our reporting in line with international standards (f.e. the EU Taxonomy and the Corporate Sustainability Reporting Directive CSRD), best practice examples and the requirements of our stakeholders, and to take advantage of opportunities that present themselves in the form of more favourable financing conditions, among other things. Both the quantity and the quality of the information submitted to the rating agencies will continue to be increased. The canon of ESG ratings relevant to CA Immo is continually reviewed and supplemented as necessary.

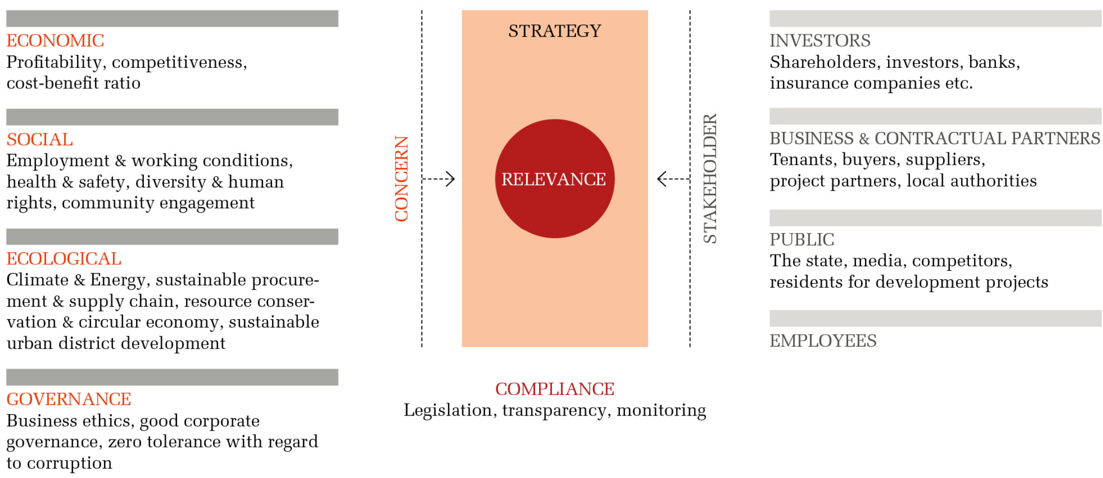
Stakeholder dialogue and political engagement

Comprehensive and continuous dialogue with our diverse target groups is an important prerequisite for the long-term success of CA Immo. The concerns of our stakeholders shape our self-image and guide our strategic decisions – and thus also flow into the selection and weighting of our strategic sustainability topics. Details on the materiality analysis and stakeholder assessment of our sustainability topics can be found on page 65.

Our stakeholder relationships run on several levels. CA Immo employees are in constant direct dialogue and maintain personal contact with investors, tenants, business partners, local authorities, the media, other employees and job applicants. Standardised employee surveys are also conducted. External media coverage and analysts' assessments of the company are regularly monitored. Our guidelines regarding political influence (lobbying) can be found in our Code of Ethics & Conduct at www.caimmo.com/esg-policies.

For CA Immo, an open, early exchange and partnership-based cooperation with local authorities, residents and other stakeholders in the context of development projects is a key success factor in creating sustainable and vibrant neighbourhood development. For this reason, an active dialogue is conducted with the relevant groups at an early stage of any project. This can take the form of neighbourhood or public events, posting or providing information in public places, information to the local press, or face-to-face dialogue with selected target groups, among others. Every CA Immo neighbourhood development begins with an architectural competition for urban and landscape planning, which is advertised transparently and awarded internationally. Representatives of all interest groups associated with the quarter development are involved in this process. The most recent example of early neighbourhood communication and stakeholder engagement are the citizens' events and the architectural competition in the course of the development of the Munich Eggartensiedlung (eggarten-siedlung.de).

CA IMMO SUSTAINABILITY APPROACH



Organisational anchoring and management of sustainability issues and risks

The entire Management Board is responsible for the group-wide, holistic implementation of the sustainability strategy in the corporate strategy and its compliance. CA Immo's ESG commitment comprises goals, corresponding measures and strategies for achieving these goals, comprehensive reporting and a commitment to compliance with various established standards in the areas of the environment, social affairs and governance.

The climate and general sustainability risks relevant to CA Immo are re-evaluated annually as part of the Group-wide risk catalogue, and appropriate risk-reducing measures are derived (risk profiles). A summary of the risk catalogue is presented to the Executive Board and Supervisory Board once a year. Risk prevention measures are implemented by the responsible departments as required. Responsibility for the management of these risks lies with the entire Executive Board; the individual Executive Board members are responsible for ensuring the operational effectiveness of the internal control systems and risk mitigation in their areas of responsibility. This proactive approach is designed to ensure that any risks are minimised through early countermeasures and that the company can react to changing conditions in good time.

The cross-departmental CA Immo Sustainability Task Force, headed by the Head of Sustainability, coordinates the ongoing implementation of the sustainability strategy and drives the development of new initiatives. The framework conditions, targets, measures and related progress in the context of ESG are presented to the Management Board at regular Management Board meetings and other management meetings at least once a quarter. In addition, the supervisory board is informed about ESG issues at least once a year as part of ongoing reporting.

Information on the anchoring of ESG in the remuneration model of the Executive Board can be found in the Corporate Governance Report or at caimmo.com/remuneration.

Strategic sustainability initiative and awareness raising

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".

Parallel to the expansion of external reporting, the internal communication of sustainability topics and activities was also intensified in 2021 – among other things through the formation of further working groups on individual topics (e.g. on climate scenarios and risks, EU taxonomy) and virtual employee trainings.

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 senior 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.

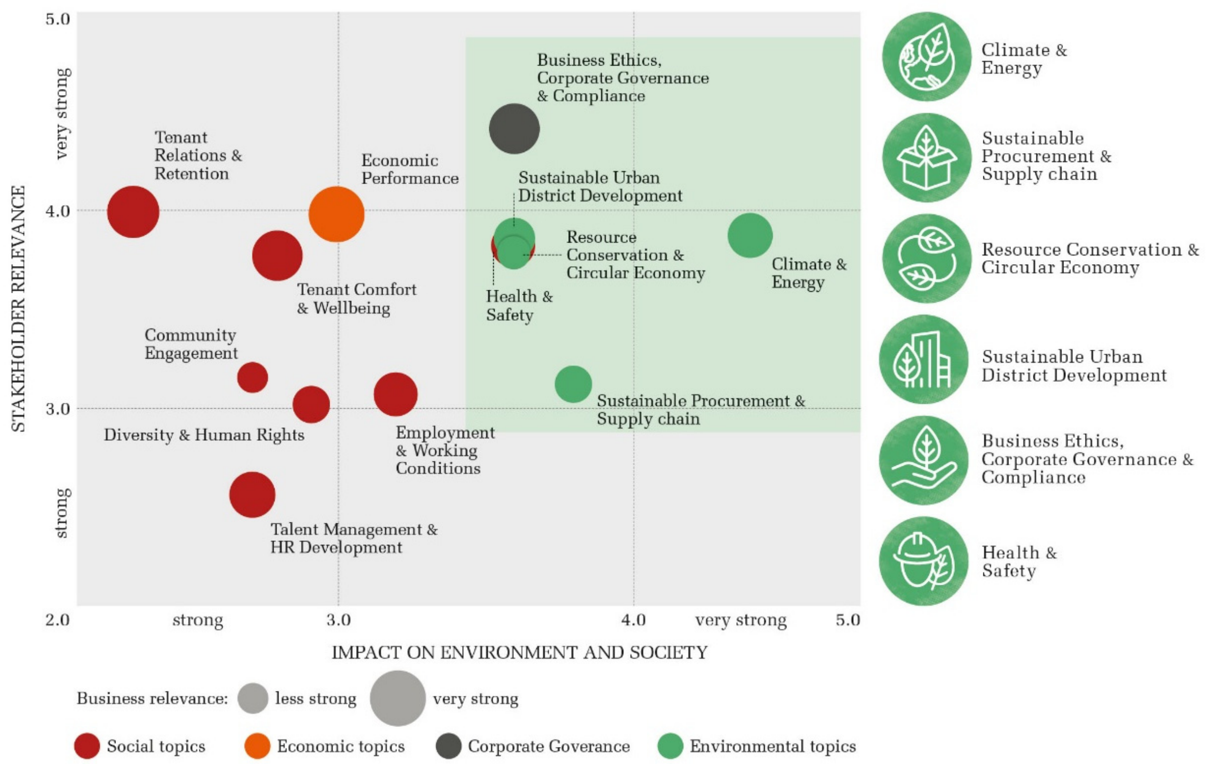
[1] Impact of the environment, society and the economy on the business model, strategy and financial position of CA Immo

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

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.

Due to the current dynamic developments in ESG issues – both the regulatory environment and stakeholder needs – we will reassess this materiality matrix at least every two years in the future.

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).

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:
- Management of energy efficiency and CO_2 emissions, waste generation, resource consumption, and circular economy principles over the entire building life cycle
- Eco-friendly procurement and supply chain
- Brownfield vs. greenfield development (protection of biodiversity)
- Sustainable product definition for city quarter developments and new construction projects.

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 our buildings 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.

UN Sustainable Development Goals (SDGs)

As a relevant player in the European real estate sector, CA Immo supports the Sustainable Development Goals (SDGs)[1] of the United Nations (see graphic). Our positioning and activities are in line with the SDGs; the most important fields of action are listed in the table on page 68 and explained in overview form.

Memberships

CA Immo is actively involved in the relevant platforms of the real estate industry and supports industry-relevant research and development through memberships and cooperations. For example, CA Immo has for many years been an active member of organisations which

– 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 addition, as a member of the ESG Circle of Real Estate (ECORE)[2] CA Immo 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.

[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 limiting global warming to 1.5° 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	13 CLIMATE ACTION
Sustainable Procurement & Supply Chain	We develop office properties for the long-term portfolio 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 prevention and control – Supply chain responsibility	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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.	– Transition to a circular Economy – Sustainable use and protection of water and marine resources	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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.	– Protection and restoration of biodiversity and ecosystems	11 SUSTAINABLE CITIES AND COMMUNITIES 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Health & Safety	We create safe, healthy and attractive working environments for tenants, employees and service providers – both in our buildings and on the construction sites. We support our employees and pay attention to their needs, health and individuality.		3 GOOD HEALTH AND WELL-BEING

GROUP MANAGEMENT REPORT

CA Immo Sustainability Agenda: Targets, 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 targets 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	– Reduction of the average Scope 1+2 CO_2 emission intensity of the investment portfolio by 50% by 2030 (base year 2019). – All new construction projects completed from 2030 onwards are climate neutral in operation (net zero carbon) – Climate neutrality by 2050	– Conversion of electricity contracts to 100% electricity from renewable energy sources in the investment portfolio by 2023 (landlord-obtained) – Purchase of climate-neutral district heating acc. to local availability – Green lease programme to reduce CO_2 emissions (Scope 3) in the investment portfolio (tenant participation) – Establishment of a digital energy monitoring and management system for the Group-wide portfolio by 2025 – Renovation programme to systematically reduce the energy consumption and carbon footprint of the investment portfolio – Continuous reduction of the energy demand of development projects – Expansion of renewable energy sources in and on development projects (e.g. photovoltaics, solar thermal energy, geothermal energy) – Reduction of embodied carbon emissions in development projects – Compensation of unavoidable emissions through offsetting measures (e.g. CO_2 reduction certificates)
Sustainable Procurement & Supply Chain	– Social and environmental requirements in CA Immo Procurement Directive	– Obligation of all construction service providers to comply with comprehensive sustainability standards (e.g. material declaration, worker protection)
Resource Conservation & Circular Economy	– Increase the share of recycled/recyclable waste – Reduction of water consumption	– Implementation of a professional waste management and water consumption monitoring in building operations – Green lease programme for resource-saving, sustainable building use (tenant participation)
Sustainable Urban District Development	– Focus on brownfield developments (revitalisation of old sites)	– Continuation of the strategic focus on revitalisation of old sites – Implementation of all new office developments for the own long-term portfolio 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
Business Ethics, Corporate Governance & Compliance	– Compliance with ESG regulations – Voluntary best practice commitment	– Aiming for UN Global Compact membership – OECD Guidelines as a guideline for corporate action
Health & Safety	– Avoiding accidents in buildings and on construction sites – Maintaining the long-term performance of own and external employees (tenants, contractors)	– 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 in buildings an on construction sites – Comprehensive Covid-19 protection measures – Occupational health care, flexible working time models

ENVIRONMENT

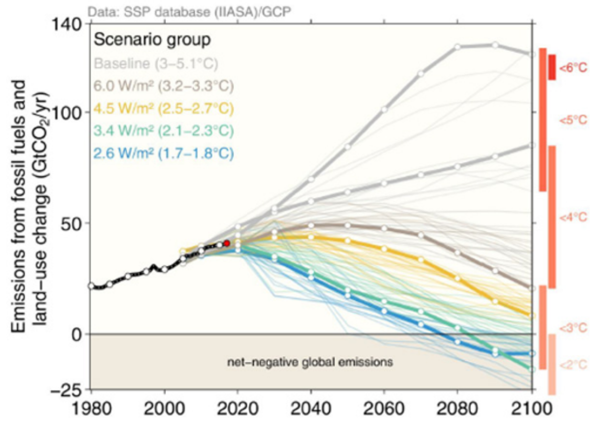
CA Immo wants to make a contribution to limiting global warming to 1.5° Celsius and protecting the environment. Therefore, we have set ourselves the goal of reducing the CO_2 footprint of our business activities and evaluating and intensifying the measures we have taken so far to protect the environment.

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, how much higher levels of warming will actually affect our environment and how quickly individual countries and societies respond to these developments.

CO_2 emissions and global warming scenarios

Global warming of 2°Celsius will be exceeded in the course of the 21st century if there are no profound reductions in CO_2 and other greenhouse gas emissions in the coming decades.[1] The graph on the top right shows scenario analyses for the development of global CO_2 emissions and the resulting global warming until 2100.



Source: Global Carbon Project

Scenario analysis for global climate warming

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

Over the whole life cycle – from construction, use, renovation to demolition – buildings in the EU are responsible for 40% of energy consumption and 36% of energy-related greenhouse gas emissions (CO_2). Around 75% of buildings in Europe are considered inefficient and less than 1% of the national building stock is renovated annually on average[2]. 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), but also the energy transition (provision of sufficient energy from renewable sources for climate-neutral building operation) 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. Information on the management of climate risks relevant to CA Immo and the corresponding organisational processes and responsibilities can be found on page 65 and in the Risk Management chapter.

[1] IPCC: Climate Change 2021, Sixth Assessment Report, www.ipcc.ch

[2] https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

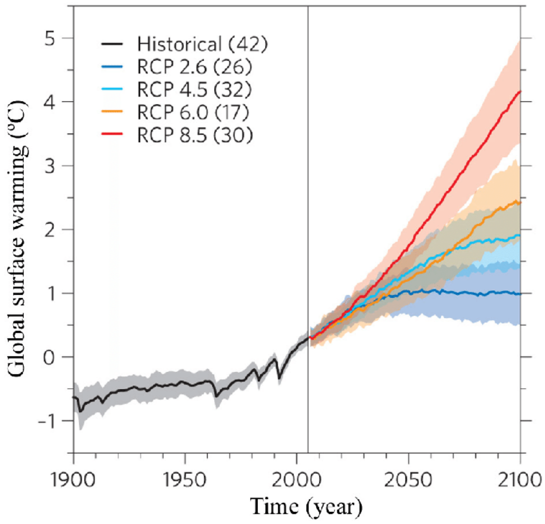
GROUP MANAGEMENT REPORT

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).

In order to be able to concretely assess the corresponding risk exposure of our portfolio, we evaluated natural hazards (flood, hailstorm, lightning strike, tornado, storm) for all investment properties with a value of >€10 m in 2021.[1] The implementation of a detailed, forward-looking risk and vulnerability assessment according to different RCP scenarios (Representative Concentration Pathways) for the identified climate risks in accordance with the guidelines of the EU taxonomy is planned for the 2022 business year.

Global warming: RCP scenario calculation



Source: Researchgate.net[2]

PHYSICAL RISKS

Type of risk	Risk assessment	Potential financial impacts	Action and strategic precaution
Natural disasters and extreme weather events	Risk group: Acute Probability: High Time horizon[3]: Short **CA Immo risk exposure**[4]: Low[5]	– 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	– Ongoing control, maintenance and servicing of the buildings – Forward-looking project development and high building quality of the CA Immo portfolio – Scenario analysis in accordance with the guidelines of the EU taxonomy will be carried out in 2022, deriving adaptation measures to increase the climate resilience of the portfolio – Comprehensive insurance cover for existing buildings and projects (construction sites)
Gradual changes in temperature and precipitation, rising sea level	Risk group: Chronic Probability: High Time horizon[3]: Long **CA Immo risk exposure:** To be evaluated in 2022 by means of scenario analysis	– 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	– 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 – Scenario analysis in accordance with the guidelines of the EU taxonomy will be carried out in 2022, deriving adaptation measures to increase the climate resilience of the portfolio

[1] Natural Hazards Analyse mit SwissRE CATNET ® Risk Analysis Tool
[2] www.researchgate.net/figure/Global-temperature-increase-used-in-IPCC-AR5-presented-by-the-RCPs-The-values-in_fig1_316307741
[3] Period in which these climate risks are likely to occur: Short: 0-1 year, Medium: 1-3 years, Long: more than 3 years
[4] Low: €0-10 m; Medium: €10-50 m, High: >€50 m. Period under consideration: 1 year
[5] Taking into account the existing risk mitigating measures, the currently existing residual risk is classified as low

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).

TRANSITION RISKS

Type of risk	Risk assessment	Potential financial impacts	Action and strategic precaution
Regulatory risks			
Stricter targets and legislation on decarbonisation, energy efficiency and adaptation to climate change	Probability: High Time horizon[1]: Medium	– Higher construction costs due to increasing requirements for energy efficiency of buildings and CO_2-neutral construction process – Higher investments in energy retrofitting/refurbishment of the building stock – Compliance costs (penalties, levies) – Increased taxes and/or loss of subsidies	– Close monitoring of the current and future legal situation in our markets – Investments in energy retrofitting/refurbishment of the building stock – Forward-looking project development and high building quality of the CA Immo 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 (Sustainable finance)	Probability: High Time horizon[1]: Short	– Declining share price (loss of reputation) – Higher financing costs, reduced availability of debt capital	– Clear, measurable climate strategy and targets – Transparent sustainability reporting and communication – Strategic capital rotation programme to increase the sustainability of the portfolio
Change in market demand toward energy-efficient buildings (changing tenant needs)	Probability: High Time horizon[1]: Medium	– Decreasing real estate values – Poorer marketability – Lower rent levels, lower rental income (stranding risk)	– High building quality with a high proportion of sustainability certifications increases the long-term competitiveness of the portfolio – Buildings developed by CA Immo exceed current energy efficiency and environmental protection requirements (premium segment, best-in-class) – Strategic capital rotation programme to increase the sustainability of the portfolio
Reputational risks			
Attractiveness as an employer, stakeholder trust	Probability: High Time horizon[1]: Short	– Competitive disadvantages due to high employee turnover – Disadvantages in the fight for the best brains	– Responsible business model with clear commitment to sustainability and climate protection – Transparent sustainability reporting and communication, stakeholder engagement

[1] Time horizon: Short: 0-1 year, Medium: 1-3 years, Long: more than 3 years

CLIMATE OPPORTUNITIES

Opportunities	Potential financial impacts	Action and strategic precaution
Resource efficiency: More efficient buildings	– Lower operating costs through efficiency gains, reduced water and energy consumption – Higher value or value stability of the portfolio	– High building quality with a high proportion of sustaina-bility certifications increases the long-term competitive-ness of the portfolio – CA Immo Agenda for sustainable business operations (targets and measures, see page 69)
Energy source: Use of renewable or low-emission energies	– 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 (subsidies)	– CA Immo Agenda for sustainable business operations (targets and measures, see page 69)
Products and services: Green buildings	– Reputation gain and competitive advantage through trans-parent and future-oriented environmental reporting and communication and due to higher demand for prod-ucts/services with low emissions ("green buildings") – Competitive advantage through rapid adaptations of the building stock (modern technologies and innovation to op-timize energy efficiency and reduce emissions)	– CA Immo has a high-quality portfolio with a high propor-tion of sustainability certifications (DGNB, LEED, BREEAM) – Buildings developed by CA Immo exceed current re-quirements for energy efficiency and environmental pro-tection (DGNB Gold or LEED Gold certification standard, strong in-house expertise and track record regarding Green Building development) – Use of knowledge and synergies from project develop-ment to reduce CO_2 emissions and resource consumption in existing buildings – Transparent sustainability reporting and communication
Markets: New business areas, target groups and financing opportunities	– Increased revenue, competitive advantage through access to new and emerging markets – Green Finance: Lower financing costs, better availability of debt capital	– Responsible business model with clear, early commit-ment to sustainability and climate protection brings ex-tensive competitive advantages in customer and investor relations – In 2021, CA Immo underpinned its ESG commitment by signing a €300 m sustainability-linked financing (RCF). This green financing strategy is to be expanded further in the future
Climate resilience	– Increased market valuation due to resilience planning (e.g. infrastructure, location, building condition) – Lower maintenance costs and costs for refurbishment due to high building climate resilience	– Clear strategic commitment to high-quality core products in resilient, inner-city metropolitan locations – Scenario analysis in accordance with the guidelines of the EU taxonomy will be carried out in 2022, deriving adaptation measures to increase the climate resilience of the portfolio

2. GROUP LEVEL

Climate & Energy: Climate-friendly mobility

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 CO_2 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. At the end of 2021, the hybrid share of company cars across the Group was 12% (2020: 7%), while electric cars accounted for 5% (2020: 2%). These shares are to be successively further expanded.

In addition, we support the mobility transition by installing electric vehicle charging stations (EV charging stations) in our own buildings. In total, 154 EV charging stations were available in our buildings as of 31 December 2021. In the 2022 financial year, we plan to carry out a Group-wide, property-related inventory analysis, which will form the basis for a bundled conversion to EV charging stations.

Our travel policy stipulates that employees use rail instead of air travel wherever possible. 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.

Climate & Energy: Reduction of the carbon footprint of CA Immo offices through green electricity purchasing

As part of the conversion of CA Immo building operations to green electricity in 2021, the supply of energy from renewable sources to the CA Immo offices used by the company itself has also been secured until 2025. (see page 75). This green energy purchasing enables us to significantly reduce the carbon footprint of our owner-occupied office space. A list of the energy con-sumption, including the resulting CO_2 emissions, as well as the water consumption and waste produced in CA Im-mo's own-used office space, can be found in the ESG ap-pendix.

3. INVESTMENT PROPERTIES

We aim to offer our tenants high-quality buildings in prime locations. Part of this comprehensive quality standard is to maintain sustainable and energy-efficient buildings in the portfolio and to operate them in a way that conserves resources as much as possible. To ensure that all properties retain their value, marketability and comprehensive sustainability over the long term, CA Immo focuses on quality and sustainability management throughout the entire life cycle of the buildings. In the course of this, a wide range of measures are implemented to optimise the energy balance of our buildings and minimise the CO_2 footprint and resource consumption (ecological building operation).

As at the end of 2021, the CA Immo portfolio comprised 66 investment properties, of which 56 were multi-tenant office buildings, one shopping centre and 9 single-tenant buildings (including 3 hotels). Around 91% of the building stock[1)] was office property. 42 buildings are heated with district heating, the remaining 24 with gas.

Climate & Energy: Standardised Energy Management

CA Immo continuously collects and analyses the energy consumption from heat and electricity as well as the resulting CO_2 emissions of the portfolio (see table on page 75 and the EPRA table in the ESG Appendix). This data flows into the group-wide energy monitoring, on the basis of which decisions on energetic optimisation measures are made.

In order to enable even more detailed and timely energy monitoring in the future, including weak point analyses, a Group-wide, digitally supported energy management system is being implemented. The basis for this is the conversion to **smart meters** (digital meters) as well as an evaluation for upgrading or retrofitting the building management systems (BMS) in the international building stock. Digital energy data management will ensure continuous and effective monitoring of current consumption data.

The majority of the German and around half of the Austrian CA Immo buildings were converted to digital electricity meters in 2021, with the CEE countries to follow by 2025 and the installation of digital gas meters also to be completed. The expansion of building digitalisation

[1)] By book value, excl. short-term properties (properties intended for trading or sale) (intelligent BMS control of technical building infrastructure such as lighting, air-conditioning and heating systems) is intended to further optimise energy efficiency in operations.

Energy management program: Processes, control, responsibilities

The facility management contracts of CA Immo properties include extensive standard services for energy management (Service Level Agreements). From 2022, these will include the preparation of half-yearly reports on the energy efficiency of each individual building, which will be used to derive measures to improve the energy efficiency of the buildings – both for rental and common areas (optimisation proposals for tenants and owners). The control and monitoring of these processes is the responsibility of CA Immo's technical asset management. Investments in the energy modernisation of buildings (Green CAPEX) are proposed by Asset Management as part of the maintenance expenditure in the course of the annual budgeting process and approved by the Management Board.

Energy consumption and CO_2 footprint

In 2020, the average CO_2 emission intensity (annual CO_2 emissions per sqm) of the CA Immo portfolio (Scope 1+2, excluding tenant energy purchase) was reduced by around 11% compared to the previous year. This reduction is based on a year-on-year decrease in all energy consumption values yoy (–14% electricity consumption like-for-like;
–10% gas consumption like-for-like; –4% energy consumption from district heating like-for-like). Total average energy intensity (energy consumption per sqm, excluding tenant energy purchase) fell by 13% year-on-year. The main drivers of this development are above all:

- The ongoing transfer of own project completions into the own portfolio
- Targeted sale of older buildings (strategic capital rotation programme)
- Reduced office use from 2020 (Covid 19 pandemic)
- Energy management and renovation measures
- Purchase of green electricity

The share of electricity from renewable energy sources was 1% of total consumption in 2020. This share will increase significantly in the course of the continuous switch to green electricity from 2021 onwards (see paragraph on green electricity purchasing on page 67).

As the consumption data for 2021 was not yet available in full at the time of reporting, the energy consumption and the CO_2 emission data based on it shown in the table below for 2021 are preliminary estimates based on 2020 consumption data (for extrapolation methodology, see ESG Appendix).

ENERGY CONSUMPTION DATA AND CO_2-FOOTPRINT OF THE CA IMMO INVESTMENT PORTFOLIO[1)]

	EPRA Code	Coverage	Unit of measure	2019	2020	% change	2021e[2)]
Building energy intensity (excl. tenant energy supply)	**Energy-Int**	**General electricity, heating, cooling**	**kWh/sqm**	**138**	**119**	**–13**	**136**
Building CO_2 emissions intensity (Scope 1+2)	**GHG-Int**	**General electricity, heating, cooling**	**kgCO_2e/sqm**	**36.5**	**32.6**	**–11**	**25.3**
Gross Internal Area (GIA) [3)]		Whole building	sqm	1,357,552	1,422,963	5	1,420,512
Number of Properties [4)]		Whole building	number	53	55		54

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 (general electricity) 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 portfolio in accordance with EPRA Best Practice Recommendations can be found in the ESG Appendix from page 128 onwards.
2) The energy consumption and emission data for 2021 are preliminary estimates, as the consumption data for 2021 was not yet fully available at the time of reporting. Information on the extrapolation mode can also be found in the ESG Appendix.
3) In the 2021 financial year, the area used to calculate the energy and CO_2 intensities was changed from Gross Leasable Area (GLA) to Gross Internal Area (GIA). The values for 2019 and 2020 were adjusted accordingly.
4) Multi-tenant buildings. Single-tenant buildings are not included in this analysis, as the separation into general and tenant electricity is not available for these buildings.

Energetic and climate-friendly modernisation of investment properties

CA Immo invests continuously in optimising the energy efficiency of its portfolio. The following measures are part of this energy modernisation programme:

- Replacing old pumps with energy-saving high-efficiency pumps
- Successive replacement of conventional lighting with LED technology with modern sensors
- Installation of heat recovery in ventilation systems
- Modernisation and system improvements, e.g. of heating and cooling media
- Modern energy management systems to identify optimisation potential in the building at an early stage.

In 2021, among other things, detailed energy assessments were carried out for buildings with increased energy consumption (compared to the portfolio average) in order to derive and successively implement targeted measures for further efficiency improvements.

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

The national bundling and Group-wide conversion of **electricity procurement** to renewable energy sources (wind, water and solar energy) was initiated in 2020 and completed in summer 2021. The country-specific contracts cover the period 2020 to 2025 and include the purchase of green electricity for all common areas and services provided by the landlord (general electricity incl. cooling, lighting, lifts) in our multi-tenant buildings as well as the electricity supply in our own-used CA Immo office areas. As all tenant electricity in the CEE countries (Hungary, Romania, Poland and Czechia) is purchased centrally by CA Immo, the contracts in these countries also include all tenant electricity.

The supply of the Austrian and Polish buildings as well as part of the German building stock has been converted to green electricity since 1 January 2021. In the remaining countries, the conversion of operations to green electricity will take place after the current energy contracts expire and is expected to be completed by the end of 2023.

In order to also reduce CO_2 emissions from the heating of the building stock, the **district heating contracts** are also to be successively switched to green or CO_2-neutral energy sources (e.g. from waste heat, combustion of biomass or reduction certificates), depending on local availability. In 2021, corresponding contracts have already been concluded for our buildings in some German cities (Cologne, Düsseldorf, Mainz), and the share of green or CO_2-neutral district heating is to be further expanded in the future.

Tenant participation: Green Lease Agreements

Holistic environmentally and climate-friendly building operation requires the participation of our tenants. For example, the conclusion of electricity contracts for rental space – and thus the decision on whether to purchase "green" or "grey" electricity – is the responsibility of our tenants in Austria and Germany, since for legal reasons only in the CEE countries of Hungary, Romania, Poland and the Czech Republic can all tenant electricity be purchased centrally by CA Immo in addition to general electricity.

By means of Green Lease Agreements (customer eco-efficiency programme), we offer our tenants the opportunity to participate in our environmental and climate protection initiative in a spirit of partnership and to send a strong signal for sustainability. Corresponding contract components were finalised in 2021 and the first green lease agreements were concluded (primarily in Germany). In the coming years, new and existing contractual relationships are to be successively converted to green leases. Green Lease Agreements include, among others:

- Purchase of green electricity at optimised conditions (CA Immo tenant electricity pool) to reduce CO_2 emissions in operations (Scope 3)
- Data and information exchange with the tenant (consumption, occupancy, use) and analysis of consumption data (energy monitoring)
- Reduction of waste, ecological cleaning
- Incentives for climate-friendly mobility of employees

Resource conservation & circular economy in building operations

As CA Immo centrally organises both water purchasing and waste disposal for all Multi-tenant office buildings, **water consumption and waste data** is available for the majority of investment buildings (2020: 59 of 67 buildings). For 2020, the data base could be significantly expanded from 52 (2019) to 59 buildings. At the time of reporting, there was insufficient data for a meaningful estimate of the 2021 consumption values.

In 2020, **water consumption intensity** (average annual water consumption per sqm) decreased by around 37% year-on-year. This strong decrease is mainly due to the lower office use in view of the Covid 19 pandemic. Water consumption is to be further optimised through the installation of digital water consumption meters (smart meters) and corresponding consumption monitoring.

The **waste recycling rate** (incl. reuse) was 21% in 2020 and thus 3 percentage points above previous year´s value. In terms of efficient operating cost and sustainability management, our aim is to optimise existing disposal concepts, to further increase the waste recycling rate and to close the last data gaps. A framework agreement for professional waste management of the German buildings was concluded in 2021 and is in force as of 1.1.2022. In addition, the continuous conversion to green lease contracts should contribute to better waste separation by the building users (tenant participation).

WATER CONSUMPTION AND WASTE RECYCLING QUANTITIES OF THE CA IMMO INVESTMENT PORTFOLIO [1)]

	EPRA Code	Unit of measure	2019	2020	% change
Building water consumption intensity	**Water-Int**	**m³/sqm**	**0.44**	**0.28**	**–37**
Waste recycling	**Waste-Int**	**Weight of waste by disposal route (%)**	**18**	**21**	**3**[5)]
Gross Internal Area (GIA)		sqm	1,326,622	1,494,178	13
Number of properties (coverage)		Number of properties	52	59	

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.
2) Proportion of total annual waste disposed of through reuse or recycling.
3) In the 2021 financial year, the area used to calculate the water intensity was changed from Gross Leasable Area (GLA) to Gross Internal Area (GIA). The values for 2019 and 2020 were adjusted accordingly.
4) Number of buildings whose data is included in the corresponding key figure. Since all asset classes have been included in the analysis since 2020, the number of buildings has increased from 52 to 59 from 2019 to 2020.
5) Percentage points

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 2021, the certification process was completed for two office buildings (project completions) in Berlin, one office building in Warsaw was recertified. On the other hand, two certified buildings in CEE have been sold. As at 31 December 2021, 44 office properties and 2 hotel properties are certified according to DGNB, LEED or BREEAM standards (2020: 43 and 2, 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 72% of the total CA Immo portfolio (all asset classes; 2020: 69%) and 75% of the total office portfolio (2020: 72%) were certified. By rentable area, certified stock comprised some 71% of the total portfolio (2020: 67%) and 78% of the office portfolio (2020: 75%).

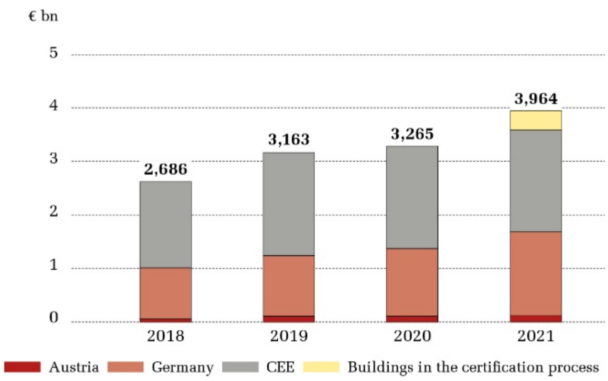
The book value of the certified property assets (all asset classes) was approximately €3,596 m as at 31 December 2021 (31 December 2020: €3,265 m); including the buildings in the certification process as at reporting date, the value was €3,965 m (31.12.2020: €3,714 m).

CERTIFIED PROPERTY ASSETS BY REGION [1]

in € m	Total portfolio	Certified portfolio	Share of certified portfolio
Germany	2,503	1,559	62%
Austria	497	122	25%
CEE	1,996	1,915	96%
Total	**4,996**	**3,596**	**72%**

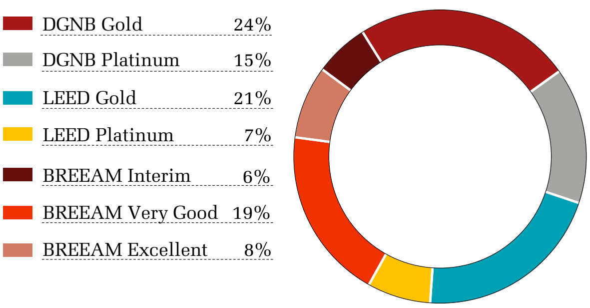
[1] By book value. Basis: Properties 100% owned by CA Immo (fully consolidated).

CERTIFIED PROPERTY ASSETS BY BOOK VALUE [1]



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

CERTIFICATES OF THE CA IMMO INVESTMENT PORTFOLIO[1]
(Basis: € 3.6 bn book value)



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

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 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. 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 all office properties for the own long-term stock in accordance with high sustainability standards (at least DGNB[1] Gold or LEED[2] 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 user-oriented product definition, which, among other things, defines the standard and the level of the sustainability certification. The corresponding minimum standards for ecological, sociocultural 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
Berlin	Upbeat	DGNB	Gold
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

[1] www.dgnb-system.de/de/gebaeude/neubau/kriterien/

[2] www.usgbc.org/leed/why-leed

GROUP MANAGEMENT REPORT

building design. Their implementation is checked by the certifier after completion of the building and is confirmed with the issuance of the final certificate.

Climate & Energy: Energy efficiency and CO_2 emissions in project development

For many years, our aim has been to develop particularly sustainable and energy-efficient buildings for our own portfolio and thereby successively increase the quality of the building stock. While the focus in portfolio management is primarily on sustainability in building operation, the entire life cycle of the building is taken into account in project development (cradle to grave).

In order to determine and optimise the impact of a building on its environment (including CO_2 emissions) in all phases of its life cycle, CA Immo carries out a comprehensive life cycle assessment (LCA) as early as the building planning stage. These analyses distinguish between two types of emissions:

Embodied carbon emissions

- Emissions resulting from the production of building materials and their transport (phase A1-A3)
- Emissions from the construction process (phase A4-A5)
- Emissions from maintenance, repairs/refurbishment during the life cycle (B1-B5)
- Emissions from demolition and disposal (C1-4)
- Emission credits from reuse and recycling (D)

Operational carbon emissions

- Emissions from energy consumption in building operation (heating, hot water, lighting, air conditioning, ventilation; phase B6)
- Emissions from water consumption (phase B7)

For all new construction projects certified according to DGNB or LEED (15 buildings in the period 2011-2021), corresponding LCAs were carried out. Based on a first analysis of 13 LCAs of our German construction projects of the past years carried out in 2021 according to DGNB methodology, an average total CO_2 footprint per building of approx. 2,000 kg CO_2/m^2 is shown. Of this, around 500 kg CO_2/m^2 is accounted for by embed carbon emissions and 1,500 kg CO_2/m^2 by operational carbon emissions. Operational CO_2 emissions therefore account for around 70 to 85% of the total CO_2 emissions during the life cycle of a building and are thus the greatest lever for reducing the CO_2 footprint. This data is in line with a recent analysis by the German Sustainable Building Council (DGNB).[1)]

Operational CO_2 emissions

Over the past 10 years (2011-2021) CA Immo has been able to reduce the average primary energy demand[2)] of the projects[3)] realised from over 150 kWh/m²/a to below 100 kWh/m²/a. The main reasons for these improvements were, on the one hand, the increase in energy efficiency and, on the other hand, the progressive decarbonisation of district heating and electricity (energy transition, decarbonisation of the grids). At the same time, the primary energy demand of the new buildings was on average about 30% below the respective legal requirements[4)]. In the coming years, operational CO_2 emissions of new buildings can be further reduced by the following measures, among others:

- Reduction of energy demand through optimisation of the building envelope and technology and through
- Increased digitalisation of building control technology
- Even more intensive use of renewable energy sources in and on the building (e.g. photovoltaics, geothermal energy).

In parallel to these measures, continued progress in decarbonising the grids (electricity and district heating) should further reduce emissions from building energy consumption in the coming years.

Embodied CO_2 emissions

In the 2021 business year, CA Immo analysed all Life Cycle Assessments (LCA) carried out in the course of new construction projects in Germany over the past 10 years. The knowledge gained from this will now be used to systematically optimise the CO_2 emissions caused by the construction and renovation of our buildings. In the future, the life cycle assessment (LCA) will become the central instrument in the planning process to holistically consider energy consumption and CO_2 emissions. In the coming years, CO_2 emissions from new buildings will be reduced through the following measures, among others:

[1)] www.dgnb.de/de/aktuell/pressemitteilungen/2021/studie-co2-emissionen-bauwerke

[2)] The primary energy demand of a building is calculated from the final energy demand (heating, lighting, cooling; excl. tenant electricity such as IT or kitchens in the rental areas), the energy sources used in the building (e.g. electricity, district heating or gas) and their defined primary energy factors. The purchase of green electricity is not taken into account here.

[3] Basis: 15 in-house office completions. Excl. projects currently under construction

[4)] Legal requirements for energy efficiency at the time of submission of the building application

- Early implementation of an LCA for each new construction project, corresponding monitoring throughout the entire development process.
- Further optimisation of building structure and -structure
- Use of wood or alternative building materials with low CO_2 intensity
- Greater consideration of the principles of circular economy to optimise raw material consumption and emission load (cradle to grave / cradle to cradle)

In order to increase the transparency of the emissions bound in our new construction projects in the future, a detailed reporting of these key figures is being developed.

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 paragraph on sustainability certification on page 77). All contractors (suppliers) are obliged to comply with the defined sustainability standards throughout the entire supply chain in the course of the award process. Details on these standards and the associated control mechanisms can be found in the Corporate Governance chapter and in the CA Immo Award Policy at caimmo.com/esg-policies.

Resource Conservation & Circular Economy

In the course of its development projects CA Immo takes into account a wide range of circular economy factors 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 flexible as possible by making the supporting structure, floor heights, floor 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. The CA Immo subsidiary omniCon is responsible for waste disposal logistics on construction sites in Germany as part of its construction management. At all other locations, this is the responsibility of the Development and Engineering department.

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", coring, deconstruction
- Explosive ordnance risks and (construction-accompanying) 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.

GROUP MANAGEMENT REPORT

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 in or around our buildings, in our own offices and on construction sites. In addition, our activities focus on maintaining the long-term well-being of all occupiers.

Product and service safety program (Product Health and Safety)

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.

Monitoring and overall responsibility for safety at CA Immo's German construction sites lies with CA Immo subsidiary omniCon as part of its construction management activities. At all other sites outside Germany, this is the responsibility of the CA Immo Development and Engineering department.

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 **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. If deficiencies are identified, their rectification is initiated immediately. External facility managers are responsible for functional safety and compliance with fire safety regulations in the individual buildings and report to CA Immo Asset Management at least once a year. The Asset Management department bears overall responsibility for the safety of the CA Immo investment portfolio.

In Germany, all CA Immo portfolio buildings are inspected at least once a year for safety and health impacts (100%); in all other CA Immo core markets, the frequency of these inspections is based at least on national legal requirements. In total, 62 of a total of 66 CA Immo portfolio buildings were inspected for product safety and health impacts in 2021, which corresponds to around 95% of the total portfolio (by area, excl. properties held for sale).

During business year 2021, no regulatory violations or penalties were reported in relation to the health and safety impact of our buildings. All CA Immo buildings are barrier-free for walking impaired people. Further key figures on product safety can be found in the ESG Appendix.

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. As of the reporting date, the Mississippi House and Missouri Park office buildings in Prague and two German office projects under construction are scheduled for WELL certification.

Covid-19

In 2021, 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.

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 2021 and adapted to the current local infection situatioun 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 operational personnel were continuously informed about the Covid-19 prevention measures. This also included the behavior of employees in the event of a confirmed or possible presence of a person infected with Covid-19.

For the successful implementation of all security and prevention measures against the spread of the Covid-19 virus, CA Immo received the SHORE certification from SAFE Asset Group[1)] and the DEKRA Trusted Facility certificate[2)] for its Romanian portfolio in 2021, which confirms, among other things, that CA Immo's buildings are safe facilities that comply with the recommendations of the World Health Organization (WHO) and local authorities.

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

1) Safe Hospitality, Offices, Retail and Exhibitions (SHORE) Certification Program, www.safeassetgroup.com

2) https://www.dekra.de/de/dekra-standard-trusted-facility/

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.

Occupier Satisfaction Surveys

At the end of 2021, CA Immo conducted a survey on tenant satisfaction. In an initial survey phase, the 50 most important tenants were invited to telephone or personal interviews. In total, around 70% of the companies contacted took part in the survey. The following main topics were examined:

- Satisfaction with the support and the rental property
- Space requirements and utilization
- Need for services such as e-charging stations, digitization in the building
- Requirements in terms of ESG/sustainability.

Once analyzed, the results of the survey are used for targeted optimization of our buildings and services with the aim of increasing tenant loyalty and satisfaction. The survey is scheduled to be repeated regularly, at least every three years.

Sustainable procurement & Supply Chain

CA Immo screens business partners – including construction companies in particular – for their professional qualifications and economic situation as part of the award process, but also requires confirmation of compliance with social standards. In the case of construction services, CA Immo obliges 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 Corporate Governance chapter and in the CA Immo Procurement policy at caimmo.com/esg-policies.

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, 2021 was 441[1] (31.12.2020: 437)[2]. Germany is CA Immo's most employee-intensive core market, accounting for around 52% of the workforce, followed by CEE (23%) and Austria (21%). The remaining 4% is accounted for by employees of the construction subsidiary omniCon branch in Basel[3]. Of the total of 247 employees in Germany, 108 (2020: 119) were employed by omniCon as of the reporting date (of which 19 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. As of December 31, 2021, people from 22 nations worked for CA Immo.

In principle, CA Immo employs staff on full-time, permanent contracts. In 2021, of a total of 441 employees, 430 are employed on permanent contracts and 11 on fixed-term contracts. The proportion of fixed-term employees by employment contract is 2%.

In its CSR Policy, CA Immo is clearly committed to the freedom of association of its employees. This policy also defines CA Immo's position on issues such as employee relations, human rights and working conditions. The CSR Policy is available at caimmo.com/esg-policies. In cooperation with the Austrian works council, a large number of employee-related regulations – among other things to support the work-life balance – were defined within the framework of company agreements.

1) Of which around 11% part-time employees (PTE); incl. 31 employees on unpaid leave; excl. Freelancer

2) Of which around 11% are PTE; including 26 employees on unpaid leave

3) omniCon is a subsidiary of CA Immo that specializes in construction management and is active in Germany and Switzerland.

CA Immo last conducted a Group-wide analysis of **employee satisfaction** in cooperation with Great Place to Work (GPTW) in 2020. 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. CA Immo plans to conduct employee satisfaction surveys at least every three years.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP[1)]

Headcount			**Number of employees**		**Share of women**	**Joining / Leaving**	**New hires[2)]**	**Turnover[3)]**
	31.12.2020	**31.12.2021**	**change in %**	**2021 Ø**	**31.12.2021 in %**	**2021**	**2021 in %**	**2021 in %**
Austria	80	92	15	86	62	21/10	24	12
Germany/Switzerland[4)]	252	247	-2	250	39	15/20	6	8
CEE	105	102	-3	106	72	10/13	9	12
Total	**437**	**441**	**1**	**442**	**51**	**46/43**	**10**	**10**

[1)] Headcounts. Thereof around 11% part-time staff, incl 31 employees on unpaid leave; excl.20 employees of joint venture companies; Calculations according to the GRI guidelines (GRI 401-1)
[2)] New hires: Joiners 2021 / average number of employees in 2021 (Headcount)
[3)] Turnover: Leavers 2021 / average number of employees in 2021 (Headcount)
[4)] At the end of 2021 19 local employees were employed at the Basel branch of CA Immo's wholly owned construction subsidiary omniCon.

Co-determination of employees and internal communication

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.

Employee participation and social benefits

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. In 2021, training courses were held in the specialist areas of asset and portfolio management as well as data analysis and forecasting (Real Estate Analyst Training). Due to the pandemic, a large part of the training was held virtually.

CA Immo 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 2021, 98% of employees had an annual appraisal, with the remaining 2% being accounted for by employees who joined in the fourth quarter of 2021. In order to promote a culture of continuous feedback, every employee appraisal has been digitally recorded in a central HR tool since 2021. This means that targets can be viewed at any time and an interim status on target achievement can be determined. A new feature of the annual appraisal is an analysis of employee potential in order to provide optimum support for employees' talents and training needs.

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		Vacation	Illness	Qualification in hours	Qualification in days
Austria[1]	Women	18.8	4.8	11.5	1.4
	Men	22.6	3.2	12.5	1.6
Germany[2]	Women	29.5	8.1	5.3	0.7
	Men	28.8	5.5	5.0	0.6
CEE[3]	Women	20.5	1.1	4.7	0.6
	Men	20.2	0.5	6.9	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 5.5 days.
[2] Excludes two long-term sick leave cases (LTSL). Including these LTSL, the average of sick leaves of women in Germany would be 8.9 days and of men 6.1 days
[3] Excludes one long-term sick leave case (LTSL). Including these LTSL, the average of sick leaves of men in CEE would be 2.0 days.

Health and safety at work

Two **occupational accidents** were recorded in the 2021 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 2021.

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. An internal safety officer at each subsidiary also ensures pleasant and safe working environments. No identifiable technical safety deficiencies and resulting acute hazards or risks to employees were identified at any CA Immo office in 2021.

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).

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

Since 2021, CA Immo has been offering employees eye examinations and other medical screenings relevant to the specific area of responsibility of each employee group, in addition to the legally required occupational safety measures (such as workplace and home-office instructions). The implementation of a Group-wide "Digital Wellness Week" with master classes on topics such as stress management, digital balance and food as medicine rounded off the offering.

In addition to many restrictions, the pandemic also brought psychological stress. CA Immo has therefore made external **psychological support available to employees** throughout the Group (Employee Assistance Program) in the form of telephone or personal counseling. This service is available to both CA Immo employees and their relatives living in the same household. Our cooperation partner in Austria, Hilfswerk, for example, offers a variety of online presentations on time management and stress, conflicts or changes in the work environment in its KEEP BALANCE program. Partnership problems, questions about separation, divorce or raising children, and family conflicts can also be discussed with the counseling experts.

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:

– Free Covid 19 test kits for staff and visitors at all sites
– 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, with voluntary office presence, a maximum of 50% office occupancy and mandatory masking in all shared office areas. Until the editorial deadline of this report, business trips and presence meetings were 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 2021. 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.

Further information on health and safety for employees can be found in our CSR Policy at caimmo.com/esg-policies.

Diversity und inclusion

CA Immo operates in numerous countries of different languages and cultures and recognises social diversity and the rights of every individual. Therefore, we always strive to promote diversity within the company and give employees the space to realise their full potential in order to achieve exceptional results for customers and society. We strive to create workplaces free from discrimination based on gender, sexual orientation, marital status, regional/social origin, race, skin colour, religion, world view, age, ethnical affiliation, handicap of any kind or any other reason. CA Immo does not tolerate disrespectful or inappropriate behavior, unfair treatment or unfair retaliation of any form.

CA Immo respects the rights, interests and needs of its employees and pays attention to their individuality in order to establish a corresponding equality of rights and opportunities. With this in mind, CA Immo commits to fair and respectful treatment of our employees in its corporate social responsibility (CSR) policy. At the same time, CA Immo commits its employees to respectful and fair behavior towards each other and towards third parties (applicants, service providers, contractual partners etc.).

The respective managers are responsible for observing and implementing diversity and equality in the day-today work of each department. Responsibility for diversity initiatives at CA Immo lies with the Group Head of Human Resources. The basis for promoting diversity and equality is based on the Group-wide policies (CSR Policy, Code of Ethics and Code of Conduct) and the commitment to diversity management that we entered into by signing the Diversity Charter.

CA Immo is a cooperation partner of **myAbility Social Enterprise GmbH.** myAbility is a social enterprise consultancy that aims to create equal opportunities and make society barrier-free from within the economy.[1] For the Frankfurt site, CA Immo has launched the collaboration as a pilot project to give students with disabilities insights into different departments and to promote a culture of inclusion among CA Immo employees. This project is to be continued in Vienna in 2022.

[1] https://www.myability.org/

In 2021, CA Immo offered **Bullying Awareness Training** for all managers for the first time, covering the topics of sexual harassment, bullying and bossing. The aim of this training was to increase managers' awareness of these issues, identify them at an early stage and intervene or take countermeasures. No incidents of discrimination were reported in 2021.

Gender diversity

CA Immo ensures equality and balance in the composition of its employee structure, across the workforce as a whole and at all managerial and executive levels. Aside from professional qualifications, the recruitment process adheres to a policy of non-discrimination between women and men. Since 2020, CA Immo supports the initiative Women in Leadership (F!F)[1], which actively promotes the change towards more diversity and a contemporary leadership culture in the real estate industry.

In the application and selection process, CA Immo pays attention to a balanced ratio between men and women. A fair, non-discriminatory and equal opportunity application and selection process is particularly important to us. CA Immo undergoes annual benchmarking as part of the Best Recruiters Awards[2]. In this benchmarking, an external agency critically examines the quality of the recruiting process, the career website and, among other things, the company's focus on social responsibility and diversity. CA Immo recently received the Best Recruiters seal in gold and silver for its performance.

CA Immo also aims to increase the proportion of female managers through a variety of measures and incentives. For example, women are specifically targeted in internal succession planning and when filling management positions; preference is given to female applicants with equivalent qualification profiles in the recruiting process. Even part-time employment does not stand in the way of a management position. This model has already been used by some executives. In addition, attention is paid to gender balance in graduate and talent management programs. In order to ensure that succession planning and the promotion of young executives are appropriately diverse, 50% women and 50% men are regularly nominated for the international talent program (FIRE) and care is taken to ensure that the participants have as wide a range of tasks and country coverage as possible. Training and consultation on the topic of diversity are a regular part of the employee training program. From 2022, the topic of diversity development will be included in the agenda of one of the Supervisory Board meetings at least once a year.

As at the key date, the proportion of women working for the Group stood at approximately 51% (51% in 2020). The proportion of women was highest in the CEE subsidiaries (73%), followed by Austria (62%) and Germany (39%). The proportion of female managers fell slightly year-on-year from 32% (31.12.2020) to 30% (31.12.2021). Since January 1, 2022, the CA Immo three-member Management Board has also included one woman. Four women are represented on the Supervisory Board; the proportion of women is therefore 36% overall, or 43% among the shareholder representatives and 25% among the employee representatives when viewed separately.

CA Immo makes it possible to reconcile professional and family life by offering flexible working hours, part-time options, working from home, paternity leave and ‘fathers’ month’. Employees on a leave of absence remain linked to the internal information network and are invited to participate in annual team meetings and company events.

Gender Pay Gap

We evaluate and compare the salaries of men and women in comparable functions on an annual basis. If a pay gap exists, it is analyzed at the individual level and discussed with the respective manager before each salary review, so that the gender pay gap can be gradually closed as part of the annual salary review. In a year-on-year comparison, the gender pay gap (total compensation) at management level has decreased from –2.1% (December 31, 2020) to –0.3% and at employee level from 8.2% (December 31, 2020) to 6.4%.

[1] https://www.frauen-in-fuehrung.info/

[2] https://bestrecruiters.eu/

PERSONNEL DISTRIBUTION BY AGE AND CATEGORIES (TOTAL: 441 EMPLOYEES)[1)]

in %			
Employees (377)[2)]	**≤ 28 years**	**29-48 years**	**≥ 49 years**
Female	5%	40%	11%
Male	4%	25%	16%
Total	**9%**	**64%**	**27%**
Managers (61)[3)]	**≤ 28 years**	**29-48 years**	**≥ 49 years**
Female	0%	25%	5%
Male	0%	38%	33%
Total	**0%**	**62%**	**38%**
Management Board (3)	**≤ 28 years**	**29-48 years**	**≥ 49 years**
Female	0%	0%	0%
Male	0%	33%	67%
Total	**0%**	**33%**	**67%**
Total employees (441)	**34**	**281**	**126**

[1)] Excl. 20 employees (as at 31.12.2021) of joint venture companies. The percentages relate to the number of employees in the respective category. Calculations according to the GRI guidelines (GRI 405-1). [2)] Of which 1% with disabilities [3)] Managers were defined as follows: Group manager, Managing Director, Head of department, head of division, team leader.

GENDER DIVERSITY[1)]

in %	Men	Women	Gender pay gap [2)] Base remuneration	Total compensation
Supervisory Board (total)	64	36	0	0
Supervisory Board (capital representatives)	57	43	0	0
Supervisory Board (employee representatives)	75	25	0	0
Management Board	100	0	0	0
Executives	70	30	–1.0	–0.3
Employees	45	55	5.6	6.4
Total	**49%**	**51%**		

1) Compensation of the Supervisory Board is independent of gender.
2) Information regarding the alculation methodology can be found in the ESG appendix

Outlook 2022

Further improvements in employee satisfaction, staff development geared to rapidly changing general conditions and clear positioning of the CA Immo employer brand to support international recruiting are key objectives for the coming years.

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. Our districts are characterized by good public transport links and the combination of working and living with social and cultural facilities. The provision of green spaces and public spaces makes these places inclusive and accessible to all city residents.

Creation of social infrastructure

By specializing in the revitalization of brownfield sites, CA Immo opens up for all city dwellers places that were previously inaccessible or only accessible to a few people – mostly due to former industrial use. 24 CA Immo portfolio buildings, or around 30% of the total portfolio (by area), are located in neighborhoods that have been appropriately developed, upgraded and opened up to the public by CA Immo. In the course of its neighbourhood developments, CA Immo creates a wide range of social services and infrastructure in cooperation with the respective municipalities, including:

– Parks, playgrounds, sports facilities and ecological compensation areas,
– schools, daycare centers, local amenities,
– public roads and (bicycle) paths.

This results in a sustainable inner-city use of space with a high quality of stay at the same time.

The 60,000 sqm **landscape park created by CA Immo in the Baumkirchen Mitte residential quarter** was awarded the Bavarian Landscape Architecture Prize in 2021. The area, where locomotives and freight cars were shunted for almost 70 years, is now a special habitat for rare animal species. In its statement, the jury particularly emphasized the holistic, sustainable approach to the landscape park as well as the sensitive development concept and

GROUP MANAGEMENT REPORT

the clarification of the special "responsibility of landscape architecture for the social, ecological and sustainable quality of open spaces and their urban integration[1)].

2021, the Baumkirchen Mitte urban neighborhood development won the Bavarian Landscape Architecture Award 2020 in the "Living Environment" category.

In total, CA Immo invested around €450,000 in the social infrastructure of its German urban districts in 2021, including planning costs for a daycare centre in Baumkirchen Mitte and contribution payments for the construction of the ESV Munich East club sports hall. Plans for 2022 include the construction of a playground in Europacity Berlin and a green space with generous sports and play areas in the Baumkirchen Mitte neighborhood.

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.

In 2021, the building application for the last plot in the Baumkirchen Mitte quarter was submitted. It provides for the construction of a building with 54 subsidised and 11 privately financed flats as well as around 500 sqm of retail space in a timber hybrid construction. The project also includes an approx. 850 m² childcare centre in timber construction, which will be transferred to the City of Munich as part-ownership after completion.

4. COMMUNITY ENGAGEMENT

Cultural and social sponsoring

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 2021, for example, we supported the victims of the flood disaster in Germany through donations to the German Red Cross and the "Deutschland hilft" campaign. Further funds went to the Child Nutrition Foundation in Budapest and to support the construction of a hospital in Bucharest. In total, CA Immo donated around €96,000 to social and medical institutions in 2021.

Corporate Volunteering

CA Immo promotes its employees' commitment to the common good. In accordance with a new policy drawn up in 2020, all CA Immo employees have the opportunity to devote up to two working days per year to their active activities for the common good.

[1)] https://www.bdla.de/de/bayerischer-landschaftsarchitekturpreis/2020/gewinner

5. CYBERSECURITY

CA Immo considers strong cybersecurity to be essential for the smooth functioning of its business. Network, program, information and operational security form the core of this. The Organization and IT department is responsible for IT security throughout the Group. CA Immo's IT security concept addresses key topics such as security management, security objectives, protection requirements and risk analysis in order to constantly increase CA Immo's cyber resilience. Standardized processes and measures are used to identify potential threats and cyber risks at an early stage and to determine the need for protection (low to very high protection requirement) for each IT system. Measures for monitoring and responding to data protection breaches and cyber attacks are in place and are continuously reviewed to ensure they are up to date. Audit plans provide for audits of data privacy and IT security at regular intervals. This applies both to IT technical issues and to organizational issues such as compliance with the provisions of the General Data Protection Regulation (GDPR). Internal and external security audits have been carried out for several years. The last external audit was completed in December 2021 by an external auditing firm. The information and new findings compiled as part of these audits are documented in our Cybersecurity Policy.

All CA Immo employees receive regular training (at least once a year) on the topic of cybersecurity. IT guidelines are handed out to all employees at the beginning of their employment, and CA Immo employees can also find further links on IT security on the Group-wide intranet. The IT guidelines include information and rules on data backup, data exchange and transfer, data protection, use of e-mail and the Internet, mobile devices, home offices and remote access.

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 avail-able on our Group website at caimmo.com/esg-policies, including:

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

DISCLOSURES UNDER ARTICLE 8 OF THE EU REGULATION ESTABLISHING A FRAMEWORK FOR SUSTAINABLE INVESTMENT (EU TAXONOMY)

Regulation (EU) 2020/852 ("EU Taxonomy Regulation") entered into force on July 12, 2020. It aims to define sustainable economic activities and represents an important piece of EU legislation to promote transparency and to enable and expand investment in these activities, thus implementing the European Green Deal.

The scope of the economic activities listed within the EU taxonomy is not comprehensive, but is limited to sectors with significant environmental footprints and thus particular potential to contribute positively to the transition to a sustainable economy. The construction and real estate industry as an energy-intensive and thus emission-intensive sector is one of the addressees of the EU taxonomy.

According to the EU taxonomy, an economic activity is considered environmentally sustainable if it makes a significant contribution to at least one of the environmental goals, does not have a significant negative impact on any of the other environmental goals ("do no significant harm, DNSH") and is carried out in compliance with certain minimum protection criteria (“minimum safeguards”), especially with regard to responsible business conduct and human and labour rights. Whether a significant contribution is made to an environmental goal or there is no significant harm to the environmental goals must be reported from 2022 onwards on the basis of the technical screening criteria specified in detail by the EU Commission. Compliance with the minimum protection criteria must also be reported as part of the determination of the share of sustainable economic activities from the 2022 financial year onwards.

At present, the technical criteria for a significant contribution are only available for the first two environmental goals of climate protection and adaptation to climate change. Publication of the final criteria for the remaining four environmental goals (water protection, circular economy, pollution prevention and biodiversity) is expected in the course of 2022.

According to Art. 10 of the “Delegated act on the new reporting obligations under Art. 8 of the Taxonomy Regulation”, simplification provisions apply for the reporting year 2021, according to which only the share of economic activities covered by the taxonomy must be reported. A reporting obligation on the share of sustainable economic activities (in the sense of the application of predefined technical assessment criteria) only exists from the reporting year 2022 onwards.

As the scope of application of the EU taxonomy is linked to that of non-financial reporting in accordance with Article 19a and Article 29a of Directive 2013/34/EU and therefore extends to large public interest entities with more than 500 employees, CA Immo is not covered by the reporting requirements of the EU taxonomy at the reporting date. In order to be transparent with regard to its sustainable economic activities, CA Immo discloses the relevant information voluntarily.

In the following, the economic activities applicable to CA Immo are presented with the financial performance indicators to be reported in accordance with Art. 8 of the EU Taxonomy Regulation (revenue, capital expenditure & operating expenses). This presentation includes the shares of the economic activities **covered by the taxonomy** in revenues, capital expenditure (CapEX) and operating expenditure (OpEX).

Gross revenues

CA Immo is an investor, manager and developer specializing in large, modern office properties in the metropolitan cities of Germany, Austria and CEE. The company covers the entire value chain in the commercial property sector and has a high level of in-house construction expertise. Founded in 1987, CA Immo is listed on the ATX of the Vienna Stock Exchange and holds real estate assets of around €6,3 bn in Germany, Austria and CEE.

The gross revenues of CA Immo consist mainly of rental income (including operating cost income) from properties in the portfolio amounting to €280.2 m. In addition, revenue of €143.5 m was generated from the sale of long-term property assets (asset and share deals). Revenues from real estate trading and construction services are also recognised and are in negative territory in 2021 (revenue correction previous year). Income from the sale of properties held for trading and services amount to €17.3 m, but these revenues originate from economic activities not covered by the EU taxonomy.

Within the list of economic activities covered by the taxonomy, CA Immo has identified two activities for the gross revenues of the business year 2021:

– Acquisition and ownership of buildings: Acquisition of real estate and exercise of ownership of this real estate (note: e.g. by renting). The economic activities in this category can be classified under NACE code L.68 according to the statistical classification of economic activities established by Regulation (EC) No. 1893/2006.
– Construction of new buildings: The economic activities in this category can be classified under NACE code F.41.2 according to the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

The shares of eligible and ineligible gross revenues (turnover) according to the taxonomy for the fiscal year 2021 are as follows:

in € K	NACE Code	Total turnover 2021	Share of total turnover in %
A. Taxonomy-eligible economic activities			
7.7 Acquisition and ownership of buildings	L.68	423,660	
7.1 Construction of new buildings	F.41.2	–926	
Total Taxonomy-eligible economic activities		**422,734**	**96%**
B. Not Taxonomy-eligible economic activities			
Total not Taxonomy-eligible economic activities		**17,296**	**4%**
Total turnover (A+B)		**440,030**	**100%**

Capital expenditures (CapEx)

Capital expenditures as defined by the EU taxonomy are additions to long-term assets or rights of use. CA Immo reports capital expenditure primarily in the form of additions to the investment portfolio (purchases of existing properties, project development for its own portfolio). Furthermore, investments are made in the form of renovations and refurbishments of the building stock owned by CA Immo. Both types of additions are to be allocated as CapEx to the economic activity "Acquisition and ownership of buildings".

Investments in company cars are also covered by the taxonomy under the economic activity 'Transport by passenger car'.

Investments in owner-occupied property and software as well as in office furniture and equipment totalling around €2.3 m are not covered by the EU taxonomy.

Overall, the shares of eligible and ineligible capital expenditures according to the taxonomy for the fiscal year 2021 are as follows:

In € K	NACE Code	Absolute CapEx 2021	Share of total CapEx in %
A. Taxonomy-eligible economic activities			
7.7 Acquisition and ownership of buildings	L.68	212,056	98.8%
6.5 Transport by passenger car	H.49.39	361	0.2%
Total Taxonomy-eligible economic activities		**212,417**	**98.9%**
B. Not Taxonomy-eligible economic activities			
Total not Taxonomy-eligible economic activities		**2,280**	**1.1%**
Total CapEx (A+B)		**214,697**	**100%**

Operating expenses (OpEx)

Operating expenses as defined by the EU taxonomy are, in addition to research and development expenses for the reduction of greenhouse gas emissions, all maintenance and repair expenses as well as other directly attributable costs that are relevant for the ongoing maintenance and preservation of the functionality of property, plant and equipment. In relation to CA Immo's business model, OpEx is only considered in the form of non-capitalised costs for maintenance and repair expenses on existing properties.

The operating expenses covered by the EU taxonomy are therefore to be allocated in their entirety to the economic activity "Acquisition of and ownership of buildings" and break down as follows:

In € K	NACE Code	Absolute OpEx 2021	Share of total OpEx in %
A. Taxonomy-eligible economic activities			
7.7 Acquisition and ownership of buildings	L.68	–5,236	100%
Total Taxonomy-eligible economic activities		**–5,236**	**100%**
B. Not Taxonomy-eligible economic activities			
Total not Taxonomy-eligible economic activities		**0**	**0%**
Total OpEx (A+B)		**–5,236**	**100%**

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,
Social issues	Health and safety, Sustainable procurement / supply chain	H&S-Emp, Emp-Training, H&S-Asset, H&S-Comp, Comty-Eng
Respect for human rights	Business Ethics, Corporate Governance & Compliance	Gov-Board Gov-Select
Combating corruption and bribery	Business Ethics, Corporate Governance & Compliance	Gov-CoI

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

Subject areas	**Topics**	**Chapter**
Governance	The Board's monitoring of climate-related risks and opportunities	Corporate Governance Report, Risk Report, ESG Report
	Management´s role in assessing and managing climate-related risks and opportunities	Corporate Governance Report, Risk Report, ESG Report
Strategy	Short-, mid- and long-term climate-related risks and opportunities the organisation has identified	ESG Report
	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	Strategy, ESG Report
Risk Management	The organisation's process for identifying climate-related risks	Risk Report, ESG Report
	The organisations' processes for managing climate-related risks	Risk Report, ESG Report
	Integration of the above processes in the organisations general risk management	Risk Report, ESG Report
Indicators and goals	The organisations indicators for evaluating climate-related risks and opportunities	ESG Appendix, ESG Report
	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 (see page 128-136)
- Narrative on performance (see ESG Report page 94-124 and Corporate Governance Report on page 22-32

6. 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). The reporting on the consumption data of our investment portfolio (page 128-134) includes exclusively investment 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.

Reporting period

The reporting on the consumption data of our investment portfolio (page 128-134) refers to the calendar year that ended on 31 December 2020, as the consumption data of our buildings for the year 2021 was not completely available by the editorial deadline of the report. The rest of the sustainability reporting refers to the reporting date 31 December 2021, unless otherwise stated.

Coverage

We seek to report on all properties within the organisational boundaries defined above, excluding:

- Properties classified as land reserves, e.g. temporary buildings, buildings with interim use
- multi-storey car parks.

Office properties form the core segment of CA Immo; as at the reporting date, office properties accounted for 91% of the total portfolio[1)], the rest was accounted for by hotels (5%) and other types of use (4%).

In 2020, the CA Immo portfolio recorded in the EPRA consumption data on pages 128-131 in accordance with the scope described above included 67 investment buildings, of which 54 were multi-tenant office buildings, one shopping centre and 12 single-tenant buildings (including six hotels). 40 buildings were heated with district heating, the remaining 27 with gas. Compared to 2019, the scope of the analysed portfolio was significantly expanded in 2020 and, in addition to the office asset class, all asset classes (hotel, retail, other) were included in the consumption data analysis. In total, around 90% of the entire CA Immo investment portfolio (by gross lettable area, as at 31 December 2020) was included in the consumption data analysis in the 2020 business year (2019: 76%), including utility consumption for seven CA Immo owner-occupied offices located in CA Immo buildings.

The consumption figures for the three offices used by CA Immo itself that are not located in CA Immo buildings are shown separately in the table on page 132.

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. For the 2020 financial year, two office buildings fully let to a single tenant (single-tenant buildings) had to be excluded from the consumption data analysis due to lack of data availability.

Extrapolation methodology for 2021 consumption data

Consumption data for the 2021 business year was not available in full by the editorial deadline for this report. In order to nevertheless be able to give an indication of the corresponding consumption, we have extrapolated selective consumption values (energy and CO_2 intensity of the investment portfolio) on the basis of the 2020 consumption values, taking into account climate (weather) and vacancy factors, and presented them in the ESG report on page 106. The EPRA tables in the ESG Appendix show the full 2019 and 2020 consumption data only.

[1)] As at 31 December 2021, by book value, excl. short-term properties

Scope of reporting

In reporting on the consumption data of our investment portfolio, we follow the scope definition of the Greenhouse Gas Protocol:

- Scope 1: Direct emissions from the combustion of energy sources procured directly by CA Immo (natural gas)
- Scope 2: Indirect emissions arising from the generation of energy procured by CA Immo outside CA Immo properties (electricity and district heating)
- Scope 3: Indirect emissions generated within the CA Immo value chain. As at the reporting date, CA Immo only reports Scope 3.13 emissions from leased buildings (downstream leased assets). These are emissions that arise in the course of energy consumption by tenants who purchase their energy quantities (electricity, gas and district heating) via submetering from CA Immo (tenant electricity, obtained from the landlord and submetered to tenants) or via direct contracts with their suppliers.

The conversion of energy consumption to greenhouse gas emissions has been carried out both **location-based and market-based** since the 2020 financial year. For the location-based conversion, country-specific average conversion factors from DEFRA (for district heating and gas) and the International Energy Agency IEA (for electricity) are used. For the market-based conversion, the factors of the respective energy suppliers (for district heating and electricity) from the corresponding energy contracts are applied.

Estimation of landlord-obtained utility consumption

Total reported energy and water consumption is based on invoices and meter readings where applicable. For a single-tenant building, estimates for water and energy data were made based on the requirements of the EPRA Sustainability Best Practices Recommendations 3rd Edition. In some cases, we converted waste data reported in volumetric units. Density conversion factors provided by the UK Environment Agency were used for this purpose.

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

In the 2021 financial year, the area used to calculate energy intensity (Energy-Int), CO_2 intensity (GHG-Int) and water intensity (Water-Int) was changed from rentable floor space (GLA) to gross internal area (GIA in sqm; incl. garage parking spaces, basement and storage area located in the building). The values for 2019 and 2020 have been adjusted accordingly. Only those buildings for which complete data are available are included in the calculation of the intensity ratios. 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 both on a geographical and asset-class basis. The investment portfolio 2020 included properties in Germany, Austria and CEE (Czechia, Hungary, Poland, Romania, Serbia 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 CONSUMPTION AND CO_2 FOOTPRINT OF THE CA IMMO INVESTMENT PORTFOLIO 2019/2020

				Total portfolio		
Indicator	**EPRA Code**	**Boundaries**	**Unit of measure**	**2019**	**2020**	**Change**
Electricity consumption	Elec-Abs	Total energy consumption from electricity		160,705,089	145,388,794	-9.5%
		General electricity, landlord obtained[1]		81,142,311	69,737,161	-14.1%
		Landlord obtained, submetered to tenant area		60,214,306	51,443,829	-14.6%
		Tenant obtained, tenant area		19,348,472	24,207,803	25.1%
		% from renewable sources		0%	1%	-
Electricity consumption LFL	Elec-LFL	Total energy consumption from electricity		154,268,358	133,983,230	-13.1%
		General electricity, landlord obtained [1]		77,599,441	67,073,158	-13.6%
		Landlord obtained, submetered to tenant area		58,535,460	50,085,100	-14.4%
		Tenant obtained, tenant area		18,133,457	16,824,972	-7.2%
Energy consumption from district heating [2]	DH&C-Abs	Total energy consumption from district heating		46,049,995	60,629,345	31.7%
		Whole building, landlord obtained		43,613,937	48,452,961	11.1%
		Whole building, tenant obtained	kWh	2,436,058	12,176,384	399.8%
		% from renewable sources		0%	0%	0%
Energy consumption from district heating LFL [2]	DH&C-LFL	Total energy consumption from district heating		46,049,995	44,331,022	-3.7%
		Whole building, landlord obtained		43,613,937	41,686,070	-4.4%
		Whole building, tenant obtained		2,436,058	2,644,952	8.6%
Energy consumption from fuel	Fuels-Abs	Total energy consumption from fuel		63,022,091	54,584,527	-13.4%
		Whole building, landlord obtained		63,022,091	51,527,244	-18.2%
		Whole building, tenant obtained		-	3,057,283	N/A
		% from renewable sources		0%	0%	0%
Energy consumption from fuel LFL	Fuels-LFL	Total energy consumption from fuel		56,921,641	51,527,244	-9.5%
		Whole building, landlord obtained		56,921,641	51,527,244	-9.5%
		Whole building, tenant obtained		-	-	N/A
Building energy intensity	Energy-Int	Whole building	kWh/sqm	187	173	-7.1%
Building energy intensity landlord-obtained		Whole building, excl. tenant energy supply		138	119	-13.3%
Building energy intensity LFL		Whole building		196	174	-11.3%
Building energy intensity landlord-obtained LFL		Whole building, excl. tenant energy supply		136	122	-10.3%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	Whole Building	$kgCO_2e$	11,586,611	9,474,314	-18.2%
Indirect GHG emission (total) Scope 2	GHG-Indir-	Whole Building, excl. tenant energy supply	$kgCO_2e$ (location based)	37,638,468	35,132,823	-6.7%
Indirect GHG emission (total) Scope 3.13	GHG-Indir-	tenant energy supply		29,995,433	30,897,734[3]	3.0%
Indirect GHG emission (total) Scope 2	GHG-Indir-	Whole Building, excl. tenant energy supply	$kgCO_2e$ (market based)	38,209,110	36,858,939	-3.5%
Indirect GHG emission (total) Scope 3.13	GHG-Indir-	tenant energy supply		30,149,850	30,676,305[3]	1.7%
Building GHG emissions intensity (Scope 1+2)		Whole Building, excl. tenant energy supply	$kgCO_2e$/sqm (location based)	34.64	31.35	-9.5%
Building GHG emissions intensity (Scope 1+2+3.13)		Whole Building		54.27	51.66	-4.8%
Building GHG emissions intensity (Scope 1+2) LFL		Whole Building, excl. tenant energy supply		36.13	32.39	-10.3%
Building GHG emissions intensity (Scope 1+2+3.13) LFL	GHG-Int	Whole Building		59.50	52.96	-11.0%
Building GHG emissions intensity (Scope 1+2)		Whole Building, excl. tenant energy supply	$kgCO_2e$/sqm (market based)	36.54	32.56 [6]	-10.9%
Building GHG emissions intensity (Scope 1+2+3.13)		Whole Building		59.96	53.25 [6]	-11.2%
Building GHG emissions intensity (Scope 1+2) LFL		Whole Building, excl. tenant energy supply		36.53	33.87 [6]	-7.3%
Building GHG emissions intensity (Scope 1+2+3.13) LFL		Whole Building		60.22	55.02 [6]	-8.6%
Type and number of assets certified	Cert-Tot[5]	Whole Building	% of portfolio certified	86	78	-9.41

[1] Includes electricity purchased from CA Immo for common areas and cooling throughout the building.
[2] No purchase of district cooling in CA Immo's investment portfolio
[3] GHG-Indir-Abs excludes emissions from consumption that is exclusively attributable to rental space (Scope 3.13 emissions)
[4] The reported emissions are assigned to Scope 3, but these values do not represent the full Scope 3 emissions according to the GHG Protocol. Only Scope 3 category 13 "Downstream leased assets" is mapped.
[5] By book value. Includes all asset classes. Please see page 134 for a detailed list of certified properties by type;
[6] The 2020 market-based data differ slightly from the data published in July 2021 because some of the energy suppliers' market-based emission factors were not available at that time. In these cases, as recommended in the GHG Protocol Corporate Standard, average site-based emission factors were used to fill gaps.
LFL: like-for-like
For information on CO_2 conversion factors and scope definition, see ESG Appendix on page 126-127.

Germany	Austria	CEE	Germany	Austria	CEE	Office	Hotel	Others [7]
2019			2020			2020		
21,546,998	11,867,453	127,290,638	28,181,726	13,641,938	103,565,130	138,637,846	3,038,558	3,712,389
5,270,429	8,795,550	67,076,332	6,881,413	9,375,718	53,480,030	68,478,695	-	1,258,466
-	-	60,214,306	-	1,358,729	50,085,100	51,300,241	143,588	-
16,276,569	3,071,903	-	21,300,312	2,907,491	-	18,858,910	2,894,970	2,453,923
0%	0%	0%	8%	0%	0%	2%	0%	0%
21,546,998	9,580,838	123,140,522	20,917,712	9,500,388	103,565,130	133,983,230	-	-
5,270,429	7,723,950	64,605,062	5,475,876	8,117,252	53,480,030	67,073,158	-	-
-	-	58,535,460	-	-	50,085,100	50,085,100	-	-
16,276,569	1,856,888	-	15,441,835	1,383,136	-	16,824,972	-	-
10,279,360	7,274,604	28,496,031	19,670,628	11,106,247	29,852,470	53,137,106	4,248,327	3,243,912
8,853,922	6,263,984	28,496,031	11,119,960	7,480,531	29,852,470	47,582,049	-	870,912
1,425,438	1,010,620	-	8,550,668	3,625,716	-	5,555,057	4,248,327	2,373,000
0%	0%	0%	0%	0%	0%	0%	0%	0%
10,279,360	7,274,604	28,496,031	9,862,436	7,521,008	26,947,578	44,331,022	-	-
8,853,922	6,263,984	28,496,031	8,128,873	6,609,619	26,947,578	41,686,070	-	-
1,425,438	1,010,620	-	1,733,563	911,389	-	2,644,952	-	-
4,708,384	4,326,723	53,986,984	7,638,177	4,303,905	42,642,445	51,527,244	3,057,283	-
4,708,384	4,326,723	53,986,984	4,580,894	4,303,905	42,642,445	51,527,244	-	-
-	-	-	3,057,283	-	-	-	3,057,283	-
0%	0%	0%	0%	0%	0%	0%	0%	0%
4,708,384	4,326,723	47,886,534	4,580,894	4,303,905	42,642,445	51,527,244	-	-
4,708,384	4,326,723	47,886,534	4,580,894	4,303,905	42,642,445	51,527,244	-	-
-	-	-	-	-	-	-	-	-
165.54	91.24	211.44	166.61	120.59	182.45	172.94	153.88	280.08
102.81	100.50	150.74	97.27	93.71	130.55	121.03	N/A	55.57
168.21	122.01	209.91	162.96	119.01	182.45	174.20	N/A	N/A
102.81	100.50	149.25	99.28	101.50	130.55	122.18	N/A	N/A
865,636	795,468	9,925,507	842,289	791,359	7,840,666	9,474,314	-	-
3,410,850	2,370,276	31,857,342	4,337,545	2,642,255	28,153,023	34,801,150	-	331,673
5,970,549	620,591	23,404,293	9,523,003	1,240,597	20,134,133	27,431,904	2,193,918	1,271,912
1,992,818	1,334,696	34,881,596	2,401,793	1,617,661	32,839,486	36,644,471	-	214,469
5,970,549	775,009	23,404,293	9,189,851	747,462	20,738,991	27,614,517	1,789,876	1,271,912
23.35	15.13	42.11	22.31	15.21	37.30	31.98	N/A	8.66
47.30	18.97	65.70	44.70	19.02	58.16	52.33	32.78	73.80
23.35	16.53	42.26	22.76	16.54	37.30	32.39	N/A	N/A
47.30	18.97	66.21	45.70	18.46	58.16	52.96	N/A	N/A
15.60	11.36	45.16	13.97	10.67	42.16	33.31	N/A	5.60
41.05	13.53	68.75	37.91	11.07	63.65	54.32	26.66	73.80
15.60	11.36	45.39	12.92	11.70	42.16	33.87	N/A	N/A
41.05	13.53	69.34	36.16	12.43	63.65	55.02	N/A	N/A
84	34	95	69	24	100	80	64	0

[7] These include a shopping center (Galleria, Vienna) and a museum (Hamburger Bahnhof, Berlin).

GROUP MANAGEMENT REPORT

WASTE GENERATION AND WATER CONSUMPTION IN THE CA IMMO INVESTMENT PORTFOLIO 2019/2020

				Total portfolio		
Indicator	EPRA Code	Boundaries	Unit of measure	2019	2020	Change
Total waste		Whole Building	Tonnes	13,653	4,814	-64.7%
Weight of waste by disposal route (total)	Waste-Abs	Landfill with or without energy recovery	Tonnes	8,395	2,830	-66.3%
		Incineration with or without energy recovery		2,640	751	-71.5%
		Reuse		79	0	-99.9%
		Recycling		2,286	1,015	-55.6%
		Materials Recovery Facility		232	4	-98.3%
		Compost		7	33	366.9%
		Other		12	181	1,353.0%
		Total quantity recovery		5,257	1,984	-62.3%
Weight of waste by disposal route (%)	Waste-Abs	Landfill with or without energy recovery	% disposal route	61%	59%	-4.4%
		Incineration with or without energy recovery		19%	16%	-19.3%
		Reuse		1%	0%	-99.8%
		Recycling		17%	21%	25.9%
		Materials Recovery Facility		2%	0%	-95.3%
		Compost		0%	1%	1,224.0%
		Other		0%	4%	4,020.6%
		Total quantity recovery		39%	41%	7.0%
Total waste LFL		Whole Building	Tonnes	13,619	4,509	-66.9%
Weight of waste by disposal route (total) LFL	Waste-LFL	Landfill with or without energy recovery	Tonnes	8,395	2,676	-68.1%
		Incineration with or without energy recovery		2,640	638	-75.8%
		Reuse		79	0	-99.9%
		Recycling		2,260	993	-56.1%
		Materials Recovery Facility		225	4	-98.3%
		Compost		7	24	235.3%
		Other		12	174	1,297.9%
		Total quantity recovery		5,224	1,832	-64.9%
Weight of waste by disposal route (%) LFL	Waste-LFL	Landfill with or without energy recovery	% disposal route	62%	59%	-3.7%
		Incineration with or without energy recovery		19%	14%	-27.0%
		Reuse		1%	0%	-99.8%
		Recycling		17%	22%	32.7%
		Materials Recovery Facility		2%	0%	-94.8%
		Compost		0%	1%	912.9%
		Other		0%	4%	4,122.8%
		Total quantity recovery		38%	41%	6.0%
Waste intensity		Whole building	kg/ sqm	6.32	1.89	-70.1%
Waste intensity LFL		Whole building		6.46	2.05	-68.3%
Total water consumption	Water-Abs	Whole building [1]	m^3	585,313	417,488	–28.7%
Water consumption LFL	Water-LFL	Whole building[1]		571,453	361,088	–36.8%
Building water consumption intensity	Water-Int	Whole Building	m^3/sqm	0.44	0.28	–36.7%
Building water consumption intensity LFL	Water-Int	Whole Building		0.41	0.26	–37.0%

[1] Municipal supply.

LFL: like-for-like

	Germany	Austria	CEE	Germany	Austria	CEE	Office	Hotel	Others[2)]
	2019			2020			2020		
	866	2,291	10,496	901	1,048	2,865	4,604	46	165
	0	2,166	6,229	0	849	1,981	2,676	0	154
	442	25	2,173	597	6	148	714	37	-
	68	-	12	-	-	0	0	-	-
	286	97	1,903	274	31	711	1,002	7	5
	54	2	176	-	0	4	4	-	-
	4	-	3	29	1	4	33	-	-
	12	-	0	1	161	18	174	1	5
	866	125	4,267	901	199	884	1,927	46	11
	0%	95%	59%	0%	81%	69%	58%	0%	93%
	51%	1%	21%	66%	1%	5%	16%	81%	0%
	8%	0%	0%	0%	0%	0%	0%	0%	0%
	33%	4%	18%	30%	3%	25%	22%	16%	3%
	6%	0%	2%	0%	0%	0%	0%	0%	0%
	0%	0%	0%	3%	0%	0%	1%	0%	0%
	1%	0%	0%	0%	15%	1%	4%	3%	3%
	100%	5%	41%	100%	19%	31%	42%	100%	7%
	866	2,291	10,463	764	883	2,862	4,509	-	-
	0	2,166	6,229	-	695	1,981	2,676	-	-
	442	25	2,173	484	6	148	638	-	-
	68	-	12	-	-	0	0	-	-
	286	97	1,877	260	25	708	993	-	-
	54	2	169	-	0	4	4	-	-
	4	-	3	19	1	4	24	-	-
	12	-	0	-	156	18	174	-	-
	866	125	4,234	764	188	881	1,832	-	-
	0%	95%	60%	0%	79%	69%	59%	N/A	N/A
	51%	1%	21%	63%	1%	5%	14%	N/A	N/A
	8%	0%	0%	0%	0%	0%	0%	N/A	N/A
	33%	4%	18%	34%	3%	25%	22%	N/A	N/A
	6%	0%	2%	0%	0%	0%	0%	N/A	N/A
	0%	0%	0%	3%	0%	0%	1%	N/A	N/A
	1%	0%	0%	0%	18%	1%	4%	N/A	N/A
	100%	5%	40%	100%	21%	31%	41%	N/A	N/A
	0.00	10.35	6.67	0.00	3.36	2.12	1.90	0.00	4.02
	0.00	10.35	6.87	0.00	3.24	2.18	2.05	N/A	N/A
	56,113	52,352	476,848	73,083	70,520	273,885	365,783	36,568	15,136
	56,113	52,352	462,988	36,804	50,399	273,885	361,088	-	-
	0.26	0.25	0.48	0.22	0.25	0.29	0.25	0.55	0.27
	0.26	0.25	0.48	0.17	0.24	0.29	0.26	N/A	N/A

[2)] Incl. a shopping center (Galleria, Vienna) and a museum (Hamburger Bahnhof, Berlin).

GROUP MANAGEMENT REPORT

ENERGY, WATER CONSUMPTION AND CO_2 FOOTPRINT OF OWN-USED OFFICES 2019/2020

Indicator	EPRA Code	Unit of measure	2019	2020	% change
Total electricity consumption	Elec-Abs	kWh	140,019	131,335	-6.2
Thereof % from renewable sources		%	0%	44%	
Like-for-like electricity consumption	Elec-LFL	kWh	140,019	131,335	-6.2
Total energy consumption from district heating and	DH&C-Abs	kWh	231,730	169,080	-27.04
Thereof % from renewable sources		%	0%	0%	
Like-for-like consumption from district heating and	DH&C-LFL	kWh	231,730	169,080	-27.0
Total energy consumption from fuel [2]	Fuels-Abs	kWh	0	0	0
Building energy intensity	Energy-Int	kWh/ sqm	83	67	-19.2
Direct GHG emission (total) Scope 1 [2]	GHG-Dir-Abs	$kgCO_2e$	0	0	0
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	$kgCO_2e$ (location based)	90	75	-16.3
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	$kgCO_2e$ (market based)	78	65	N/A
Building GHG emissions intensity	GHG-Int	kgCO2e/sqm (location based)	20.07	16.80	-16.3
Building GHG emissions intensity	GHG-Int	kgCO2e/sqm (market based)	17.33	14.53	N/A
Total water consumption [3]	Water-Abs	m^3	850	596	-29.8
Like-for-like water consumption [3]	Water-LFL	m^3	850	596	-29.8
Building water consumption intensity [3]	Water-Int	l/ sqm	189.48	133.02	-29.8
Type and number of assets certified	Cert-Tot	Type and number	2 (DGNB) Gold)	2 (DGNB) Gold)	0

1) For the indicator energy consumption from district heating and cooling, the percentage from renewable sources is 0.
2) There is no fuel consumption in any own used office
3) Data relates to municipal supply.
LFL: like-for-like.
The table contains data on three own-used offices not located in CA Immo. Consumption data for the remaining seven own-used offices is included in the tables on page 128-131.

WASTE GENERATION IN OWN-USED OFFICES 2019/2020

Indicator	EPRA code	Boundaries	Unit of measure	2019	2020	Change[2]	Like-for-like 2019	Like-for-like 2020	Change
Weight of waste by disposal route (absolute)	Waste-Abs[1]	Total Waste	Tonnes	31.38	31.38	0%	31.38	31.38	0%
		Landfill with or without energy recovery		0.00	0.00	0%	-	-	-
		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 quantity recovery		31.38	31.38	0%	31.38	31.38	0%
Weight of waste by disposal route (%)	Waste-Abs[1]	Landfill with or without energy recovery	% disposal route	0%	0%	-	-	-	-
		Incineration with or without energy recovery		20%	20%		20%	20%	
		Reuse		-	-		-	-	
		Recycling		79%	79%		79%	79%	
		Materials Recovery Facility		-	-		-	-	
		Compost		-	-		-	-	
		Other		1%	1%		1%	1%	
		Total quantity recovery		100%	100%		100%	100%	

1) Waste data by weight was not available for Klaus-Mann-Platz 1 (CA Immo branch office in Munich);
2) Waste disposal in the rented office space is handled by the landlord. Due to the lack of access to specific waste disposal data, the waste volume for the building as a whole can only be determined on the basis of the number of waste containers and the frequency with which they are emptied, of which the proportionate waste volume can be determined by CA Immo on the basis of the share of our rental space in the total rental space of the building. Since the same input data (number of containers, frequency of emptying, proportion of rental space) was available in both years under review, the result is unchanged waste volumes.

COVERAGE OF THE CA IMMO INVESTMENT PORTFOLIO 2019/2020 [1)]

		2019			2020		
Indicator	**EPRA Code**	**Area[2)]**	**Number[3)]**	**Coverage[4)]**	**Area[2)]**	**Number[3)]**	**Coverage[4)]**
Total electricity consumption							
Total energy consumption from electricity	Elec-Abs	1,421,104 sqm	56 out of 56	100%	1,607,728 sqm	65 out of 67	99%
Landlord obtained, General electricity [5)]		1,357,552 sqm	53 out of 53	100%	1,422,963 sqm	55 out of 55	100%
Landlord obtained, tenant area (submetered)		992,139 sqm	35 out of 36	94%	1,026,788 sqm	35 out of 35	100%
Tenant obtained, tenant area		247,688 sqm	14 out of 20	67%	369,453 sqm	20 out of 32	62%
Electricity consumption LFL							
Total energy consumption from electricity	Elec-LFL	1,393,953 sqm	55 out of 55	100%	1,399,217 sqm	55 out of 55	100%
Landlord obtained, General electricity [5)]		1,330,401 sqm	52 out of 52	100%	1,335,665 sqm	52 out of 52	100%
Landlord obtained, tenant area (submetered)		964,988 sqm	34 out of 34	100%	964,988 sqm	34 out of 34	100%
Tenant obtained, tenant area		247,688 sqm	14 out of 14	100%	252,953 sqm	14 out of 14	100%
Consumption from district heating and cooling							
Whole building[5)]	DH&C-Abs	723,418 sqm	29 out of 29	100%	939,967 sqm	38 out of 40	99%
Landlord obtained, whole building		659,866 sqm	26 out of 26	100%	779,133 sqm	30 out of 30	100%
Tenant obtained, whole building		63,552 sqm	3 out of 3	100%	160,834 sqm	8 out of 10	95%
Consumption from district heating and cooling LFL	DH&C-LFL						
Whole building[5)]		723,418 sqm	29 out of 29	100%	728,681 sqm	29 out of 29	100%
Landlord obtained, whole building		659,866 sqm	26 out of 26	100%	665,130 sqm	26 out of 26	100%
Tenant obtained, whole building		63,552 sqm	3 out of 3	100%	63,552 sqm	3 out of 3	100%
Energy consumption from fossil fuels	Fuels-Abs						
Whole building		697,686 sqm	27 out of 27	100%	663,048 sqm	26 out of 27	98%
Landlord obtained, whole building		697,686 sqm	27 out of 27	100%	643,830 sqm	25 out of 25	100%
Tenant obtained, whole building		0 sqm	0 out of 0	N/A	19,218 sqm	1 out of 2	63%
Energy consumption from fossil fuels LFL	Fuels-LFL						
Landlord obtained, whole building		643,830 sqm	25 out of 25	100%	643,830 sqm	25 out of 25	100%
Tenant obtained, whole building		0 sqm	0 out of 0	N/A	0 sqm	0 out of 0	N/A
Building energy intensity	Energy-Int	1,421,104 sqm	56 out of 56	100%	1,396,241 sqm	55 out of 67	86%
Building energy intensity landlord-obtained [6)]		1,357,552 sqm	53 out of 53	100%	1,422,963 sqm	55 out of 67	88%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	697,686 sqm	27 out of 27	100%	643,830 sqm	25 out of 25	100%
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	1,357,552 sqm	53 out of 53	100%	1,422,963 sqm	55 out of 55	100%
Indirect GHG emission (total) Scope 3	GHG-Indir-Abs	1,301,628 sqm	50 out of 56	92%	1,400,955 sqm	56 out of 67	86%
Building GHG emissions intensity (Scope 1+2)	GHG-Int[5)]	1,357,552 sqm	53 out of 53	100%	1,422,963 sqm	55 out of 55	100%
Building GHG emissions intensity (Scope 1+2+3.13)		1,301,628 sqm	50 out of 56	92%	1,396,241 sqm	55 out of 67	86%
Water consumption	Water-Abs	1,326,622 sqm	52 out of 56	93%	1,494,178 sqm	59 out of 67	92%
Water consumption LFL	Water-LFL	1,393,953 sqm	55 out of 55	100%	1,399,217 sqm	55 out of 55	100%
Building water consumption intensity	Water-Int	1,326,622 sqm	52 out of 56	93%	1,494,178 sqm	59 out of 67	92%
Weight of waste by disposal route (absolute and %)	Waste-Abs	1,326,622 sqm	52 out of 56	93%	1,494,178 sqm	59 out of 67	92%
Weight of waste by disposal route (abs. and %) LFL	Waste-LFL	1,299,471 sqm	51 out of 51	100%	1,304,735 sqm	51 out of 51	100,00%
Waste intensity		1.326.622 sqm	52 out of 56	93%	1.494.178 sqm	59 out of 67	92%
Waste Intensity LFL		1.299.471 sqm	51 out of 51	100%	1.304.735 sqm	51 out of 51	100%
Type and number of assets certified	Cert-Tot[7)]	1,143,886 sqm	44 out of 56	80%	1,217,589 sqm	48 out of 67	75%

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 page 95-96) on which the respective consumption data in the table on page 97-100 are based)

2) Gross internal area of the buildings surveyed

3) Number of applicable properties. Compared to 2019, the scope of the analysed 2020 portfolio was expanded to include alle asset classes (hotel, retail, others) in addition to the office asset class. The total number of investment buildings (67 buildings) also includes two single-tenant buildings for which we have no consumption data.

4) Coverage of the total area

5) Landlord obtained

6) Total building, excluding tenant energy supply

COVERAGE OF THE CA IMMO OWN-USED OFFICES 2019/2020

		2019		2020	
Indicator	**EPRA Code**	**Office space**	**Coverage**	**Office space**	**Coverage**
Total electricity consumption	Elec-Abs	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Like-for-like electricity consumption	Elec-LFL	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Total energy consumption from district heating and cooling	DH&C-Abs	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
LFL consumption from district heating and cooling	DH&C-LFL	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Total energy consumption from fossil fuels[1]	Fuels-Abs	0	0	0	0
Building energy intensity	Energy-Int	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	0	0	0	0
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Building GHG emissions intensity	GHG-Int	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Total water consumption	Water-Abs	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Like-for-like water consumption	Water-LFL	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Building water consumption intensity	Water-Int	4,484 sqm	3 out of 3	4,484 sqm	3 out of 3
Weight of waste by disposal route (absolute and %)	Waste-Abs	3,583 sqm	2 out of 3	3,583 sqm	2 out of 3
Like-for-like Weight of waste by disposal route (absolute and %)	Waste-LFL	3,583 sqm	2 out of 2	3,583 sqm	2 out of 2
Type and number of assets certified	Cert-Tot	3,583 sqm	2 von 3	3,583 sqm	2 von 3

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

CERTIFICATION OF THE CA IMMO INVESTMENT PORTFOLIO – EPRA CERT-TOT[1]

Building Certification	**2018** [1]	**2019**[1]	**2020**[2]	**2021**[2]
BREEAM - Excellent				
Coverage in sqm	112,451	150,333	80,990	115,578
Number of buildings	4	5	2	3
BREEAM - Very good				
Coverage in sqm	129,943	171,317	265,128	280,176
Number of buildings	8	10	14	14
BREEAM - Interim				
Coverage in sqm	0	0	78,029	43,462
Number of buildings	0	0	3	2
Leed - Platinum				
Coverage in sqm	145,589	144,728	144,723	103,466
Number of buildings	5	5	5	3
Leed - Gold				
Coverage in sqm	262,536	255,733	160,884	185,846
Number of buildings	13	13	8	9
DGNB - Platinum				
Coverage in sqm	48,335	85,418	106,365	106,383
Number of buildings	3	5	6	6
DGNB - Gold				
Coverage in sqm	104,680	81,413	99,951	117,552
Number of buildings	7	6	7	9
Total coverage in sqm	**803,534**	**888,942**	**936,070**	**952,463**
Total number of buildings	**40**	**44**	**45**	**46**

[1] Basis: office properties, Gross leasable area (GLA) in sqm
[2] Basis: all asset classes, GLA

SOCIAL UND GOVERNANCE PERFORMANCE MEASURES ACCORDING TO EPRA

Social	EPRA Code	Chapter	Unit of measure / Definition	Coverage	31.12.2021	
Gender diversity	Diversity-Emp	Corporate Governance Report	% of employees	Supervisory Board[1]	64% Male 36% Female	
				Executive Board	100% Male 0% Female	
				Managers[2]	70% Male 30% Female	
				Employees	45% Male 55% Female	
Gender pay	Diversity-Pay [3]	ESG Report	Ratio in %		Average	Median
				Supervisory Board	0	0
				Executive Board [4]	0	0
				Managers[2]	-0.3	-1.6
				Employees	6.4	6.0
					2020	
Performance appraisals	Emp-Dev	ESG Report	% of total workforce	All employees	98	
New hires	Emp-Turnover	ESG Report	Total number	All employees	46	
			Rate in % [5]		10	
Turnover			Total number (Exits)		43	
			Rate in % [6]		9.7	
Injury rate[7]	H&S-Emp	ESG Appendix	Rate in %		0%	
Lost day rate[8]			Rate in %		0%	
Absentee rate[9]			Rate in %		2%	
Fatalities [10]			Number		0	
Training and development	Emp-Training		Average hours of training per employee		Men: 6.4 Women: 6.5	
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)	% of total investment portfolio [11] (by sqm)	95% (DE: 100%, AT: 93%, CEE: 93%)	
Health and safety compliance	H&S-Comp		All legal requirements are complied with, and any deficiencies identified are rectified immediately in all properties (100%)	Number of defects detected	0	
Community engagement	Comty-Eng		Share of properties (by rentable area) located in urban districts developed by CA Immo	% of total investment portfolio (by sqm)	31% (DE: 60%, AT: 43%, CEE: 12%)	
Governance						
Composition of the highest governance body	Gov-Board	Corporate Governance Report	Total number of Management Board Members	Management Board	3	
			Total number of Supervisory Board members (shareholder representatives independent of the Company or the Board of Management)	Supervisory Board	7	
			Total number of Supervisory Board members (capital representatives independent of the main shareholder)	Supervisory Board	4	
			Average tenure (years) of Supervisory Board[12]	Supervisory Board	4	
			Supervisory Board Members[13] with competencies relating to environmental and social topics	Supervisory Board	11	
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, 7 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] As at 31.12.2021; excl. buildings acquired, completed or intended for sale in the course of the financial year 2021.
[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	31.12.2020	31.12.2021
Employment				
Total employment	Female	HC	223	227
	Male	HC	214	214
	Total	**HC**	**437**	**441**
New hires	Female	HC	27	22
	Male	HC	41,	25
	Total	**HC**	**68**	**46**
Leavings	Female	HC	13	19
	Male	HC	26	24
	Total	**HC**	**39**	**43**
Fluctuation	Female	HC	6%	8%
	Male	HC	12%	11%
	Total	**HC**	**9%**	**10%**
Employment contracts[2)]				
Full-time		HC	364	363
Part-time		HC	47	47
Unpaid leave		HC	26	31
	Total	**HC**	**437**	**441**
Temporary employees		HC	0	0
All-in		HC	400	419
Health				
Occupational diseases		Number/year	0	0
Occupational accidents		Number/year	2	2
Education & training				
Number of employees trained		HC	414	437
Percentage of trained employees		%	100	100
Training time in hours		Hours/year	4,892	2,862
Social dialogue				
Number of collective agreements		Number	0	0
Bargaining agreements		Number	8	6
Number of meetings of the works council with the management board		Number/year	4	4

[1)] Excl, joint ventures; HC: Headcount, Calculations according to the GRI guidelines (GRI 401-1, 402)

CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2021

€ K	Note	2021	2020
Rental income	2.2.	229,111	235,609
Operating costs charged to tenants	2.3.	51,053	53,260
Operating expenses	2.3.	–57,600	–57,738
Other expenses directly related to properties rented	2.3.	–23,102	–21,466
Net rental income		**199,462**	**209,665**
Other expenses directly related to properties under development	**2.4.**	**–1,854**	**–2,154**
Income from trading and construction works		8,233	43,335
Book value of properties sold incl. ancillary and construction costs		–1,558	–35,387
Result from trading and construction works	**2.5.**	**6,675**	**7,949**
Result from the sale of investment properties	**2.6.**	**52,660**	**43,930**
Income from services rendered	2.7.	8,137	8,166
Indirect expenses	2.8.	–58,222	–73,176
Other operating income	2.9.	3,235	1,204
EBITDA		**210,093**	**195,584**
Depreciation and impairment of long-term assets		–4,939	–4,662
Changes in value of properties held for trading		–354	–871
Depreciation and impairment/reversal	**2.10.**	**–5,293**	**–5,533**
Revaluation gain		602,360	352,110
Revaluation loss		–61,213	–168,611
Result from revaluation		**541,147**	**183,499**
Result from joint ventures	2.11.	3,618	1,898
Result of operations (EBIT)		**749,565**	**375,448**
Finance costs	2.12.	–47,619	–42,311
Other financial results	2.15.	0	–5,067
Foreign currency gains/losses	2.16.	–69	2,385
Result from derivatives	2.13.	–25,945	21,429
Result from financial investments	2.14.	–756	–3,589
Financial result	**2.16.**	**–74,389**	**–27,154**
Net result before taxes (EBT)		**675,176**	**348,295**
Current income tax		–30,939	–15,242
Deferred taxes		–164,436	–79,099
Income tax expense	**7.1.**	**–195,375**	**–94,341**
Consolidated net income		**479,801**	**253,953**
thereof attributable to non-controlling interests		26	5
thereof attributable to the owners of the parent		**479,774**	**253,948**
Earnings per share in € (basic)	**2.18.**	**€4.89**	**€2.73**
Earnings per share in € (diluted)	**2.18.**	**€4.89**	**€2.34**

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2021

€ K	Note	2021	2020
Consolidated net income		**479,801**	**253,953**
Other comprehensive income			
Cash flow hedges - changes in fair value		6,664	–620
Foreign currency gains/losses		42	–111
Income tax related to other comprehensive income		–2,127	198
Other comprehensive income for the period (realised through profit or loss)	**2.17.**	**4,578**	**–533**
Revaluation IAS 19		592	–80
Income tax related to other comprehensive income		–196	28
Other comprehensive income for the period (not realised through profit or loss)	**2.17.**	**396**	**–52**
Other comprehensive income for the period	**2.17.**	**4,974**	**–585**
Comprehensive income for the period		**484,775**	**253,368**
thereof attributable to non-controlling interests		26	5
thereof attributable to the owners of the parent		**484,748**	**253,363**

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2021

€ K	Note	31.12.2021	31.12.2020
ASSETS			
Investment properties	3.1.	4,984,297	4,723,068
Investment properties under development	3.1.	1,097,147	791,136
Own used properties	3.2.	11,174	12,896
Office furniture and equipment	3.3.	6,431	7,531
Intangible assets	3.3.	3,419	2,998
Investments in joint ventures	3.4.	55,800	57,629
Other assets	3.5.	88,571	60,728
Deferred tax assets	7.1.	2,681	4,382
Long-term assets		**6,249,520**	**5,660,368**
Long-term assets as a % of total assets		87.8%	83.0%
Assets held for sale and relating to disposal groups	4.1.	76,197	37,092
Properties held for trading	4.2.	87,166	35,200
Receivables and other assets	4.3.	55,727	136,375
Current income tax receivables	7.2.	12,718	16,391
Cash and cash equivalents	4.4.	633,117	934,863
Short-term assets		**864,925**	**1,159,921**
Total assets		**7,114,445**	**6,820,289**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		774,229	718,337
Capital reserves		1,017,662	791,372
Other reserves		993	–3,981
Retained earnings		1,498,038	1,622,491
Attributable to the owners of the parent		**3,290,922**	**3,128,218**
Non-controlling interests		116	89
Shareholders' equity	5.1.	**3,291,038**	**3,128,308**
Shareholders' equity as a % of total assets		46.3%	45.9%
Provisions	6.1.	50,323	34,249
Interest-bearing liabilities	5.2.	2,186,534	2,622,161
Other liabilities	5.3.	50,314	113,503
Deferred tax liabilities	7.1.	698,310	536,317
Long-term liabilities		**2,985,482**	**3,306,228**
Current income tax liabilities	7.3.	19,278	14,464
Provisions	6.1.	113,333	117,409
Interest-bearing liabilities	5.2.	397,409	205,301
Other liabilities	5.3.	305,547	46,932
Liabilities relating to disposal groups	4.1.	2,357	1,647
Short-term liabilities		**837,925**	**385,753**
Total liabilities and shareholders' equity		**7,114,445**	**6,820,289**

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2021

€ K	2021	2020
Operating activities		
Net result before taxes	675,176	348,295
Revaluation result incl. change in accrual and deferral of rental income	–536,988	–187,422
Depreciation and impairment/reversal	5,293	5,533
Result from the sale of long-term properties and office furniture and other equipment	–52,645	–43,893
Finance costs, other financial results and result from financial investments	48,375	50,968
Foreign currency gains/losses	69	–2,385
Result from derivatives	25,945	–21,429
Result from joint ventures	–3,618	–1,898
Payment/ non-cash expenses court fees damages claim	–25,475	25,475
Taxes paid excl. taxes for the sale of long-term properties and investments	–11,632	–9,016
Interest paid (excluding interest for financing activities)	–1,030	–11,521
Interest received (excluding interest from investing activities)	423	7,200
Cash flow from operations	**123,894**	**159,906**
Properties held for trading	–2,083	26,417
Receivables and other assets	22,419	9,419
Provisions	2,750	–8,980
Other liabilities	3,878	–1,698
Cash flow from change in net working capital	**26,964**	**25,158**
Cash flow from operating activities	**150,858**	**185,064**
Investing activities		
Acquisition of and investment in long-term properties incl. prepayments	–236,298	–321,283
Acquisition of companies	369	–133,874
Cash and cash equivalents acquired companies	0	1,705
Acquisition of office equipment and intangible assets	–1,911	–2,085
Payment/ Cash inflow disposal of financial assets	–98	0
Disposal of investment properties and other assets	161,007	–1,831
Disposal of investment property companies	78,688	133,996
Cash and cash equivalents investment property companies disposed	–3,946	–4,817
Disposal of at equity consolidated entities	0	580
Loans made to joint ventures	–3,000	–2,545
Loan repayments made by joint ventures and others	771	0
Taxes paid relating to the sale of long-term properties and investments	–10,842	–5,347
Dividend distribution/capital repayment from at equity consolidated entities and other investments	13,511	7,369
Interest paid for capital expenditure in investment properties	–5,325	–4,792
Negative interest paid	–3,648	–1,802
Interest received from financial investments	394	64
Cash flow from investing activities	**–10,327**	**–334,663**

€ K	2021	2020
Financing activities		
Cash inflow from loans received	123,844	111,056
Costs paid/ Cash inflow from the issuance of bonds	–20	836,747
Repayment of convertible bonds	–100	0
Repayment of bonds / Cash outflow from the repurchase of bonds	–107,450	–103,380
Dividend payments to shareholders	–352,436	–93,028
Payments to shareholders of non-controlling interests	–3	0
Repayment of loans incl. interest rate derivatives	–70,535	–65,626
Other interest paid	–38,400	–35,669
Cash flow from financing activities	**–445,101**	**650,101**
Net change in cash and cash equivalents	**–304,569**	**500,502**
Fund of cash and cash equivalents 1.1.	935,482	439,391
Changes in the value of foreign currency	791	–1,325
Changes due to classification from/of disposal group	1,444	–3,086
Fund of cash and cash equivalents 31.12.	**633,148**	**935,482**
Expected credit losses cash and cash equivalents	–31	–619
Cash and cash equivalents 31.12. (balance sheet)	**633,117**	**934,863**

The interest paid in 2021 (excluding negative interest) totalled €–44,755 K (2020: €–51,982 K). The income taxes paid in 2021 added up to €–22,474 K (2020: €–14,363 K).

The total lease payments in 2021 amount to €–4,580 K (2020: €–5,016 K).

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

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 2021

€ K	Note	Share capital	Capital reserves - Others	Capital reserves - Treasury share reserve
As at 1.1.2020		**718,337**	**887,147**	**–95,775**
Cash flow hedges - changes in fair value	2.17.	0	0	0
Foreign currency gains/losses	2.17.	0	0	0
Revaluation IAS 19	2.17.	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**
As at 1.1.2021		**718,337**	**887,147**	**–95,775**
Cash flow hedges - changes in fair value	2.17.	0	0	0
Foreign currency gains/losses	2.17.	0	0	0
Revaluation IAS 19	2.17.	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2021		**0**	**0**	**0**
Conversion of bonds	5.1.	55,892	226,290	0
Dividend payments to shareholders	5.1.	0	0	0
As at 31.12.2021	**5.1.**	**774,229**	**1,113,437**	**–95,775**

Retained earnings	Valuation result (hedging - reserve)	Other reserves	Attributable to shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
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**

1,622,491	**–422**	**–3,559**	**3,128,218**	**89**	**3,128,308**
0	4,537	0	4,537	0	4,537
0	0	42	42	0	42
0	0	396	396	0	396
479,774	0	0	479,774	26	479,801
479,774	**4,537**	**437**	**484,748**	**26**	**484,775**
0	0	0	282,183	0	282,183
–604,227	0	0	–604,227	0	–604,227
1,498,038	**4,115**	**–3,122**	**3,290,922**	**116**	**3,291,038**

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2021

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, Austria. CA Immo Group owns, develops and manages especially office 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, 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 1.1.2021	**156**	**28**
New establishment of companies	4	0
Disposal of companies due to liquidation or restructuring	–16	–2
Sales of entities	–4	–1
As at 31.12.2021	**140**	**25**
thereof foreign companies	125	22

Investments in unconsolidated structured entities

As at 31.12.2021, 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 did not acquire any entities in 2021.

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).

Newly established companies

For the foundation of companies, equity amounting to €100 K was paid.

f) Disposals of companies/company stakes

CA Immo Group disposed of the following interests in entities in the business year 2021:

Company name/domicile	Interest held in %	Consolidation method before change in participation	Sales price € K	Deconsolidation date
BA Business Center s.r.o.	100	Full consolidation	5,782	25.2.2021
CA Immo Elf GmbH	100	Full consolidation	2,384	31.3.2021
Canada Square Kft.	100	Full consolidation	11,246	31.8.2021
CA Immo Wspólna Sp.z.o.o.	100	Full consolidation	13,017	17.11.2021
Total affiliated entities			**32,429**	

The outstanding sales prices in relation to sales made in 2021 amounted to €344 K as at 31.12.2021.

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

€ K	Total
Properties (including Right-of-use Asset)	81,076
Other assets	241
Cash and cash equivalents	3,946
Deferred taxes	–1,636
Provisions	–61
Other liabilities	–2,376
Financial liabilities	–3,799
Net change before payables to affiliated companies	**77,389**
Payables to affiliated companies	–46,384
Net change	**31,005**

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 of associated companies will be 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
		31.12.2021	31.12.2021	31.12.2020	31.12.2020
Switzerland	CHF	1.0257	1.0385	1.0767	1.0895
USA	USD	1.1296	1.1396	1.2251	1.2351

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.

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	Average exchange rate	Closing rate	Average exchange rate
		31.12.2021	2021	31.12.2020	2020
Croatia	HRK	not applicable	not applicable	7.5369	7.5350
Poland	PLN	4.5994	4.5775	4.6148	4.4742
Romania	RON	4.9481	4.9244	4.8694	4.8428
Serbia	RSD	117.5821	117.5729	117.5802	117.5730
Czechia	CZK	24.8600	25.6483	26.2450	26.4963
Hungary	HUF	369.0000	358.7858	365.1300	354.1642

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 EUR.

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

The year 2021 continued to be dominated by the effects of the global Covid-19 pandemic. The outbreak of the Covid-19 pandemic in 2020 has affected the global financial and real estate markets. Many countries again imposed general lockdowns and travel restrictions. As a result, market activity in many sectors continued to be severely impacted.

The real estate sector is also experiencing the consequences of the pandemic. Some real estate markets are still reporting significantly lower levels of transaction activity and liquidity. Hotels still have to close due to low occupancy rates. Retailers are increasingly requesting rent deferrals or rent reductions as a consequence of significant sales losses. Some construction sites cannot be operated 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 will be.

Given the significant decline in transaction and letting activities, 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, CA Immo Group monitors how rental income from office spaces is developing.

Main decisions, assumptions and estimations

Considering the uncertain future impact of the Covid-19 pandemic and the related current and future measures on the property markets, as well as the fact that it is difficult to distinguish between short-term effects and long-term structural market changes, CA Immo Group regularly reviews its property valuations. Investment properties are measured according to the fair value model. As at 31.12.2021, an almost complete external valuation of the CA Immo Group portfolio was made. The changes in market values are primarily due to property-specific circumstances, such as signed lease contracts, project progress, capitalization of performed planning and construction services, changed project plans and general cost increases.

The Covid-19 pandemic did not lead to any change in the useful lives or impairments of non-financial assets in the CA Immo Group.

The risk of tenant default is generally influenced by pandemic-related payment difficulties or restrictions in various economic sectors (especially in the hotel and retail sector). Due to the Covid-19 pandemic and the related economic difficulties, the amount of overdue rental receivables could increase in upcoming quarters. As Covid-related support payments from governments are ceasing, this could also lead to an increase in insolvency rates. These effects cannot be finally assessed due to the dynamic development, but are subject to ongoing evaluations.

Given the current market conditions – with rising construction costs, supply and timing problems, fluctuating financing rates, uncertain marketing periods and 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. Projects currently in progress are generally on time and within approved budgets and are continously assessed regarding cost risk and pre-letting.

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.

Going Concern

The consolidated financial statements were prepared on the assumption that the CA Immo Group will be able to continue the business operations as a 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 31.12.2021.

However, due to the consequences of the Covid-19 pandemic, which are hard to predict, and exisiting or future 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 consequences of different Covid-variants and effects of the Covid-19 pandemic on the future financial position of CA Immo Group cannot be conclusively assessed and are continuously evaluated. CA Immo Group has a sufficient level of liquidity at this point in time.

Financial Covenants

Bank financings and bonds in CA Immo Group are subject to so-called financial covenants. Basically these are ratios such as LTV (Loan-to-Value-Ratios) 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, such as DSCR, LTV, LTC) in the future.

As at 31.12.2021 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 may relate to properties in all main types of use.

Net rental income

Across its tenant base (office, hotel, retail), CA Immo Group is confronted with different requests for rent waivers, rent decreases and deferral of rental payments. The legal framework varies from country to country. In particular the hotel, restaurant and non-systematically relevant retail sectors are disproportionately affected from the prevailing situation.

Rent waivers and rent decreases due to the Covid-19 pandemic impacted net rental income with €–3,636 K (2020: €–7,960 K). Positive counter-effects from linearization of lease incentive agreements (rent frees) over the remaining lease term amount to €559 K (2020: €1,166 K).

Liquidity risk

CA Immo responds to this risk by analysing the property portfolio, tenant structure and cash flows, among other things, and performs various scenarios to assess the risks. Case-by-case assessment is generally necessary. 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 a low level, despite the negative impact of the 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 quarterly evaluated and adjusted according to the level of risk. The risk of rent default has risen further compared to the beginning of the year, mainly due to the pandemic-related payment difficulties in the hotel sector (especially in Austria). CA Immo Group calculates the expected credit loss based on the aging and expected insolvency rates per country.

In the fourth quarter of 2021, CA Immo AG secured at the reporting date unused revolving credit facility of €300 M in order to have an additional liquidity reserve.

Government grants

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

j) Climate-related matters

Environmental, social and governance (ESG) aspects have also become increasingly important across the real estate sector. Buildings are seen as one of the key factors for climate protection. CA Immo Group fully supports the United Nations' climate goals and the associated transition to a low-carbon, sustainable economy. CA Immo Group has anchored corresponding measures, processes and goals in its strategic approach.

Risk identification

The analysis of specific climate risks is extremely complex for our business and involves a number of unknown variables. In 2021, CA Immo Group reviewed its general risk catalogue with regard to climate risks and reassessed the climate risks and general sustainability risks relevant to CA Immo Group. In order to be able to better assess the corresponding risk exposure of the portfolio, direct, physical risks triggered by extreme weather events were evaluated for all existing CA Immo buildings with a value of >€10 M in 2021. Additionally economic risks triggered by the transition to a low-carbon economy were analyzed and assessed. The evaluation regarding risk assessment and risk exposure is related to assumptions and estimates. The risk catalogue will be reviewed and reassessed on a yearly basis. The implementation of a detailed, forward-looking risk and vulnerability assessment for the identified climate risks in accordance with the guidelines of the EU taxonomy is planned for the business year 2022.

Impact on the business model

The climate risks identified by CA Immo Group can have an impact on investment properties, caused by e.g. physical damage, damage to properties due to extreme weather or decreasing property values given changing market demand towards energy-efficient buildings. Changes in tenant's demand can lead to poorer marketability of investment properties and lower rent levels. Development projects can also be impacted by, for example, higher construction costs due to increasing energy efficiency requirements and higher investments for energy refurbishments of the existing building. Furthermore, the pressure from the capital market to reduce CO_2-emissions can have an impact on financing costs and the availability of capital.

Environmental and safety regulations include active and latent obligations to clean-up 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 Group, 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 make CA Immo Group liable towards third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties. In principle, insurable risks are covered to the usual extent.

In the short term, taking into account the existing risk-mitigating measures, CA Immo Group assumes that the identified climate risks will not have any significant impact on the financial position, financial performance and cash flows of CA Immo Group. All identified climate risks are actively managed by CA Immo Group in order to counter medium- and long-term negative effects.

Management of climate-related risks

If the assessment of the climate risks indicates the need for additional measures, these will be implemented in CA Immo Group. CA Immo Group follows a proactive approach to ensure that any risks are minimized by taking countermeasures at an early stage and that CA Immo Group can timely react to any changes.

For CA Immo Group the reduction of energy consumption and CO_2-footprints in the construction and operation of buildings is a key factor in achieving climate neutrality. In order to achieve these goals and to promote climate and environmentally friendly behavior, appropriate measures, processes and goals have been defined. Corresponding progress is reported in the course of the annual ESG reporting.

CHAPTER 2: PROFIT AND LOSS

2.1. Operating segments[3)]

€ K			Austria			Germany
2021	**Income producing**	**Develop-ment**	**Total**	**Income producing**	**Develop-ment**	**Total**
Rental income	26,780	11	26,791	73,791	12,378	86,169
Rental income with other operating segments	620	0	620	622	14	636
Operating costs charged to tenants	6,596	0	6,596	11,930	1,420	13,350
Operating expenses	–7,776	0	–7,776	–13,321	–2,077	–15,398
Other expenses directly related to properties rented	–5,676	0	–5,676	–4,234	–1,219	–5,453
Net rental income	**20,543**	**11**	**20,554**	**68,788**	**10,516**	**79,304**
Other expenses directly related to properties under development	0	–6	–6	0	–1,951	–1,951
Result from trading and construction works	0	44	44	0	25,598	25,598
Result from the sale of investment properties	16,364	0	16,364	442	30,825	31,268
Income from services rendered	0	0	0	1,597	8,292	9,889
Indirect expenses	–1,031	–80	–1,111	–8,314	–13,871	–22,186
Other operating income	101	0	101	631	249	880
EBITDA	**35,976**	**–31**	**35,945**	**63,143**	**59,658**	**122,801**
Depreciation and impairment/reversal	–369	0	–369	–672	–3,425	–4,096
Result from revaluation	–1,974	0	–1,974	290,381	234,865	525,245
Result from joint ventures	0	0	0	0	0	0
Result of operations (EBIT)	**33,633**	**–31**	**33,601**	**352,852**	**291,098**	**643,950**
Timing of revenue recognition						
Income from trading	0	135	135	0	39,745	39,745
Income from sale of investment properties	48,685	0	48,685	2,384	62,419	64,803
Total income IFRS 15 - transferred at a point in time	**48,685**	**135**	**48,820**	**2,384**	**102,164**	**104,548**
Operating costs charged to tenants	6,596	0	6,596	11,930	1,420	13,350
Income from trading and construction works	0	0	0	0	2,511	2,511
Income from services rendered	0	0	0	1,597	8,292	9,889
Total income IFRS 15 - transferred over time	**6,596**	**0**	**6,596**	**13,527**	**12,224**	**25,750**
Total income IFRS 15	**55,281**	**135**	**55,415**	**15,911**	**114,388**	**130,299**
31.12.2021						
Property assets[1)]	496,450	154	496,605	2,295,213	1,604,413	3,899,626
Other assets	22,406	480	22,885	168,494	476,027	644,521
Deferred tax assets	0	0	0	1,149	2,327	3,476
Segment assets	**518,856**	**634**	**519,490**	**2,464,856**	**2,082,766**	**4,547,623**
Interest-bearing liabilities	181,288	0	181,288	762,008	521,801	1,283,810
Other liabilities	11,839	3	11,842	27,199	227,612	254,811
Deferred tax liabilities incl. current income tax liabilities	40,911	0	40,911	440,654	196,314	636,968
Liabilities	**234,038**	**3**	**234,041**	**1,229,861**	**945,727**	**2,175,588**
Shareholders' equity	**284,818**	**631**	**285,449**	**1,234,995**	**1,137,039**	**2,372,034**
Capital expenditures[2)]	509	0	509	2,037	257,344	259,381

[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 €53,059 K (31.12.2020: €7,490 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 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 Total	Eastern Europe other regions Income producing	Total segments	Holding	Transition Consolidation	Total
110,110	745	110,854	7,434	231,249	0	–2,138	229,111
0	0	0	0	1,256	0	–1,256	0
29,173	134	29,306	1,724	50,975	0	78	51,053
–32,460	–328	–32,788	–2,048	–58,011	0	411	–57,600
–11,436	–304	–11,740	–777	–23,647	0	545	–23,102
95,386	**246**	**95,633**	**6,333**	**201,823**	**0**	**–2,361**	**199,462**
0	–142	–142	0	–2,099	0	246	–1,854
0	0	0	0	25,641	0	–18,966	6,675
4,430	0	4,430	–477	51,585	0	1,075	52,660
550	0	550	0	10,439	7,788	–10,090	8,137
–13,907	–464	–14,372	–754	–38,423	–30,922	11,123	–58,222
2,428	1	2,428	14	3,423	45	–234	3,235
88,887	**–359**	**88,528**	**5,116**	**252,390**	**–23,089**	**–19,208**	**210,093**
–452	0	–452	–7	–4,925	–536	168	–5,293
4,671	18,181	22,852	–4,976	541,147	0	0	541,147
0	0	0	0	0	0	3,618	3,618
93,106	**17,822**	**110,928**	**133**	**788,612**	**–23,625**	**–15,422**	**749,565**

Income producing	Development	Eastern Europe core regions Total	Eastern Europe other regions Income producing	Total segments	Holding	Transition Consolidation	Total
0	0	0	0	39,880	0	–30,720	9,159
23,944	0	23,944	5,742	143,174	0	322	143,496
23,944	**0**	**23,944**	**5,742**	**183,054**	**0**	**–30,398**	**152,656**
29,173	134	29,306	1,724	50,975	0	78	51,053
0	0	0	0	2,511	0	–3,437	-926
550	0	550	0	10,439	7,788	–10,090	8,137
29,723	**134**	**29,856**	**1,724**	**63,926**	**7,788**	**–13,450**	**58,264**
53,666	**134**	**53,800**	**7,466**	**246,980**	**7,788**	**–43,848**	**210,919**

Income producing	Development	Eastern Europe core regions Total	Eastern Europe other regions Income producing	Total segments	Holding	Transition Consolidation	Total
1,868,565	77,650	1,946,215	79,861	6,422,307	0	–168,106	6,254,201
215,553	18,602	234,155	7,081	908,642	1,085,557	–1,136,637	857,563
652	0	652	0	4,128	30,809	–32,256	2,681
2,084,771	**96,252**	**2,181,022**	**86,942**	**7,335,077**	**1,116,366**	**–1,336,998**	**7,114,445**
690,135	41,398	731,533	38,389	2,235,020	1,460,513	–1,111,590	2,583,943
96,702	8,290	104,992	1,720	373,365	269,185	–120,674	521,876
67,618	3,028	70,645	2,596	751,121	632	–34,165	717,588
854,455	**52,716**	**907,171**	**42,706**	**3,359,506**	**1,730,330**	**–1,266,430**	**3,823,407**
1,230,315	**43,536**	**1,273,851**	**44,236**	**3,975,570**	**–613,963**	**–70,569**	**3,291,038**
13,211	19,952	33,163	786	293,839	1,053	–21,741	273,151

CONSOLIDATED FINANCIAL STATEMENTS

€ 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						
Income from trading	0	25	25	0	18,682	18,682
Income from 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 trading 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

		Eastern Europe core regions	Eastern Europe other regions	Total segments		Transition	Total
Income producing	Development	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

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 (e.g. property management, financial negotiation, purchase and sale of properties, accounting, controlling, provision of personnel) 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 (sold in 2020) and Slovakia (sold in 2021).

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:

	2021		2020	
Segment Eastern Europe core regions before consolidation	**€ K**	**Share in %**	**€ K**	**Share in %**
Rental income				
Poland	34,332	31.0%	30,638	26.7%
Romania	27,966	25.2%	29,342	25.6%
Czechia	19,972	18.0%	21,064	18.3%
Hungary	28,585	25.8%	33,795	29.4%
Total rental income	**110,854**	**100.0%**	**114,839**	**100.0%**
Book value of investment properties IAS 40				
Poland	563,679	29.0%	590,185	30.5%
Romania	395,434	20.3%	390,598	20.2%
Czechia	471,650	24.2%	427,150	22.1%
Hungary	515,452	26.5%	524,229	27.1%
Total book value investment property according to IAS 40	**1,946,215**	**100.0%**	**1,932,161**	**100.0%**

2.2 Rental income

€ K	2021	2020
Basic rental income	221,500	218,935
Conditional rental income	60	474
Income from non-service components of service charges	10,729	10,675
Change in accrued rental income related to lease incentive agreements	–4,187	4,172
Settlement from cancellation of rent agreements	1,008	1,354
Rental income	**229,111**	**235,609**

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

2021	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	18,101	67.6%	71,576	85.2%	110,849	100.0%	7,434	100.0%	207,961	90.8%
Hotel	4,594	17.2%	7,080	8.4%	0	0.0%	0	0.0%	11,674	5.1%
Retail	4,079	15.2%	9	0.0%	0	0.0%	0	0.0%	4,088	1.8%
Others	6	0.0%	5,378	6.4%	4	0.0%	0	0.0%	5,388	2.4%
Rental income	**26,780**	**100%**	**84,042**	**100%**	**110,854**	**100%**	**7,434**	**100%**	**229,111**	**100%**

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%**

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. 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	2021	2020
Operating costs charged to tenants	51,053	53,260
Operating expenses	–57,600	–57,738
Own operating costs	**–6,547**	**–4,478**
Maintenance costs	–5,183	–4,925
Agency fees	–3,037	–1,212
Bad debt losses and reserves for bad debts	–1,259	–6,120
Other directly related expenses	–13,623	–9,210
Other expenses directly related to properties rented	**–23,102**	**–21,466**
Total	**–29,649**	**–25,944**

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 €11,007 K in 2021 (2020: €6,705 K).

In Eastern Europe, a lawsuit linked to the payment of building taxes was decided in favour of CA Immo Group. In 2020 this brought a positive effect in the amount of €3,698 K in “Other directly related expenses” given the reversal of the respective tax provision.

Rent waivers and rent decreases due to Covid-19 pandemic impacted net rental income with €–3,636 K (2020: €–7,960 K). Positive counter-effects from linearization of lease incentive agreements (rent frees) over the remaining lease term amount to €559 K (2020: €1,166 K). All agreed rent changes as well as granting of rent free periods are split over the duration of the respective lease agreement linearly.

§ 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	2021	2020
Operating expenses related to investment properties under development	–655	–733
Property advertising costs	–189	–103
Project development and project execution	–875	–1,155
Operating expenses related to investment properties under development long-term assets	**–1,719**	**–1,990**
Operating expenses related to investment properties under development	–109	–108
Project development and project execution	–25	–56
Operating expenses related to investment properties under development short-term assets	**–134**	**–164**
Other expenses directly related to properties under development	**–1,854**	**–2,154**

2.5. Result from trading and construction works

€ K	2021	2020
Trading property - transferred at a point in time	9,159	183
Trading property and contruction work - transferred over time	–926	43,152
Income from the sale of properties and construction works	**8,233**	**43,335**
Book value of properties sold incl. ancillary costs	–1,297	207
Construction costs	–261	–35,594
Book value of properties sold incl. ancillary and construction costs	**–1,558**	**–35,387**
Result from trading and construction works	**6,675**	**7,949**

§ 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	2021	Austria	Germany	Eastern Europe core regions	Eastern Europe other regions	2020
Sales prices for interests in property companies	0	2,667	24,266	5,742	32,675	0	89,598	17	32,593	122,208
Book value of net assets sold excl. goodwill	0	–1,485	–23,967	–5,553	–31,005	0	–63,150	0	–30,315	–93,465
Revaluation result for the year	0	0	5,333	0	5,333	0	205	0	–1,980	–1,775
Change in subsequent costs and ancillary costs	0	1,481	–653	–323	505	0	–1,244	12	–326	–1,557
Results from the sale of investment property (share deals)	**0**	**2,664**	**4,979**	**–135**	**7,507**	**0**	**25,409**	**29**	**–28**	**25,410**
Income from the sale of investment properties	48,685	62,136	0	0	110,821	57,265	583	0	0	57,848
Book value of properties sold	–47,727	–36,900	0	0	–84,628	–53,860	0	2	0	–53,858
Goodwill of sold properties	0	–9	0	0	–9	–2,090	0	0	0	–2,090
Revaluation result for the year	16,324	0	0	0	16,324	20,020	0	0	0	20,020
Change in subsequent costs and ancillary costs	–784	3,428	0	0	2,644	–3,712	91	220	0	–3,401
Results from the sale of investment property (asset deals)	**16,498**	**28,654**	**0**	**0**	**45,153**	**17,624**	**674**	**222**	**0**	**18,519**
Result from the sale of investment properties	**16,498**	**31,318**	**4,979**	**–135**	**52,660**	**17,624**	**26,083**	**251**	**–28**	**43,930**

§ **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 cotrol 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	2021	2020
Revenues from service contracts	7,611	7,927
Management revenues and other fees	526	239
Income from services rendered	**8,137**	**8,166**

§ **Revenue recognition according to IFRS 15**
Revenues are to be recognized in according 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 performace 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.

2.8. Indirect expenses

€ K	2021	2020
Personnel expenses	–49,799	–45,899
Legal, auditing and consulting fees	–14,048	–9,068
Third party acquired development services	–1,933	–1,866
Office rent	–658	–820
Travel expenses and transportation costs	–277	–358
Other expenses internal management	–2,912	–2,707
Other indirect expenses	–5,769	–29,004
Subtotal	**–75,396**	**–89,722**
Own work capitalised in investment property	16,201	15,151
Change in properties held for trading	973	1,394
Indirect expenses	**–58,222**	**–73,176**

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, in 2020 other indirect expenses include court fees of €25,475 K.

Personnel expenses include contributions to staff welfare funds in the amount of €174 K (2020: €119 K) and to pension and relief funds in the amount of €394 K (2020: €422 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	2021	2020
Discharge of lapsed liabilities	102	21
Other income	3,133	1,182
Other operating income	**3,235**	**1,204**

Other income includes in 2021 revenues in accordance with a neighbourhood agreement in Poland, amounting to approx. €2,000 K.

2.10. Depreciation and impairment losses/reversal

€ K	2021	2020
Regular depreciation	–2,244	–2,043
Depreciation right of use assets	–1,933	–2,209
Impairment loss on goodwill	–762	–410
Impairment loss on properties held for trading	–372	–988
Reversal of impairment loss previously recognised on properties held for trading	19	118
Depreciation and impairment/reversal	**–5,293**	**–5,533**

§ 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	2021	2020
At equity consolidation of investments in joint ventures	3,618	1,809
Result from sale of joint ventures	0	90
Result from joint ventures	**3,618**	**1,898**

2.12. Finance expenses

€ K	2021	2020
Interest expense bonds	–25,531	–22,317
Interest expense banks	–18,788	–20,109
Other interest and finance costs	–6,162	1,378
Interest expense convertible bond	–1,569	–4,914
Interest expenses lease liabilities	–1,335	–1,267
Capitalised interest	5,765	4,918
Finance costs	**–47,619**	**–42,311**

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	2021	2020
Valuation interest rate derivative transactions	20,299	–10,780
Ineffectiveness of interest rate swaps	–23	0
Valuation derivative convertible bond	–46,221	32,208
Result from derivatives	**–25,945**	**21,429**

The item "valuation interest rate derivative transactions" includes the following items:

€ K	2021	2020
Valuation of interest rate swaps without cash flow hedge relationship	20,914	–11,314
Valuation interest rate floors	–615	535
Valuation interest rate derivative transactions	**20,299**	**–10,780**

2.14. Result from financial investments

€ K	2021	2020
Negative interests on deposits	–3,638	–1,934
Revaluation of other investments	–1,682	–5,595
Interest income on bank deposits	175	28
Change in expected credit losses for cash and restricted cash	651	–355
Result from disposal of other investments	757	–1,171
Interest income from loans to joint ventures	866	1,546
Revenues from dividends	1,028	1,142
Other interest income	1,088	2,750
Result from financial investments	**–756**	**–3,589**

§ 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 in 2020 to a one-time negative effect of €–5,067 K.

2.16. Financial result

€ K		Category[1]	2021	2020
Interest expense	Interest	AC	–47,619	–42,311
Other financial results	Realisation		0	–5,067
Foreign currency gains/losses	Valuation		–264	3,622
	Realisation		195	–1,237
Interest rate swaps	Valuation	FVtPL	20,914	–11,314
	Ineffectiveness	FVOCI	–23	0
Interest rate floors	Valuation	FVtPL	–615	535
Derivative convertible bond	Valuation	FVtPL	–46,221	32,208
Interest income	Interest	AC	2,129	4,325
Negative interests on deposits	Interest	AC	–3,638	–1,934
Financial investments	Dividends	AC	1,028	1,142
Financial investments	Valuation	FVtPL	–1,682	–5,595
Result from disposal of other investments	Realisation	AC	757	–1,171
Change expected credit losses for cash and restricted cash	Valuation	AC	651	–355
Net result of financial instruments			**–74,389**	**–27,154**
Financial result			**–74,389**	**–27,154**

[1] AC – amortised cost, FVtPL – fair value through profit or loss, FVOCI – fair value through other comprehensive income

2.17. Other comprehensive income

2021 € K	Valuation result (Hedging)	Currency translation reserve	Reserve according to IAS 19	Total
Other comprehensive income before taxes	6,664	42	592	7,298
Income tax related to other comprehensive income	–2,127	0	–196	–2,324
Other comprehensive income for the period	**4,537**	**42**	**396**	**4,974**
thereof: attributable to the owners of the parent	4,537	42	396	4,974

2020 € K	Valuation result (Hedging)	Currency translation reserve	Reserve according to IAS 19	Total
Other comprehensive income before taxes	–620	–111	–80	–812
Income tax related to other comprehensive income	198	0	28	226
Other comprehensive income for the period	**–422**	**–111**	**–52**	**–585**
thereof: attributable to the owners of the parent	–422	–111	–52	–585

§ 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.

2.18. Earnings per share

A convertible bond was issued in October 2017. This bond had until the termination in September 2021 an effect on the earnings per share.

		2021	2020
Weighted average number of shares outstanding	pcs.	98,162,253	93,028,299
Consolidated net income	€ K	479,774	253,948
Basic earnings per share	**€**	**4.89**	**2.73**

		2021	2020
Weighted average number of shares outstanding	pcs.	98,162,253	93,028,299
Dilution effect:			
Convertible bond	pcs.	0	6,659,902
Weighted average number of shares	**pcs.**	**98,162,253**	**99,688,201**
Consolidated net income attributable to the owners of the parent	€ K	479,774	253,948
Dilution effect:			
Convertible bond effective interest/valuation derivative convertible bond	€ K	0	–27,294
Less taxes	€ K	0	6,823
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	**€ K**	**479,774**	**233,478**
Diluted earnings per share	**€**	**4.89**	**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 1.1.2020	**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**
Current investment/construction	20,980	191,077	212,056
Disposals	–96,476	–36,900	–133,376
Reclassification to assets held for sale	–68,359	–6,058	–74,417
Transfers	81,688	–81,688	0
Revaluation	323,363	239,441	562,804
Change in lease incentives	35	139	174
As at 31.12.2021	**4,984,297**	**1,097,147**	**6,081,444**

In 2021, the current capital expenditures (construction costs) for investment properties under development mainly relate to the projects Frankfurt ONE (€98,957 K), Berlin Europaplatz 04 (€35,591 K), Grasblau (€17,832 K), Upbeat (€13,755 K) in Germany as well as the two projects Mississippi and Missouri (€15,635 K) in the Czech Republic. The capital expenditures in income producing investment properties relate to various office buildings in Germany and the CEE-region. The reclassifications from investment properties under development to income producing investment properties relate to the project ZigZag Zollhafen Mainz (€13,238 K) as well as the two projects Mississippi and Missouri (€68,450 K).

In 2021, the disposals from income producing investment properties relate to two properties in Austria (€–47,560 K), a property in Hungary (€–17,443 K) and a property in Poland (€–24,509 K). The disposal from investment properties under development relates to the German property Belsenpark (€–36,900 K). Previous year disposals relate to the sale of the CUBE office building in Germany and the Zagrebtower office building in Croatia.

The fair value of the properties assigned as collateral for external financings totals €3,564,910 K (31.12.2020: €3,036,646 K).

In 2021, borrowing costs relating to the construction of properties totaling €5,765 K (2020: €4,918 K) were capitalised at a weighted average interest rate of 1.37% (2020: 1.30%).

In 2021, government grants amounted to €0 K (2020: €103 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 1.1.2020			
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**
As at 31.12.2021			
Fair value of properties	4,955,075	1,097,008	6,052,083
Lease incentive agreements	29,222	139	29,361
Fair value/book value	**4,984,297**	**1,097,147**	**6,081,444**

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 and rental income is gained.

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.

§ **Fair value measurement**

IFRS 13 defines the fair value as the price that would be received following the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. The price could be directly observable or estimated using valuation techniques. Corresponding to the inputs used to determine of the fair values, the measurement hierarchy distinguishes between the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs that are observable for the measurement of assets or liabilities, either directly or indirectly
- Level 3: inputs are unobservable for the measurement of assets or liabilities.

Investment Property (IAS 40) - Valuation

§ **Assessment of fair value**

More than 99.9% (31.12.2020: 99.9%) of the properties in Austria, about 99% (31.12.2020: 98.1%) of the properties in Germany, and 99% (31.12.2020: 100%) of the properties in Eastern Europe, according to segment reporting, were subject to an external valuation as of the reporting date 31.12.2021. 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 5% to 20% of the market value upon completion (31.12.2020: 6% to 25%). 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 2.6% to 4.5% (31.12.2020: 2.8% to 5.2%) and financing interest rates in the range from 2.0% (31.12.2020: 2.0% to 4.0%). 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 31.12.2021 € K	Fair value 31.12.2020 € K	Inputs	Range 2021	Range 2020
Office Austria	352,100	367,000	Actual-rent €/m² p. m. min/max/average weighted	8.48 / 28.97 / 12.02	7.22 / 26.99 / 11.32
			Market-rent €/m² p. m. min/max	7.10 / 24.49	6.54 / 24.33
			average remaining lease term in years	3.41	4.19
			average vacancy %	11.98	11.96
			Yield Term min/max/weighted average %	3.15 / 5.00 / 4.15	3.35 / 6.25 / 4.48
			Yield Reversion min/max/weighted average %	3.00 / 5.40 / 4.37	3.20 / 6.75 / 4.72
Office Germany*	2,278,299	1,989,342	Actual-rent €/m² p. m. min/max/average weighted	10.83 / 26.55 / 18.78	10.62 / 27.15 / 18.11
			Market-rent €/m² p. m. min/max	11.99 / 30.05	11.99 / 29.06
			average remaining lease term in years	9.05	8.96
			average vacancy %	3.85	2.92
			Yield Term min/max/weighted average %	0.00 / 4.30 / 2.93	0.00 / 4.10 / 3.14
			Yield Reversion min/max/weighted average %	3.05 / 4.30 / 3.58	3.45 / 4.60 / 3.82
Office Eastern Europe*	1,995,587	1,977,415	Actual-rent €/m² p. m. min/max/average weighted	11.60 / 21.41 / 14.85	8.82 / 21.36 / 14.62
			Market-rent €/m² p. m. min/max	11.65 / 18.74	6.77 / 18.75
			average remaining lease term in years	3.36	3.12
			average vacancy %	14.14	6.49
			Yield Term min/max/weighted average %	4.60 / 8.50 / 6.62	4.60 / 10.00 / 6.87
			Yield Reversion min/max/weighted average %	4.50 / 8.75 / 6.59	4.70 / 12.00 / 6.83
Office total	**4,625,986**	**4,333,758**			
Retail Austria	87,500	90,100	Actual-rent €/m² p. m. min/max/average weighted	12.83 / 12.83 / 12.83	13.38 / 13.38 / 13.38
			Market-rent €/m² p. m. min/max	12.86 / 12.86	12.92 / 12.92
			average remaining lease term in years	2.63	3.13
			average vacancy %	12.26	13.12
			Yield Term min/max/weighted average %	4.65 / 4.65 / 4.65	4.65 / 4.65 / 4.65
			Yield Reversion min/max/weighted average %	4.60 / 4.60 / 4.60	4.60 / 4.60 / 4.60
Retail total	**87,500**	**90,100**			

* The book value of "Office Germany" classification includes right of use assets in amount of €389 K (31.12.2020: €572 K), respectively book value of "Office Eastern Europe" classification includes €33,407 K (31.12.2020: €37,245 K) right of use assets.

Classification investment properties incl. own used properties Valuation technique investment method	**Fair value 31.12.2021 € K**	**Fair value 31.12.2020 € K**	**Inputs**	**Range 2021**	**Range 2020**
Hotel Austria	47,400	60,900	Actual-rent €/m² p. m. min/max/average weighted	10.18 / 10.18 / 10.18	10.04 / 11.05 / 10.18
			Market-rent €/m² p. m. min/max	10.00 / 10.00	10.00 / 12.00
			average remaining lease term in years	5.16	6.93
			average vacancy %	0.00	0.00
			Yield Term min/max/weighted average %	5.75 / 5.75 / 5.75	5.25 / 5.75 / 5.67
			Yield Reversion min/max/weighted average %	6.00 / 6.00 / 6.00	5.50 / 6.00 / 5.92
Hotel Germany	160,300	169,700	Actual-rent €/m² p. m. min/max/average weighted	15.24 / 15.72 / 15.51	15.41 / 16.97 / 15.71
			Market-rent €/m² p. m. min/max	14.24 / 15.13	14.39 / 16.00
			average remaining lease term in years	14.10	14.49
			average vacancy %	0.59	1.05
			Yield Term min/max/weighted average %	3.75 / 4.10 / 3.91	3.80 / 4.75 / 4.06
			Yield Reversion min/max/weighted average %	4.25 / 4.45 / 4.34	4.30 / 5.15 / 4.48
Hotel total	**207,700**	**230,600**			
Other Austria	16,800	17,900	Actual-rent €/m² p. m. min/max/average weighted	1.41 / 1.41 / 1.41	1.35 / 1.35 / 1.35
			Market-rent €/m² p. m. min/max	0.98 / 0.98	0.98 / 0.98
			average remaining lease term in years	1.00	1.02
			average vacancy %	0.00	0.00
			Yield Term min/max/weighted average %	6.20 / 6.20 / 6.20	6.25 / 6.25 / 6.25
			Yield Reversion min/max/weighted average %	6.20 / 6.20 / 6.20	6.15 / 6.15 / 6.15
Other Germany	64,460	67,110	Actual-rent €/m² p. m. min/max/average weighted	4.51 / 4, 51 / 4.51	3.51 / 7.11 / 4.48
			Market-rent €/m² p. m. min/max	5.48 / 5.48	3.44 / 7.11
			average remaining lease term in years	0.90	4.60
			average vacancy %	2.34	0.76
			Yield Term min/max/weighted average %	3.65 / 4.55 / 4.27	2.35 / 6.50 / 4.40
			Yield Reversion min/max/weighted average %	4.65 / 5.05 / 4.90	4.65 / 6.00 / 5.19
Other total	**81,260**	**85,010**			

Classification investment properties under development Valuation technique residual value	**Fair value 31.12.2021 € K**	**Fair value 31.12.2020 € K**	**Inputs**	**Range 2021**	**Range 2020**
Office Germany*	909,510	509,900	Expected-rent €/m² p. m. min/max	18.50 / 37.05	18.50 / 33.50
			Construction cost €/m² min/max	1,801 / 3,494	1,801 / 3,673
			Related cost in % of Constr. Cost min/max	22.55 / 33.50	19.36 / 32.28
Office Eastern Europe	0	39,100	Expected-rent €/m² p. m. min/max	0.00	15.50 / 15.50
			Construction cost €/m² min/max	0.00	1,290 / 1,410
			Related cost in % of Constr. Cost min/max	0.00	10.00 / 10.00
Development total	**909,510**	**549,000**			

* The book value of "Office Germany" classification includes right of use assets in amount of €60 K (31.12.2020: €0 K).

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 Comparative or residual method	**Fair value 31.12.2021 € K**	**Fair value 31.12.2020 € K**	**Inputs**	**Range 2021**	**Range 2020**
Landbank Germany	187,487	241,986	Valuation approach / m² plot area	2.31 – 22,096.18	2.25 – 22,503.08
Landbank Eastern Europe	150	150	Valuation approach / m² plot area	29.87 - 29.87	29.87 – 29.87
Landbank total	**187,637**	**242,136**			

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 ceteris paribus increasing fair values. Vice versa, the fair value ceteris paribus 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 ceteris paribus decreasing fair values. Conversely, the fair value ceteris paribus 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.

Measurement hierarchy according to IFRS 13 € K	**31.12.2021** **Level 3**	**31.12.2020** **Level 3**
Investment properties	4,984,297	4,723,068
investment properties under development	1,097,147	791,136
Investment property	**6,081,444**	**5,514,204**

Reclassifications between levels did not occur in 2021 and 2020.

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 1.1.2020	**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 = 1.1.2021	**367,000**	**1,989,342**	**1,977,415**	**90,100**
Additions	273	8,409	18,459	229
Disposals	–34,941	–1,380	–44,112	0
Valuation	19,909	268,906	9,512	–2,824
Reclassification IFRS 5	0	0	–30,339	0
Reclassification between classes	0	13,238	68,450	0
Change in lease incentives	–141	–216	–3,798	–5
As at 31.12.2021	**352,100**	**2,278,299**	**1,995,587**	**87,500**

* The fair value of the classes "Office Austria" and "Office Germany" also includes the fair value of the own used properties.

€ K	Hotel Austria	Hotel Germany	Others Austria	Others Germany
As at 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 = 1.1.2021	**60,900**	**169,700**	**17,900**	**67,110**
Additions	0	0	0	99
Disposals	–13,098	–11	0	–5,230
Valuation	–535	12,933	–1,100	18,312
Reclassification IFRS 5	0	–22,201	0	–15,819
Change in lease incentives	133	–121	0	–11
As at 31.12.2021	**47,400**	**160,300**	**16,800**	**64,460**

€ K	**Development Germany**	**Development Eastern Europe**	**Land banks Germany**	**Land banks Eastern Europe**
As at 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 = 1.1.2021	**509,900**	**39,100**	**241,986**	**150**
Additions	173,345	15,635	2,218	18
Disposals	0	0	–36,900	0
Valuation	202,261	13,715	23,483	–18
Reclassification IFRS 5	–6,058	0	0	0
Reclassification between classes	30,062	–68,450	–43,300	0
As at 31.12.2021	**909,510**	**0**	**187,487**	**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 in 2020 has impacted many aspects of daily life and the gobal economy. Many countries have imposed general lockdowns and travel restrictions. Consequently, since then, market activity in many sectors continued to be severely impacted. Although the current economic impact of the pandemic is decreasing, the long-term impact on real estate markets cannot be assessed yet. Some real estate markets and sectors are still showing significantly lower levels of transaction activity and liquidity.

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 regularely reviewed.

For properties that currently have a high vacancy rate or short-term leases in non-prime locations the influence of the appraiser's assumptions on the property value is higher than for properties in prime locations 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.

2021 **Office Austria** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of 10%**
–10%	0.49%	5.86%	11.24%	16.61%	21.98%
–5%	–4.79%	0.26%	5.32%	10.38%	15.44%
0%	–9.55%	–4.78%	0.00%	4.78%	9.55%
+5%	–13.86%	–9.34%	–4.82%	–0.30%	4.22%
+10%	–17.77%	–13.48%	–9.20%	–4.91%	–0.62%

2020 **Office Austria** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of 10%**
–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%

2021 **Office Germany** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of 10%**
–10%	2.30%	6.95%	11.59%	16.24%	20.89%
–5%	–3.20%	1.15%	5.49%	9.83%	14.17%
0%	–8.14%	–4.07%	0.00%	4.07%	8.14%
+5%	–12.61%	–8.78%	–4.96%	–1.14%	2.68%
+10%	–16.66%	–13.07%	–9.47%	–5.87%	–2.27%

2020 Office Germany Change in Yield (in % of initial yield)	–10%	–5%	0%	5%	Change in market rent of 10%
–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%

2021 Office Eastern Europe Change in Yield (in % of initial yield)	–10%	–5%	0%	5%	Change in market rent of 10%
–10%	1.87%	6.92%	11.96%	17.00%	22.05%
–5%	–3.81%	0.93%	5.66%	10.40%	15.13%
0%	–8.92%	–4.46%	0.00%	4.46%	8.92%
+5%	–13.54%	–9.33%	–5.13%	–0.92%	3.29%
+10%	–17.75%	–13.77%	–9.78%	–5.80%	–1.82%

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%

2021 Retail Austria Change in Yield (in % of initial yield)	–10%	–5%	0%	5%	Change in market rent of 10%
–10%	0.41%	5.98%	11.56%	17.13%	22.70%
–5%	–5.03%	0.22%	5.47%	10.73%	15.98%
0%	–9.92%	–4.96%	0.00%	4.96%	9.92%
+5%	–14.35%	–9.65%	–4.95%	–0.25%	4.45%
+10%	–18.38%	–13.92%	–9.45%	–4.99%	–0.53%

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%

2021 Hotel Austria Change in Yield (in % of initial yield)	–10%	–5%	0%	5%	Change in market rent of 10%
–10%	2.55%	7.52%	12.50%	17.48%	22.46%
–5%	–3.37%	1.28%	5.92%	10.57%	15.21%
0%	–8.69%	–4.35%	0.00%	4.35%	8.69%
+5%	–13.51%	–9.43%	–5.36%	–1.28%	2.79%
+10%	–17.89%	–14.06%	–10.23%	–6.40%	–2.56%

2020 Hotel Austria Change in Yield (in % of initial yield)	–10%	–5%	0%	5%	Change in market rent of 10%
–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%

2021 Hotel Germany Change in Yield (in % of initial yield)	–10%	–5%	0%	5%	Change in market rent of 10%
–10%	4.35%	7.64%	10.94%	14.23%	17.53%
–5%	–0.88%	2.15%	5.18%	8.21%	11.25%
0%	–5.59%	–2.80%	0.00%	2.80%	5.59%
+5%	–9.86%	–7.28%	–4.69%	–2.10%	0.48%
+10%	–13.75%	–11.35%	–8.95%	–6.56%	–4.16%

2020 **Hotel Germany** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of** **10%**
–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%

2021 **Other Austria** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of** **10%**
–10%	0.55%	6.33%	12.12%	17.90%	23.69%
–5%	–5.18%	0.28%	5.74%	11.20%	16.66%
0%	–10.33%	–5.16%	0.00%	5.16%	10.33%
+5%	–14.99%	–10.09%	–5.19%	–0.30%	4.60%
+10%	–19.22%	–14.57%	–9.91%	–5.26%	–0.61%

2020 **Other Austria** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of** **10%**
–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%

2021 **Other Germany** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of** **10%**
–10%	–0.21%	5.56%	11.34%	17.11%	22.89%
–5%	–5.55%	–0.09%	5.37%	10.83%	16.29%
0%	–10.36%	–5.18%	0.00%	5.18%	10.36%
+5%	–14.70%	–9.78%	–4.86%	0.06%	4.99%
+10%	–18.65%	–13.96%	–9.27%	–4.58%	0.11%

2020 **Other Germany** **Change in Yield (in % of initial yield)**	**–10%**	**–5%**	**0%**	**5%**	**Change in market rent of** **10%**
–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%

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 basis.

2021					**Still outstanding capital expenditures**
in € m	**–10%**	**–5%**	**Initial value**	**+5%**	**+10%**
Still outstanding capital expenditures	1,506.0	1,589.7	1,673.3	1,757.0	1,840.7
Fair value	1,076.8	993.1	909.5	825.8	742.1
Changes to initial value	18.4%	9.2%	0.0%	–9.2%	–18.4%

2020					**Still outstanding capital expenditures**
in € m	**–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%

The sensitivity analysis of the projects under development are based on an average percentage of completion of approximately 27% (2020: 29%) as at 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 of the fair value of the projects under development. An increase or decrease of the still outstanding capital expenditures leads to an inversely development of 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 1.1.2020	**7,165**	**7,865**	**15,030**
Additions	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**
Additions	7	262	269
Disposals	–14	0	–14
Depreciation and amortisation	–410	–1,568	–1,978
As at 31.12.2021	**6,292**	**4,882**	**11,174**

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 1.1.2020			
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**
As at 31.12.2021			
Acquisition costs	10,300	9,231	19,531
Accumulated depreciation	–4,009	–4,349	–8,358
Net book value	**6,292**	**4,882**	**11,174**

Impairment losses

If an indication exists that a long term non-financial asset (own used properties) 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 of an own used property is lower than its carrying value, 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 1.1.2020	**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**
Currency translation adjustments	–1	–1	–1	0	0	0
Current additions	309	336	645	0	1,727	1,727
Disposals	–33	–43	–76	–9	–3	–12
Depreciation and amortisation	–1,299	–367	–1,666	0	–534	–534
Impairment	0	0	0	–762	0	–762
As at 31.12.2021	**5,820**	**612**	**6,431**	**1,211**	**2,208**	**3,419**

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 1.1.2020						
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**
As at 31.12.2021						
Acquisition costs	14,522	1,138	15,660	5,106	7,062	12,168
Accumulated impairment/amortisation	–8,702	–526	–9,228	–3,894	–4,855	–8,749
Book values	**5,820**	**612**	**6,431**	**1,211**	**2,208**	**3,419**

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 31.12.2021 of 1 year 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.

2021				
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	**–30.2**	**–45.4**	**–43.1**	**–57.6**

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**

§ **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. Given the lack of control over the software, cloud software solutions are not capitalized as an asset and consequently, the costs are expensed over the contractual period.

§ **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

€ K	31.12.2021	31.12.2020
Eggarten	41,285	41,395
Mainz	13,621	13,866
Others	894	2,367
Investments in joint ventures	**55,800**	**57,629**

CA Immo Group is engaged in the following material joint ventures:

Name	Project Partner	Ownership 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	2 (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 (profit share between 50% and 30%), 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 31.12.2021, just like in previous year, there are no unrecognized losses from joint ventures. 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	2021		2020	
	Eggarten	Mainz	Eggarten	Mainz
Rental income	47	2,150	48	1,689
Depreciation and impairment/reversal	–5	–75	–5	–152
Finance costs	–141	–123	–124	–1,218
Income tax expense	128	–2,778	0	–389
Consolidated net income	**–319**	**20,970**	**–372**	**10,278**
Total comprehensive income	**0**	**0**	**0**	**0**
Comprehensive income for the period	**–319**	**20,970**	**–372**	**10,278**
Long-term assets	172	1,262	49	2,540
Other short-term assets	93,418	107,934	91,991	99,014
Cash and cash equivalents	185	792	115	851
Total assets	**93,776**	**109,989**	**92,154**	**102,404**
Other long-term liabilities	0	41,084	0	41,610
Interest-bearing liabilities	10,287	147	9,151	31
Long-term liabilities	**10,287**	**41,231**	**9,151**	**41,640**
Other short-term liabilities	888	24,607	181	23,986
Interest-bearing liabilities	5	13	5	13
Short-term liabilities	**893**	**24,620**	**186**	**23,999**
Shareholders' equity	**82,595**	**44,138**	**82,817**	**36,766**
Proportional equity as at 1.1.	**41,395**	**18,386**	**41,581**	**17,477**
Proportional profit of the period in accordance with shares held	–159	10,479	–186	5,133
Dividends received	0	–6,743	0	–4,224
Proportional equity as at 31.12.	**41,236**	**22,122**	**41,395**	**18,386**
Intercompany profit elimination, other consolidation effects and adjustment for profit share	49	–8,501	0	–4,520
Book value investments into joint ventures 31.12	**41,285**	**13,621**	**41,395**	**13,866**

The following table summarizes non-material interests in joint ventures:

€ K	2021	2020
Proportional equity as at 1.1.	**–650**	**8,578**
Proportional profit of the period	–2,720	–1,050
Capital increases	105	208
Capital decrease	–18	–5,064
Dividends received	–899	–3,299
Proportional equity as at 31.12.	**–4,182**	**–628**
Intercompany profit elimination and other consolidation effects	1,651	–60
Transition consolidation	0	–22
Allowance of loans and receivables	3,425	3,076
Book value investments into joint ventures 31.12	**894**	**2,367**

3.5. Other assets

€ K	31.12.2021	31.12.2020
Other financial assets	50,194	45,470
Long-term receivables and other assets	38,377	15,258
	88,571	**60,728**

€ K	Acquisition costs incl. recognized interest as at 31.12.2021	Changes in value accumulated until 31.12.2021	Book values as at 31.12.2021	Changes in value recognized in profit or loss 2021
Loans to joint ventures	15,107	–3,425	11,682	–349
Loans and receivables	**15,107**	**–3,425**	**11,682**	**–349**
Other investments	30,540	1,853	32,393	–1,682
Other investments	**30,540**	**1,853**	**32,393**	**–1,682**
Interest rate swaps	0	5,052	5,052	5,052
Interest rate floors	726	341	1,067	–615
Derivative financial instruments	**726**	**5,393**	**6,119**	**4,437**
Total other financial assets	**46,373**	**3,821**	**50,194**	**2,406**

€ 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	Other investments
As at 1.1.2020	**41,406**
Valuation P/L	–5,595
Distributions/capital reduction	–950
As at 31.12.2020 = 1.1.2021	**34,861**
Valuation P/L	–1,682
Distributions/capital reduction	–469
Disposals	–317
As at 31.12.2021	**32,393**

The fair value of other investments corresponds to level 3 of the fair value hierarchy according to IFRS 13.

Measurement hierarchy according to IFRS 13			**31.12.2021**			**31.12.2020**
€ K	**Level 2**	**Level 3**	**Total**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments FVtPL	6,119	0	6,119	1,682	0	1,682
Other investments FVtPL	0	32,393	32,393	0	34,861	34,861
Financial instruments by category (assets)	**6,119**	**32,393**	**38,513**	**1,682**	**34,861**	**36,544**

Reclassifications between levels did not occur in 2021 and 2020.

Long-term receivables and other assets

€ K	31.12.2021	31.12.2020
Cash and cash equivalents with drawing restrictions	34,274	11,708
Other receivables from joint ventures	1,351	1,137
Receivables from property and share sales	64	61
Other receivables and assets	2,687	2,353
Long-term receivables and other assets	**38,377**	**15,258**

§ 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 31.12.2021 a disposal group including an office building in Hungary with a fair value of €30,339 K (31.12.2020: €0 K) was classified as held for sale. Furthermore three properties in Germany with a fair value of €44,078 K (31.12.2020: €0 K) were 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 contracts of sale were concluded or assigned by the time the consolidated financial statements as at 31.12.2021 were prepared.

Assets held for sale € K	**31.12.2021**	**31.12.2020**
Germany - Investment properties	38,020	0
Germany - Properties under development	6,058	0
Eastern Europe core regions - Investment properties	30,339	0
Eastern Europe other regions - Investment properties	0	33,894
Properties held for sale	**74,417**	**33,894**
Eastern Europe core regions - Investment properties	1,780	0
Other assets held for sale	**1,780**	**0**
Assets held for sale and relating to disposal groups	**76,197**	**33,894**

The result from revaluation includes an amount of €0 K (2020: €0 K) related to investment properties after their reclassification as properties held for sale.

Assets and liabilities held for sale € K	**31.12.2021**	**31.12.2020**
Assets held for sale	30,339	33,894
Receivables and other assets	137	111
Cash and cash equivalents	1,643	3,086
Assets in disposal groups held for sale	**32,119**	**37,092**
Provisions	160	43
Interest-bearing liabilities	0	1,604
Other liabilities	767	0
Deferred tax liabilities	1,430	0
Liabilities relating to disposal groups	**2,357**	**1,647**
Net-assets/liabilities included in disposal groups	**29,762**	**35,445**

Investment properties held for sale in the amount of €15,819 K (31.12.2020: €0 K) are encumbered with mortgages.

€ K	IFRS 5 properties
As at 1.1.2020	**0**
Reclassification IFRS 5	33,894
As at 31.12.2020 = 1.1.2021	**33,894**
Disposals	–33,894
Reclassification IFRS 5	74,417
As at 31.12.2021	**74,417**

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

			31.12.2021			31.12.2020
€ K	Acquisition / production costs	Accumulated impairment	Book values	Acquisition / production costs	Accumulated impairment	Book values
At acquisition/production costs	82,956	0	82,956	33,042	0	33,042
At net realisable value	9,694	–5,484	4,210	7,288	–5,130	2,158
Total properties held for trading	**92,650**	**–5,484**	**87,166**	**40,330**	**–5,130**	**35,200**

The increase in acquisition/production costs in 2021 is mainly due to capitalization of urban development obligations.

The fair value of the properties held for trading, which are recognised at acquisition/production costs, amounts to €169,788 K (31.12.2020: €113,724 K) and corresponds to level 3 of the fair value hierarchy.

Properties held for trading amounting to €15,824 K (31.12.2020: €31,441 K) with a fair value of €37,371 K (31.12.2020: €104,856 K) are expected to be realised within a period of more than 12 months. This applies to 9 properties (31.12.2020: 13 properties) in Germany which comprise mainly land banks in Munich.

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 31.12.2021	Book values as at 31.12.2020
Rental and trade debtors	16,736	19,220
Receivables from trading property and construction work (transferred over time)	280	18,618
Receivables from property and share sales/acquisitions	4,446	60,164
Receivables from joint ventures	5,931	6,060
Cash and cash equivalents with drawing restrictions	5,918	10,306
Other accounts receivable	8,772	6,962
Receivables and other financial assets	**42,084**	**121,330**
Other receivables from fiscal authorities	9,519	11,786
Other non financial receivables	4,124	3,259
Other non financial assets	**13,643**	**15,045**
Receivables and other assets	**55,727**	**136,375**

The carrying amount of receivables and other assets are based on nominal value and allowance, as follows:

€ K	Nominal value 31.12.2021	Expected credit losses 31.12.2021	Book value 31.12.2021	Nominal value 31.12.2020	Expected credit losses 31.12.2020	Book value 31.12.2020
Receivables and other financial assets	51,211	–9,127	42,084	130,292	–8,962	121,330
Other non financial assets	13,643	0	13,643	15,045	0	15,045
Receivables and other assets	**64,853**	**–9,127**	**55,727**	**145,337**	**–8,962**	**136,375**

CONSOLIDATED FINANCIAL STATEMENTS

Movements in allowances for receivables and other assets are presented below:

€ K	2021	2020
As at 1.1.	**–8,962**	**–4,852**
Additions (value adjustment expenses)	–3,451	–6,177
Usage	652	399
Reversal	2,662	1,556
Reclassification IFRS 5	0	37
Currency translation adjustments	–28	74
As at 31.12.	**–9,127**	**–8,962**

The following table shows the risk profile of receivables and other assets based on their maturity:

Maturities receivables and other financial assets € K	2021	2020
Not due	**34,101**	**108,965**
Overdue <31 days	2,512	4,358
Overdue 31- 90 days	454	1,924
Overdue >90 days	5,017	6,083
Overdue total	**7,983**	**12,365**
Total	**42,084**	**121,330**

Changes in contract assets and contract liabilities result from:

			31.12.2021			31.12.2020
€ K	Receivables	Contract assets	Contract liabilities	Receivables	Contract assets	Contract liabilities
As at 1.1.	**18,618**	**0**	**0**	**17,342**	**0**	**0**
Increase as a result of changes in the measure of progress	0	0	0	0	42,860	0
Reclassification from contract assets to trade receivables	0	0	0	42,860	–42,860	0
Prepayments received	–17,845	0	0	–42,106	0	0
Subsequent changes / Purchase price reduction	–748					
Interest income present value receivables	255	0	0	523	0	0
As at 31.12.	**280**	**0**	**0**	**18,618**	**0**	**0**

As at 31.12.2021 expected future income from the sale of properties and construction works (realization over time due to transfer over time) amounts to €0 K (31.12.2020: €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.	Liftetime expected credit loss
3 (high risk due to delay of payment)	Diminished credit standing due to enduring non-payment, bankruptcy or insolvency proceedings	Liftetime 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, or expected credit losses.

§ **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 aparments) 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. Cash and cash equivalents

€ K	31.12.2021	31.12.2020
Cash in banks	633,130	922,346
Restricted cash	0	13,116
Cash on hand	18	20
Fund of cash and cash equivalents	**633,148**	**935,482**
Expected credit losses in cash and cash equivalents	–31	–619
Cash and cash equivalents (balance sheet)	**633,117**	**934,863**

§ 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 €774,229,017.02 (31.12.2020: €718,336,602.72). It is divided into 106,496,422 (31.12.2020: 98,808,332) bearer shares and 4 registered shares with a proportionate amount of the share capital of €7.27 each. The registered shares are held by SOF-11 Klimt CAI S.à r.l., Luxembourg, 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 five shareholder representatives elected by the General Meeting, two shareholder representatives appointed by means of registered shares, and four employee representatives.

Due to the change-of-control clause of the convertible bond triggered by the offer of SOF-11 Klimt CAI S.à r.l., nearly all convertible bond holders exercised their conversion rights. As of 30.4.2021, respectively 13.9.2021, the conversion rights were serviced by contingent capital and partly by issuing new shares. Overall, the share capital increased by €55,892,414.30 from €718,336,602.72 to €774,229,017.02 in the reporting year and is divided into 106,496,422 ordinary bearer shares and four registered shares. The remaining outstanding convertible bonds with a nominal value of €100 K were repaid in cash.

As at 31.12.2021, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total (31.12.2020: 5,780,037 treasury shares). Given the total number of voting shares issued of 106,496,426 (31.12.2020: 98,808,336), this is equivalent to around 5.4% (31.12.2020: 5.8%) of the voting shares.

The appropriated capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals €998,959 K (31.12.2020: €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 May 2021, a dividend amount of €1.00 (2020: €1.00) for each share entitled to dividend, totalling €100,645 K (2020: €93,028 K), was distributed to the shareholders in accordance with the resolution of the 34th Annual General Meeting. In its letter dated 3.11.2021, the majority shareholder SOF-11 Klimt CAI S.à r.l., Luxembourg, requested to convene an extraordinary shareholders' meeting to resolve on special dividends totaling €5.00 per dividend-bearing share. In accordance with the resolution of the Extraordinary General Meeting on 30.11.2021, the special dividends will be distributed in two tranches of €2.50 per dividend-bearing share. The first tranche was paid out on 15.12.2021; the second tranche was paid on 15.3.2022.

The total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2021 amounting to €440,139 K (31.12.2020: €897,605 K), is subject to dividend payment constraints in the amount of the deferred tax assets of €665 K (31.12.2020: no dividend payment constraints). The Management Board of CA Immo AG proposes to distribute no dividend to shareholders from the retained earnings as at 31.12.2021, amounting to €440,139 K. The retained earnings of €440,139 K are to be carried forward. The profit appropriation proposal reflects the current assessment of the Management and Supervisory Boards. Besides the current geopolitical environment and the increased uncertainty and volatility of the markets, the background for this decision is the fact that after the first tranche of €2.50 per share was paid out on 15.12.2021, also the second tranche of €2.50 special dividend per share was paid on 15.3.2022, which was decided in the Extraordinary General Meeting on 30.11.2021.

As at 31.12.2021, there exists unused authority capital in the amount of €350,069,852.74, which can be utilized until 18.9.2023 at the latest, as well as contingent capital in the amount of €143,667,319.09 earmarked for servicing convertible bonds that will be issued in the future based on the authorization of the Annual General Meeting as of 9.5.2018 (contingent capital 2018).

5.2. Interest bearing liabilities

€ K	Short-term	Long-term	31.12.2021 Total	Short-term	Long-term	31.12.2020 Total
Convertible bond	0	0	0	362	193,846	194,207
Corporate bonds	158,144	1,278,841	1,436,985	123,983	1,418,027	1,542,011
Bonds	**158,144**	**1,278,841**	**1,436,985**	**124,345**	**1,611,873**	**1,736,218**
Loans	235,946	871,227	1,107,173	77,309	968,660	1,045,969
Lease liabilities	3,320	36,466	39,786	3,647	41,627	45,275
Other interest-bearing liabilities	**239,265**	**907,693**	**1,146,959**	**80,956**	**1,010,288**	**1,091,244**
	397,409	**2,186,534**	**2,583,943**	**205,301**	**2,622,161**	**2,827,462**

The convertible bond was converted into shares in 2021 in the nominal amount of €199,900 K. The remaining nominal of €100 K was paid back in cash.

The Euro is the contract currency of 100% of the loans and bonds (31.12.2020: 100% in EUR).

Bonds

31.12.2021	Nominal value in € K	Book value excl. interests € K	Deferred interest in € K	Nominal interest rate	Effective interest rate	Issue	Repayment
Bond 2015-2022	142,411	142,397	3,412	2.75%	2.83%	17.2.2015	17.2.2022
Bond 2016-2023	116,621	116,506	2,794	2.75%	2.84%	17.2.2016	17.2.2023
Bond 2017-2024	175,000	174,490	2,814	1.88%	2.02%	22.2.2017	22.2.2024
Bond 2018-2026	150,000	147,882	2,148	1.88%	2.24%	26.9.2018	26.3.2026
Bond 2020-2027	500,000	494,280	3,955	0.88%	1.11%	5.2.2020	5.2.2027
Bond 2020-2025	350,000	345,682	623	1.00%	1.34%	27.10.2020	27.10.2025
Total	**1,434,032**	**1,421,238**	**15,747**				

31.12.2020	Nominal value in € K	Book value excl. interests € 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**				

The corporate bonds are subject to so-called financial covenants. These are mainly key indicators such as gearing (Loan-to-Value ratios) and interest coverage. The utilization of funds from the 2020-2025 bond (Green Bond) is tied to the allocation rules defined in the Green Bond Framework.

As at 31.12.2021 no bonds were in breach of covenants (31.12.2020: no breaches).

Other interest-bearing liabilities

As at 31.12.2021 and 31.12.2020, the terms of other interest-bearing liabilities are as follows:

31.12.2021

Type of financing and currency	Effective interest rate as at 31.12.2021 in %	Interest variable/fixed/hedged	Maturity	Nominal value in € K	Book value in € K	Fair value of liability in € K
Loans	0.70%-1.58%	variable	6/2022 - 3/2032	262,583	260,129	260,129
Loans	0.90%-1.73%	hedged	6/2024 - 12/2032	565,425	561,926	561,926
Loans	0.70%-3.95%	fixed	12/2022 - 6/2030	285,300	285,117	286,787
Loans (total)				**1,113,308**	**1,107,173**	**1,108,842**
Lease liabilities (IAS 40)	0.14%-6.94%	fixed	3/2022-8/2104	84,562	33,858	
Lease liabilities (other)	0.06%-3.87%	fixed	1/2022-12/2025	6,123	5,928	
				1,203,993	**1,146,959**	**1,108,842**

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**

For loans with variable interest rate, interest rate derivatives with a nominal value of €9,635 K (31.12.2020: €9,978 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 31.12.2021, 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 31.12.2021 no loans were in breach of covenants (31.12.2020: 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 was 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			31.12.2021			31.12.2020
	Short-term	Long-term	Total	Short-term	Long-term	Total
Fair value derivative transactions	**0**	**20,960**	**20,960**	**235**	**84,975**	**85,210**
Trade payables	19,815	5,494	25,309	17,722	6,501	24,224
Liabilities to joint ventures	123	0	123	1,445	0	1,445
Rent deposits	5,883	10,495	16,379	4,812	11,863	16,675
Open purchase prices	564	340	904	941	347	1,288
Settlement of operating costs	2,401	0	2,401	2,294	0	2,294
Other	257,904	10,598	268,501	8,027	9,108	17,134
Financial liabilities	**286,690**	**26,927**	**313,617**	**35,241**	**27,819**	**63,060**
Operating taxes	4,672	0	4,672	4,089	0	4,089
Prepayments received	9,331	300	9,631	3,540	283	3,823
Prepaid rent and other non financial liabilities	4,854	2,127	6,982	3,827	425	4,252
Non-financial liabilities	**18,857**	**2,427**	**21,284**	**11,456**	**708**	**12,164**
Total other liabilities	**305,547**	**50,314**	**355,861**	**46,932**	**113,503**	**160,434**

At the Extraordinary General Meeting on 30.11.2021 it was decided to distribute the special dividend in two tranches. The first tranche was paid out on 15.12.2021; the second tranche is due on 15.03.2022 and is reported under other liabilities as of 31.12.2021.

§ **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 insitutions, 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 (cashed-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, respectivly 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 1.1.2021	**17,694**	**42,619**	**43,911**	**47,434**	**151,658**
Usage	–10,266	–39,581	–9,507	–34,584	–93,938
Reversal	–926	–2,030	–2,847	–3,259	–9,062
Addition	13,980	82,897	3,243	14,828	114,949
Disposal from deconsolidation	0	0	0	–61	–61
Transfer to IFRS 5	0	–57	0	–151	–208
Accumulated interest	34	0	1	0	35
Currency translation adjustments	12	249	0	22	284
As at 31.12.2021	**20,529**	**84,098**	**34,802**	**24,229**	**163,657**
thereof short-term	13,054	65,951	10,099	24,228	113,333
thereof long-term	7,474	18,146	24,703	0	50,323

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 bonuses of €15,267 K (31.12.2020: €11,819 K), net of the pensions provisions less plan asset in amount of €2,584 K (31.12.2020: €3,166 K), the present value of the long-term severance obligation of €396 K (31.12.2020: €505 K) and unused holiday entitlements of €1,616 K (31.12.2020: €1,446 K).

The provision for bonuses comprises a long-term provision for the LTI (long-term incentive) program amounting to €1,428 K (31.12.2020: €600 K) as well as a short-term provision of €364 K (31.12.2020: €195 K).

The following table presents the changes in the present value of the severance payment obligation:

€ K	2021	2020
Present value of severance obligations as at 1.1	**505**	**336**
Usage	–202	0
Current service costs	67	178
Interest cost	2	–1
Revaluation	23	–8
Present value of severance obligations as at 31.12	**396**	**505**

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	31.12.2021	31.12.2020
Present value of obligation	–9,514	–10,166
Fair value of plan asset	6,930	7,001
Net position recorded in consolidated statement of financial position	**–2,584**	**–3,166**
Financial adjustments of present value of the obligation	477	–120
Experience adjustments of present value of the obligation	–33	–36

The development of the defined benefit obligation and of the plan asset is shown in the following table:

€ K	2021	2020
Present value of obligation as at 1.1.	**–10,166**	**–10,124**
Current Payment	258	196
Interest cost	–49	–82
Revaluation	444	–156
Present value of obligation 31.12	**–9,514**	**–10,166**
Plan asset as at 1.1.	**7,001**	**7,083**
Expected income from plan asset	34	57
Revaluation	171	67
Current Payment	–275	–207
Plan asset as at 31.12	**6,930**	**7,001**

The following income/expense was recognized in the income statement:

€ K	2021	2020
Interest cost	–49	–82
Expected income from plan asset	34	57
Pensions costs	**–15**	**–25**

The following result before taxes was recognized in the other comprehensive income:

€ K	2021	2020
Revaluation of pension obligation	444	–156
Revaluation of plan assets	171	67
IAS 19 reserve	**615**	**–89**

Sensitivity analysis regarding the financial mathematical assumptions is shown in the following table:

2021 € K	**–0.25%**	**+0.25%**
change interest rate of 0.25 percentage points	–394	371
change pension trend of 0.25 percentage points	326	–342

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

§ **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 persons 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:

	31.12.2021	31.12.2020
Interest rate	0.72%	0.49%
Salary increases expected in the future	2.00%	2.00%
Accumulation period	25 years	25 years
Expected income from plan asset	0.72%	0.49%

The actual return on plan assets for 2021 is 0.49% (2020: 0.81%).

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 -0.04% (2020: -0.34%).

§ **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	2021	2020
Current income tax (current year)	–31,333	–12,258
Current income tax (previous years)	394	–2,984
Current income tax	**–30,939**	**–15,242**
Change in deferred taxes	–164,436	–79,099
Income tax expense	**–195,375**	**–94,341**
Effective tax rate (total)	28.9%	27.1%

Current income tax (current year) mainly arises in Germany in the amount of €–25,966 K (2020: €–8,582 K).

The change of current income tax (previous years) mainly results from Germany and refers to tax audit findings.

During the review of the tax calculation the allocation of deferred taxes was adjusted. The adjustments for the financial year 2020 are explained at the end of Chapter 7.1.

The reasons for the difference between expected income tax expense and effective income tax expense are outlined in the following table:

€ K	2021	2020 restated
Net result before taxes	675,176	348,295
Expected tax expenses (tax rate Austria 25.0%/prior year 25.0%)	**–168,794**	**–87,074**
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	19	293
Non-usable tax losses carried forward	–139	–3,792
Permanent differences in connection with convertible bond	–12,092	7,276
Non tax-deductible expense and permanent differences	–4,249	–3,022
Differing tax rates abroad	–16,114	–17,610
Capitalisation of prior years non-capitalised tax losses	57	2,810
Tax-exempt income	543	874
Adjustment of prior periods	1,398	–7,784
Utilization of prior years non-capitalised tax losses	1,819	316
Tax-exempt sales	943	6,478
Trade tax effects	378	309
Amortisation/Reversal of amortisation of deferred tax assets	–955	435
At equity consolidation of investments in joint ventures	–9	550
Exchange rate differences not affecting tax	1,456	–6,059
Change in tax rate	48	11,586
Others	316	73
Effective tax expense	**–195,375**	**–94,341**

The amortization of deferred tax assets mainly results from the loss of interest carried forward due to a tax reform in Poland.

The impact of change in tax rate in 2020 results from transfer of registered office of real estate companies in Germany.

CA Immo Group assumes that the tax reform enacted in 2022 in Austria will lead to a reduction of deferred tax liabiliites in the amount of approximately €0.6 M.

Changes in deferred taxes are as follows:

€ K	2021	2020
Deferred taxes as at 1.1. (net)	**–531,935**	**–471,200**
Change from IFRS 5 transfer	1,430	0
Changes from sale of companies	1,632	15,971
Changes from first consolidation	0	2,173
Changes due to exchange rate fluctuations	3	–5
Changes recognised in equity	–2,324	226
Changes recognised in profit or loss	–164,436	–79,099
Deferred taxes as at 31.12. (net)	**–695,629**	**–531,935**

As at 31.12. deferred tax assets and liabilities are split as follows:

€ K			31.12.2020 restated				31.12.2021		
Type	**Deferred tax asset**	**Deferred tax liabilities**	**Net amount**	**Consolidated Income Statement**	**Other income**	**Addition/ Disposal/ IFRS 5/ exchange rate fluctuations**	**Net amount**	**Deferred tax asset**	**Deferred tax liabilities**
Book value differences IFRS/tax of investment properties	1,248	–604,938	–603,690	–154,830	0	14,378	–744,142	2,149	–746,290
Difference in depreciation of own used properties and related right-of-use assets	603	–1,972	–1,368	438	0	0	–930	627	–1,557
Difference in acquisition costs for assets held for trading	462	–433	29	24	0	0	52	485	–433
Difference in useful life for equipment and related right-of-use assets	245	–200	45	–35	0	0	10	183	–174
Investments in joint ventures	1,042	–1	1,041	–97	0	0	944	944	0
Loans, other investments	0	–4,757	–4,757	1,872	0	0	–2,885	0	–2,885
Assets held for sale	0	0	0	0	0	–11,569	–11,569	0	–11,569
Revaluation of receivables and other assets	871	–18	853	–234	0	–2	616	670	–54
Revaluation of derivatives assets	0	–508	–508	–1,980	0	0	–2,488	0	–2,488
Revaluation of cash and cash equivalents	0	–128	–128	49	0	5	–73	0	–73
Revaluation of derivatives liabilities	8,569	0	8,569	–2,608	–2,127	0	3,833	3,833	0
Liabilities (incl. lease liabilities)	14,515	–1,827	12,688	216	0	–1,121	11,783	12,817	–1,034
Bonds	0	–33	–33	14	0	0	–19	0	–19
Provisions	5,163	–6	5,157	–424	–196	–1	4,535	4,574	–39
Tax losses	50,167	0	50,167	–6,839	0	–55	43,272	43,272	0
Deferred tax assets/liabilities before offset and reclassification IFRS 5	**82,885**	**–614,819**	**–531,935**	**–164,436**	**–2,324**	**1,635**	**–697,060**	**69,554**	**–766,614**
Computation of taxes	–78,503	78,503	0				0	–66,873	66,873
Deferred tax assets/liabilities before reclassification IFRS 5	**4,382**	**–536,317**	**–531,935**	**–164,436**	**–2,324**	**1,635**	**–697,060**	**2,681**	**–699,741**
Reclassification IFRS 5	0	0	0	0	0	1,430	1,430	0	1,430
Deferred tax assets/liabilities net	**4,382**	**–536,317**	**–531,935**	**–164,436**	**–2,324**	**3,065**	**–695,629**	**2,681**	**–698,310**

The recorded tax losses include deferred tax assets related to impairment losses on investments in subsidiaries in Austria amounting to €0 K (31.12.2020: €0 K), which have to be deferred over the next years for income tax purposes.

CONSOLIDATED FINANCIAL STATEMENTS

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	2021	2020 restated
In the following year	5,424	1,305
Between 1 - 5 years	11,060	14,705
More than 5 years	5,261	1,202
Without limitation in time	128,027	141,998
Total unrecorded tax losses carried forward	**149,772**	**159,209**
thereupon non-capitalised deferred tax assets	33,222	34,031

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 €279,063 K (31.12.2020: €261,033 K). Tax loss carryforwards and impairment losses on investments in subsidiaries of the Austrian companies that were not recognised amount to €103,422 K (31.12.2020 restated: €100,282 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 €915 K (31.12.2020: €1,343 K).

The total taxable temporary differences related to investments in foreign affiliated companies and joint ventures for which no deferred taxes were recognised pursuant to IAS 12.39 amount to €146,985 K (31.12.2020: €110,466 K). Tax loss carry forwards not recognised of foreign entities amount to €46,349 K (31.12.2020: €58,927 K).

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 can be taxable or wholly or partially exempt from income tax. The scope of the exemption depends on compliance with certain requirements and on the rules of the applicable double taxation agreement. Even if the group intends to meet these conditions, the full amount of deferred taxes, under consideration of the initial recognition exemption, according to IAS 12 is recognized for investment properties.

§ 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). 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.

Change in presentation

During the review of the tax calculation the allocation of deferred taxes in connection with the convertible bond was evaluated and the allocation was changed from adjustment from prior periods and capitalisation of prior years non-capitalised tax losses to permanent differences in connection with convertible bond. The change in presentation enables the improved presentation of recognized deferred taxes in connection with the convertible bond.

The change in presentation relates to the tax reconciliation, the deferred taxes and the unrecorded tax losses carried forward. There have been no changes in the balance sheet and profit and loss statement of CA Immo Group. The following positions have been restated:

€ K	**2020** **as reported**	**Adjustment**	**2020** **restated**
Net result before taxes	348,295	0	348,295
		0	
Expected tax expenses (tax rate Austria 25.0%/prior year 25.0%)	**–87,074**	**0**	**–87,074**
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	293	0	293
Non-usable tax losses carried forward	–3,792	0	–3,792
Permanent differences in connection with convertible bond	0	7,276	7,276
Non tax-deductible expense and permanent differences	–3,022	0	–3,022
Differing tax rates abroad	–17,610	0	–17,610
Capitalisation of prior years non-capitalised tax losses	3,901	–1,091	2,810
Tax-exempt income	874	0	874
Adjustment of prior periods	–1,599	–6,185	–7,784
Utilization of prior years non-capitalised tax losses	316	0	316
Tax-exempt sales	6,478	0	6,478
Trade tax effects	309	0	309
Amortisation/Reversal of amortisation of deferred tax assets	435	0	435
At equity consolidation of investments in joint ventures	550	0	550
Exchange rate differences not affecting tax	–6,059	0	–6,059
Change in tax rate	11,586	0	11,586
Others	73	0	73
Effective tax expense	**–94,341**	**0**	**–94,341**

€ K Type	31.12.2020 as reported Net amount	Adjustment Net amount	31.12.2020 restated Net amount
Book value differences IFRS/tax of investment properties	–603,690	0	–603,690
Difference in depreciation of own used properties and related right-of-use assets	–1,368	0	–1,368
Difference in acquisition costs for assets held for trading	29	0	29
Difference in useful life for equipment and related right-of-use assets	45	0	45
Investments in joint ventures	1,041	0	1,041
Loans, other investments	–4,757	0	–4,757
Revaluation of receivables and other assets	853	0	853
Revaluation of derivatives assets	–508	0	–508
Revaluation of cash and cash equivalents	–128	0	–128
Revaluation of derivatives liabilities	18,831	–10,262	8,569
Liabilities (incl. lease liabilities)	12,688	0	12,688
Bonds	–1,257	1,224	–33
Provisions	5,157	0	5,157
Tax losses	41,129	9,038	50,167
Deferred tax assets/liabilities before offset	**–531,935**	**0**	**–531,935**
Computation of taxes	0	0	0
Deferred tax assets/liabilities net	**–531,935**	**0**	**–531,935**

€ K	2020 as reported	Adjustment	2020 restated
In the following year	1,305	0	1,305
Between 1 - 5 years	14,705	0	14,705
More than 5 years	1,202	0	1,202
Without limitation in time	178,149	–36,151	141,998
Total unrecorded tax losses carried forward	**195,361**	**–36,151**	**159,209**
thereupon non-capitalised deferred tax assets	43,069	–9,038	34,031

7.2. Current income tax receivables

This item amounting to €11,795 K (31.12.2020: €13,497 K) relates to the CA Immo Germany Group and comprises corporate income tax and trade tax from the fiscal years 2013 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 €16,809 K (31.12.2020: €13,177 K) relating to CA Immo Germany Group and comprises corporate income tax and trade tax for the years 2016 and 2021 which have not been finally assessed by tax authorities as well as results of finalized tax audits.

7.4. Tax risks

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 and compexities 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.

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.

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/possible incurrence of real estate transfer tax in the event of direct or indirect shareholder changes in German partnerships and corporations, (iii) the tax recognition of outsourcing of operating facilities, as well as (iv) 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 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 documenatation 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.

CHAPTER 8: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

8.1. Financial instruments

Financial assets by categories

Category € K	FVTPL	FVOCI	Classification IFRS 9[1)] AC	No financial instruments	Book value 31.12.2021	Fair value 31.12.2021
Cash and cash equivalents with drawing restrictions	0	0	34,274	0	34,274	34,306
Derivative financial instruments	2,095	4,025	0	0	6,119	6,119
Primary instruments	0	0	15,597	188	15,785	
Other investments	32,393	0	0	0	32,393	32,393
Financial assets	**34,488**	**4,025**	**49,871**	**188**	**88,571**	
Cash and cash equivalents with drawing restrictions	0	0	5,918	0	5,918	5,924
Other receivables and assets	0	0	36,165	13,643	49,808	
Receivables and other assets	**0**	**0**	**42,084**	**13,643**	**55,727**	
Cash and cash equivalents	**0**	**0**	**633,117**	**0**	**633,117**	
	34,488	**4,025**	**725,072**	**13,830**	**777,415**	

[1)] FVTPL – fair value through profit or loss, FVOCI – fair value through other comprehensive income, AC – amortised cost

Category € K	FVTPL	Classification IFRS 9[1)] AC	No financial instruments	Book value 31.12.2020	Fair value 31.12.2020
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**	

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 (this corresponds to level 3 of the fair value hierarchy), as well as long term receivables from trading and construction works. 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	AC		31.12.2021	31.12.2021
Bonds	0	1,436,985	0	1,436,985	1,451,697
Loans	0	1,107,173	0	1,107,173	1,108,842
Lease liabilities (IFRS 16)	0	39,786	0	39,786	
Interest-bearing liabilities	**0**	**2,583,943**	**0**	**2,583,943**	
Derivative financial instruments	20,960	0	0	20,960	20,960
Other primary liabilities	0	313,617	21,284	334,902	
Other liabilities	**20,960**	**313,617**	**21,284**	**355,861**	
	20,960	**2,897,561**	**21,284**	**2,939,805**	

[1)] FVTPL – fair value through profit or loss, FVOCI – fair value through other comprehensive income, AC – amortised cost

Category	Classification IFRS 9[1)]			No financial instruments	Book value	Fair value
€ K	FVTPL	FVOCI	AC		31.12.2020	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	0
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**	

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	31.12.2021 Book value	Nominal value	Fair value	31.12.2020 Book value
Interest rate swaps - assets	335,555	5,052	5,052	0	0	0
Interest rate swaps - liabilities	464,505	–20,960	–20,960	815,759	–44,161	–44,161
Total interest rate swaps	**800,060**	**–15,908**	**–15,908**	**815,759**	**–44,161**	**–44,161**
Interest rate floors	42,075	1,067	1,067	42,975	1,682	1,682
Derivative convertible bond	0	0	0	0	–41,049	–41,049
Total derivatives	**842,135**	**–14,840**	**–14,840**	**858,734**	**–83,528**	**–83,528**
- thereof hedging (cash flow hedges)	225,000	4,025	4,025	225,000	–2,614	–2,614
thereof stand alone (fair value derivatives) - assets	152,630	2,095	2,095	42,975	1,682	1,682
thereof stand alone (fair value derivatives) - liabilities	464,505	–20,960	–20,960	590,759	–82,596	–82,596

As at 31.12.2020 the derivative of the convertible bond resulted from the cash settlement option of the convertible bond of CA Immo AG and it was reported at fair value until the conversion date.

As at the balance sheet date 50.8% (31.12.2020: 55.1%) 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.

€ K	Nominal value	Fair value	31.12.2021 Book value	Nominal value	Fair value	31.12.2020 Book value
Cash flow hedges	225,000	4,025	4,025	225,000	–2,614	–2,614
Fair value derivatives (stand alone) - liabilities	110,555	1,027	1,027	0	0	0
Fair value derivatives (stand alone) - assets	464,505	–20,960	–20,960	590,759	–41,547	–41,547
Interest rate swaps	**800,060**	**–15,908**	**–15,908**	**815,759**	**–44,161**	**–44,161**
Interest rate floors	42,075	1,067	1,067	42,975	1,682	1,682
Total interest rate derivatives	**842,135**	**–14,840**	**–14,840**	**858,734**	**–42,479**	**–42,479**

Interest rate derivatives	Nominal value in € K	Start	End	Fixed interest rate as at 31.12.2021	Reference interest rate	Fair value in € K 31.12.2021
EUR - CFH	225,000	3/2022	1/2029	–0.16%	3M-Euribor	4,025
EUR - stand alone - assets	110,555	5/2020- 1/2021	12/2029- 3/2030	0.04%- 0.10%	3M-Euribor	1,027
EUR - stand alone - liabilities	464,505	5/2017- 12/2019	6/2024- 12/2032	0.33%- 1.19%	3M-Euribor	–20,960
Total interest swaps = variable in fixed	**800,060**					**–15,908**
Interest rate floors	42,075	5/2018	5/2028	0.00%	3M-Euribor	1,067
Total interest rate derivatives	**842,135**					**–14,840**

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**

In July 2020 the CA Immo Group concluded forward interest rate swaps with a nominal value of €225,000 K over the term March 2022 - January 2029.

Gains and losses in other comprehensive income

€ K	2021	2020
As at 1.1.	**–422**	**0**
Change in valuation of cash flow hedges	6,641	–620
Change of ineffectiveness cash flow hedges	23	0
Income tax cash flow hedges	–2,127	198
As at 31.12.	**4,115**	**–422**
thereof: attributable to the owners of the parent	4,115	–422

The fair value hierarchy

Measurement hierarchy according to IFRS 13 € K	Level 1	Level 2	Level 3	31.12.2021 Total
Derivative financial instruments FVtPL	0	–20,960	0	–20,960
Financial instruments by category (liabilities)	**0**	**–20,960**	**0**	**–20,960**

Measurement hierarchy according to IFRS 13 € K	Level 1	Level 2	Level 3	31.12.2020 Total
Derivative financial instruments FVtPL	0	–82,596	0	–82,596
Financial liabilities CFH	0	–2,614	0	–2,614
Financial instruments by category (liabilities)	**0**	**–85,210**	**0**	**–85,210**

There were no reclassifications between the levels in 2021 and 2020.

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 had an embedded derivative subject to separation. The fair value of the separate embedded derivative was 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 corresponded 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.

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 effectiveness is evaluated and documented when the hedging transaction is concluded and then on an ongoing basis.

According to IFRS 9, a financial instrument is to be 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 to be 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 the 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.

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 consisted 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 2021 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		recognised in other comprehensive income	
	at 50 bps Increase	**at 100 bps Increase**	**at 50 bps Increase**	**at 100 bps Increase**
31.12.2021				
Interest-bearing liabilities with variable interest rate, without hedging	–1,265	–2,529	0	0
Interest-bearing liabilities with variable interest rate, hedged (Swap)	17,169	33,691	0	0
Other derivative financial instruments with/without CFH relationship	–540	–810	7,256	14,176
	15,364	**30,351**	**7,256**	**14,176**
31.12.2020 restated				
Interest-bearing liabilities with variable interest rate, without hedging	–864	–1,727	0	0
Interest-bearing liabilities with variable interest rate, hedged (Swap)	19,570	38,385	0	0
Other derivative financial instruments with/without CFH relationship	–948	–1,399	7,525	14,690
	17,758	**35,258**	**7,525**	**14,690**

Risks of the embedded derivative of the convertible bond

Due to the exercise of the conversion right of the convertible bond in 2021, there is no longer any risk from the embedded derivative as of 31.12.2021.

Currency risk

Currency risks result from rental revenues and receivables denominated in CZK, 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 €16,980 K (31.12.2020: €16,675 K) as well as bank guarantees of €58,062 K (31.12.2020: €62,563 K) and group guarantees in the amount of €44,216 K (31.12.2020: €44,017 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 secured an at the reporting date unused revolving credit facility of €300 M in the fourth quarter of 2021.

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.

31.12.2021 € K	Book value 2021	Contractually agreed cash flows	Cash flow 2022	Cash flow 2023-2026	Cash flow 2027 ff
Bonds	1,436,985	–1,508,518	–163,503	–840,641	–504,375
Loans	1,107,173	–1,174,653	–247,256	–417,077	–510,319
Lease liabilities	39,786	–90,685	–3,321	–9,895	–77,469
Trade payables	25,309	–25,309	–19,815	–5,494	–1
Non-controlling interests held by limited partners	5,691	–5,691	0	0	–5,691
Liabilities to joint ventures	123	–123	–123	0	0
Other liabilities	282,494	–282,494	–266,752	–13,738	–2,004
Primary financial liabilities	**2,897,561**	**–3,087,473**	**–700,770**	**–1,286,844**	**–1,099,859**
Interest rate derivatives not connected with hedges	20,960	–20,982	–6,439	–12,227	–2,315
Derivative financial liabilities	**20,960**	**–20,982**	**–6,439**	**–12,227**	**–2,315**
	2,918,520	**–3,108,454**	**–707,209**	**–1,299,071**	**–1,102,174**

The convertible bond required a separation of the financial instrument into a debt component and a separate embedded derivative. The derivative of the convertible bond had no cash flows.

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**

For variable interest bearing liablities 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 in a sustainable way and in the interests of shareholders and other stakeholders. In particular, it focuses on achieving a return on equity that exceeds the cost of capital. 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 31.12.2021 the ratio was 46.3% (31.12.2020: 45.9%). The proportion between the secured and the unsecured debt should generally be balanced. As at 31.12.2021 the higher share of 56% (31.12.2020: 61%) is attributable to unsecured corporate bonds. The remaining share of 44% (31.12.2020: 39%) is attributable to secured property loans, which are usually taken directly by the company in which the property is held.

Net debt and the gearing ratio are other key figures relevant to the presentation of the capital structure of CA Immo Group:

€ K	31.12.2021	31.12.2020
Interest-bearing liabilities		
Long-term interest-bearing liabilities	2,186,534	2,622,161
Short-term interest-bearing liabilities	397,409	205,301
Interest-bearing assets		
Cash and cash equivalents	–633,117	–934,863
Cash at banks with drawing restrictions	–4,628	–2,073
Net debt	**1,946,198**	**1,890,526**
Shareholders' equity	3,291,038	3,128,308
Gearing ratio (Net debt/equity)	**59.1%**	**60.4%**

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

		Liabilities			
€ K	**Note**	**Other interest-bearing liabilities**	**Leasing liabilities**	**Convertible bond**	**Bonds**
As at 1.1.2021		**1,045,969**	**45,275**	**194,207**	**1,542,011**
Changes in cash flow from financing activities					
Cash inflow from loans received	5.2.	123,844	0	0	0
Costs paid/ Cash inflow from the issuance of bonds	5.2.	0	0	0	–20
Repayment of convertible bonds	5.2.	0	0	–100	0
Repayment of bonds / Cash outflow from the repurchase of bonds	5.2.	0		0	–107,450
Dividend payments to shareholders	5.1.	0	0	0	0
Payments to shareholders of non-controlling interests	5.1.	0	0	0	0
Repayment of loans incl. interest rate derivatives	5.2.	–64,346	–2,938	0	0
Other interest paid	5.2.	–10,578	–1,335	–751	–18,922
Total change in cash flow from financing activities		**48,921**	**–4,272**	**–851**	**–126,392**
Total change from the sale of subsidiaries or other business operations	**1.f.**	**0**	**–3,799**	**0**	**0**
Effects of changes in exchange rates	**5.2.**	**0**	**57**	**0**	**0**
Change in fair value	**8.1.**	**0**	**0**	**0**	**0**
Conversion of bonds	**5.1.**			**–194,913**	
Total Other changes related to liabilities		**12,283**	**2,525**	**1,557**	**21,366**
Total Other changes related to equity		**0**	**0**	**0**	**0**
As at 31.12.2021		**1,107,173**	**39,786**	**0**	**1,436,985**

Other changes related to liabilities mainly result from interest expenses, in accordance with Group profit and loss.

Liabilities		Derivatives	Shareholders' equity	Total
Other effects in cash flow from financing activities	Derivatives assets	Derivatives liabilities		
0	**–1,682**	**85,210**	**3,128,308**	**6,039,297**
0	0	0	0	**123,844**
0	0	0	0	**–20**
0	0	0	0	**–100**
0	0	0	0	**–107,450**
0	0	0	–352,436	**–352,436**
–3	0	0	0	**–3**
–2,556	0	–696	0	**–70,535**
0	0	–6,815	0	**–38,400**
–2,559	**0**	**–7,511**	**–352,436**	**–445,101**
0	**0**	**0**	**0**	**–3,799**
0	**0**	**0**	**0**	**57**
0	**–4,437**	**23,718**	**0**	**19,281**
		–87,270	**282,183**	**0**
2,559	**0**	**6,812**	**0**	**47,102**
0	**0**	**0**	**232,984**	**232,984**
0	**–6,119**	**20,960**	**3,291,038**	**5,889,822**

€ 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		0		0	–103,380
Dividend payments to shareholders	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**

Liabilities		Derivatives	Shareholders' equity	Total
Other effects in cash flow from financing activities	Derivatives assets	Derivatives liabilities		
0	**–1,148**	**103,960**	**2,967,968**	**5,168,123**
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**
–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**

CONSOLIDATED FINANCIAL STATEMENTS

9.2. Other obligations and contingent liabilities

Guarantees and other commitments

As at 31.12.2021, 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 (31.12.2020: €106 K). Furthermore, comfort letters and securities have been issued for one joint venture in Germany amounting to €2,000 K (31.12.2020: €2,000 K). As a security for the liabilities of two (31.12.2020: two) joint ventures loan guarantees, letters of comfort and declarations were issued totalling €10,500 K (31.12.2020: €6,500 K) in Germany. Furthermore, as security for warranty risks in Germany a guarantee was issued in an amount of €20,128 K (31.12.2020: €17,605 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 one (31.12.2020: two) joint venture in Austria amounting to €4,700 K (31.12.2020: €11,443 K). As at 31.12.2021, no comfort letter has been issued for joint ventures (31.12.2020: one joint venture) in Eastern Europe (31.12.2020: €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, compensation for work performed and interest in the amount of over €22.0 M. CA Immo Group assumes that the general contractor will mostly not suceed. We have considered this in the statement of financial position accordingly.

In 2020 CA Immo Group filed an action for damages of approx. €1.9 bn against the Republic of Austria and the state of Carinthia in connection with the privatization of the state residential construction company (BUWOG) in 2004. After a dismissing judgement by the Federal Administrative Court from 22.10.2021 with regard to the asserted exemption from court fees, CA Immo Group had to pay around €25 M court fees in 2021 for this action. On 2.12.2021 CA Immo Group filed with the Constitutional Court a constitutional complaint against this judgement in accordance with Art. 144 B-VG.

Mortgages, pledges of rental receivables, bank accounts and share pledges as well as similar guarantees are used as market collateral for bank liabilities.

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 €0 K (31.12.2020: €132 K), in Germany in the amount of €102,356 K (31.12.2020: €159,140 K) and in Eastern Europe in the amount of €3,891 K (31.12.2020: €24,008 K). In addition as at 31.12.2021 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 €11,083 K (31.12.2020: €13,124 K).

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 as at 31.12. existing term lease contracts or contracts with termination waivers as at the reporting date are as follows:

€ K	2021	2020
In the following year	201,833	216,435
in the second year	172,673	182,747
in the third year	137,209	153,327
in the fourth year	101,234	119,837
in the fifth year	77,380	86,252
after more than five years	169,890	224,330
Total	**860,220**	**982,928**

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, software, 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 €34 K (2020: €40 K) and the expense for leases related to assets of low value amounts to €45 K (2020: €45 K). The total cash outflows for leases amount to €4,580 K (2020: €5,016 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 considerered 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. Pandemic-related rent concessions from lessors are not presented as a lease modification. The CA Immo Group applies the practical expedient and records all rent concessions in the income statement.

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
– the corporate bodies of CA Immobilien Anlagen Aktiengesellschaft
– Starwood Capital Group (”Starwood“) (from 27.9.2018)

Transactions with joint ventures

Joint ventures € K	**31.12.2021**	**31.12.2020**
Investments in joint ventures	55,800	57,629
Loans	11,682	8,926
Receivables	7,283	7,197
Liabilities	7,876	3,747
Provisions	6,577	7,128
	2021	**2020**
Joint ventures result	3,618	1,809
Result from sale of joint ventures	0	90
Result from joint ventures	**3,618**	**1,898**
Other income	375	268
Other expenses	–1,290	–1,228
Interest income	605	1,020

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 €3,425 K (31.12.2020: €3,076 K). All loans 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.

Starwood Capital Group (Starwood)

Since 27.9.2018, SOF-11 Klimt CAI S.à r.l. is the company's largest single shareholder. As of 31.12.2021, SOF-11 Klimt CAI S.à.r.l. held 61,654,765 bearer shares and four registered shares of CA Immo AG, this corresponds to 57.89% of the company's share capital. SOF-11 Klimt CAI S.à.r.l. is a company controlled by Starwood Capital Group ("Starwood"). Starwood is a private investment company with a global focus on real estate, energy, infrastructure, oil and natural gas.

Corporate bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board
Silvia Schmitten-Walgenbach (from 1.1.2022)
Dr. Andreas Schillhofer (from 1.6.2019)
Keegan Viscius (from 1.11.2018)
Andreas Quint (until 31.12.2021)

Total salary payments (excluding salary-based deductions) to Management Board members amounted to €3,464 K (€2,763 K in 2020). The salary-based deductions totaled €198 K (2020: €172 K). Total fixed salary components amounted to €1,581 K (€1,588 K in 2020) and were made up of the basic salary of €1,410 K (2020: €1,410 K), other benefits (in particular remuneration in kind for cars, expense allowances and travel expenses) of €48 K (2020: €55 K) and contributions to pension funds of €123 K (2020: €123 K). Variable compensation components amounted to €1,269 K (2020: €1,175 K). Special payments amounted to €307 K (2020: €0 K).

As at the balance sheet date 31.12.2021, severance payment provisions for Management Board members totaled €311 K (31.12.2020: €412 K). There were no payment obligations to former members of the Management Board (i.e. not in office in the reporting year). As a consequence of the termination of the activity for one Management Board member, as at 31.12.2021 provisions for bonuses (at 100% target achievement level) in amount of €2,157 K as well as a payable from contract termination in amount of €307 K are booked. No loans or advances were granted to members of the Management Board.

As at 31.12.2021, based on assumption of 100% target achievement, provisions amounting to €5,329 K (31.12.2020: €3,460 K) had been made up for the Management Board under the variable remuneration system.

Supervisory Board

Elected by the General Meeting:
Torsten Hollstein, Chairman
Jeffrey G. Dishner, Deputy Chair
Dr. Monika Wildner, Deputy Chair
Univ.-Prof. MMag. Dr. Klaus Hirschler
Michael Stanton
Dr. Florian Koschat (until 6.5.2021)

Delegated by registered share:
Sarah Broughton
Laura Rubin

Delegated by works council:
Georg Edinger, BA, REAM (IREBS)
Nicole Kubista
Sebastian Obermair
Walter Sonnleitner

As at the balance sheet date, the Supervisory Board comprised five capital representatives elected by the Annual General Meeting, two capital representatives appointed by means of registered shares and four employee representatives.

In business year 2021 (for 2020), total remuneration of €328 K (2020: €309 K) was paid out (including attendance fees of €113 K; €84 K in 2020). Moreover, expenditure of €202 K was reported in connection with the Supervisory Board in business year 2021 (2020: €78 K). Of this, cash outlays for travel expenses accounted for approximately €13 K (2020: €9 K) and other expenditure (including training costs and license costs) accounted for €33 K (2020: €52 K). Legal and other consultancy services accounted for €156 K (2020: €17 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 €299 K for business year 2021 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 K 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 31.12.2021.

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 economic interest. Sarah Broughton, Laura Rubin and Jeffrey G. Dishner perform comprehensive management functions within Starwood Capital Group. In the business year 2021, Starwood Capital Group (via its vehicle SOF-11 Klimt CAI S.à r.l.) increased its stake in CA Immo from around 28.25% of the share capital to around 57.89% as part of an anticipated mandatory offer pursuant to Sections 22 et seq. of the Austrian Takeover Act as well as further acquisitions on and off the stock exchange.

9.5. Employees

In 2021, CA Immo Group had an average of 397 white-collar workers (2020: 386) of whom on average 72 (2020: 70) were employed in Austria, 235 (2020: 230) in Germany and 90 (2020: 86) 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	**2021**	**2020**
Auditing costs	420	387
Other assurance services	133	311
Other consultancy services	0	0
Total	**553**	**698**

In the consolidated income statement, the audit expenses, including review amount to €1,376 K (2020: €1,359 K). Out of this, the amount for Ernst & Young entities amounts to €1,235 K (2020: €1,235 K).

9.7. Events after balance sheet date

In January 2022, CA Immo Group acquired one real estate property in Dusseldorf, Germany, via share deal, and closed the sale of R70 Invest Budapest Kft. in Hungary.

In the first quarter 2022, the sale of two hotel properties in Munich and Frankfurt as well as the sale of land banks in the joint venture Mainz, Germany, took place.

CA Immo AG has drawn in the first quarter 2022 the revolving credit facility in the amount of €300 M.

On 18.03.2022, CA Immobilien Anlagen AG was served with an action for annulment directed against the resolutions on the distribution of an additional basic dividend and a super dividend adopted by the Extraordinary General Meeting on 30.11.2021.

Ukraine

Russia’s invasion of Ukraine has distressed the world economy. The immediate global implications are higher inflation and lower economic growth. The crisis has substantially increased uncertainty and volatility to global financial markets. Major equity indices have deteriorated since the outbreak of the crisis and debt capital markets have been completely closed for a certain time or are only very limited accessible. The risk of further escalations in the conflict as well as additional geopolitical tensions will remain a key topic.

The CA Immo Group does not have any properties in Russia or Ukraine in its portfolio. The CA Immo Group continuously monitors the development of the stock and financial markets. There is no significant currency risk for the CA Immo Group as rents are generally linked to the EUR and the amount of liquid funds in foreign currencies is regularly monitored.

The war in Ukraine and the resulting sanctions and countermeasures may have an impact on the CA Immo Group's financial statements. The global impact of war could impact the valuation of real estate properties and the determination of expected credit losses. Furthermore, there could be effects on project developments, eg. due to delays in the supply chains, fluctuating financing rates and rising construction costs. The increased uncertainty could also lead to extended marketing periods. The effects cannot be finally assessed due to the dynamic development, but are subject to ongoing evaluations. Despite the uncertainty and possible direct and indirect effects, the CA Immo Group assumes that the Russia-Ukraine war will not affect the company's ability to continue as a going concern.

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.

Change in presentation

During the review of the tax calculation the allocation of deferred taxes in connection with the convertible bond was evaluated and the allocation was changed from adjustment from prior periods and capitalisation of prior years non-capitalised tax losses to permanent differences in connection with convertible bond. The change in presentation enables the improved presentation of recognized deferred taxes in connection with the convertible bond. The change in presentation relates to the tax reconciliation, the deferred taxes and the unrecorded tax losses carried forward (refer to chapter 7 Taxes). There have been no changes in the balance sheet and profit and loss statement of CA Immo Group.

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 2021:

Standard / Interpretation	Content	Entry into force[1]
Amendments to IFRS 16	Covid- 19-Related Rent Concessions	1.6.2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2	1.1.2021
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1.1.2021

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 beyond 30 June 2021	1.4.2021[1]
Amendments to IFRS 3	Reference to the Conceptual Framework	1.1.2022[1]
Amendments to IAS 37	Cost of Fulfilling a Contract	1.1.2022[1]
Amendments to IAS 16	Proceeds before Intended Use	1.1.2022[1]
Annual Improvements (2018- 2020)	Miscellaneous	1.1.2022[1]
IFRS 17	Insurance Contracts	1.1.2023[2]
Amendments to IAS 1	Classification of liabilities as current or non-current	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]
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	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.

CA Immo Group does not expect any material impact from the first-time application of IFRS 17 (Insurance contracts). 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 2021
CA Immo Holding B.V.	Amsterdam	32,000,000	EUR	100	FC	
Europolis BV	Amsterdam	400,000	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 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	
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	FC	
CAImmo Real Estate Management Hungary Kft	Budapest	54,510,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft	Budapest	3,040,000	HUF	100	FC	
Duna Business Hotel Ingatlanfejleszt Kft.	Budapest	452,844,530	HUF	100	FC	
Duna Irodaház Kft.	Budapest	277,003,015	HUF	100	FC	
Duna Termál Hotel Ingatlanfejlesztö Kft.	Budapest	390,906,655	HUF	100	FC	
EUROPOLIS CityGate Ingatlanberuházás Kft	Budapest	13,010,000	HUF	100	FC	
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	54,380,000	HUF	100	FC	
Europolis Park Airport Kft. i.L.	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	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	247,394,530	RON	100	FC	
EUROPOLIS SEMA PARK SRL	Bucharest	233,430,000	RON	100	FC	
INTERMED CONSULTING & MANAGEMENT SRL	Bucharest	31,500,330	RON	100	FC	
Opera Center One S.R.L.	Bucharest	27,326,150	RON	100	FC	
Opera Center Two S.R.L.	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC	
VICTORIA INTERNATIONAL PROPERTY SRL	Bucharest	216	RON	100	FC	
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 GB Eins Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Invest GmbH	Frankfurt	50,000	EUR	100	FC	
CM Komplementär F07-888 GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	

[1] FC full consolidation, AEJV at equity consolidation joint ventures

Company	Registered office	Nominal capital	Currency	Interest in %	Consoli-dation method[1)]	Foundation/ First time consolidation in 2021
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	AEJV	
CAINE B.V.	Hoofdorp	101,000.000	EUR	100	FC	
ALBERIQUE LIMITED i.L.	Limassol	1,325	EUR	100	FC	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	100	FC	
CAI Real Estate Managment 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	
CA IMMO P14 Sp.z.o.o.	Warsaw	10,000	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 Sienna Center Sp.z o.o.	Warsaw	116,912,640	PLN	100	FC	
CAI REAL ESTATE M. POLAND Sp.z.o.o.	Warsaw	565,000	PLN	100	FC	
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 Liegenschaftsverwaltung 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	100,000	EUR	100	FC	
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs 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 GmbH in Liqu.	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	

[1)] FC full consolidation, AEJV at equity consolidation joint ventures

As at 31.12.2021, CA Immo Group held 99.7% of shares in CA Immo Deutschand 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 %	Consoli-dation method[1)]	Foundation/ First time consolidation in 2021[2)]
CA Immo Berlin Am Karlsbad 11 Betriebs GmbH	Berlin	25,000	EUR	100	FC	
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 01 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 M4 Betriebs GmbH	Berlin	25,000	EUR	100	FC	F
CA Immo Berlin Europaplatz 01 TT Betriebs 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 Europaplatz Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Hallesches Ufer GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 Betriebs GmbH	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 7 Betriebs GmbH	Berlin	25,000	EUR	100	FC	F
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	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 8 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 Pohlstraße 20 GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Pohlstraße Betriebs 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 BT 1 Betriebs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer BT 2 Betriebs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	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	
CA Immo Berlin 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	
Boulevard Süd 4 GmbH & Co. KG i.L.	Frankfurt	200,000	EUR	100	FC	
Boulevard Süd 4 Verwaltung-GmbH i.L.	Frankfurt	25,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark MK 2,1 Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	F

1) FC full consolidation, AEJV at equity consolidation joint ventures
2) F foundation

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method[1)]	Foundation/ First time consolidation in 2021[2)]
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 Beta GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Gamma GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Karlsruher Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt ONE GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	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 Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,565	EUR	100	FC	
CA Immo Projektentwicklung Bayern GmbH &Co.KG	Grünwald	255,646	EUR	100	FC	
CAMG Zollhafen HI IV V GmbH & Co. KG	Grünwald	105,000	EUR		AEJV	
CAMG Zollhafen HI IV V Verwaltungs GmbH	Grünwald	25,000	EUR		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	

1) FC full consolidation, AEJV at equity consolidation joint ventures
2) F foundation
3) Common control

Company	**Registered office**	**Nominal capital**	**Currency**	**Interest in %**	**Consoli-dation method** [1]	**Foundation/ First time consolidation in 2021**
Kontorhaus Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	99.93	FC	
Kontorhaus Arnufpark 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	
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 Quartiersgarage GmbH	Mainz	25,000	EUR	100	FC	
CA Immo Mainz Rheinallee III GmbH & Co. KG	Mainz	5,000	EUR	100	FC	
CA Immo Mainz Rheinwiese II GmbH & Co. KG	Mainz	5,000	EUR	100	FC	
CA Immo Mainz Verwaltungs GmbH	Mainz	25,000	EUR	100	FC	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	AEJV	
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1[2]	AEJV	
SEG Kontorhaus Arnulfpark Beteiligungsgesellschaft mbH	Munich	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	

[1] FC full consolidation, AEJV at equity consolidation joint ventures
[2] Common control

Vienna, 23.3.2022

The Management Board

Silvia Schmitten-Walgenbach
(Chief Executive Officer)

Dr. Andreas Schillhofer
(Chief Financial Officer)

Keegan Viscius
(Chief Investment Officer)

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, 23.3.2022

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer)	Dr. Andreas Schillhofer (Chief Financial Officer)	Keegan Viscius (Chief Investment Officer)

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, 2021, 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, 2021 and its financial performance for the year then ended in accordance with the International Financial Reportings 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 Re-sponsibilities 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 is the key audit matter that we identified:

Titel	**Valuation of Investment Property**
Risk	CA Immobilien Anlagen Aktiengesellschaft reports investment properties in the amount of TEUR 4,984,297 and investment properties under development in the amount of TEUR 1,097,147 in its consolidated financial statements as of December 31, 2021. The consolidated financial statements as of December 31, 2021 also include a result from revaluation amounting to TEUR 541,147.

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 accounting policies and 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 design and effectiveness of relevant key controls in the underlying process based on a sample
- 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
- Assessment of the adequacy and completeness of the disclosures made in the financial statements by the management

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 May 6, 2021. We were appointed by the Supervisory Board on September 14, 2021. 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 23, 2022

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Isabelle Vollmer eh
Certified Public Accountant

Mag. Alexander Wlasto eh
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

CONTENT

FINANCIAL STATEMENTS AND MANAGEMENT REPORT

ANNEX 1

ANNEX 2

BALANCE SHEET AS AT 31.12.2021

Assets

	31.12.2021	31.12.2020
	€	€1,000
A. Fixed assets		
I. Intangible fixed assets		
Software	1,210,728.25	542
	1,210,728.25	**542**
II. Tangible fixed assets		
1. Land and buildings	219,074,284.65	246,783
of which land value: €34,870,999.81; 31.12.2020: €43,563 K		
2. Other assets, office furniture and equipment	962,159.02	1,294
	220,036,443.67	**248,077**
III. Financial assets		
1. Investments in affiliated companies	3,219,268,414.49	2,938,724
2. Loans to affiliated companies	292,666,035.74	538,240
3. Investments in associated companies	272,146.21	273
	3,512,206,596.44	**3,477,237**
	3,733,453,768.36	**3,725,856**
B. Current assets		
I. Receivables		
1. Trade receivables	730,509.57	461
2. Receivables from affiliated companies	52,558,324.66	27,840
3. Receivables from associated companies	0.00	12
4. Other receivables	19,384.86	1,735
	53,308,219.09	**30,048**
II. Cash and cash equivalents	**286,215,922.83**	**694,418**
	339,524,141.92	**724,466**
C. Deferred charges	**7,845,148.47**	**9,929**
D. Deferred tax asset	**664,549.51**	**0**
	4,081,487,608.26	**4,460,251**

Liabilities and shareholders' equity

	31.12.2021	31.12.2020
	€	€1,000
A. Shareholders' equity		
I. Share capital		
Share capital drawn	774,229,017.02	718,337
Treasury shares	– 42,020,868.99	– 42,021
	732,208,148.03	**676,316**
II. Tied capital reserves	998,958,619.09	854,841
III. Tied reserves for treasury shares	42,020,868.99	42,021
IV. Net profit	440,138,865.80	897,605
of which profit carried forward: €293,377,808.81; 31.12.2020: €814,502 K		
	2,213,326,501.91	**2,470,783**
B. Grants from public funds	**377,300.76**	**390**
C. Provisions		
1. Provision for severance payment	395,533.00	505
2. Tax provisions	464,000.00	114
3. Provision for deferred taxes	0.00	161
4. Other provisions	17,781,520.61	42,659
	18,641,053.61	**43,439**
D. Liabilities		
1. Bonds	1,434,031,500.00	1,741,481
of which convertible: €0.00; 31.12.2020: €200,000 K		
thereof with a residual term of up to one year: €142,410,500.00; 31.12.2020: €107,450 K		
thereof with a residual term of more than one year: €1,291,621,000.00; 31.12.2020: €1,634,031 K		
2. Liabilities to banks	100,833,286.70	111,134
thereof with a residual term of up to one year: €1,224,750.00; 31.12.2020: €1,847 K		
thereof with a residual term of more than one year: €99,608,536.70; 31.12.2020: €109,287 K		
3. Trade payables	818,459.57	946
thereof with a residual term of up to one year: €757,912.96 ; 31.12.2019: €608 K		
thereof with a residual term of more than one year: €60,546.61; 31.12.2020: €338 K		
4. Payables to affiliated companies	38,222,158.49	67,136
thereof with a residual term of up to one year: €38,222,158.49; 31.12.2020: €67,136 K		
5. Other liabilities	269,469,528.24	18,969
of which from taxes: €329,466.59 €; 31.12.2020: €452 K		
of which social security related: €163,010.72; 31.12.2020: €151 K		
thereof with a residual term of up to one year: €269,469,528.24; 31.12.2020: €18,969 K		
	1,843,374,933.00	**1,939,666**
thereof with a residual term of up to one year: €452,084,849.69; 31.12.2020: €196,010 K		
thereof with a residual term of more than one year: €1,391,290,083.31; 31.12.2020: €1,743,656 K		
E. Deferred income	**5,767,818.98**	**5,973**
	4,081,487,608.26	**4,460,251**

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2021

		2021		2020
	€	€	€1,000	€1,000
1. Gross revenues		**30,739,268.50**		**30,228**
2. Other operating income				
a) Income from the disposal and reversal of impairment losses of fixed assets except of financial assets	14,683,348.65		5,137	
b) Income from the reversal of provisions	193,980.31		304	
c) Other income	644,135.17	**15,521,464.13**	440	**5,881**
3. Staff expense				
a) Salaries	– 13,502,990.73		– 12,902	
b) Social expenses	– 2,609,997.72	**– 16,112,988.45**	– 2,486	**– 15,388**
thereof expenses in connection with pensions: €253,573.27; 2020: €275 K				
thereof expenses for severance payments and payments into staff welfare funds: €364,490.52; 2020: €324 K				
thereof payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions: €1,768,674.04; 2020: €1,743 K				
4. Depreciation on intangible fixed assets and tangible fixed assets		**– 8,140,093.55**		**– 11,532**
of which unscheduled depreciation in accordance with § 204 para. 2 Commercial Code: €0.00; 2020: €3,688 K				
5. Other operating expenses				
a) Taxes	– 860,545.08		– 26,297	
b) Other expenses	– 19,390,305.83	**– 20,250,850.91**	– 21,622	**– 47,919**
6. Subtotal from lines 1 to 5 (operating result)		**1,756,799.72**		**– 38,730**
7. Income from investments		**179,485,702.94**		**123,378**
of which from affiliated companies: €179,336,988.16; 2020: €122,303 K				
8. Income from loans from financial assets		**14,108,603.56**		**19,796**
of which from affiliated companies: €14,108,603.56; 2020: €19,796 K				
9. Other interest and similar income		**3,315,421.20**		**431**
of which from affiliated companies: €11,875.00; 2020: €409 K				
10. Income from the disposal and revaluation of financial assets		**11,366,142.30**		**3,619**
11. Expenses for financial assets, thereof		**– 34,495,898.51**		**– 3,502**
a) Impairment: €34,494,602,50; 2020: €3,239 K				
b) Expenses from affiliated companies: €34,489,692.22; 2020: €3,239 K				
12. Interest and similar expenses		**– 31,460,104.14**		**– 34,634**
of which relating to affiliated companies: €73,794.44; 2020: €766 K				
13. Subtotal from lines 7 to 12 (financial result)		**142,319,867.35**		**109,088**
14. Result before taxes		**144,076,667.07**		**70,358**
15. Taxes on income		**2,684,389.92**		**12,745**
thereof income deferred taxes: €826,052.24; 2020: €191 K				
16. Net profit for the year		**146,761,056.99**		**83,103**
17. Profit carried forward from the previous year		**293,377,808.81**		**814,502**
18. Net profit		**440,138,865.80**		**897,605**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2021

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:

The year 2021 continued to be dominated by the effects of global Covid-19 pandemic. The outbreak of the Covid-19 pandemic in 2020 has affected global financial and real estate markets. Many countries again imposed general lockdowns and travel restrictions. As a result, market activity in many sectors continued to be severely impacted.

The real estate sector is also experiencing the consequences of the pandemic. Some real estate markets are still reporting significantly lower levels of transaction activity and liquidity. Hotels still have to close due to low occupancy rates. Retailers are increasingly requesting rent deferrals or rent reductions as a consequence of 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 and severe the effects will be. CA Immo AG did not make use of state aid (neither short-time work, grants nor deferrals).

Given the significant decline in transaction and letting activities, 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, CA Immo AG monitors how rental income from office spaces is developing. 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 in 2021 and was updated whenever necessary, based on the actual infection numbers. These also included 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 with mandatory mask wearing in all office spaces. Business trips and meetings will be restricted until further notice.

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 31.12.2021.

However, due to existing or future legal measures, it cannot be ruled out that the pandemic could have negative effects on real estate properties or tenant groups or subsidiaries. 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 and bonds in CA Immo AG and its subsidiaries are subject to so-called financial convenants. These usually refer to LTV (Loan to Value) 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 convenants, such as ISCR and LTV) in the future. As at

31.12.2021 no financial convenants of the CA Immo AG and its subsidiaries were breached. The effects of the Covid-19 pandemic on possible future breaches of financial convenants 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.

		Years
	from	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. 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. A surplus of tax losses carried forward is not recognized. CA Immo AG estimates that the tax reform passed in Austria in 2022 will result a reduction in deferred tax assets of approximately €148 K.

5. Grants from public funds

The grants relate entirely to buildings and are released over the remaining useful life of the building.

6. Provisions

Provisions for severance payments amount to 569 % (31.12.2020: 700%) 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 -0.04% (31.12.2020: -0.34%) and future salary increases (including inflation rate) of 3% (31.12.2020: 3%). 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 2021 the tax group comprised 12 Austrian group companies (2020: 15), 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 31.12.2021 the possible obligations against group companies resulting from a possible termination of the group, were estimated at €22,372 K (31.12.2020: €23,028 K). In 2021 one member of the tax group left before liquidation, whereby no payment was required for the final settlement.

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. In 2021 one investment property was sold. The acquisition/production costs of the buildings include capitalized interest in the amount of €133 K, which will be depreciated over a period of 40 years following the put into function in 2018. As at the balance sheet date, the tangible assets comprise 7 properties (31.12.2020: 8 properties).

In 2021 there was no unscheduled depreciation on tangible assets (2020: €3,688 K) and no reversals of impairment losses (2020: €5,137 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 €34,495 K (2020: €3,239 K) and reversals of impairment losses in the amount of €1,675 K (2020: €3,397 K) were recognized in 2021.

Book value of investments in affiliated companies amounts to €3,219,268 K (31.12.2020: €2,938,724 K). Current additions are mainly the result of various shareholders' contributions in the amount of €236,565 K and of intragroup acquisition of 7 companies in Poland €249,213 K. The disposals mainly relate the sale of a real estate company in Hungary and capital repayments amounting to €182,262 K, of which €49,567 K were not yet cashed in and consequently these are reported as receivables.

Loans to affiliated companies are made up as follows:

€1,000	31.12.2021	31.12.2020
4P - Immo. Praha s.r.o., Prague	36,589	39,589
RCP Amazon, s.r.o., Prague	31,388	33,488
Vaci 76 Kft, Budapest	27,526	28,976
INTERMED CONSULTING & MANAGEMENT S.R.L., Bucharest	23,200	28,200
EUROPOLIS City Gate Ingatlanberuházási Kft, Budapest	22,700	22,700
EUROPOLIS ORHIDEEA B.C. S.R.L., Bucharest	22,424	54,424
CA Immo Invest GmbH, Frankfurt	21,300	22,000
Duna Irodaház Kft., Budapest	19,439	20,239
CA Immo Holding B.V., Amsterdam	8,604	130,758
Europolis Holding B.V., Amsterdam	0	31,690
BA Business Center s.r.o., Bratislava	0	25,000
Other up to €17 m	79,496	101,176
	292,666	**538,240**

Loans to affiliated companies to the value of €41,708 K (31.12.2020: €25,000 K) have a remaining term of up to one year.

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 €731 K (31.12.2020: €461 K) include outstanding rent and reinvoiced operating costs.

Receivables from affiliated companies are made up as follows:

€1,000	31.12.2021	31.12.2020
Trade receivable (current reinvoicings to affiliated companies)	218	988
Receivables from capital repayment	49,567	0
Receivables from tax compensation	2,378	12,716
Receivables from interest	395	11,636
Receivables from loans	0	2,500
	52,558	**27,840**

Other receivables amounting to €19 K (31.12.2020: €1,735 K) mainly include reinvoiced expenses (31.12.2020: receivables from acquisition of shares, due to a subsequent purchase price adjustment).

c) Deferred charges

€1,000	31.12.2021	31.12.2020
Disagio bonds	7,376	9,338
Other	469	591
	7,845	**9,929**

d) Deferred tax assets/ Provisions for deferred taxes

Deferred taxes comprise the offsetting of deferred tax assets and deferred tax liabilities and are based on the differences between tax and corporate value approaches for the following (+ deferred tax assets / - deferred tax liabilities):

€1,000	31.12.2021	31.12.2020
Land and buildings	– 8,935	– 12,426
Partnership	240	– 4,352
Ancillary bond expenses	5,343	7,882
Bank loans ancillary expenses	1,237	471
Provisions for severance payments	43	49
Deferred income	4,730	5,391
Base for tax rate 25 %	**2,658**	**– 2,985**
Out of which resulted deferred tax assets / provision deferred taxes	665	– 746
less: offsetting with tax losses carried forward	0	585
As at 31.12.	**665**	**– 161**

Movements in deferred taxes are presented below:

€1,000	2021	2020
As at 1.1. provision for deferred taxes	– 161	– 352
Changes in deferred taxes affecting profit and loss	826	191
As at 31.12. deferred tax assets / provision for deferred taxes	**665**	**– 161**

e) Shareholders' equity

Share capital is equivalent to the fully paid in nominal capital of €774,229,017.02 (31.12.2020: €718,336.602.72). It is divided into 106,496,422 (31.12.2020: 98,808,332) bearer shares and four registered shares of no par value. Out of nominal capital 5,780,037 treasury shares (31.12.20209: 5,780,037), each amounting to €7.27, thus totaling €42,020,868.99 (31.12.2020: €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 five members elected by the Annual General Meeting as well as two members elected by the registered shares and four delegated by the works council.

Due to the change-of-control clause of the convertible bond triggered by the offer of SOF-11 Klimt CAI S.à r.l., nearly all convertible bond holders exercised their conversion rights. As of 30.4.2021, respectively 13.9.2021, the conversion rights were serviced by contingent capital and partly by issuing new shares. Overall, the share capital increased by €55,892,414.30 from €718,336,602.72 to €774,229,017.02 in the reporting year and is divided into 106,496,422 ordinary bearer shares and four registered shares. The remaining outstanding convertible bonds with a nominal value of €100 K were repaid in cash.

As at 31.12.2021, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total (31.12.2020: 5,780,037 treasury shares). Given the total number of voting shares issued 106,496,426 (31.12.2020: 98,808,336), this is equivalent to around 5.4% (31.12.2020: 5.8%) of the voting shares.

In May 2021, a dividend amount of €1.00 (2020: €1.00) for each share entitled to dividend, totalling €100,645 K (2020: €93,028 K), was distributed to the shareholders in accordance with the resolution of the 34th Annual General Meeting. In its letter dated 3.11.2021, the majority shareholder SOF-11 Klimt CAI S.à r.l., Luxembourg, requested to convene an extraordinary shareholders' meeting to resolve on special dividends totaling €5.00 per dividend-bearing share. In accordance with the resolution of the Extraordinary General Meeting on 30.11.2021, the special dividends will be distributed in two tranches of €2.50 per dividend-bearing share. The first tranche was paid out on 15.12.2021; the second tranche was paid on 15.3.2022.

The total net profit as at 31.12.2021 amounting to €440,139 K (31.12.2020: €897,605 K) is subject to a distribution restriction in the amount of the deferred tax asset of €665 K.

As at 31.12.2021, there exists unused authority capital in the amount of €350,069,852.74, which can be utilized until 18.9.2023 at the latest, as well as contingent capital in the amount of €143,667,319.09 earmarked for servicing convertible bonds that will be issued in the future based on the authorization of the Annual General Meeting as of 9.5.2018 (contingent capital 2018).

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	**31.12.2021**	**31.12.2020**
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.

f) Grants from public funds

The grants are expensed over the remaining useful life of the respective asset. These were granted in previous years for the construction of buildings and a photovoltaic system.

g) Provisions

Provisions for severance payment amount to €396 K (31.12.2020: €505 K) and include severance payment entitlements of company employees and Management Board members.

Tax provisions in the amount of €464 K (31.12.2020: €114 K) mainly relate to provisions for corporate tax.

Other provisions are made up as follows:

€1,000	31.12.2021	31.12.2020
Premiums	8,774	6,730
Derivative transactions	3,547	6,657
Borrowing costs	1,354	420
Legal, auditing and consultancy fees	1,262	460
Staff (vacation and overtime)	1,059	926
Construction services	723	1,001
Court fees	0	25,475
Other	1,063	991
	17,782	**42,659**

In the previous year, the provision for court fees included 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. Following a dismissive ruling by the Federal Administrative Court on 22 October 2021 with regard to the claimed exemption from court fee, CA Immo AG had to pay the court fees in 2021. On 2.12.2021 CA Immo AG filed an appeal against this ruling at the Constitutional Court pursuant to Art. 144 B-VG.

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

31.12.2021 €1,000	**Maturity up to 1 year**	**Maturity 1 - 5 years**	**Maturity more than 5 years**	**Total**
Bonds	142,411	791,621	500,000	1,434,032
Liabilities to banks	1,225	43,807	55,801	100,833
Trade payables	757	61	0	818
Payables to affiliated companies	38,222	0	0	38,222
Other liabilities	269,470	0	0	269,470
Total	**452,085**	**835,489**	**555,801**	**1,843,375**

31.12.2020 €1,000	**Maturity up to 1 year**	**Maturity 1 - 5 years**	**Maturity more than 5 years**	**Total**
Bonds	107,450	984,031	650,000	1,741,481
Liabilities to banks	1,847	51,117	58,170	111,134
Trade payables	608	338	0	946
Payables to affiliated companies	67,136	0	0	67,136
Other liabilities	18,969	0	0	18,969
Total	**196,010**	**1,035,486**	**708,170**	**1,939,666**

In bonds, the maturities are accounted for based on the repayment date. The bonds item for 31.12.2021 comprises the following liabilities:

	Nominal value €1,000	Nominal interest rate	Issue	Repayment
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
	1,434,032			

For the convertible bond existing as of 31.12.2020 in the amount of €200,000 K, based on an offer by SOF-11 Klimt CAI S.á r.l., the option to convert into shares was exercised in 2021 and a nominal amount of €100 K was paid in cash.

Liabilities to banks comprise investment loans amounting to €100,803 K (31.12.2020: €111,134 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 and claims from derivative transactions.

Trade payables item essentially comprises liabilities for consulting, software changes and liability guarantees as well as general administrative costs.

The liabilities shown under payables to affiliated companies relate to capital contributions to an affiliated company not yet paid but already granted, amounting to €38,000 K (31.12.2020: €24,535 K) and trade payables amounting to €222 K (31.12.2020: €201 K).

Other liabilities are mainly made up of the second installment of the special dividend decided on 30.11.2021 in the amount of €251,791 K and accrued interest for bonds amounting to €15,747 K (31.12.2020: €16,985 K).

i) Deferred income

€1,000	31.12.2021	31.12.2020
Investment grants from tenants	4,730	5,391
Rent prepayments received	1,037	582
	5,768	**5,973**

j) Contingent liabilities

	Maximum amount as at 31.12.2021 1,000		Outstanding on reporting date 31.12.2021 €1,000	Outstanding on reporting date 31.12.2020 €1,000
Guarantees and letters of comfort in connection with sales made by affiliated companies	132,734	€	115,546	60,746
Guarantees for loans granted to affiliated companies	15,345	€	15,345	15,531
Guarantees in connection with sales made by other group companies	19,699	€	19,699	26,442
Guarantees for loans granted to other group companies	700	€	700	700
	168,478		**151,290**	**103,419**

The shares of in the following companies are secured by a pledge in favour of the financing banks of the subsidiaries:

- CA Immo AG in Visionary Prague, s.r.o., Prague
- CA Immo Saski Point Sp. Z o.o., Warsaw
- CA Immo Bitwy Warszawskiej Sp. Z o.o., Warsaw
- CA Immo Sienna Center sp. Z o.o., Warsaw
- CA Immo Warsaw Towers sp. Z o. o., Warsaw

Out of reported bank balances, an amount of €2,000 K is pledged in favour of the financing banks of the subsidiaries.

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 €825 K (31.12.2020: €803 K) for the subsequent business year and €3,892 K (31.12.2020: €3,817 K) for the subsequent five business years.

Out of this, €740 K (31.12.2020: €722 K) is attributable to affiliated companies for the subsequent business year and €3,693 K (31.12.2020: €3,609 K) for the subsequent five business years. The above mentioned amounts refer 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 Start	End	Nominal value 31.12.2021	Fixed interest rate as at 31.12.2021	Interest reference rate	Fair value 31.12.2021	thereof considered as provisions 31.12.2021
06/2017	06/2027	10,668	0.79%	3M-EURIBOR	– 440	– 440
06/2017	06/2027	26,821	0.76%	3M-EURIBOR	– 1,041	– 1,041
08/2017	12/2029	28,796	1.12%	3M-EURIBOR	– 2,066	– 2,066
		66,285			**– 3,547**	**– 3,547**

€1,000		Nominal value	Fixed interest rate as at	Interest reference rate	Fair value	thereof considered as provisions
Start	**End**	**31.12.2020**	**31.12.2020**		**31.12.2020**	**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**

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	2021	2020
Rental income from real estate	16,877	15,430
Operating costs passed on to tenants	5,335	4,912
Income from management services	7,825	9,139
Other revenues	702	747
	30,739	**30,228**

In 2021 reductions in rental income in Austria due to Covid-19 amounted to €139 K (2020: €232 K).

By region

€1,000	2021	2020
Austria	24,091	23,266
Germany	186	961
Eastern Europe	6,462	6,001
	30,739	**30,228**

Other operating income

The income from the disposal of fixed assets fully relates to the sale of a property at the end of 2021 (2020: fully related to income from the reversal of impairment losses of fixed assets).

The revenues from the release of provisions mainly refers to provisions for legal fees, Annual General Meeting related expenses and other consulting expenses (2020: additional expenses related to a bond issuance and Supervisory Board remuneration).

Other operating income of €644 K (2020: €440 K) results from expenses reinvoicings, insurance revenues and the release of the deferrals for government grants.

Staff expense

This item, totalling €16,113 K (2020: €15,388 K), includes expenses for the 72 staff members (2020: 70) employed by the company on average.

The expenses for retirement benefits are as follows:

€1,000	2021	2020
Pension fund contributions for Management Board members and senior executives	180	183
Pension fund contributions for other employees	74	92
	254	**275**

Expenses for severance payments dependent on remuneration and compulsory contributions are made up as follows:

€1,000	2021	2020
Change in provision for severance payments to Management Board members and senior executives	– 102	174
Change in provision for severance payments to other employees	– 8	– 6
Severance payments to Management Board members	307	0
Pension fund contributions for Management Board members and senior executives	92	92
Pension fund contributions for other employees	75	64
	364	**324**

Depreciation

€1,000	2021	2020
Depreciation of intangible fixed assets	309	200
Scheduled depreciation of buildings	7,534	7,303
Unscheduled depreciation of real estate	0	3,688
Depreciation of other assets, office furniture and equipment	289	313
Low-value assets	8	28
	8,140	**11,532**

Other operating expenses

Taxes, which do to fall under taxes on income are made up as follows:

€1,000	2021	2020
Real estate charges passed on to tenants	208	208
Non- deductible input VAT	653	614
Court fees	0	25,475
	861	**26,297**

The court fees were 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.

Other expenses are made up as follows:

€1,000	2021	2020
Expenses directly related to properties		
Operating costs passed on to tenants	5,132	4,707
Maintenance costs	955	2,377
Own operating costs (vacancy costs)	717	1,170
Administration and agency fees	47	156
Other	162	263
Subtotal	**7,013**	**8,673**
General administrative costs		
Legal, auditing and consultancy fees	7,977	3,533
Office rent including operating costs	748	735
Administrative and management costs	725	449
Advertising and representation expenses	520	382
Costs charged to group companies	362	215
Supervisory Board remuneration	308	357
Licence costs	301	162
Other fees and bank charges	255	248
Bond issue related expenses	0	5,668
Other	1,181	1,200
Subtotal	**12,377**	**12,949**
Total other operating expenses	**19,390**	**21,622**

Income from investments

This item comprises dividends paid from companies in Austria in amount of €53,623 K (2020: €123,201 K) as well as companies in Germany and Central Eastern Europe in amount of €125,863 K (2020: €177 K).

Income from loans from financial assets

This item comprises interest income from loans.

Other interest and similar income

The income mainly refers to valuation of derivatives (2020: interest amounts from an intercompany loan granted to a subsidiary).

Income from the disposal and revaluation of financial assets and short-term securities

€1,000	2021	2020
Release of impairment due to increase in value	1,675	3,397
Repayment of loans above book value	375	204
Sale of financial assets	9,316	18
	11,366	**3,619**

Expenses for financial assets and interest receivables in current assets

€1,000	2021	2020
Depreciation of financial assets	34,495	3,239
Loss from disposal	1	263
	34,496	**3,502**
of which due to dividends payments	34,174	1,026

Interest and similar expenses

€1,000	2021	2020
Interest costs for bonds	24,691	23,095
Interest for bank liabilities for the financing of real estate assets	2,161	2,200
Expenses for derivative transactions	1,074	2,588
Costs and commitment interest for other loans	1,222	227
Negative interest	2,238	896
Interest costs in respect of affiliated companies	74	766
Expenses for repurchase of bonds	0	4,862
	31,460	**34,634**

Taxes on income

€1,000	2021	2020
Tax compensation tax group members	2,340	12,741
Corporate income tax	– 482	– 187
Deferred taxes	826	191
Tax revenues	**2,684**	**12,745**

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.

The main shareholder SOF-11 Klimt CAI S.à.r.l., Luxembourg, is not obliged to prepare consolidated financial statements in Luxembourg and is not obliged to publish voluntary prepared consolidated financial statements.

13. Corporate bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna

Management Board
Silvia Schmitten-Walgenbach (from 1.1.2022)
Dr. Andreas Schillhofer (from 1.6.2019)
Keegan Viscius (from 1.11.2018)
Andreas Quint (until 31.12.2021)

Total salary payments (excluding salary-based deductions) to Management Board members amounted to €3,464 K (€2,763 K in 2020). The salary-based deductions totaled €198 K (2020: €172 K). Total fixed salary components amounted to €1,581 K (€1,588 K in 2020) and were made up of the basic salary of €1,410 K (2020: €1,410 K), other benefits (in particular remuneration in kind for cars, expense allowances and travel expenses) of €48 K (2020: €55 K) and contributions to pension funds of €123 K (2020: €123 K). Variable compensation components amounted to €1,269 K (2020: €1,175 K). Special payments amounted to €307 K (2020: €0 K).

As at the balance sheet date 31.12.2021, severance payment provisions for Management Board members totaled €311 K (31.12.2020: €412 K). There were no payment obligations to former members of the Management Board (i.e. not in office in the reporting year). As a consequence of the termination of the activity for one Management Board member, as at 31.12.2021, provisions for bonuses (at 100% target achievement level) in amount of €2,157 K as well as a payable from contract termination in amount of €307 K are booked. No loans or advances were granted to members of the Management Board.

As at 31.12.2021, based on assumption of 100% target achievement, provisions amounting to €5,329 K (31.12.2020: €3,460 K) had been made up for the Management Board under the variable remuneration system.

Supervisory Board
Elected by the General Meeting:
Torsten Hollstein, Chairman
Jeffrey G. Dishner, Deputy Chair
Dr. Monika Wildner, Deputy Chair
Univ.-Prof. MMag. Dr. Klaus Hirschler
Michael Stanton
Dr. Florian Koschat (until 6.5.2021)

Delegated by registered share:
Sarah Broughton
Laura Rubin

Delegated by works council:
Georg Edinger, BA, REAM (IREBS)
Nicole Kubista
Sebastian Obermair
Walter Sonnleitner

As at the balance sheet date, the Supervisory Board comprised five capital representatives elected by the Annual General Meeting, two capital representatives appointed by means of registered shares and four employee representatives.

In business year 2021 (for 2020), total remuneration of €328 K (2020: €309 K) was paid out (including attendance fees of €113 K; €84 K in 2020). Moreover, expenditure of €202 K was reported in connection with the Supervisory Board in business year 2021 (2020: €78 K). Of this, cash outlays for travel expenses accounted for approximately €13 K (2020: €9 K) and other expenditure (including training costs and license costs) accounted for €33 K (2020: €52 K). Legal and other consultancy services accounted for €156 K (2020: €17 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 €299 K for business year 2021 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 K 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 31.12.2021.

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 economic interest. Sarah Broughton, Laura Rubin and Jeffrey G. Dishner perform comprehensive management functions within Starwood Capital Group. In the business year 2021, Starwood Capital Group (via its vehicle SOF-11 Klimt CAI S.à r.l.) increased its stake in CA Immo AG from around 28.25% of the share capital to around 57.89% as part of an anticipated mandatory offer pursuant to Sections 22 et seq. of the Austrian Takeover Act as well as further acquisitions on and off the stock exchange.

Starwood Capital Group (Starwood)
Since 27.9.2018, SOF-11 Klimt CAI S.à r.l. is the company's largest single shareholder.

As of 31.12.2021, SOF-11 Klimt CAI S.à.r.l. held 61,654,765 bearer shares and four registered shares of CA Immo AG, this corresponds to 57.89% of the company's share capital. SOF-11 Klimt CAI S.à.r.l. is a company controlled by Starwood Capital Group ("Starwood"). Starwood is a private investment company with a global focus on real estate, energy, infrastructure, oil and natural gas.

14. Employees

The average number of staff employed by the company during the business year was 72 (2020: 70).

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

In January 2022 an affiliated company in Hungary was sold.

CA Immo AG has drawn in the first quarter 2022 the revolving credit facility in the amount of €300 M.

On 18.03.2022, CA Immobilien Anlagen AG was served with an action for annulment directed against the resolutions on the distribution of an additional basic dividend and a super dividend adopted by the Extraordinary General Meeting on 30.11.2021.

Ukraine

Russia's invasion of Ukraine has distressed the world economy. The immediate global implications are higher inflation and lower economic growth. The crisis has substantially increased uncertainty and volatility to global financial markets. Major equity indices have deteriorated since the outbreak of the crisis and debt capital markets have been completely closed for a certain time or are only very limited accessible. The risk of further escalations in the conflict as well as additional geopolitical tensions will remain a key topic.

CA Immo AG and its subsidiaries have not any properties in Russia or Ukraine in its portfolio. CA Immo AG continuously monitors the development of the stock and financial markets. There is no significant currency risk for the subsidiaries of CA Immo AG as rents are generally linked to the EUR and the amount of liquid funds in foreign currencies is regularly monitored.

The war in Ukraine and the resulting sanctions and countermeasures may have an impact on the CA Immo AG financial statements. The global impact of war could impact the valuation of real estate properties and the determination of expected credit losses. Furthermore, there could be effects on project developments, eg. due to delays in the supply chains, fluctuating financing rates and rising construction costs. The increased uncertainty could also lead to extended marketing periods. The effects cannot be finally assessed due to the dynamic development, but are subject to ongoing evaluations. Despite the uncertainty and possible direct and indirect effects, the CA Immo AG assumes that the Russia-Ukraine war will not affect the company's ability to continue as a going concern.

17. Proposal for the appropriation of net earnings

It is proposed that from the net retained earnings of €440,138,865.80 no dividend is distributed to the shareholders. The net retained earnings in the amount of €440,138,865.80 is intended to be carried forward. The profit appropriation proposal reflects the current assessment of the Management and Supervisory Boards. Besides the current geopolitical environment and the increased uncertainty and volatility of the markets, the background for this decision is the fact that after the first tranche of €2.50 per share was paid out on 15.12.2021, also the second tranche of €2.50 special dividend per share was paid on 15.3.2022, which was decided in the Extraordinary General Meeting on 30.11.2021.

Vienna, 23.3.2022

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer)	Dr. Andreas Schillhofer (Chief Financial Officer)	Keegan Viscius (Chief Investment Officer)

ASSET ANALYSIS FOR THE BUSINESS YEAR 2021

	Acquisition and production costs as at 1.1.2021	Addition	Disposal	Acquisition and production costs as at 31.12.2021
	€	€	€	€
I. Intangible fixed assets				
Software	3,173,471.63	980,242.05	28,937.00	4,124,776.68
	3,173,471.63	**980,242.05**	**28,937.00**	**4,124,776.68**
II. Tangible fixed assets				
1. Land and buildings				
a) Land value	50,658,941.08	0.00	14,329,831.68	36,329,109.40
b) Building value	310,476,523.29	164,500.62	27,960,295.58	282,680,728.33
	361,135,464.37	164,500.62	42,290,127.26	319,009,837.73
2. Other assets, office furniture and equipment	4,006,611.55	72,507.05	536,398.74	3,542,719.86
	365,142,075.92	**237,007.67**	**42,826,526.00**	**322,552,557.59**
III. Financial assets				
1. Investments in affiliated companies	3,121,903,905.23	497,555,075.58	184,196,939.78	3,435,262,041.03
2. Loans to related companies	538,239,806.52	0.00	245,573,770.78	292,666,035.74
3. Investments in associated companies	274,251.50	5,000.00	0.00	279,251.50
	3,660,417,963.25	**497,560,075.58**	**429,770,710.56**	**3,728,207,328.27**
	4,028,733,510.80	**498,777,325.30**	**472,626,173.56**	**4,054,884,662.54**

Accumulated depreciation as at 1.1.2021	Depreciation and amortisation in 2021	Reversal of impairment losses in 2021	Accumulated depreciation disposal	Accumulated depreciation as at 31.12.2021	Book value as of 31.12.2021	Book value as at 31.12.2020
€	€	€	€	€	€	€
2,630,990.47	308,994.96	0.00	25,937.00	2,914,048.43	1,210,728.25	542,481.16
2,630,990.47	**308,994.96**	**0.00**	**25,937.00**	**2,914,048.43**	**1,210,728.25**	**542,481.16**
7,096,294.27	0.00	0.00	5,638,184.68	1,458,109.59	34,870,999.81	43,562,646.81
107,256,271.69	7,533,933.16	0.00	16,312,761.36	98,477,443.49	184,203,284.84	203,220,251.60
114,352,565.96	**7,533,933.16**	**0.00**	**21,950,946.04**	**99,935,553.08**	**219,074,284.65**	**246,782,898.41**
2,712,668.62	297,165.43	0.00	429,273.21	2,580,560.84	962,159.02	1,293,942.93
117,065,234.58	**7,831,098.59**	**0.00**	**22,380,219.25**	**102,516,113.92**	**220,036,443.67**	**248,076,841.34**
183,180,230.31	34,488,396.23	1,675,000.00	0.00	215,993,626.54	3,219,268,414.49	2,938,723,674.92
0.00	0.00	0.00	0.00	0.00	292,666,035.74	538,239,806.52
899.00	6,206.29	0.00	0.00	7,105.29	272,146.21	273,352.50
183,181,129.31	**34,494,602.52**	**1,675,000.00**	**0.00**	**216,000,731.83**	**3,512,206,596.44**	**3,477,236,833.94**
302,877,354.36	**42,634,696.07**	**1,675,000.00**	**22,406,156.25**	**321,430,894.18**	**3,733,453,768.36**	**3,725,856,156.44**

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss 31.12.2021 in 1.000		Shareholders' equity as at 31.12.2021 in 1.000		Profit/loss 31.12.2020 in 1.000		Shareholders' equity as at 31.12.2020 in 1.000	
CA Immo Holding B,V,	Amsterdam	32,000,000	EUR	100	-2,083	EUR	29,801	EUR	-11,627	EUR	292,859	EUR
CA Immo d,o,o,	Belgrad	32,822,662	RSD	100	1,540	RSD	5,101	RSD	2,660	RSD	3,561	RSD
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	41,992	HUF	836,997	HUF	74,314	HUF	795,006	HUF
Duna Irodaház Kft,, Budapest	Budapest	277,003,01	HUF	100	-153,186	HUF	14,688,47	HUF	-682,339	EUR	13,099,924	EUR
Duna Termál Hotel Ingatlanfejlesztö Kft,	Budapest	390,906,65	HUF	100	-384,787	HUF	14,411,02	HUF	-388,493	EUR	14,505,387	EUR
Duna Business Hotel Ingatlanfejlesztö Kft,	Budapest	452,844,53	HUF	100	267,716	HUF	19,203,78	HUF	-196,421	EUR	16,994,538	EUR
Kapas Center Kft,	Budapest	772,560,00	HUF	100	326,997	HUF	2,159,218	HUF	38,017	HUF	1,832,221	HUF
Kilb Kft,	Budapest	30,000,000	HUF	100	410,356	HUF	3,933,462	HUF	381,707	HUF	3,523,106	HUF
Millennium Irodaház Kft,	Budapest	997,244,94	HUF	100	-93,680	HUF	10,131,82	HUF	-290,336	EUR	9,736,453	EUR
R 70 Invest Budapest Kft,	Budapest	5,270,000	HUF	100	-100,826	HUF	1,362,262	HUF	311,407	HUF	1,463,088	HUF
Váci 76 Kft,	Budapest	3,100,000	HUF	100	338,197	HUF	5,723,879	HUF	-259,925	HUF	5,385,683	HUF
CA Immo Invest GmbH	Frankfurt	50,000	EUR	51	-330	EUR	17,193	EUR	-23	EUR	17,522	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	169	EUR	669	EUR	303	EUR	803	EUR
CAINE B,V,	Hoofddorp	101,000,00	EUR	100	-314	EUR	4,349	EUR	-465	EUR	48,769	EUR
Visionary Prague, s,r,o,	Prague	200,000	CZK	100	49,974	CZK	241,000	CZK	-46,624	CZK	267,286	CZK
CA Immo Bitwy Warszawskiej Sp, z o,o,	Warsaw	47,956,320	PLN	100	5,008	PLN	73,220	PLN	Acquisition 2021		Acquisition 2021	
CA Immo New City Sp,z,o,o	Warsaw	116,000	PLN	100	-385	PLN	-304	PLN	-34	PLN	82	PLN
CA Immo P14 Sp,z,o,o	Warsaw	10,000	PLN	100	-944	PLN	152,747	PLN	3,677	PLN	153,690	PLN
CA Immo Saski Crescent Sp, z o,o,	Warsaw	140,921,25	PLN	100	-2,367	PLN	151,646	PLN	Acquisition 2021		Acquisition 2021	
CA Immo Saski Point Sp, z o,o,	Warsaw	55,093,000	PLN	100	6,407	PLN	66,384	PLN	Acquisition 2021		Acquisition 2021	
CA Immo Sienna Center Sp, z o,o,	Warsaw	116,912,64	PLN	100	2,794	PLN	156,636	PLN	Acquisition 2021		Acquisition 2021	
CA Immo Warsaw Spire B Sp, z o,o,	Warsaw	5,050,000	PLN	100	10,861	PLN	286,281	PLN	Acquisition 2021		Acquisition 2021	
CA Immo Warsaw Spire C Sp, z o,o,	Warsaw	2,050,000	PLN	100	17,742	PLN	259,522	PLN	Acquisition 2021		Acquisition 2021	
CA Immo Warsaw Towers Sp, z o,o,	Warsaw	155,490,90	PLN	100	8,312	PLN	174,304	PLN	Acquisition 2021		Acquisition 2021	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs KG	Vienna	7,000	EUR	100	5,470	EUR	13,288	EUR	234	EUR	8,051	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	39	357	EUR	10,342	EUR	1,042	EUR	10,985	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	194,642	EUR	2,112,927	EUR	30,504	EUR	1,971,285	EUR
CA Immo Konzernfinanzierungs GmbH	Vienna	100,000	EUR	100	2,817	EUR	432,888	EUR	271	EUR	203,406	EUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	-1,902	EUR	8,553	EUR	-409	EUR	454	EUR
EBL Nord 2 Immobilien GmbH	Vienna	35,000	EUR	50	7	EUR	56	EUR	7	EUR	49	EUR
EBL Nord 2 Immobilien Eins GmbH & Co KG	Vienna	10,000	EUR	50	-18	EUR	501	EUR	-47	EUR	519	EUR
EBL Nord 2 Immobilien Zwei GmbH & Co KG	Vienna	10,000	EUR	50	-9	EUR	8	EUR	-12	EUR	7	EUR

Information on participations for 2021 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, 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. Following the liquidation of almost all Cypriot companies and the exit from Slovakia, further subsidiaries exist in the Netherlands. As at key date 31 December 2021, the Group comprised 165 companies (31.12.2020: 184) with 441 employees (437 on 31.12.2020).

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, Poland, Romania, the Czech Republic and Hungary. For Romania, the evaluation of all strategic options, including a potential sale of the entire portfolio, was started at the end of November 2021. Additional earnings contributions are generated by the preparation and utilisation of land reserves in the development business area. CA Immo either transfers completed projects to its portfolio or sells them to investors. The Group currently controls property assets of around €6.3 bn in Germany, Austria and Eastern Europe (€5.6 bn on 31.12.2020).

Austria

The company's domestic properties are held in direct or indirect subsidiaries of CA Immobilien Anlagen AG. As at 31 December 2021, the parent company also directly held property assets of approximately €302 m (€323 m on 31.12.2020). As at 31 December 2021, the total Austrian portfolio comprised solely investment properties with a market value of €497 m (€530 m on 31.12.2020).

COMPANIES BY REGION

Number of companies[1]	31.12.2021	31.12.2020
Austria	18	19
- *Of which joint ventures*	*3*	*3*
Germany[2]	98	98
- *Of which joint ventures*	*22*	*23*
Central and Eastern Europe[3]	50	67
- *Of which joint ventures*	*2*	*2*
Group-wide	**165**	**184**
- *Of which joint ventures*	*25*	*28*

[1] Joint ventures involving consolidated companies.
[2] Includes one company in Switzerland.
[3] Includes three holding companies in the Netherlands and one company in Cyprus 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 CEE investment property portfolio is held by direct or indirect CA Immo subsidiaries. All Eastern European properties are managed by regional subsidiaries under the name **CA Immo Real Estate Management**.

ECONOMIC ENVIRONMENT

THE ECONOMIC TREND[1)]

Over the past decade intensifying geopolitical risk has been a constant feature of world politics, yet the world economy and financial markets have shrugged it off. Russia's invasion of Ukraine is likely to break this pattern, because it will result in the isolation of the world's 11th-largest economy and one of its largest commodity producers. The immediate global implications will be higher inflation, lower growth and disruption to financial markets as deeper sanctions take hold. The longer-term fallout could be a further debilitation of the system of globalised supply chains and integrated financial markets. The impact of the Russia-Ukraine crisis on the worlds' economy cannot be quantified properly yet and depends on further geopolitical development. Therefore it has not been taken into account in the latest economic forecasts.

Following the outbreak of the Covid-19 pandemic with a severe recession in 2020 and the subsequent economic recovery in 2021, the International Monetary Fund (IMF) drew a more cautious but still positive outlook for the global economy in its World Economic Outlook update published in January 2022 (and therefore not taking into account latest geopolitical happenings). The global economy was entering 2022 weaker than previously expected. Countries had reimposed mobility restrictions with the spread of the new Omicron Covid-19 variant. Rising energy prices and supply disruptions have led to higher and broader-based inflation than anticipated, particularly in the United States and many emerging and developing economies.

Global growth is expected to slow from 5.9%in 2021 to 4.4% in 2022 - half a percentage point lower for 2022 than anticipated in the October 2021 World Economic Outlook, mainly due to forecast cuts in the two largest economies (USA, China). Revised assumptions related to the "Build Back Better" fiscal policy packages, as well as an earlier withdrawal of accommodative monetary policy and persistent supply constraints, led to a downward revision of 1.2 percentage points for the United States. In China, pandemic-related disruptions associated with the Covid-19 zero-tolerance policy and protracted financial tensions among real estate companies led to a downgrade of 0.8 percentage point.

Furthermore, high inflation is expected to persist longer than projected in the October 2021 World Economic Outlook, with continued supply chain disruptions and high energy prices in 2022, further fuelled by the Russia-Ukraine crisis.

According to an initial estimate of the annual growth rate for 2021, based on seasonally and calendar-adjusted quarterly data, GDP in the euro area and the EU increased by 5.2%. According to the current forecast, GDP in the EU shall increase by around 4.0% in 2022 and by around 2.8% in 2022. This means that the output of the European economy at the end of this year would be roughly back at its pre-crisis level.

CA IMMO CORE MARKETS IN 2021[2)]

Compared with the previous quarter, seasonally adjusted GDP increased by 0.3% in the euro area and by 0.4% in the EU in Q4 2021. This is the result of a preliminary flash estimate published by Eurostat. In Q3 2021, GDP had increased by 2.3% in the euro area and by 2.2% in the EU. Compared to the corresponding quarter of the previous year, seasonally adjusted GDP in the fourth quarter of 2021 increased by 4.6% in the euro area and by 4.8% in the EU, after +3.9% in the euro area and +4.1% in the EU in the previous quarter.

In December 2021, the seasonally adjusted unemployment rate in the euro area was 7.0%, down from 7.1% in November 2021 and from 8.2% in December 2020, and the unemployment rate in the EU was 6.4% in December 2021, down from 6.5% in November 2021 and from 7.5% in December 2020.

At the end of the third quarter of 2021, the government debt-to-GDP ratio was 97.7% in the euro area, compared to 98.3% at the end of the second quarter of 2021, while in the EU the ratio decreased from 90.9% to 90.1%. In both the euro area and the EU, the public debt-to-GDP ratio decreased at the end of the third quarter due to the recovery in GDP, while debt continued to increase due to the financing needs of government responses to the Covid-19 pandemic measures used to mitigate the economic and social impact. Compared to the third quarter of 2020, the government debt-to-GDP ratio increased in

[1)] Sources: Eurostat, European Commission, Bloomberg, Financial Times, The Economist

[2)] Sources: Eurostat, European Commission, Bloomberg, Financial Times, The Economist both the euro area (from 96.6% to 97.7%) and the EU (from 89.2% to 90.1%).

Annual inflation in the euro area in January 2022 is estimated at 5.1%, up from 5.0% in December 2021, according to a flash estimate published by Eurostat, the statistical office of the European Union. In terms of the main components of inflation in the euro area, energy is expected to have the highest annual rate in January (28.6%, up from 25.9% in December).

The economy in **Austria** grew by 4.5% in real GDP terms in 2021. The inflation rate was 3.8% and the unemployment rate was 4.9% in December 2021. Gross public debt as a percentage of GDP decreased to 84.1% in the third quarter of 2021.

Positive economic momentum in **Germany** was reflected in GDP growth of 2.9% in 2021. In a pan-European comparison, Germany is below the average for the EU and the euro zone though. The unemployment rate in Germany decreased from 4.0% to 3.2% over the course of the year. The inflation rate for Germany in December 2021 was reported at 5.7%.

Within the core Central and Eastern European markets, **Hungary** and **Romania** showed the strongest economic growth in 2021 at 7.1% and 5.9%, respectively. GDP in **Poland** and **Czechia** increased by 5.7% and 3.3%, respectively.

The unemployment rate in the Central and Eastern European countries remains significantly lower than in the EU-27 and the euro area average. It is 2.1% in Czechia, 2.9% in Poland, 3.7% in Hungary and 5.4% in Romania.

The inflation rate showed a significant increase in 2021 and was above the euro area average in all core Central and Eastern European countries. Poland reported an inflation rate of 8.0% for December 2021, while the annual figure in Hungary was 7.4%. Annual inflation was registered at 6.7% in Romania and 5.4% in Czechia.

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
	2021	2020	in %	in %	as % of GDP 3Q 2021	as % of GDP 3Q 2021	as % of GDP 3Q 2021
EU – 27	5.3	-5.9	5.3	6.4	–3.7	90.1	0.9
Eurozone – 19	5.3	-6.4	5.0	7.0	–4.0	97.7	1.0
Austria	4.5	-6.7	3.8	4.9	–1.4	84.1	1.4
Germany	2.9	-4.6	5.7	3.2	–2.4	69.4	0.4
Poland	5.7	-2.5	8.0	2.9	–1.0	56.6	- 0.5
Czechia	3.3	-5.8	5.4	2.1	–6.0	40.5	0.2
Hungary	7.1	-4.7	7.4	3.7	–5.6	80.3	0.8
Romania	5.9	-3.7	6.7	5.4	–7.1	48.5	- 0.4

Source: Eurostat

[1] Change on the previous year (%); [2] Change on the previous year as at December 2021; [3] As at December 2021

THE MONEY MARKET AND INTEREST ENVIRONMENT[1]

At its most recent meeting on March 10, 2022, the Governing Council expressed its full support to the people of Ukraine. It said it will ensure smooth liquidity conditions and implement the sanctions decided by the European Union and European governments. They will take whatever action is needed to fulfil the ECB's mandate to pursue price stability and to safeguard financial stability.

Based on its updated assessment and taking into account the uncertain environment, the Governing Council revised the purchase schedule for its Asset Purchase Programme (APP) for the coming months. Monthly net purchases under the APP will amount to €40 bn in April, €30 bn in May and €20 bn in June. The calibration of net purchases for the third quarter will be data-dependent and reflect its evolving assessment of the outlook. If the incoming data support the expectation that the medium-term inflation outlook will not weaken even after the end

[1] Sources: European Central Bank, Eurostat, Bloomberg

of its net asset purchases, the Governing Council will conclude net purchases under the APP in the third quarter. If the medium-term inflation outlook changes and if financing conditions become inconsistent with further progress towards the 2% target, the Governing Council stands ready to revise its schedule for net asset purchases in terms of size and/or duration.

The Governing Council also intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when it starts raising the key ECB interest rates and, in any case, for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

Moreover, 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. Any adjustments to the key ECB interest rates will take place some time after the end of the Governing Council's net purchases under the APP and will be gradual. The path for the key ECB interest rates will continue to be determined by the Governing Council's forward guidance and by its strategic commitment to stabilise inflation at 2% over the medium term. Accordingly, the Governing Council expects the key ECB interest rates to remain at their present levels until it sees inflation reaching 2% well ahead of the end of its projection horizon and durably for the rest of the projection horizon, and it judges that realised progress in underlying inflation is sufficiently advanced to be consistent with inflation stabilising at 2% over the medium term.

In the first quarter of 2022, the Governing Council has been conducting net asset purchases under the Pandemic Emergency Purchase Programme (PEPP) at a lower pace than in the previous quarter. It will discontinue net asset purchases under the PEPP at the end of March 2022. The Governing Council intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance. The Council said, that "the pandemic has shown that, under stressed conditions, flexibility in the design and conduct of asset purchases has helped to counter the impaired transmission of monetary policy and made the Governing Council's efforts to achieve its goal more effective".

The Governing Council will continue to monitor bank funding conditions and ensure that the maturing of operations under the third series of targeted longer-term refinancing operations (TLTRO III) does not hamper the smooth transmission of its monetary policy. It will also regularly assess how targeted lending operations are contributing to its monetary policy stance. As announced before, it expects the special conditions applicable under TLTRO III to end in June this year.

The 3-month Euribor continued to move in negative territory and fluctuated between -0.53% and -0.61% in the reporting period. Since December 2021, a clear upward trend in the Euribor has been noticeable.

Following historic lows in bond yields on 10-year government bonds issued by eurozone members at the end of 2020, a slight upward trend was recognizable in the course of 2021. Since the fourth quarter of 2022, this trend has intensified. After the 10-year German Bund turned positive in spring 2021 for the first time since 2019, there were recurring crossings above and below the zero percent mark. Since the end of last year, however, the yield has risen steadily to just under 0.5% in the meantime.

OUTLOOK [2]

Even though the future impact of the Russia-Ukraine crisis on the worlds' economy cannot be assessed properly at this point in time it already has substantially increased uncertainty and volatility on global markets, which has also been reflected in deteriorating financial market conditions. The Russian invasion has, beyond the human cost of the conflict, already driven commodity prices higher — and there could be profound and protracted effects on macroeconomic prospects around the world such as energy supply disruptions or price shocks and sustained inflationary pressures. The risk of further escalations in the conflict as well as additional geopolitical tensions will remain a key topic to watch in 2022.

[2] Sources: European Commission, European Central Bank, Financial Times, The Economist

In its January 2022 World Economic Outlook, the International Monetary Fund projects economic growth of 4.4% in 2022 and 3.8% in 2023. Inflation is expected to remain high in the near future, averaging 3.9% in developed economies and 5.9% in developing and emerging economies in 2022 before declining in 2023. The impact of the Russia-Ukraine crisis has not been taken into account in these forecasts.

Assuming that the pandemic reduces its impact, higher inflation could ease if supply chain disruptions subside, monetary policy tightens, and demand shifts from goods-intensive consumption to services. However, the Russia-Ukraine crisis has opposite effects due to the sharp rise in commodity costs and the renewed impairment of supply chains.

“The Russian invasion of Ukraine is a watershed for Europe,” the ECB said in a statement after its governing council’s meeting in Frankfurt on March 10, adding that it would “take whatever action is needed to pursue price stability and to safeguard financial stability”. Market participants interpreted the move to speed up the ECB’s exit from buying more bonds as a signal that it could raise interest rates in the fourth quarter in an effort to contain soaring inflation — which would be the first such move for more than a decade. However, the ECB also gave itself more leeway to wait longer before raising interest rates after its bond-buying ends. Christine Lagarde said Russia’s invasion of Ukraine had created “a major shock” for the eurozone economy, adding that the central bank was forecasting higher inflation and lower growth over the next three years. “Inflation could be considerably higher in the near term,” Lagarde said. “However, in all scenarios, inflation is expected to stabilise around our target by 2024.”

The emergence of new Covid-19 variants could further prolong the pandemic and cause renewed economic disruption. Global access to vaccines, tests and treatments is essential to reduce the risk of further dangerous Covid-19 variants. This will require increased stockpile production, as well as better supply systems in each country and more equitable international distribution. In addition, supply chain disruptions, energy price volatility, and local wage pressures mean that uncertainty about inflation and the stance of monetary policy is high. If leading economies raise policy rates, risks could emerge for financial stability and emerging and developing economies' capital flows, currencies, and fiscal positions, especially as debt has increased significantly over the past two years.

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA [1)]

The investment market

Due to the seasonal slowdown of the pandemic and governmental support for companies, a further slump in the investment market, as seen in the previous year, was interrupted; thus, an increase of around 25% (€4.3 bn) was reported in Austrian real estate in 2021 compared to the previous year. Around €2.8 bn (65%) of the investments were registered in Vienna. Office investments with a focus on core properties in premium locations in combination with residential properties accounted for the largest share of the total volume. Contrary to the general trend, retail also recorded an upswing, which can be attributed to two large deals and therefore does not appear to be a long-term trend.

The Austrian investment market has been stable last year and was able to continue the trend of the previous year. The prime yield for office properties fell moderately and is currently at the historically low level of 3.20% (–15 bps compared to the previous year) for properties in Vienna's Central Business District (CBD).

The office property market

Vienna's total office stock amounted to approximately 11.4 m sqm at the end of 2021 and was therefore almost unchanged from the previous year. The completion volume of office space totaled around 65,000 sqm in 2021, around 32% less than in 2020. The low completion volume continues to highlight the lack of new office properties in Vienna.

The letting performance was also somewhat below the previous year's level and, at around 166,200 sqm, recorded a decline of approximately 18.2%. The Covid-19 pandemic-related economic crisis has also had a negative impact on the office market in 2021. CBRE Research therefore assumes a slightly rising letting performance in the next two years, also due to the still tense situation with regard to low new supply coming to the market.

The vacancy rate fell by around 40 bps to approximately 4.2% over the course of 2021. CBRE Research expects the vacancy rate to settle at approximately 4.0% in 2022 and 2023 due to limited additional space, high level of pre-letting and a slight increase in demand. The monthly prime rent in Vienna rose by around 4% over last year to €26.0 per sqm per month. Above all, top offices in attractive locations remain in demand, whereas properties with lower building standards in weaker locations will probably have to expect less demand in the future. A steady increase in focus on the topic of ESG and certifications can also be observed on the market.

OFFICE MARKET DEVELOPMENT VIENNA

	2021	2020	Change in %/bps
Take up in sqm	166,200	203,300	–18.2
Vacancy rate in %	4.2	4.6	–40 bps
Prime rent in €/sqm net	26.00	25.00	4.0
Prime yield in %	3.20	3.35	–15 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

In 2021, the German real estate market was unaffected by the Covid-19 pandemic developments, achieving a record result of €111.0 bn; this represents an increase of approximately 40% compared to 2020 results. The record merger activity in the residential segment has had a major positive impact on this development. The commercial real estate sector contributed €62.1 bn (+5% y-o-y); there continues to be a strong focus on office properties in prime locations that can adapt to hybrid work thanks to their flexibility and location. With a turnover of around €30.0 bn, office properties accounted for 50% of the total commercial real estate investment volume.

The share of the top 7-markets in Germany increased from around 53.0% in 2020 to 57.0% in 2021. Berlin, Cologne, Munich and Stuttgart showed significantly higher volumes of transactions, whereas supply-related declines had to be recorded in Frankfurt, Düsseldorf and Hamburg. In 2021, a total of 125 major transactions above the €100 m mark were registered of which 79 transactions were in the office segment, 23 transactions related to logistics properties and 13 were retail deals. In the top 7-locations there was a clear trend towards individual transactions, as a result of which portfolio transactions in

[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 2022, Berlin, Munich, Frankfurt Office MarketView Q4 2021; Oxford Economics these markets fell by around 32% y-o-y. Furthermore, the excess demand in all top 7-markets for prime properties is leading to a compression of prime yields.

CBRE Research expects the German commercial real estate investment market to achieve a transaction volume of well above €55.0 bn in 2022, which would be only slightly below the record levels of 2021. The decisive factor will be product availability, which already proved to be a challenge in some markets in the previous year. From an investor's perspective office properties remain in focus. Particularly in the current exceptional times, the trend is moving even more towards core and core-plus properties in established locations in the major office market centers. Defensive investment products with solid tenants have experienced an additional boost in demand, which, however, could not be fully met on the supply side. CBRE Research therefore assumes that yields for these products will sharpen even further.

The share of foreign investment declined from 46% in 2020 to 39% in 2021 in line with strong domestic demand. Nevertheless, the share of North American investors increased significantly, by 34% y-o-y to €6.7 bn and approximately 11% of total investments.

The **Berlin** investment market for commercial real estate recorded a record value of €11.8 bn and an increase of more than 50% compared to the previous year. Main contribution to this result has been a large number of transactions over €100 m in the last quarter of the year. The prime yield for office properties fell slightly to 2.50% due to the high demand for high quality office space (–15 bps y-o-y).

In 2021, a transaction volume of around €2.5 bn has been registered on the commercial property market in **Düsseldorf**. This is around a third less than in 2020. Nevertheless, the Düsseldorf commercial real estate market showed a positive trend towards the end of the year. In the last quarter of 2021, €1.3 bn has been invested; more than in the three preceding quarters combined. Office properties represent the core of Düsseldorf's commercial property market, accounting for approximately 73% of the total transaction volume. Prime yields fell by around 25 bps y-o-y to a record low of 2.75%.

The commercial property market in **Frankfurt** registered investments of €5.5 bn. With a decline of approximately 23% y-o-y, the market recorded the weakest overall result since 2014; this is due to a lack of product, which does not allow demand to be matched. As in the previous year, office properties accounted for well over 80% of transactions. The prime yield for CBD offices fell by 20 bps to 2.70% in 2021.

The commercial investment market in **Munich** recorded a 46% increase y-o-y with a volume of €7.2 bn, slightly less than in the record year 2019, due to a strong fourth quarter in which around €3.2 bn was transacted. Office properties accounted for approximately 83% of the total volume at around €6.0 bn. Due to unabated strong demand for real estate locations with stable values, the prime yield fell slightly by 5 bps to 2.50%.

The office property market [3)]

2021 again has been characterized by further lockdowns and restrictions of public gatherings which had an impact on the economic situation. Various industries as well as inflation and GDP were negatively impacted by global supply chain disruptions. Furthermore, hybrid forms of work have been adapted in most industries due to restrictions and expansion of digital infrastructure. Nevertheless, in Germany in particular, there is a strong confidence in offices as a sustainable real estate investment while at the same time demand for office space started rising again significantly in all markets. Lack of prime inner-city space generally resulted in an upward trend in rental price dynamics.

Berlin registered a 23.7% y-o-y take-up increase in 2021 with office take-up of 817,000 sqm. The vacancy rate rose slightly over the course of the year to approximately 2.8% (2020: 2.4%). Lettings recorded a significant gain compared to the previous year, not least due to the unbroken confidence in the importance of the office for companies in Germany. Due to the comparably low vacancy rate in Berlin combined with the lack of premium space the prime rent rose by €2.5 per sqm to €41.00 per sqm per month. The weighted average monthly rent remains almost unchanged from the previous year at €27.99 per sqm (€28.02 per sqm in 2020). Around 510,700 sqm of new space was completed in 2021, which is significantly less compared to the forecast

[3)] Sources: CBRE: Data supplied by CBRE Research, Munich, Frankfurt, Berlin Office MarketView Q4 2021; Oxford Economics at the beginning of the year. According to CBRE Research, around 1.2 m sqm of space is now expected to be added to the market in 2022. The office stock at the end of the year was around 20.2 m sqm.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2021	2020	Change in %/bps
Berlin			
Take up in sqm	817,000	660,500	23.70
Vacancy rate in %	2.80	2.40	40 bps
Prime rent in €/sqm net	41.00	38.50	6.50
Prime yield in %	2.50	2.65	–15 bps
Frankfurt am Main			
Take up in sqm	436,800	330,200	32.30
Vacancy rate in %	8.60	7.00	160 bps
Prime rent in €/sqm net	45.50	44.00	3.40
Prime yield in %	2.70	2.90	–20 bps
Düsseldorf			
Take up in sqm	301,500	293,500	2.70
Vacancy rate in %	9.00	7.50	150 bps
Prime rent in €/sqm net	28.50	28.50	0.00
Prime yield in %	2.75	3.00	–25 bps
Munich			
Take up in sqm	643,900	558,500	15.30
Vacancy rate in %	4.50	3.80	70 bps
Prime rent in €/sqm net	41.50	39.50	5.10
Prime yield in %	2.50	2.55	–5 bps

Sources: Data provided by CBRE Research
Note: floor space take-up includes owner-occupied transactions

Office take-up in **Frankfurt** amounted to 436,800 sqm in 2021 (+32.3% y-o-y). The fall of pandemic-related restrictions in the second half of the year generally improved results in the last quarters of 2021. High quality office space with high-class fit outs was the focus of leasing activities accounting for 62% of take-up. The vacancy rate amounted to 8.6% and thus increased by 160 bps y-o-y. The prime rent in Frankfurt also saw an increase to €45.50 per sqm per month (+3% y-o-y) due to a lack of premium space. The weighted average rent, on the other hand, fell by 7% to €21.57 per sqm under the pressure from rising vacancy. The completion volume of around 200,400 sqm was slightly above the level of the previous year (185,800 sqm).

According to current forecasts, a total of around 587,000 sqm is in the completion pipeline by the end of 2024. The total stock was reported at around 11.5 m sqm at the end 2021.

Düsseldorf confirmed a take-up of 301,500 sqm, showing little change from the 293,500 sqm in the previous year. Prime quality properties with a high standard of fit-out are sought after by tenants in Düsseldorf and account for 57% of total take-up. The vacancy rate increased by around 150 bps y-o-y to approximately 9.00%. Nevertheless, the monthly prime rent, unaffected by increased pressure from growing vacancies, remained unchanged at €28.50 per sqm. The weighted average monthly rent increased from around €15.20 per sqm per month to €16.30. Completions of 96,300 sqm were on par with previous year's level (99,300 sqm). The office stock at the end of the year amounted to around 9.5 m sqm.

Munich recorded a take-up of 643,900 sqm in 2021. This corresponds to an increase of 15.3% y-o-y. The office vacancy rate increased to approximately 4.5% in Q4 2021 (+70 bps y-o-y) due to more vacant space in existing stock but also more unlet space from recent completions. Prime rents were unaffected by the pandemic and the growing vacancy rate. The achievable monthly prime rent rose y-o-y to €41.50 per sqm (+5% y-o-y). At around €23.95 per month the weighted average rent is 11.9% above the previous year's level. Due to the continuing shortage of modern and high quality space, tenants continue to be willing to pay corresponding prices for higher quality in central locations.

The completion volume of around 321,900 sqm in 2021 (new buildings and core refurbishments) fell by approximately 5% y-o-y. Total office space stock amounted to around 22.0 m sqm at the end of the year.

THE REAL ESTATE MARKET IN CENTRAL AND EASTERN EUROPE [1)]

The investment market

In Central and Eastern Europe, the effects of the Covid-19 pandemic and its economic consequences on the real estate markets are already slightly less visible than in 2020. The positive momentum of the last few years before the start of the pandemic could slowly be resumed. This is also evident in CA Immo's core cities Warsaw, Prague, Budapest and Bucharest. The commercial property transaction volume of €9.1 bn registered in these cities has exceeded the 2020 values by almost 60%. The office investment volume in the cities mentioned rose by just over 26% y-o-y from €2.9 bn to €3.7 bn, Warsaw accounted for the largest volume (46%), followed by Budapest (26%), Prague (17%) and Bucharest (11%).

In **Warsaw**, an investment volume of €5.6 bn was registered in 2021 of which approximately 31% was in the office sector. The prime office yield is approximately 4.50% (2020: 4.60%).

Despite a continued decline in investment volume of 1.8 bn in 2021 (2020: €2.7 bn) in **Prague**, demand from national and international investors for high quality, ESG compliant properties in good locations remained strong. The sharp decline can be explained by a persistent lack of corresponding products. As in the previous year, the prime yield was stable at 4.25%.

In 2021, the investment volume in **Budapest** shows a positive trend and rose to €1.2 bn (2020: €1.0 bn), of which around 82% was accounted for by offices. Prime yields for top office properties fell by 50 bps y-o-y and stood at 5.25%.

Bucharest registered an investment volume of around €490 m in 2021 (–11% y-o-y), of which around 81% was in the office sector. The prime yield is reported at 6.75%, 25 bps below the previous year's result.

The office property market[2)]

All of CA Immo's Central and Eastern European core markets (Warsaw, Prague, Budapest and Bucharest) achieved a modest increase in take-up with the exception of Warsaw, where activity fell slightly. All markets saw further increases in vacancy rates, with the lowest increase in Budapest and the highest in Warsaw. Prime rents, on the other hand, remained largely constant with a minimal negative trend, with the exception of Prague, where a positive trend can be observed.

At year-end 2021, the total office space in **Warsaw** was around 6.1 m sqm, following the completion of around 325,000 sqm during the year. Currently, 323,000 sqm space is under construction and new supply of around 230,000 sqm is expected during 2022. The office pipeline is heavily concentrated in the CBD of the Polish capital. At 356,600 sqm, office take-up in 2020 was only slightly below the previous year's level. The vacancy rate increased by 280 bps y-o-y to approximately 12.7% at year-end. The prime rent in central locations was around €25.50 per sqm per month (+€0.5 per sqm y-o-y). The weighted average rent in central locations improved slightly from the previous year to €19.5 per sqm.

The office property market in **Prague** experienced another quiet year in 2021, characterized by a lack of new space. The office stock was expanded by around 57,000 sqm to around 3.8 m sqm by the end of 2021. Take-up reached around 217,300 sqm, approximately 21.5% above the previous year's volume, but still well below 2019 levels. The vacancy rate increased by 80 basis points to 7.8% at the end of the year. Due to the lack of new supply prime rents in central locations were nevertheless rising to €24.00 per sqm per month.

The annual take-up in **Budapest** in 2021 was around 217,900 sqm, which is approximately 14.7% above the previous year's level. The total office space at the end of

[1)] Sources: Data supplied by CBRE Research

[2)] Sources: Data supplied by CBRE Research the year was around 4.0 m sqm. As expected, the completion volume in 2021 was significantly below the 2020 level at 44,500 sqm. CBRE Research nevertheless expects a new record figure of up to 303,000 sqm for the coming year. The vacancy rate increased slightly by 10 bps to 9.2%. Due to the high number of expected completions in 2022 and 2023, a further increase in vacancy is expected. The prime rent decreased over the year and is now stated at €24.00 per sqm per month.

By the end of 2021, about 162,800 sqm of office space was let in **Bucharest**, an increase of approximately 16.0% compared to the previous year. The office stock totaled 3.2 m sqm at the end of the year, following a completion volume of around 245,100 sqm. The vacancy rate increased by further 70 bps and stood at 13.1% at year-end. The prime rent in Bucharest remained stable at €18.75 per sqm per month.

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

	2021	**2020**	**Change in %/bps**
Warsaw			
Take up in sqm	356,600	383,000	–6.90
Vacancy rate in %	12.70	9.90	280 bps
Peak rent in €/sqm net	25.50	25.00	2.00
Prime yield in %	4.50	4.60	–10 bps
Prague			
Take up in sqm	217,300	178.800	21.50
Vacancy rate in %	7.80	7.00	80 bps
Peak rent in €/sqm net	24.00	22.50	6.7
Prime yield in %	4.25	4.25	0 bps
Budapest			
Take up in sqm	217,900	190,000	14.70
Vacancy rate in %	9.20	9.10	10 bps
Peak rent in €/sqm net	24.00	25.00	–4.0
Prime yield in %	5.25	5.75	–50 bps
Bucharest			
Take up in sqm	163,800	141,200	16.00
Vacancy rate in %	13.10	12.40	70 bps
Peak rent in €/sqm net	18.75	18.75	0.00
Prime yield in %	6.75	7.00	–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, Poland, the Czech Republic, 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 2021 by 12% up to €6.3 bn (2020: €5.6 bn). Of this figure, investment properties account for €5.0 bn (80% of the total portfolio), property assets under development represent €1.1 bn (18%) and short-term properties[1)] €162 m (3%). With a proportion of 60% 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 122,805 sqm (2020: 142,751 sqm). As at the balance sheet date, these assets comprised seven investment properties in Austria with a market value (including prepayments made and construction in progress) of €219,074 K (eight investment properties; €246,783 K on 31.12.2020). This portfolio generated rental income of €15,484 K in 2021 (€15.662 K in 2020).

Lettings
An approximate of 20,670 sqm of floor space was newly let or extended in 2021 (21,800 sqm in 2020). Of this, around 17,480 sqm relates to extensions or renewals of existing contracts. The economic occupancy rate in the investment portfolio is around 84% (2020: 88%).

Investments
In 2021, the company invested €165 K in its asset portfolio (€1,741 K in 2020). Investments concerned tenant fit-outs in the ViE office building.

Disposals
In 2021, CA Immo continued its path of selling non-core property assets with the successful sale of Wolfganggasse 58-60 office building (20,300 sqm) in Vienna. Income of €14,683 K was generated from the sale.

.

[1)] Incl. properties intended for trading or sale

RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

CA Immo recorded a 9% increased in **rental income** to €16,877 K in 2021 (€15,430 K in 2020). **Operating expenses** passed on to tenants also increased by 9% from €4,912 K in 2020 to €5,335 K in 2021. **Management revenue** for services provided to subsidiaries fell by –14% year-on-year to €7,825 K (€9,139 K in 2020). As a result, this led to a 2% increase in **gross revenues** to €30,739 K (€30,228 K in 2020), distributed as follows: Austria 78%, Germany 1% and 21% in Eastern Europe.

Other operating income increased by 164% to €15,521 K (€5,881 K in 2020). In 2021, income of €14,683 K (€0 K in 2020) was generated from the sale of the property Wolfganggasse 58-60 in Vienna. No write-ups were made to tangible assets in 2021 (€5,137 K in 2020). Income from the reversal of provisions amounted to €194 K (€304 K in 2020) and mainly relates to provisions for legal fees, the Annual General Meeting and frustrated expenses in connection with the acquisition of a company. The other operating income of €644 K (2020: €440 K) resulted from cost transfers, insurance proceeds and the reversal of deferred income from public grants.

Personnel expenses increased by 5% from €15,388 K in 2020 to €16,113 K in 2021. In 2021, the company employed 72 staff members on average (70 staff members in 2020).

Depreciation charged to tangible assets totalled €–8,140 K (€–11,532 K in 2020). No impairment losses were recognised on real estate in the financial year 2021 (€–3,688 K in 2020).

Other operating expenditures totalled €–20,251 K (€–47,919 K in 2020). Of this, an amount of €–861 K was attributable to tax expense. The prior-year comparative amounted to €–26,297 K and included, 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 €–7,013 K (€8,673 K in 2020). An amount of €–12,377 K (€–12,949 K in 2020) was spent on general administrative costs such as project-related legal, auditing and consulting fees, advertising and marketing or administrative management costs.

As a result, the developments described above led to a positive **operating result** of €1,757 K compared to €–38,730 K in the previous year.

The company received **income from investments** totalling €179,486 K (€123,378 K in 2020) via subsidiary dividend distributions. This item was offset by expenses linked to financial assets of €–34,496 K compared to €–3,502 K in 2020.

Income of €14,109 K (€19,796 K in 2020) was generated from loans granted to subsidiaries. The item **other interest and similar income** stood at €3,315 K (compared to €431K in 2020).

Income from the disposal and revaluation of financial investments amounted to €11,366 K (€3,619 K in 2020) and include write-ups on investments in affiliated companies amounting to €1,675 K (€3,397 K in 2020). This item was offset by write-downs on equity holdings of €–34,496 K (€–3,239 K in 2020), of which €–34,174 K due to dividend distributions (€–1,026 K in 2020).

Interest expense decreased in total by –9% to €–31,460 K (€–34,634 K in 2020). Interest for bank loans or **real estate financing** declined by –2% to €–2,161 K (€–2,200 K in 2020). The costs and commitment interest for other bank financing amounted to €–1,222 K (€–227 K in 2020). Negative interest increased from €–896 K in 2020 to €–2,248 K in 2021. Expenses for derivative transactions fell to €–1,074 K (€–2,588 K in 2020). Interest costs in respect of affiliated companies declined from €–766 K in 2020 to €–74 K in 2021. The largest amount, totalling €–24,691 K, concern **interest costs for bonds**; last year, this figure stood at €–27,957 K and also included the expenses from the repurchase of bonds.

Due to the factors outlined above, the **financial result** rose by 30% to €142,320 K (€109,088 K in 2020). **Earnings before taxes** stood at €144,077 K (against €70,358 K in 2020). After taking into account **taxes on income** of €2,684 K (€12,745 K in 2020), the annual **net profit** as at 31 December 2021 stands at €146,761 K, compared to €83,103 K on 31 December 2020 (+77%). After taking into account the profit carried forward from the previous year in the amount of €293,378 K (€814,502 K in 2020) remaining after the dividend payment of €6.00 per dividend-bearing share, the annual financial statements of CA Immobilien Anlagen AG show a **net profit** of €440,139 K (€897,605 K in 2020).

Proposed dividend for 2021

After a thorough evaluation, the Management Board has decided to propose to the Annual General Meeting to be held on 5 May 2022, to deviate from the previous dividend policy and to carry forward the entire net profit for the 2021 financial year to new account. The background to this decision is the fact that from the net profit reported as of 31 December 2020 a dividend totaling €3.50 per share was already distributed in the 2021 financial year, and a further dividend of €2.50 per share was distributed to shareholders in the current financial year on 15 March 2022. Especially, in view of the current geopolitical environment and the increased market uncertainty and volatility, no additional dividend payment is planned for the 2021 financial year.

Cash-flow

In the year under review, cash-flow from operating activities (operating cash-flow plus changes in net working capital) stood at €160,577 K (€139,521 K in 2020). Cash-flow from investment activities was €–56.312 K (€–195,735 K in 2020) and cash-flow from financing activities was €–512.467 K (€690,347 K in 2020).

BALANCE SHEET ANALYSES

Assets

CA Immobilien Anlagen AG's total assets declined year-on-year from €4,460,251 K as at 31 December 2020 to €4,081,488 K as at 31 December 2021.

Fixed assets increased slightly from €3,725,856 K as at 31 December 2020 to €3,733,454 K on 31 December 2020. Fixed assets accounted for 91% of total assets on 31 December 2021 (84% on 31.12.2020). Intangible assets, which solely comprise EDP software, increased to €1,211 K (€542 K on 31.12.2020). Following the successful sale of the property Wolfganggasse 58-60 in Vienna, the company's **property assets** at the balance sheet date comprised a total of seven properties in Austria with a book value of €219,074 K (€246,783 K on 31.12.2020). **Tangible fixed assets** recorded a decrease of –11% totalled €220,036 K (€248,077 K on 31.12.2020). In 2021, no impairment losses (€3,688 K in 2020) and no write-ups (€5,137 K in 2020) were recognized on property, plant and equipment.

Financial assets rose by 1% to €3,512,207 K (€3,477,237 K on 31.12.2020). As of the balance sheet date, the book value of investments in affiliated companies stood at €3,219,268 K (€2,938,724 K on 31.12.2020). The change mainly results from shareholder contributions and the acquisition of several companies. In addition, two subsidiaries in Austria were merged in 2021.

Current assets showed a significant decrease by –53% from €724,466 K as at 31 December 2020 to €339,524 K on 31 December 2021. The downturn is mainly the result of the payment of the additional basic dividend of €2.50 per dividend-bearing share resolved by the Extraordinary General Meeting at the end of November 2021, which was paid out on 15 December 2021, as well as the payment of subsidies to subsidiaries. **Receivables** recorded an increase of 77% to €53,308 K (€30,048 K on 31.12.2020). On 31 December 2021, the company has **cash and cash equivalents** of €286,216 K (€694,418 K on 31.12.2020).

Liabilities

As at the balance sheet date **shareholders' equity** decreased by –10% to €2,213,327 K (€2,470,783 K on 31.12.2020). The equity ratio on the key date was approximately 54% (55% on 31.12.2020). Equity covered 59% of fixed assets (66% on 31.12.2020).

Provisions amounted to €18,641 K (€43,439 K on 31.12.2020). In the previous year, the provision for court fees (amounting to €25,475 K) for the damages proceedings initiated in 2020 in connection with the privatisation of Federal Residential Property companies in 2004 (**'BUWOG'**) represented the largest item. These court fees were recognised in other tax expense in the previous year. An amount of €8,774 K was recognized for bonus payments (€6,730 K on 31.12.2020). Provisions for derivative transactions amount to 3,547 K (€6,657 K on 31.12.2020).

Liabilities declined from €1,939,666 K at the end of 2020 to €1,843,375 K as at 31 December 2021. The proportion of unsecured financing at the Group parent company level has steadily grown since the company was rated investment grade in 2015. Following the complete conversion of the convertible bond with a volume of €200 m and the redemption of a corporate bond maturing in July 2021 (€107 m), six CA Immo corporate bonds (including one green bond) 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) as of the balance sheet date. The total nominal value of the corporate bonds amounted to €1,434,032 K (€1,741,481 K on 31.12.2020).

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, bond conditions contain a loan-to-value (LTV) covenant. The two bonds issued in 2020 contain two further covenants relating to the secured financing volume and the Group's interest rate coverage.

Liabilities to banks comprise only investment loans amounting to €100,833 K (€111,134 K on 31.12.2020).

DEVELOPMENT OF SHAREHOLDERS' EQUITY

€1.000	31.12.2020	Capital increase	Dividend payments	Annual result	31.12.2021
Share capital	676,316	55,892	0	0	732,208
Tied capital reserves	854,841	144,118	0	0	998,959
Retained Earnings	42,021	0	0	0	42,021
Net profit	897,605	0	–604,227	146,761	440,139
Total equity	**2,470,783**	**200,010**	**–604,227**	**146,761**	**2,213,327**

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** is an indicator of the quality of the portfolio and the success in managing it. The economic occupancy rate of CA Immoblien Anlagen AG in its investment property portfolio remained unchanged year-on-year at around 84% (around 88% on 31 December 2020).
– 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 Immoblien Anlagen AG has a vacancy rate of around 16% as of 31 December 2021 (around 12% on 31 December 2020).
– **WAULT – 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 Immoblien Anlagen AG as of 31 December 2021 (3.9 years on 31 December 2020).

- 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**: The development of sustainable buildings for its own stock to enhance the quality of the investment portfolio has been an important part 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**: A decentralised organisational structur with own branches in the core markets ensures efficient management and tenant retention.
- **Reduction of the carbon intensity** of the investment portfolio as an indication for a targeted active improvement of the energy performance of the buildings and thus an increase in the attractiveness of the existing portfolio. CA Immo focuses in particular on measures such as increasing the energy efficiency of buildings. This includes renovation and modernization measures, a gradual switch to renewable energy sources, and the incorporation into the company's own portfolio of its own project completions that have been realised with a view to sustainability.

The non-financial performance indicators relating to environmental, employee and social issues as well as respect for human rights and the fight against corruption and bribery are presented and explained in detail in the Group Management Report ("ESG Report" section).

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 CO_2 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 CO_2 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 Group Management Report ('ESG Report' chapter).

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP [1]

Headcount				**Number of employees**	**Share of women**	**Joining / Leaving**	**New hires**[2]	**Turnover**[3]
	31.12.2020	**31.12.2021**	**Change in %**	**2021 Ø**	**31.12.2021 in %**	**2021**	**2021 in %**	**2021 in %**
Austria	80	92	15	86	62	21/10	24	12
Germany/Switzerland[4]	252	247	–2	250	39	15/20	6	8
CEE	105	102	–3	106	72	10/13	9	12
Total	**437**	**441**	**1**	**442**	**51**	**46/43**	**10**	**10**

[1] Headcounts, thereof around 11% part-time staff, incl. 31 employees on unpaid leave; excl. 20 employees of joint venture companies, the calculations for this table are based on the GRI guidelines (GRI 401-1, 402)
[2] New hires: Joiners 2021 / average number of employees in 2021 (Headcount)
[3] Turnover: Leavers 2021 / average number of employees in 2021 (Headcount);
[4] At the end of 2021, 19 local employees were employed at the Basel branch of the 100% CA Immo construction subsidiary omniCon, which was established in 2014

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

SHARE CAPITAL & SHAREHOLDER STRUCTURE

Due to the change-of-control clause of the convertible bond triggered by the Starwood offer, almost all convertible bond holders have exercised their conversion rights. Since the end of April, the conversion rights have been serviced by conditional capital and partly by issuing new shares. Overall, the total number of voting rights increased by 7,688,090 from 98,808,336 to a total of 106,496,426 voting rights. As of the end of April 2021, the share capital increased by a total of €55,892,414.30 from €718,336,602.72 and amounted to €774,229,017.02 at the balance sheet date, divided into four registered shares and 106,496,422 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 58% as at 31 December 2021 (61,654,765 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 held in free float by both institutional and private investors who, with the exception of Petrus Advisers Ltd. (4.57% as of 18 March 2022), each hold a stake below the 4% threshold required by law to be reported. 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)).

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). In addition to the conditional capital available for this purpose, authorised capital of €9,098,448.62 was used to service the conversion rights exercised by holders of convertible bonds, resulting in unused authorised capital of €350,069,852.74 as of 31 December 2021, which can be drawn down until 18 September 2023 at the latest.

In the same Annual General Meeting 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 34th Annual General Meeting held on 6 May 2021, 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 5 November 2023), 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 2021, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total; given the total number of 106,496,426 voting shares issued, this corresponds to approximately 5% 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

The new Management Board contracts concluded in fiscal year 2021 do not contain any commitments assuring payments in the event of premature termination of Management Board duties following a change of control ("change of control" provisions).

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 Code[11)] 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 2021 (January 2021 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 2021 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).

[11)] 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

Russia's invasion of Ukraine has shaken the global economy. The immediate global impact will be higher inflation, lower growth and dislocations in financial markets. The crisis has significantly increased uncertainty and volatility in global equity and financial markets. Major equity indices have performed negatively since the onset of the crisis and debt capital markets have been completely closed for a period of time or are currently very limited in access. The risk of a further escalation of the conflict and additional geopolitical tensions must continue to be monitored.

The CA Immo Group has no properties in Russia or Ukraine in its portfolio and monitors developments on the stock and financial markets. In addition, we counter exchange rate risk by generally pegging rents to the euro and converting liquid funds in foreign currencies into euros on an ongoing basis. This means that the CA Immo Group is not exposed to any significant currency risk.

The war in Ukraine and the resulting sanctions and countermeasures may have an impact on the CA Immo Group's balance sheet. The global consequences of the war could have an impact on the valuation of receivables and the calculation of expected credit losses. Furthermore, increased caution is required in property valuations due to the uncertainty. We are constantly evaluating current developments and possible effects on the company. Despite the uncertainty and possible direct and indirect effects, the CA Immo Group assumes that the Russia-Ukraine war will not affect the company's long-term ability to conduct business successfully.

The emergence of new Covid-19 variants could further prolong the pandemic and cause renewed economic disruption. Global access to vaccines, tests and treatments is essential to reduce the risk of further dangerous Covid-19 variants. This will require increased stockpile production, as well as better supply systems in each country and more equitable international distribution. In addition, supply chain disruptions, energy price volatility, and local wage pressures mean that uncertainty about inflation and the stance of monetary policy is high. If leading economies raise policy rates, risks could emerge for financial stability and emerging and developing economies' capital flows, currencies, and fiscal positions, especially as debt has increased significantly over the past two years.

Portfolio strategy

In addition to the increased focus of the portfolio on Class A office buildings in the core markets of Berlin, Munich, Vienna, Prague and Warsaw, our focus remains on sustainability and intensive tenant retention. The goal with our buildings is to offer the best product, the best support and the greatest possible flexibility for our tenants.

The special synergy of being an experienced developer of green buildings and manager of an international Class A office portfolio in attractive metropolitan areas makes us the ideal partner for blue-chip companies. We want to use and further develop these strengths to expand our good market position in the long term.

The profitable sale of non-strategic properties as part of the strategic capital rotation programme should also lead to a strong EBITDA-effective sales result and a corresponding inflow of liquidity. The 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.

As part of this portfolio optimisation programme, we decided, together with the Supervisory Board of CA Immo, to start evaluating all strategic options for Romania, including a potential sale of the entire portfolio.

Development

In 2021, we were able to add three more of our own project completions to our portfolio as planned with the completion of office projects in Prague and Mainz. CA Immo's largest development project ONE in Frankfurt with a total investment volume of around €430 m is due for completion in the second quarter of 2022. In addition, the Grasblau office project in Berlin (total investment volume of around €70 m) is expected to complete towards the end of the business year.

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.

Key business factors

Key factors that may influence the business development planned for 2022 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

At the beginning of November 2021, the majority shareholder SOF-11 Klimt CAI S.à r.l. requested that an extraordinary general meeting be convened to resolve on special dividends totaling €5.00 per dividend-bearing share to be paid to all shareholders in two tranches. The Extraordinary General Meeting was held virtually on November 30, 2021 and resolved to adopt the proposed resolutions.

After a thorough evaluation, we have decided to propose to the Annual General Meeting to be held on 5 May 2022 to deviate from the previous dividend policy and to carry forward the entire balance sheet profit for the 2021 financial year. The background to this decision is the fact that, as outlined above, dividends totalling €3.50 per share have already been distributed in the 2021 financial year from the net profit reported as at 31 December 2020, and a further dividend of €2.50 per share was distributed to shareholders in the current financial year on March 15, 2022. Especially in view of the current geopolitical environment and the increased uncertainty and volatility in the markets, no additional dividend payment is planned for the 2021 financial year.

Earnings target 2022

Due to numerous dynamic change factors, both in terms of the general conditions for the office sector and from an operational perspective for the current financial year, we plan to specify the FFO I target for the 2022 financial year in the second quarter.

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 UNIVERSE OF CA IMMO

Development risks

Cost risk
Quality risk
Permit risk
Partner risk
Time risk

Investment Property Risks

Vacancy risk
Portfolio risk
Valuation risk
Tenant default risk

Financial risks

Currency risk
Capital market risk
Transaction risk
Liquidity risk
Tax risk

ESG Risks

Climate risk
Governance risk
Social risk

Other risks

Operating risk
Legal risk
IT risk
HR risk
Insurance risk

CA IMMO

URBAN BENCHMARKS.

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 (Code of Ethics, Code of Conduct) is a matter of course. For CA Immo, risk culture implies raising of risk awareness and consciously addressing risks in day-to-day business – both for managers and individual employees.
- Risk strategy: The risk strategy describes how risks arising from CA Immo's business strategy or business model are managed. It sets out the framework for the nature, extent and appropriateness of risks, thus reflecting the company's own definition of a "sensible" approach to risks and describing these risks in terms of their impact on the economic situation of the company and the guidelines for managing risks that are to be derived from this.

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 (for example, on the topic of the Covid-19 pandemic). 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

At CA Immo, the opportunity/risk situation is assessed on a quarterly basis within the framework of reports that are prepared, among other things, on the basis of the results of the risk committee. 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, continuous 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 now also evaluates specific risks once a year, 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 ensuring 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 assessed on a random basis 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.

IMPACT OF THE COVID-19 PANDEMIC

As in the previous fiscal year, 2021 overall was dominated by the effects of the global Covid-19 pandemic. Many countries again imposed general lockdowns and travel restrictions. As a result, market activity in many sectors continued to be severely impacted.

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 still have to close 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 be operated as planned. CA Immo is experiencing the first effects on construction sites, but even after two years of the pandemic, there have been no significant time or financial shortfalls to date. However, 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 will be. Developments remain to be seen.

Volatility and uncertainty on stock markets, corporate profit warnings and negative economic forecasts related to the Covid-19 pandemic underline its potential threat to the European and global economies. The real effects cannot be conclusively assessed given the fast-moving situation, and are subject to constant evaluation. Temporary restrictions on the course of 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. rent payments not received in accordance with the contract, delays in construction activities, effects on real estate markets, development of covenants for financings, consequences for planned real estate transactions). However, CA Immo relies on a wide range of possible measures to minimise the impact on the Group.

INVESTMENT PROPERTY RISKS

Risks linked to the market environment and composition of the portfolio (portfolio risk)
The economic success of CA Immo depends, among other things, on the development of real estate markets of relevance to the Group. Key factors influencing the economic trend include the overall 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. Economic instability and limited 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.

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.

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 2021, values for the property assets as at the reporting date of 31 December 2021 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.

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 60% of the total portfolio. The regional portfolio target distribution envisages a medium-term target for the German share of 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 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 properties in this category as at the balance sheet date were the Skygarden office building in Munich and the ONE project development in Frankfurt. The portfolio as a whole is highly diversified: the top ten Group assets represent less than one-third of the total portfolio. The concentration risk in respect of **single tenants** is also manageable. As at 31 December 2021, the top ten tenants were generating some 22% of rental revenue. With an approximate share of 3% of total rental income, PricewaterhouseCoopers 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 ten years.

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.

All of CA Immo's core cities have already seen a decline in demand for office space and/or an increase in vacancy rates due to the challenging conditions and economic impact of the pandemic. After 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 in some cases decline in office space take-up in 2021 will develop in fiscal year 2022. 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), CA Immo is confronted with different requests for rent reduction. 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. 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 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 its own 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. Among other things, there are pandemic measures ordered by the authorities, such as lockdowns, which have a particularly severe impact on hotel operators and the retail sector.

RISKS ASSOCIATED WITH THE PROJECT DEVELOPMENT FIELD

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 these 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 and quality. 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. 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. Projects currently in progress are generally on time and within approved budgets; they are continually monitored as regards cost risk.

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 (e.g. permit risk) 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 investment properties and 15% development projects under construction, including land bank reserves.

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 (**partner risks**); 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

Capital market, 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 relies on debt 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 debt capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing options depends on a range of factors, not all of which can be influenced by the Group (market interest rates, required collateral 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 ongoing 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 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 force the Group to sell properties 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. In order to maintain the investment grade - long-term issuer rating from Moody's (currently Baa3 with negative outlook) at an acceptable level, adequate equity capitalisation is also required.

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 facility at parent company level (e.g. 3-year RCF of €300 m). 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.

Despite careful 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

Although the current economic environment remains characterised by low interest rates and relatively high valuations of real estate portfolios, 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. Raising equity or debt capital could become considerably more difficult, making expansion plans almost or completely impossible.

Market-related 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 96% 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 was also raised. The financing profile has thus become more robust.

Tax risks

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 may be 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 or the possible accrual of real estate transfer tax in connection with direct or indirect changes of control in German partnerships and corporations, (iii) the fiscal recognition of outsourcing operating equipment or (iv) 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.

Moreover, in connection with past restructuring measures in Eastern Europe, there are uncertainties regarding the possible retroactive application of any subsequent tax changes. However, CA Immo considers the probability of an actual charge to be low.

With regard to the tax deductibility of internal service charges within the Group, CA Immo always attempts to charge an arm's length price for internal services and to adequately record this in order to comply with all legal requirements (transfer pricing documentation). However, it is possible that the tax authorities may take a different view and come to a different conclusion, which could have tax consequences with regard to the deductibility of internal cost transfers undertaken in the past and thus trigger subsequent tax payments.

Currency risks

The possible reintroduction of national **currencies** by individual Eurozone members would also have serious consequences for the European economies and financial markets. Finally, the exit of individual nations from European Monetary Union could lead to a complete collapse of the monetary system.

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.

Transaction risk and risks from sales transactions

The German real estate transaction market was unimpressed by the pandemic and developments in the surrounding countries in 2021 and achieved a record result in terms of investment volume. Due to a seasonal slowdown in the pandemic and government aid for companies, there was no further slump in the Austrian real estate market as seen in the previous year. In Central and Eastern Europe, too, the impact of the pandemic and its economic consequences on the real estate markets in 2021 were already less noticeable than in the previous year. The positive momentum of the last few years before the start of the pandemic was slowly resumed. This is also evident in CA Immo's core cities of Warsaw, Prague, Budapest and Bucharest. However, in the current situation, it cannot be excluded that the **real estate transaction market** will decline again and that transactions will be suspended or even canceled due to problems in pricing and financing.

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.

OTHER 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 high operational risk where their type and scope fail to take account of business volumes or prove vulnerable to cybercrime (**IT and cyber risks**). 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 (**HR risk**).

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. The law applicable in each case, the varying degrees of efficiency of the competent courts and the complexity of the matters in dispute may in some cases result in a considerable length of proceedings or other delays. CA Immo is confident that 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 of January 2022 against the defendants, ex-Federal Minister of Finance Grasser et al., which are relevant for these civil proceedings, essentially confirmed that illegal and biased actions were taken to the detriment of CA Immo in connection with the BUWOG privatization proceedings. An assessment of the impact of the criminal proceedings on the pending civil proceedings for damages will only be possible once all appeal proceedings have been concluded with a final criminal verdict. In 2020, a provision of approximately €25 m has been recognised for court fees in connection with the damages proceedings; the payment of the court fees was made following a ruling of the Federal Administrative Court in 2021. CA Immo has filed an appeal against this ruling with the Constitutional Court.

It is not possible to predict changes to **legal regulations**, case law and administrative practice, or the impact of these on business results and operations; such changes may in particular 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.

ESG RISKS

Current developments on the capital market (e.g. sustainable finance) and new legal requirements are creating pressure for companies to report more prominently than before on ESG risks resulting from their business activities. Environmental, social and governance aspects have also become increasingly important across the real estate sector. Buildings are seen as one of the key factors for climate protection due to their high energy consumption, which is why attention is currently still primarily focused on environmental issues, however, the social and governance factors are also becoming increasingly relevant.

Environmental risks

Energy use in buildings for lighting, heating or cooling leads to direct or indirect CO_2 emissions. Building materials contain carbon that is produced during their extraction, manufacture, transportation and processing. Since carbon is contained in almost every phase of the construction and operation of buildings, companies should start implementing appropriate **real estate decarbonisation programmes** in time to contribute to the ambitious goal of climate neutrality in Europe by 2050.

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).

For CA Immo, improving energy efficiency in existing buildings is a key factor in achieving climate neutrality. Since carbon efficiency results depend significantly on decisions made in the planning phase, we pay attention to future environmental impacts at a very early stage in our project developments. Where possible, we focus on increasing the proportion of bio-based materials, paying attention to the CO_2 footprint of conventional materials and on-site energy generation (solar panels, heat pumps, heat grids, etc.). Our procurement process also ensures that the high green standards are met in accordance with the certification levels set for the building in question. We require our construction service providers to comply with the sustainability standards according to DGNB Gold or LEED Gold (e.g. material declaration, worker protection).

Detailed information on this – in particular on climate risks and opportunities including risk assessment – can be found in the in the Group Management Report ("ESG Report" section).

Other 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.

Social risks

In the social sector, our strategic focus is on the following topics in particular: Compliance with human rights, health & safety, employment & working conditions, and social aspects of sustainable urban development. In the case of construction services, for example, CA Immo requires and monitors its contractors for compliance with statutory regulations on occupational health and safety, workplace and working time regulations, and collective bargaining agreements.

Information on the key social risks faced by CA Immo and 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 in the Group Management Report ("ESG Report" section).

Governance risks

§ Best practice in corporate governance represents an opportunity for CA Immo to increase its value in the long term. Conversely, failure to comply with governance and compliance standards entails high risks, ranging from penalties and fines to loss of reputation. These include not only compliance with legal requirements, governance standards and (internal) guidelines, but also a transparent approach to conflicts of interest, granting of appropriate remuneration, promotion of open communication with all stakeholders, and adherence to our ethical principles and corporate values. CA Immo clearly opposes any form of unequal treatment, human rights violations, organized crime (e.g. fraud, extortion, bribery and corruption), money laundering or terrorism financing. In contrast, we want to promote integrity and diversity at all levels.

The risk of corruption is addressed, for example, 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)). 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.

Already as part of the tender process, we require our contractors and suppliers (vendors) to accept and comply with our Code of Ethics and Code of Conduct as well as the governance, social and environmental standards we have defined. CA Immo screens its business partners – including construction companies in particular – as part of the tender process not only in terms of their professional qualifications and economic situation, but also with regard to social aspects. As part of a third-party compliance check, questionnaires and the use of company and risk databases for undesirable media, sanctions, watchlists, etc. are also used to check compliance with governance, social and environmental standards and taken into account in tendering processes. In the governance field, we pay particular attention to compliance with the law, our internal requirements for contractual partners, for example, with regard to business ethics, ensuring compliance, and measures to combat corruption, money laundering, and terrorism financing.

Details of our key standards and related control mechanisms are available at Our values (caimmo.com).

Vienna, 23.3.2022

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer)	Dr. Andreas Schillhofer (Chief Financial Officer)	Keegan Viscius (Chief Investment Officer)

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, 23.3.2022

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer)	Dr. Andreas Schillhofer (Chief Financial Officer)	Keegan Viscius (Chief Investment Officer)

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, 2021, 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, 2021 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:

Titel
Valuation of investments in and loans to affiliated companies

Risk
The financial statements of CA Immobilien Anlagen Aktiengesellschaft as of December 31, 2021 show material investments in affiliated companies (TEUR 3,219,268) as well as material loans to affiliated companies (TEUR 292,666). Furthermore, the financial statements show impairments of investments in and loans to affiliated companies of TEUR 34,488 and in-come from revaluation of such of TEUR 1,675.

All investments in and loans to affiliated companies are tested for impair-ment. 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 esti-mates 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 assump-tions and estimates can have a material impact on the valuation of invest-ments 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, 2021.

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 design and effectiveness of relevant key controls in the property valuation process based on a sample
- 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
- Assessment of the adequacy and completeness of the disclosures made in the financial statements by the management

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 proce-dures 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 in-adequate, 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 May 6, 2021. We were appointed by the Supervisory Board on September 14, 2021. 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 23, 2022

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Alexander Wlasto mp

Wirtschaftsprüfer / Certified Public Accountant

Mag. (FH) Isabelle Vollmer mp

Wirtschaftsprüferin / 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 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 ap-plicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

CONTACT

CA Immobilien Anlagen AG
Mechelgasse 1
1030 Wien
Tel +43 1 532 59 07-0
Fax +43 1 532 59 07-510
office@caimmo.com
www.caimmo.com

Investor Relations
Free info hotline in Austria: 0800 01 01 50
Christoph Thurnberger
Claudia Höbart
Tel. +43 1 532 59 07-0
ir@caimmo.com

Corporate Communications
Tel. +43 1 532 59 07-0
presse@caimmo.com

DISCLAIMER

IMPRINT

Published by: CA Immobilien Anlagen AG
1030 Vienna, Mechelgasse 1
Text: Susanne Steinböck, Christoph Thurnberger
Claudia Höbart, Julian Wöhrle, Jasmin Lettner
Layout: Susanne Steinböck, Jasmin Lettner
Graphic design and setting: WIEN NORD Werbeagentur
Photos: CA Immo, Marcin Bambit, B+E Fotografie, Andreas Hofer, Christoph Knoch, Studio Horák, Manfred Zentsch
Visualizations: bünck + fehse, Dorte Mandrup, Nightnurse Images AG, StudioA

Production: 08/16
This report has been produced inhouse with firesys

We ask for your understanding that gender-conscious notation in the texts of this Annual Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

The Annual Report is printed on Impact Climate Paper CO2-neutral paper made from 100% recycled materials.