CA IMMO

FINANCIAL STATEMENTS
AS AT 31.12.2022

22

CONTENT

FINANCIAL STATEMENTS AND MANAGEMENT REPORT

BALANCE SHEET AS AT 31.12.2022

Assets

	31.12.2022	31.12.2021
	€	€1,000
A. Fixed assets		
I. Intangible fixed assets		
Software	315,289.06	1,211
	315,289.06	**1,211**
II. Tangible fixed assets		
1. Land and buildings	179,466,441.43	219,074
of which land value: €26,963,817.99; 31.12.2021: €34,871 K		
2. Other assets, office furniture and equipment	721,659.67	962
3. Prepayments made and construction in progress	50,620.00	0
	180,238,721.10	**220,036**
III. Financial assets		
1. Investments in affiliated companies	3,175,900,438.91	3,219,269
2. Loans to affiliated companies	178,758,095.99	292,666
3. Investments in associated companies	245,852.50	272
	3,354,904,387.40	**3,512,207**
	3,535,458,397.56	**3,733,454**
B. Current assets		
I. Receivables		
1. Trade receivables	854,479.80	731
2. Receivables from affiliated companies	3,279,164.19	52,558
3. Other receivables	192,355.46	19
	4,325,999.45	**53,308**
II. Cash and cash equivalents	**292,500,099.08**	**286,216**
	296,826,098.53	**339,524**
C. Deferred charges	**6,487,393.98**	**7,845**
D. Deferred tax asset	**1,228,828.86**	**665**
	3,840,000,718.93	**4,081,488**

Liabilities and shareholders' equity

	31.12.2022	31.12.2021
	€	€1,000
A. Shareholders' equity		
I. Share capital		
Share capital drawn	774,229,017.02	774,229
Treasury shares	– 49,875,115.27	– 42,021
	724,353,901.75	**732,208**
II. Tied capital reserves	998,958,619.09	998,959
III. Tied reserves for treasury shares	49,875,115.27	42,021
IV. Net profit	439,079,979.39	440,139
of which profit carried forward: €440,138,865.80; 31.12.2021: €293,378 K		
	2,212,267,615.50	**2,213,327**
B. Grants from public funds	**344,217.76**	**377**
C. Provisions		
1. Provision for severance payment	466,655.00	396
2. Tax provisions	5,000.00	464
3. Other provisions	12,868,630.51	17,782
	13,340,285.51	**18,642**
D. Liabilities		
1. Bonds	1,291,621,000.00	1,434,032
thereof with a residual term of up to one year: €116,621,000.00; 31.12.2021: €142,411 K		
thereof with a residual term of more than one year: €1,175,000,000.00; 31.12.2021: €1,291,621 K		
2. Liabilities to banks	153,788,270.52	100,833
thereof with a residual term of up to one year: €3,274,657.82; 31.12.2021: €1,225 K		
thereof with a residual term of more than one year: €150,513,612.70; 31.12.2021: €99,608 K		
3. Trade payables	627,150.74	818
thereof with a residual term of up to one year: €591,440.72; 31.12.2021: €757 K		
thereof with a residual term of more than one year: €35,710.02; 31.12.2021: €61 K		
4. Payables to affiliated companies	145,236,888.73	38,222
thereof with a residual term of up to one year: €145,236,888.73; 31.12.2021: €38,222 K		
5. Other liabilities	18,670,991.24	269,470
of which from taxes: €1,001,826.13 €; 31.12.2021: €329 K		
of which social security related: €156,075.78; 31.12.2021: €163 K		
thereof with a residual term of up to one year: €15,176,962.59; 31.12.2021: €269,470 K		
thereof with a residual term of more than one year: €3,494,028.65 31.12.2021: €0 K		
	1,609,944,301.23	**1,843,375**
thereof with a residual term of up to one year: €280,900,949.86; 31.12.2021 €452,085 K		
thereof with a residual term of more than one year: €1,329,043,351.37; 31.12.2021: €1,391,290 K		
E. Deferred income	**4,104,298.93**	**5,767**
	3,840,000,718.93	**4,081,488**

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2022

	2022		2021	
	€	€	€1,000	€1,000
1. Gross revenues		**33,282,674.44**		**30,739**
2. Other operating income				
a) Income from the disposal of fixed assets except of financial assets	10,567,731.71		14,684	
b) Income from the reversal of provisions	357,143.47		194	
c) Other income	1,411,191.94	**12,336,067.12**	644	**15,522**
3. Staff expense				
a) Salaries	– 12,288,772.75		– 13,503	
b) Social expenses	– 2,684,437.99	**– 14,973,210.74**	– 2,610	**– 16,113**
thereof expenses in connection with pensions: €233,786.99; 2021: €254 K				
thereof expenses for severance payments and payments into staff welfare funds: €259,416.97; 2021: €364 K				
thereof payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions: €1,998,241.87; 2021: €1,769 K				
4. Depreciation on intangible fixed assets and tangible fixed assets		**– 7,221,890.11**		**– 8,140**
5. Other operating expenses				
a) Taxes	– 704,721.36		– 861	
b) Other expenses	– 16,040,934.07	**– 16,745,655.43**	– 19,390	**– 20,251**
6. Subtotal from lines 1 to 5 (operating result)		**6,677,985.28**		**1,757**
7. Income from investments		**28,183,598.52**		**179,486**
of which from affiliated companies: €28,100,947.35; 2021: €179,337 K				
8. Income from loans from financial assets		**8,420,084.26**		**14,109**
of which from affiliated companies: €8,420,084.26; 2021: €14,109 K				
9. Other interest and similar income		**3,816,179.58**		**3,315**
of which from affiliated companies: €0.00; 2021: €12 K				
10. Income from the disposal and revaluation of financial assets		**15,065,326.35**		**11,366**
11. Expenses for financial assets, thereof		**– 5,764,938.17**		**– 34,496**
a) Impairment: €5,760,758,97; 2021: €34,495 K				
b) Expenses from affiliated companies: €5,764,676.05; 2021: €34,490 K				
12. Interest and similar expenses		**– 26,853,518.93**		**– 31,460**
of which relating to affiliated companies: €301,731.95; 2021: €74 K				
13. Subtotal from lines 7 to 12 (financial result)		**22,866,731.61**		**142,320**
14. Result before taxes		**29,544,716.89**		**144,077**
15. Taxes on income		**1,843,306.78**		**2,684**
thereof income deferred taxes: €564,279.35; 2021: €826 K				
16. Net profit for the year		**31,388,023.67**		**146,761**
17. Allocation to reserve from retained earnings		**– 32,446,910.08**		**0**
18. Profit carried forward from the previous year		**440,138,865.80**		**293,378**
19. Net profit		**439,079,979.39**		**440,139**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2022

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.

1. Makroeconomic environment

Global inflationary pressures, the war in Ukraine and the resurgence of Covid-19 in China stressed the global economy in 2022. The market conditions prevailing over the past few quarters, characterised in particular by geopolitical uncertainties, weakening economic momentum and sharply rising interest rates, have significantly changed the environment for the real estate sector. Immediate global effects include high energy prices, rapidly rising construction costs and significant interest rate increases. These factors are leading to increased volatility on international financial markets.

Impact on CA Immo AG and its subsidiaries

The current situation has no impact on the accounting policies applied

CA Immo AG and its subsidiaries are affected by the developments described above by rising energy and financing costs as well as rising prices in the construction industry. Furthermore, the changed economic environment and fears of recession are having an impact on property valuations, in terms of increased real estate yields, transaction markets as well as the valuation of the company on the equity market.

All of the core markets of CA Immo AG and its subsidiaries experienced a challenging environment for business operations, which is characterised in particular by significantly weakened transaction activity. If letting activities also weaken significantly, longer marketing and vacancy times for unlet space can also be expected in the future.

In view of the recent high level of utilization in the construction industry, there are risks for CA Immo AG and its subsidiaries in project developments in terms of both availability and construction costs. This means that rising construction costs, supply and timing problems, fluctuating financing rates, uncertain marketing periods and a lack of current comparative values are to be expected.

The majority of the rents are either linked to an index or fixed graduated rents have been agreed, which allows CA Immo AG and its subsidiaries to mitigate the risk of inflation.

The effects of geopolitical developments and developments on the stock and financial markets on the future financial position, financial performance and cash flows of CA Immo AG and its subsidiaries cannot be conclusively assessed and are evaluated on an ongoing basis.

The Covid-19 pandemic had no significant impact on the financial position, financial performance and cash flows of CA Immo AG or its subsidiaries as at 31.12.2022.

CA Immo AG or its subsidiaries do not have any properties in Russia or Ukraine in their portfolio.

2. 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.

3. 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. Interest receivables are recognised based on of the agreed interest rates.

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).

4. 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.

Cloud software solutions do not fulfil the criteria of a clearly identifiable asset due to the lack of control over the software. Programming costs incurred by the software developer are deferred and recognised as an expense over the term of the agreement.

Rent prepayments and investment allowances from tenants are shown under deferred income and will be released over the minimum lease term.

5. Deferred taxes

Deferred taxes are recognised in accordance with Art 189 par 9 and 10 in Austrian Commercial Code using the balance sheet approach and without discounting on the basis of the corporate tax rate according to the tax reform for the realization in 2023 and from 2024 of 24% or 23% respectively (31.12.2021: 25%). Deferred taxes with a tax rate of 3% were also applied to deferred taxes of tax members, which themselves account for only 21% of group tax (instead of 23%/24% corporate income tax; 31.12.2021: 25%). 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 recognised. The tax reform adopted in Austria in 2022 resulted in a reduction in deferred tax assets as of 1.1.2022 in the amount of €131 K.

6. Grants from public funds

The grants relate entirely to buildings and are released over the remaining useful life of the building.

7. Provisions

Provisions for severance payments amount to 630% (31.12.2021: 569%) 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 3.2% (31.12.2021: -0.04%) and future salary increases (including inflation rate) of 7.10% (31.12.2021: 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.

8. Liabilities

Liabilities are stated at the amount to be paid.

9. 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 by additional group members or reduced by members leaving the group. The group is headed by CA Immo AG. In business year 2022 the tax group comprised 11 Austrian group companies (2021: 12), in addition to the group head entity. In 2022, one group member was merged retroactively to 31.12.2021.

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% (in 2023: 21%), respectively up to a tax rate of 25% (in 2023: up to 24%) 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 realised, 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 31.12.2022 the possible obligations against group companies resulting from a possible termination of the group, were estimated at €20,646 K with a corporate income tax rate of 24% (31.12.2021: €22,372 K with a corporate income tax rate of 25%).

Tax expenses in the profit and loss are reduced by the tax compensation of tax group members.

10. 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

11. 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 or assets under construction mainly relate to investments in Erdberger Lände. In 2022 one investment property was sold. As at the balance sheet date, the tangible assets comprise 6 properties (31.12.2021: 7 properties). The acquisition/production costs of the buildings include capitalised interest in the amount of €133 K, which will be depreciated over a period of 40 years following the put into function in 2018.

In 2022 there was no unscheduled depreciation on tangible assets (2021: €0 K) and no reversals of impairment losses (2021: €0 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 €5,761 K (2021: €34,495 K) and reversals of impairment losses in the amount of €1,330 K (2021: €1,675 K) were recognised in 2022.

Book value of investments in affiliated companies amounts to €3,175,900 K (31.12.2021: €3,219,269 K). Current additions are the result of various shareholders' contributions. The disposals mainly relate on repayment of capital in the amount of €36,704 K and the sale and liquidation of one Hungarian company each.

Loans to affiliated companies are made up as follows:

€1,000	31.12.2022	31.12.2021
4P - Immo. Praha s.r.o., Prague	34,589	36,589
RCP Amazon, s.r.o., Prague	28,788	31,388
Vaci 76 Kft, Budapest	25,426	27,526
EUROPOLIS City Gate Ingatlanberuházási Kft, Budapest	22,700	22,700
Duna Irodaház Kft., Budapest	19,439	19,439
INTERMED CONSULTING & MANAGEMENT S.R.L., Bucharest	0	23,200
EUROPOLIS ORHIDEEA B.C. S.R.L., Bucharest	0	22,424
CA Immo Invest GmbH, Frankfurt	0	21,300
Other up to €17 m	47,816	88,100
	178,758	**292,666**

Loans to affiliated companies to the value of €74,777 K (31.12.2021: €41,708 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 €854 K (31.12.2021: €731 K) include outstanding rent and reinvoiced operating costs.

Receivables from affiliated companies are made up as follows:

€1,000	31.12.2022	31.12.2021
Trade receivable (current reinvoicings to affiliated companies)	1,385	218
Receivables from tax compensation	1,894	2,378
Receivables from capital repayment	0	49,567
Receivables from interest	0	395
	3,279	**52,558**

Other receivables amounting to €192 K (31.12.2021: €19 K) mainly include receivables from income tax and accrued interest from fixed-term deposits (31.12.2021: reinvoiced expenses).

c) Deferred charges

€1,000	31.12.2022	31.12.2021
Disagio bonds	5,559	7,376
Other	929	469
	6,487	**7,845**

d) Deferred tax assets

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	31.12.2022	31.12.2021
Land and buildings	– 3,990	– 8,935
Partnership	14	240
Ancillary bond expenses	4,069	5,343
Other loans ancillary expenses	1,188	1,237
Provisions for severance payments	47	43
Deferred income	4,014	4,730
Base for tax rate 23 % / 24 % (31.12.2021: 25 %)	**5,342**	**2,658**
Out of which resulted deferred tax assets	1,229	665
less: offsetting with tax losses carried forward	0	0
As at 31.12.	**1,229**	**665**

Movements in deferred taxes are presented below:

€1,000	2022	2021
As at 1.1. deferred tax assets / provision for deferred taxes	665	– 161
Changes affecting profit and loss for deferred taxes	564	826
As at 31.12. deferred tax assets	**1,229**	**665**

e) Shareholders' equity

Share capital is equivalent to the fully paid in nominal capital of €774,229,017.02 (31.12.2021: €774,229,017.02). It is divided into 106,496,422 (31.12.2021: 106,496,422) bearer shares and four registered shares of no par value. Out of nominal capital 6,860,401 treasury shares (31.12.2021: 5,780,037), each amounting to €7.27, thus totaling €49,875,115.27 (31.12.2021: €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 two members elected by the Annual General Meeting as well as two members elected by the registered shares and two delegated by the works council.

On 3.5.2022 the Management Board resolved a share buyback programme in accordance with Article 65 para 1 no. 8 of the Austrian Corporation Act (AktG) on the basis of the authorizing resolution of the 34th Annual General Meeting on 6.5.2021. On 19.10.2022 the share buyback programme was completed as planned. 1,000,000 bearer shares were acquired, which corresponds to a proportion of the share capital of approximately 0.94%. The highest price paid per share acquired was €32.10, the lowest price paid per share acquired was €26.25. The weighted average price paid per share acquired was €30.33 and the total value of the shares acquired was €30,327,788.47. After the completion of the share buyback programme CA Immo AG held 6,780,037 treasury shares, which corresponds to a share of around 6.4% of the total number of issued shares with voting rights.

On 19.12.2022 the Management Board resolved another share buyback programme in accordance with Article 65 para 1 no. 8 of the Austrian Corporation Act (AktG) on the basis of the authorizing resolution of the 34th Annual General

Meeting on 6.5.2021. The volume totals up to two million shares (representing approx. 1.9% of the current share capital of the company). The share buyback programme foresees share purchases via the stock exchange. The terms and conditions of such purchases follow the Authorisation. In particular, the lowest amount payable on repurchase must not be less than 30% and must not exceed 10% of the average unweighted price at the close of the market on the ten trading days preceding the repurchase. The share buyback programme is expected to start on 23.12.2022 at the earliest and will end no later than 3.11.2023. Until 31.12.2022, 80,364 shares had been acquired in the current programme. The highest consideration paid per share acquired was €28.10, the lowest consideration paid per share acquired was €25.65. The weighted average consideration paid per share acquired was €26.37 and the total value of shares acquired was €2,119,121.61. As at 31.12.2022 CA Immo AG therefore held 6,860,401 treasury shares, which corresponds to a share of approximately 6.4% of the total number of issued voting shares.

As at 31.12.2022, CA Immobilien Anlagen AG held 6,860,401 treasury shares in total (31.12.2021: 5,780,037 treasury shares). Given the total number of voting shares issued 106,496,426 (31.12.2021: 106,496,426), this is equivalent to around 6.4% (31.12.2021: 5.4%) of the voting shares.

The total net profit as at 31.12.2022 amounting to €439,080 K (31.12.2021: €440,139 K) is subject to a distribution restriction in the amount of the deferred tax asset of €1,229 K (31.12.2021: €665 K).

As at 31.12.2022, there exists unused authority capital in the amount of €350,069,852.74, which can be utilised 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	**31.12.2022**	**31.12.2021**
Other additional expenses for treasury shares	– 78,256	– 53,663
Nominal treasury shares in share capital	49,875	42,021
Reserves for other acquisition costs for treasury shares	78,256	53,663
Tied revenue reserves for treasury shares	**49,875**	**42,021**

The requirement of the legal reserve up to 10% of the share capital is fulfilled.

f) Grants from public funds

The grants were given in previous years and refer to the construction of buildings having a net book value amounting to €344 K (31.12.2021: €355 K). Due to the sale of a property in 2022, a grant in the amount of €22 K was reversed and shown as income.

g) Provisions

Provisions for severance payment amount to €467 K (31.12.2021: €396 K) and include severance payment entitlements of company employees and Management Board members.

Tax provisions in the amount of €5 K (31.12.2021: €464 K) relate to provisions for corporate tax from previous years.

Other provisions are made up as follows:

€1,000	31.12.2022	31.12.2021
Premiums	8,435	8,774
Staff (vacation and overtime)	1,226	1,059
Construction services	1,069	723
Legal, auditing and consultancy fees	795	1,262
Borrowing costs	420	1,354
Derivative transactions	0	3,547
Other	924	1,063
	12,869	**17,782**

Long Term Incentive (LTI) Programme:

In order to promote a high level of identification with the company’s objectives, all selected executives 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.

The long term incentive programme (LTI) 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 AG. 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 AG 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% flows in long term incentive (LTI) model and are paid in cash after a certain holding period. This (LTI) performance-related remuneration is converted into phantom shares on the basis of the average rate for the last quarter of the business year. For the LTI tranches started until 2021, 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). The conversion of the phantom shares is made at the average rate for the last quarter of the year preceding the payment year. The last tranche of this LTI programme is in place until 2024 (payment in 2025). Starting with 2022 the LTI programme is for the Management Board was aligned with that of the selected executives.

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

31.12.2022 €1,000	**Maturity up to 1 year**	**Maturity 1 - 5 years**	**Maturity more than 5 years**	**Total**
Bonds	116,621	1,175,000	0	1,291,621
Liabilities to banks	3,275	77,613	72,900	153,788
Trade payables	591	36	0	627
Payables to affiliated companies	145,237	0	0	145,237
Other liabilities	15,177	3,169	325	18,671
Total	**280,901**	**1,255,818**	**73,225**	**1,609,944**

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**

In bonds, the maturities are accounted for based on the repayment date. The bonds item for 31.12.2022 comprises the following liabilities:

	Nominal value **€1,000**	**Nominal interest rate**	**Issue**	**Repayment**
Bond 2016-2023	116,621	2.75%	17.02.2016	17.02.2023
Bond 2017-2024	175,000	1.88%	22.02.2017	22.02.2024
Bond 2020-2025	350,000	1.00%	27.10.2020	27.10.2025
Bond 2018-2026	150,000	1.88%	26.09.2018	26.03.2026
Bond 2020-2027	500,000	0.88%	05.02.2020	05.02.2027
	1,291,621			

Liabilities to banks comprise investment loans amounting to €80,790 K (31.12.2021: €100,803 K), which are secured by mortgages in the land register and pledge of bank credits, pledges of property insurance policies, blank bills of exchange including bill of exchange dedication as well as assignments of rental receivables and claims from derivative transactions, and a promissory loan in the amount of €72,000 K placed at various banks in May 2022.

Trade payables item essentially comprises liabilities for consulting, maintenance and fitout of offices, software changes and security deposits as well as general administrative costs.

The liabilities shown under payables to affiliated companies relate to an intercompany loan to an affiliated company amounting to €145,000 K (31.12.2021: €38,000 K capital contributions not yet paid) and trade payables amounting to €237 K (31.12.2021: €222 K).

Other liabilities are mainly made up of a promissory loan to insurance companies in the amount of €3,000 K (31.12.2021: €0 K) and accrued interest for bonds amounting to €12,335 K (31.12.2021: €15,747 K). As at 31.12.2021, the 2nd tranche of the special dividend resolved on 30.11.2021 in the amount of €251,791 K was included, which was paid in March 2022.

i) Deferred income

€1,000	31.12.2022	31.12.2021
Investment grants from tenants	3,640	4,730
Rent prepayments received	464	1,037
	4,104	**5,768**

j) Contingent liabilities

	Maximum amount as at 31.12.2022 1,000		Outstanding on reporting date 31.12.2022 €1,000	Outstanding on reporting date 31.12.2021 €1,000
Guarantees and letters of comfort in connection with sales made by affiliated companies	465,002	€	465,002	115,546
Guarantees for loans granted to affiliated companies	20,148	€	20,148	15,345
Guarantees in connection with sales made by other group companies	15,699	€	15,699	19,699
Guarantees for loans granted to other group companies	0	€	0	700
	500,849		**500,849**	**151,290**

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

For claims of third parties against sold project companies, CA Immo AG is liable on the basis of subsequent liabilities in the amount of 40 % of any claim determined by a court (by way of a legally binding judgement).

Out of reported cash and cash equivalence, 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.

In the first quarter of 2022, CA Immo AG was served with an action for annulment directed against the resolutions passed at the Extraordinary General Meeting of 30.11.2021 regarding the distribution of a basic additional dividend and a super dividend. In addition, another action for annulment was filed in the second quarter of 2022, which essentially seeks the annulment of the resolutions of the ordinary 35th Annual General Meeting of 5.5.2022 with regard to the discharge of the Management Board and the Supervisory Board

In 2020, CA Immo AG 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 2.10.2021 with regard to the asserted exemption from court fees, CA Immo AG had to pay around €25 M court fees in 2021 for this action. CA Immo AG filed a constitutional complaint (without suspensive effect) against this judgement with the Constitutional Court.

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 €740 K (31.12.2021: €825 K) for the subsequent business year and €2,780 K (31.12.2021: €3,892 K) for the subsequent five business years.

Out of this, €92 K (31.12.2021: €740 K) is attributable to affiliated companies for the subsequent business year and €92 K (31.12.2021: €3,693 K) for the subsequent five business years. The above mentioned amounts refer to the Rennweg office/Mechelgasse 1. The rental agreement was concluded until 31.12.2026, the building was sold to an unrelated company in mid-February 2023.

l) Details of derivative financial instruments - swaps

€ 1,000 Start	End	Nominal value 31.12.2022	Fixed interest rate as at 31.12.2022	Interest reference rate	Fair value 31.12.2022	thereof considered as provisions 31.12.2022
06/2017	06/2027	10.428	0,79%	3M-EURIBOR	967	0
06/2017	06/2027	25.866	0,76%	3M-EURIBOR	2.355	0
08/2017	12/2029	28.796	1,12%	3M-EURIBOR	3.074	0
		65.090			**6.396**	**0**

€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**

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.

12. Explanatory notes on the income statement

Gross revenues

By type

€1,000	2022	2021
Rental income from real estate	14,694	16,877
Operating costs passed on to tenants	4,226	5,335
Income from management services	13,615	7,825
Other revenues	748	702
	33,283	**30,739**

In 2022 reductions in rental income in Austria due to Covid-19 amounted to €31 K (2021: €139 K).

By region

€1,000	2022	2021
Austria	24,036	24,091
Germany	3,559	186
Eastern Europe	5,688	6,462
	33,283	**30,739**

Other operating income

The income from the disposal of fixed assets relates to the sale of one property in both 2022 and of 2021.

The revenues from the release of provisions mainly refers to provisions for Annual General Meeting, legal fees and other consulting expenses as in the previous year.

Other operating income of €1,411 K (2021: €644 K) results from costs recharged, insurance proceeds and the release of the grants from public funds.

Staff expense

This item, totalling €14,973 K (2021: €16,113 K), includes expenses for the 76 staff members (2021: 72) employed by the company on average.

The expenses for retirement benefits are as follows:

€1,000	2022	2021
Pension fund contributions for Management Board members and senior executives	160	180
Pension fund contributions for other employees	74	74
	234	**254**

Expenses for severance payments dependent on remuneration and compulsory contributions are made up as follows:

€1,000	2022	2021
Change in provision for severance payments to Management Board members and senior executives	64	– 102
Change in provision for severance payments to other employees	7	– 8
Severance payments to Management Board members	0	307
Pension fund contributions for Management Board members and senior executives	124	92
Pension fund contributions for other employees	64	75
	259	**364**

Depreciation

€1,000	2022	2021
Depreciation of intangible fixed assets	342	309
Scheduled depreciation of buildings	6,623	7,534
Depreciation of other assets, office furniture and equipment	250	289
Low-value assets	7	8
	7,222	**8,140**

Other operating expenses

Taxes, which do to fall under taxes on income are made up as follows:

€1,000	2022	2021
real estate charges	168	208
non - deductible input VAT	537	653
	705	**861**

Other expenses are made up as follows:

€1,000	2022	2021
Expenses directly related to properties		
Operating costs passed on to tenants	4,061	5,132
Own operating costs (vacancy costs)	1,184	717
Maintenance costs	547	955
Administration and agency fees	150	47
Other	50	162
Subtotal	**5,992**	**7,013**
General administrative costs		
Legal, auditing and consultancy fees	4,333	7,977
Costs charged through	1,094	405
Office rent including operating costs	758	748
Advertising and representation expenses	730	520
Administrative and management costs	717	725
Other fees and bank charges	384	255
Licence costs	338	301
Insurance general	331	244
Supervisory Board remuneration	257	308
Other	1,107	894
Subtotal	**10,049**	**12,377**
Total other operating expenses	**16,041**	**19,390**

Income from investments
This item comprises dividends paid from companies in Austria in amount of €28,099 K (2021: €53,623 K) as well as companies in Germany and Central Eastern Europe in amount of €84 K (2021: €125,863 K).

Income from loans from financial assets
This item comprises interest income from loans.

Other interest and similar income

€1,000	2022	2021
Revaluation of derivative transactions	3,547	2,934
Interest income from derivative transactions	197	0
Other	72	381
	3,816	**3,315**

Income from the disposal and revaluation of financial assets and short-term securities

€1,000	2022	2021
Release of impairment due to increase in value	1,330	1,675
Sale of financial assets	13,735	9,316
Repayment of loans above book value	0	375
	15,065	**11,366**

Expenses for financial assets and interest receivables in current assets

€1,000	2022	2021
Depreciation of financial assets	5,761	34,495
Loss from disposal	4	1
	5,765	**34,496**
of which due to dividends payments	0	34,174

Interest and similar expenses

€1,000	2022	2021
Interest costs for bonds	19,498	24,691
Interest and costs for other loans	3,459	1,222
Interest for bank liabilities for the financing of real estate assets	1,905	2,161
Expenses for derivative transactions	822	1,074
Negative interest	817	2,238
Interest costs in respect of affiliated companies	302	74
Other	51	0
	26,854	**31,460**

Taxes on income

€1,000	2022	2021
Tax compensation tax group members	1,942	2,340
Corporate income tax	– 663	– 482
Deferred taxes	564	826
Tax revenues	**1,843**	**2,684**

OTHER INFORMATION

13. 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.

14. 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)

Total salary payments (excluding salary-based deductions) to Management Board members in office in the respective reporting year amounted in 2022 to €2,927 K (2021: €3,464 K). The salary-based deductions totalled €214 K (2021: €198 K). Total fixed salary components amounted to €1,606 K (2021: €1,581 K) and were made up of the base salary of €1,460 K (2021: €1,410 K), other benefits (in particular remuneration in kind for cars, expense allowances and travel expenses) of €54 K (2021: €48 K) and contributions to pension funds of €92 K (2021: €123 K). Variable compensation components amounted to €1,321 K (2021 restated: €1,576 K). Special payments amounted to €0 K (2021: €307 K).

As at the balance sheet date 31.12.2022, severance payment provisions for Management Board members totalled €375 K (31.12.2021: €311 K).

Towards former members of the Management Board (i.e. not in office in the reporting year) there were payment obligations totalling €907 K, consisting of variable remuneration components of €904 K and other benefits of €3 K. As at 31.12.2022 provisions from variable remuneration components from current LTI tranches still exist for former members of the Management Board and these amount to €937 K; provisions were booked accordingly in the previous year.

No loans or advances were granted to members of the Management Board.

As at 31.12.2022, based on assumption of 100% target achievement, provisions amounting to €3,689 K (31.12.2021: €5,329 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, Second Deputy Chairman
Dr. Monika Wildner, Deputy Chairwoman (until 31.10.2022)
Univ.-Prof. MMag. Dr. Klaus Hirschler (until 31.10.2022)
Michael Stanton (until 31.10.2022)

Delegated by registered share:
Sarah Broughton
David Smith, First Deputy Chairman (since 1.11.2022)
Laura Rubin (until 31.10.2022)

Delegated by works council:
Georg Edinger, BA, REAM (IREBS)
Sebastian Obermair
Nicole Kubista (until 31.10.2022)
Walter Sonnleitner (until 31.10.2022)

As at the balance sheet date, the Supervisory Board comprised two capital representatives elected by the Annual General Meeting, two capital representatives appointed by means of registered shares and two employee representatives.

In business year 2022 (for 2021), total remuneration of €309 K (2021: €328 K) was paid out (including attendance fees of €133 K; 2021: €113 K). Moreover, expenditure of €86 K was reported in connection with the Supervisory Board in business year 2022 (2021: €202 K). Of this, cash outlays for travel expenses accounted for approximately €40 K (2021: €13 K) and other expenditure (including training costs and license costs) accounted for €34 K (2021: €33 K). Legal and other consultancy services accounted for €12 K (2021: €156 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 €219 K for business year 2022 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 Capital Group, respectively. The remuneration was taken into account in the financial statements as at 31.12.2022.

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, David Smith and Jeffrey G. Dishner perform comprehensive management functions within Starwood Capital Group.

Starwood Capital Group (Starwood)

Since 27.9.2018, SOF-11 Klimt CAI S.à r.l. is the company's largest single shareholder.

In the business year 2022, Starwood Capital Group (via its vehicle SOF- 11 Klimt CAI S.à r.l.) increased its stake in CA Immo AG from around 57.89% of the share capital to around 59.09% through acquisitions on and off the stock exchange.

As of 31.12.2022, SOF- 11 Klimt CAI S.à.r.l. held 62,924,265 bearer shares and four registered shares of CA Immo AG, this corresponds to 59.09% of the company's share capital. SOF- 11 Klimt CAI S.à.r.l. is a company controlled by Starwood Capital Group ("Starwood"). Starwood Capital Group is a private investment firm with a primary focus on global real estate.

15. Employees

The average number of staff employed by the company during the business year was 76 (2021: 72).

16. 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.

17. Events after the balance sheet date

CA Immobilien Anlagen AG continued its share buyback programme started in December 2022 also after the balance sheet date. As of the reporting date 15.3.2023, CA Immobilien Anlagen AG holds a total of 7,561,315 treasury shares (31.12.2022: 6,860,401). With a total number of 106,496,426 shares issued, this corresponds to around 7.1% (31.12.2022: 6.4%).

The Supervisory Board of CA Immobilien Anlagen AG and the Chairwoman of the Management Board, Silvia Schmitten-Walgenbach, have mutually agreed on 21.3.2023 that Silvia Schmitten-Walgenbach’s contract will be terminated as of 31.3.2023.

18. Proposal for the appropriation of net earnings

It is proposed to use part of the net retained earnings of €439,079,979.39 to pay a dividend of €1.00 per share, i.e. a total of €99,636,025, to the shareholders. The remainder of the net retained earnings in the amount of €339,443,954.39 is intended to be carried forward.

Vienna, 22.3.2023

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer/CEO)	Dr. Andreas Schillhofer (Member of the Management Board)	Keegan Viscius (Member of the Management Board)

ASSET ANALYSIS FOR THE BUSINESS YEAR 2022

	Acquisition and production costs as at 1.1.2022	Addition	Disposal	Acquisition and production costs as at 31.12.2022
	€	€	€	€
I. Intangible fixed assets				
Software	4,124,776.68	48,305.50	794,231.66	3,378,850.52
	4,124,776.68	**48,305.50**	**794,231.66**	**3,378,850.52**
II. Tangible fixed assets				
1. Land and buildings				
a) Land value	36,329,109.40	0.00	7,907,181.82	28,421,927.58
b) Building value	282,680,728.33	452,995.39	45,194,295.09	237,939,428.63
	319,009,837.73	**452,995.39**	**53,101,476.91**	**266,361,356.21**
2. Other assets, office furniture and equipment	3,542,719.86	103,857.81	315,582.82	3,330,994.85
3. Prepayments made and construction in progress	0.00	50,620.00	0.00	50,620.00
	322,552,557.59	**607,473.20**	**53,417,059.73**	**269,742,971.06**
III. Financial assets				
1. Investments in affiliated companies	3,435,262,041.03	4,408,061.25	43,781,277.86	3,395,888,824.42
2. Loans to related companies	292,666,035.74	0.00	113,907,939.75	178,758,095.99
3. Investments in associated companies	279,251.50	0.00	32,500.00	246,751.50
	3,728,207,328.27	**4,408,061.25**	**157,721,717.61**	**3,574,893,671.91**
	4,054,884,662.54	**5,063,839.95**	**211,933,009.00**	**3,848,015,493.49**

Accumulated depreciation as at 1.1.2022	Depreciation and amortisation in 2022	Reversal of impairment losses in 2022	Accumulated depreciation disposal	Accumulated depreciation as at 31.12.2022	Book value as of 31.12.2022	Book value as of 31.12.2021
€	€	€	€	€	€	€
2,914,048.43	342,365.44	0.00	192,852.41	3,063,561.46	315,289.06	1,210,728.25
2,914,048.43	**342,365.44**	**0.00**	**192,852.41**	**3,063,561.46**	**315,289.06**	**1,210,728.25**
1,458,109.59	0.00	0.00	0.00	1,458,109.59	26,963,817.99	34,870,999.81
98,477,443.49	6,623,337.98	0.00	19,663,976.28	85,436,805.19	152,502,623.44	184,203,284.84
99,935,553.08	**6,623,337.98**	**0.00**	**19,663,976.28**	**86,894,914.78**	**179,466,441.43**	**219,074,284.65**
2,580,560.84	256,186.69	0.00	227,412.35	2,609,335.18	721,659.67	962,159.02
0.00	0.00	0.00	0.00	0.00	50,620.00	0.00
102,516,113.92	**6,879,524.67**	**0.00**	**19,891,388.63**	**89,504,249.96**	**180,238,721.10**	**220,036,443.67**
215,993,626.54	5,760,758.97	1,330,000.00	436,000.00	219,988,385.51	3,175,900,438.91	3,219,268,414.49
0.00	0.00	0.00	0.00	0.00	178,758,095.99	292,666,035.74
7,105.29	0.00	0.00	6,206.29	899.00	245,852.50	272,146.21
216,000,731.83	**5,760,758.97**	**1,330,000.00**	**442,206.29**	**219,989,284.51**	**3,354,904,387.40**	**3,512,206,596.44**
321,430,894.18	**12,982,649.08**	**1,330,000.00**	**20,526,447.33**	**312,557,095.93**	**3,535,458,397.56**	**3,733,453,768.36**

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss 31.12.2022		Shareholders' equity as at 31.12.2022		Profit/loss 31.12.2021		Shareholders' equity as at 31.12.2021	
					in 1,000		in 1,000		in 1,000		in 1,000	
CA Immo Holding B.V.	Amsterdam	1,800,000	EUR	100	436	EUR	81	EUR	– 2,039	EUR	29,845	EUR
CA Immo d.o.o.	Belgrad	32,822,662	RSD	100	1,719	RSD	6,856	RSD	1,577	RSD	5,138	RSD
Duna Irodaház Kft., Budapest	Budapest	277,003,015	HUF	100	– 644,793	HUF	13,279,251	HUF	– 153,186	HUF	14,688,477	HUF
Duna Termál Hotel Ingatlanfejlesztö Kft.	Budapest	390,906,655	HUF	100	– 554,740	HUF	13,842,126	HUF	– 384,787	HUF	14,411,027	HUF
Duna Business Hotel Ingatlanfejlesztö Kft.	Budapest	452,844,530	HUF	100	– 112,218	HUF	18,205,507	HUF	267,716	HUF	19,203,786	HUF
Kapas Center Kft.	Budapest	772,560,000	HUF	100	218,525	HUF	2,377,743	HUF	326,997	HUF	2,159,218	HUF
Kilb Kft.	Budapest	30,000,000	HUF	100	272,644	HUF	4,206,106	HUF	410,356	HUF	3,933,462	HUF
Millennium Irodaház Kft.	Budapest	997,244,944	HUF	100	– 238,129	HUF	10,412,019	HUF	– 93,680	HUF	10,131,822	HUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	– 158,569	HUF	5,565,310	HUF	338,197	HUF	5,723,879	HUF
CA Immo Invest GmbH	Frankfurt	50,000	EUR	51	– 541	EUR	16,651	EUR	– 330	EUR	17,193	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	330	EUR	830	EUR	169	EUR	669	EUR
CAINE B.V.	Hoofddorp	97,100,000	EUR	100	– 84	EUR	365	EUR	– 314	EUR	4,349	EUR
Visionary Prague, s.r.o.	Prague	200,000	CZK	100	103,274	CZK	283,473	CZK	49,974	CZK	241,000	CZK
CA Immo Bitwy Warszawskiej Sp. z o.o.	Warsaw	47,956,320	PLN	100	2,026	PLN	71,114	PLN	5,008	PLN	73,220	PLN
CA Immo New City Sp.z.o.o	Warsaw	796,000	PLN	100	– 1,333	PLN	324	PLN	– 385	PLN	– 304	PLN
CA Immo P14 Sp.z.o.o	Warsaw	10,000	PLN	100	13,180	PLN	166,108	PLN	– 944	PLN	152,747	PLN
CA Immo Saski Crescent Sp. z o.o.	Warsaw	140,921,250	PLN	100	– 11,609	PLN	138,177	PLN	– 2,367	PLN	151,646	PLN
CA Immo Saski Point Sp. z o.o.	Warsaw	55,093,000	PLN	100	– 2,841	PLN	76,069	PLN	6,407	PLN	66,384	PLN
CA Immo Sienna Center Sp. z o.o.	Warsaw	116,912,640	PLN	100	6,113	PLN	162,636	PLN	2,794	PLN	156,636	PLN
CA Immo Warsaw Spire B Sp. z o.o.	Warsaw	5,050,000	PLN	100	4,437	PLN	282,127	PLN	10,861	PLN	286,281	PLN
CA Immo Warsaw Spire C Sp. z o.o.	Warsaw	2,050,000	PLN	100	100	PLN	247,118	PLN	17,742	PLN	259,522	PLN
CA Immo Warsaw Towers Sp. z o.o.	Warsaw	155,490,900	PLN	100	12,260	PLN	184,121	PLN	8,312	PLN	174,304	PLN
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs KG	Vienna	7,000	EUR	100	14	EUR	13,302	EUR	5,470	EUR	13,288	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	39	463	EUR	10,806	EUR	357	EUR	10,342	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	– 2,741	EUR	2,085,186	EUR	194,642	EUR	2,112,927	EUR
CA Immo Konzernfinanzierungs GmbH	Vienna	100,000	EUR	100	5,739	EUR	435,539	EUR	2,817	EUR	432,888	EUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	5,378	EUR	13,931	EUR	– 1,902	EUR	8,553	EUR

Information on participations for 2022 is based on preliminary figures in financial statements prepared according to local accounting standards.

CA IMMO

MANAGEMENT REPORT
AS AT 31.12.2022

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GROUP STRUCTURE

CA Immo is a real estate company with its headquarters in Vienna and branch offices in Germany, Poland, the Czech Republic, Hungary and Serbia. 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 domestic and foreign subsidiaries. The various branch offices act as largely decentralised profit centres. Following the liquidation of almost all Cypriot companies and the exit from Romania, further subsidiaries exist in the Netherlands. As at key date 31 December 2022, the Group comprised 144 entities (31.12.2021: 165) with 392 employees (441 on 31.12.2021).

CA Immo's core competence is the development and management of modern Class A office properties in core Europe. Our strategic business model is geared towards sustainable value creation, taking into account ecological, economic, social and legal dimensions. The company covers the entire value chain in the commercial real estate sector - from land preparation, involvement in the master plan and creation of building rights to the realisation of the surrounding infrastructure and the construction and operation of new buildings.

The core regions comprise Germany, Austria, Poland, the Czech Republic and Hungary. While business activities in Germany are concentrated in the cities of Berlin, Munich, Frankfurt and Duesseldorf, the strategic focus in the other countries is on the respective capitals (Vienna, Warsaw, Prague, Budapest). Germany is an important anchor market for the company, accounting for around 66% of the total portfolio. Additional earnings contributions are generated by the preparation and utilisation of land reserves in the Development business segment. CA Immo either incorporates completed projects into its own investment portfolio or sells them to an end investor. The Group currently controls property assets of around €5.9 bn in Germany, Austria and Central and Eastern Europe (31.12.2021: €6.3 bn).

Austria

The company’s domestic properties are held in direct or indirect subsidiaries of CA Immobilien Anlagen AG. As at 31 December 2022, the parent company also directly held property assets of approximately €261 m (€302 m on 31.12.2021). As at 31 December 2022, the total Austrian portfolio consists exclusively of investment properties with a balance sheet value of €377 m (31 December 2021: €497 m).

COMPANIES BY REGION

Number of companies[1]	31.12.2022	31.12.2021
Austria	13	18
- *Of which joint ventures*	*0*	*3*
Germany[2]	95	97
- *Of which joint ventures*	*22*	*22*
Central and Eastern Europe3[3]	36	50
- *Of which joint ventures*	*0*	*0*
Group-wide	**144**	**165**
- *Of which joint ventures*	*22*	*25*

[1] Joint ventures involving consolidated companies.
[2] Includes one company in Switzerland.
[3] Including the two holding companies in the Netherlands and one company in Cyprus that are part of the 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 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’s subsidiary omniCon, which also performs these services for third parties.

Central- and 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 Central and Eastern European properties are managed by the regional branches.

ECONOMIC ENVIRONMENT

ECONOMIC ENVIRONMENT[1)]

Global inflationary pressures, Russia's war in Ukraine and the resurgence of Covid-19 in China weighed on the global economy in 2022, and the first two factors are expected to continue doing so in 2023. Despite these headwinds, real GDP in the third quarter of 2022 was surprisingly strong in many economies, including the United States, the euro area, and major emerging and developing economies. In many cases, the causes of these surprises were of national origin: higher-than-expected private consumption as well as investment in combination with positively developing labor markets and higher-than-expected fiscal support. Households spent more to meet pent-up demand as the economy reopened after the lockdowns in early 2022. Business investment increased to meet demand. On the supply side, supply chain bottlenecks and transportation costs eased, putting downward pressure on commodity prices and allowing a recovery in previously constrained sectors, such as the automotive industry. Even though energy prices are still historically high, energy markets have adjusted faster than expected to the price shock from Russia's invasion of Ukraine.

However, by the fourth quarter of 2022, this modestly positive trend has eased in most - though not all - major economies. Growth in the U.S. remains stronger than expected as consumers continue to live off their savings, unemployment is at historic lows, and job opportunities abound. In other countries economic indicators generally point to a slowdown in economic activity.

Compared with the previous quarter, seasonally adjusted GDP increased by 0.1% in the euro area in the fourth quarter of 2022 and remained unchanged in the EU. This is the result of a preliminary flash estimate published by Eurostat, the statistical office of the European Union. In the third quarter of 2022, GDP had increased by 0.3% in both the euro area and the EU. According to a first estimate of the annual growth rate for 2022, based on seasonally and calendar adjusted quarterly data, GDP increased by 3.5% in the euro area and by 3.6% in the EU. Compared to the corresponding quarter of the previous year, seasonally adjusted GDP in the fourth quarter of 2022 increased by 1.9% in the euro area and by 1.8% in the EU, after +2.3% in the euro area and +2.5% in the EU in the previous quarter.

In December 2022, the seasonally adjusted unemployment rate in the euro area was 6.6%, unchanged from November 2022 and a decrease from 7.0% in December 2021. The unemployment rate in the EU was 6.1% in December 2022, also unchanged from November 2022 and a decrease from 6.4% in December 2021.

Annual inflation in the euro area in January 2023 is estimated at 8.5%, up from 9.2% in December. In terms of the main components of euro area inflation, "energy" is expected to have the highest annual rate in January (17.2%), followed by "food, alcohol and tobacco" (14.1%), "non-energy industrial goods" (6.9%) and "services" (4.2%).

At its last meeting in early February 2023, the Governing Council of the ECB decided to continue on its chosen path by raising interest rates significantly and at a steady pace, keeping them at sufficiently restrictive levels to ensure a timely return of inflation to its medium-term 2% target. The Governing Council therefore raised the three key ECB interest rates by 50 basis points each. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility were raised to 3.00%, 3.25% and 2.50%, respectively, effective February 8, 2023. It also expects to increase them further. Given pressures related to underlying inflation, the Governing Council intends to raise rates by an additional 50 basis points at its next monetary policy meeting in March. Furthermore, the Governing Council also decided on the modalities for the reduction of the Eurosystem's securities holdings in the context of the Asset Purchase Programme (APP). As announced in December 2022, the APP portfolio will decrease by an average of €15 billion per month from the beginning of March until the end of June 2023. The subsequent pace of portfolio reduction will be determined over time. The redemption amounts will be partially reinvested, largely in line with current practice.

In the latest World Economic Outlook from January 2023, the International Monetary Fund projects global growth to decline from an estimated 3.4% in 2022 to 2.9% in 2023 and then rebound to 3.1% in 2024. The 2023 forecast is 0.2 percentage points higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000-2019) average of 3.8%. Central bank rate hikes to tackle inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of Covid-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to decline from 8.8% in 2022 to 6.6% in 2023

[1)] Sources: International Monetary Fund, World Economic Outlook January 2023 Update; Eurostat Euro Indicators; ECB and 4.3% in 2024, still above the pre-pandemic (2017-2019) level of about 3.5%.

The CA Immo Group is affected by the developments described above both by rising financing costs due to higher base interest rates and risk premiums as well as rising prices in the construction industry. Furthermore, the changed economic environment and fears of recession are having an impact on property valuations and transaction markets as well as the valuation of the company on the equity market.

OUTLOOK[1)]

Based on the circumstances described, the global economy is expected to remain fragile in 2023. Uncertainty is high due to an unprecedented confluence of factors - Russia's invasion of Ukraine, supply chain disruptions, the rapid rise in inflation and tighter monetary policy around the world. The potential for mild recession or stagflation in certain economies is high.

While inflation in some countries has come down from its recent peak, energy prices could remain high for some time, further affecting consumer and business confidence. Notwithstanding efforts to become less dependent on Russian energy sources, the urgent need for a rapid transition to a sustainable economy is also likely to put upward pressure on long-term inflation. Regardless of when and how the war in Ukraine ends, the impact on energy production, global trade, and capital flows is likely to be enormous. These dynamics are likely to affect how and what (central) banks do to support and work with economic players around the world.

Although some central banks entered the cycle of interest rate hikes later than others, which is why different developments in key interest rates can be assumed worldwide, interest rate cuts are not expected in the near future.

Even though there was discussion of an easing of inflationary pressures in the U.S.A. at the beginning of 2023 and it was assumed that further interest rate steps would slow down or even that key interest rate cuts would be possible, a short time later it became apparent that inflation would be more difficult to manage than assumed. In mid-March, Federal Reserve Chairman Jay Powell told the Senate Banking Committee that "the ultimate level of interest rates is likely to be higher than previously thought" and that recent economic data were "stronger than expected." The central bank had most recently reduced the size of its rate hikes from 0.75 percentage point between June and November to a half percentage point in December. In February, it went back to its traditional quarter-percentage-point increase. As a result, the Fed key interest rate is in a target range of 4.5 to 4.75 percent, down from near zero this time last year. Powell's comments signal that he is willing to put further pressure on the economy to reduce inflation.

His hawkish rhetoric is consistent with remarks by Christine Lagarde, president of the European Central Bank, who recently warned that price pressures are "persistent" and require further action to fight the "inflation monster." Financial markets now expect the European key interest rate to rise from 2.5 percent to over 4 percent.

The sharp rise in key interest rates and risk premiums in 2022 and early 2023 has fundamentally changed the financing environment for companies compared with previous years. On the basis of current forecasts, it is not expected that these will be corrected significantly downward in the short term.

[1)] ECB, Financial Times, Deloitte

PROPERTY MARKETS

GENERAL MARKET CONDITIONS

Although market sentiment has deteriorated over the last few quarters, unemployment reacted very slowly and remained at or near historic lows. CA Immo's core markets recorded unemployment rates of between 2.3% (Czech Republic) and 5% (Austria) at the end of 2022.

Despite the lack of positive news, demand for office space, measured in terms of net absorption (total amount of space that tenants physically moved into minus total amount of space that tenants physically moved out) amounted to 3.38 m sqm in 2022 across CA Immo's eight core markets (+7% y-o-y). Thanks particularly to strong demand in Munich, Budapest, Prague and Warsaw, overall demand was relatively evenly distributed throughout the year. However, a small decline in the fourth quarter may indicate a slower start in 2023. Demand as measured by net absorption in 2022 was the strongest since the outbreak of the pandemic, as all markets except Düsseldorf (–8,300 sqm) performed positively (740,000 sqm in total, compared to –5,000 sqm in 2021).

Solid demand and low new supply in most markets have led to further increases of prime rents, most notably in Duesseldorf, Prague, and Munich (33%, 10% and 8% respectively). Prime rents have only remained at their last year's value in Budapest.

On the back of stronger tenant demand, vacancy rates contracted in Warsaw (–107 bps), Frankfurt (–42 bps), Vienna (–29 bps), Munich (–12 bps), and Prague (–8 bps). Budapest (+213 bps), Berlin (+66 bps) and Duesseldorf on the other hand have experienced increases due to stronger new supply.

OFFICE MARKETS IN GERMANY [1)]

Demand

Despite the challenging economic environment, the office letting market in the four core markets of CA Immo in Germany performed comparatively well in 2022 with a small decline of 3% y-o-y. However, this result would have been much weaker if it wasn't for the robust demand in Munich (+14% y-o-y). Whereas all markets lay ahead of their y-o-y values in Q3 2022, the drop in activity towards the end of the year pulled the results back for Frankfurt, Berlin and Düsseldorf (–15%, –9% and –5% -y-o-y respectively).

The patterns of sectoral demand structure remained largely unchanged in 2022, with the only notable shift in Berlin in favor of the IT and high-tech and manufacturing sector. This is a positive shift indicating that the start-up capital of Germany is able to use its workforce capacity to transition into more traditional segments. The public sector and professional services remain the backbone of demand in Düsseldorf, while consumer services and manufacturing have weakened. Consumer services was the only sector to weaken significantly in Munich, while IT and high-tech, professional services and the manufacturing sectors gained in importance. Professional services delivered a strong result in Frankfurt, as did the financial sector. The public sector continues to play a substantial role in generating office demand in the German markets, with Berlin (22%) and Düsseldorf (29%) taking the prime spots.

Rents

Prime rents continued to grow in 2022 reaching €46.4 per sqm in Frankfurt (+2% y-o-y), €45.0 per sqm in Munich (+8% y-o-y), €43.5 per sqm in Berlin (+6% y-o-y) and €38.0 per sqm in Düsseldorf (+33% y-o-y). Average rents expanded at a much slower pace in all markets except Frankfurt, underpinning the ongoing market bifurcation and low availability of office space meeting the highest standards.

New supply and vacancy

Less new office space was completed in 2022 than was assumed at the end of last year due to construction delays. The biggest decline took place in Berlin, where only 396,200 sqm came onto the market, whereas the forecast at the end of 2021 was more than three times as high. In the four core markets, roughly the same amount or even less new space was completed in 2022 than in the previous year. Supply is expected to increase moderately in 2023 in all markets except Berlin, where new completions are again forecast to exceed 1.2m sqm.

Vacancy rates have contracted in Frankfurt and Munich (to 8.8% and 4.4% respectively) thanks to lower construction activity and stable demand. Stronger supply in Duesseldorf and weaker demand in Berlin have contributed to growing vacancy rates in these markets in 2022 (to 9.8% and 3.4%, respectively).

[1)] Source: CBRE; Data supplied by CBRE Research, Q4 2022

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2022	2021	Change in %/bps
Berlin			
Take up in sqm	741,200	817,000	–9.3
Vacancy rate in %	3.4	2.8	66 bps
Prime rent in €/sqm net	43.50	41.00	6.1
Prime yield in %	3.55	2.50	105 bps
Düsseldorf			
Take up in sqm	287,500	301,500	–4.6
Vacancy rate in %	9.8	9.0	83 bps
Prime rent in €/sqm net	38.00	28.50	33.3
Prime yield in %	3.80	2.75	105 bps
Frankfurt am Main			
Take up in sqm	369,000	436,800	–16.0
Vacancy rate in %	8.8	9.2	–42 bps
Prime rent in €/sqm net	46.40	45.50	2.0
Prime yield in %	3.75	2.70	105 bps
Munich			
Take up in sqm	736,500	643,900	14.4
Vacancy rate in %	4.4	4.5	–12 bps
Prime rent in €/sqm net	45.00	41.50	8.4
Prime yield in %	3.55	2.50	105 bps

Source: CBRE; Data supplied by CBRE Research, Q4 2022

OFFICE MARKETS IN AUSTRIA AND CEE [1)]

Demand

The capitals in Austria and the CEE region regained significant momentum in 2022 with a net increase of 30%. The main drivers included Warsaw, Prague and Budapest (+47%, +38% and +13%, respectively), while demand in Vienna only grew by 3%. Similar to Germany, the region saw a slowdown in demand in the final quarter of 2022, with the notable exception of Warsaw, where a strong start and finish to the year contributed to an overall positive result.

The financial sectors demand for office space made a comeback in 2022 after two years of subdued interest, most notably in Warsaw. Manufacturing along with the financial sector were the most significant drivers of net take-up in Budapest. Prague has established itself as one of the leading locations for IT and high-tech companies and has a reliable presence of the manufacturing segment. Vienna has experienced less demand from the traditionally dominant public sector while it recorded a stronger than usual interest from the IT and high-tech, consumer services and mainly business services segments. Warsaw saw a return to the pre-pandemic dominance of the financial and business services sectors, with no major hits to other segments.

Rents

Prime rents have grown in 2022 in all markets except Budapest, where rents remained stable. Prime rents were achieved €27.0 in Vienna (+4% y-o-y), €26.5 per sqm in Prague (+10% y-o-y), €26.0 per sqm in Warsaw (+2% y-o-y) and €24.0 per sqm in Budapest (no change y-o-y). Except for Prague, prime rental growth in Austria and CEE has been notably slower compared to the German markets. On the other hand, average rents grew at the same rate or even faster than prime rents, confirming the broader definition of prime locations in these markets.

New supply and vacancy

The supply of new office space has increased in Vienna and Prague in 2022 (+98% and +31% y-o-y, respectively), although the growth rates were driven by the comparatively low starting point in the previous year. While also sharing a low base of 2021, Budapest also struggled with a low starting point in 2021, but delivered 267,000 sqm in 2022, the largest amount of new office space in the last decade. Warsaw, on the other hand, had an addition of only 237,000 sqm (-27% y-o-y) in 2022. The forecast for

[1)] Source: CBRE; Data supplied by CBRE Research, Q4 2022

2023 predicts a doubling of project completions in Prague and Vienna, while new construction in Budapest could fall by around 32% and in Warsaw even to just over 42,000 sqm of delivered space.

The vacancy rate development was positive in all markets except Budapest, thanks to stronger demand and moderate construction activity. The Hungarian capital faced increased supply, which raised the vacancy rate to 11.3% in 2022.

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

	2022	**2021**	**Change in %/bps**
Budapest			
Take up in sqm	247,000	217,900	13.3
Vacancy rate in %	11.3	9.2	213 bps
Prime rent in €/sqm net	24.00	24.00	0.0
Prime yield in %	6.00	5.25	75 bps
Prague			
Take up in sqm	295,300	217,300	37.9
Vacancy rate in %	7.7	7.8	–8 bps
Prime rent in €/sqm net	26.50	24.00	10.4
Prime yield in %	4.80	4.25	55 bps
Vienna			
Take up in sqm	171,000	166,000	3.0
Vacancy rate in %	3.9	4.2	–29 bps
Prime rent in €/sqm net	27.00	26.00	3.8
Prime yield in %	3.90	3.20	70 bps
Warsaw			
Take up in sqm	522,700	356,600	46.6
Vacancy rate in %	11.6	12.7	–107 bps
Prime rent in €/sqm net	26.00	25.50	2.0
Prime yield in %	5.25	4.50	75 bps

Source: CBRE; Data supplied by CBRE Research, Q4 2022

TRANSACTION MAREKTS IN GERMANY, AUSTRIA AND CEE[1)]

The prevailing market conditions over the last few quarters, characterized in particular by geopolitical uncertainties, weakening economic momentum and sharp rises in interest rates, have significantly impacted investors' willingness to invest in real estate assets. CA Immo's core markets were all affected by this slowdown to roughly the same extent.

Total real estate transactions in the four main markets of CA Immo in Germany reached €23.2 bn in 2022, representing a dramatic decline from €56.8 bn a year earlier (–59% y-o-y). While somewhat smaller, the decline in the capitals of Austria and CEE amounted to –42% y-o-y as volumes shrunk to €6.7 bn, having reached €11.6 bn in 2021. The decline in activity in the fourth quarter of 2022 across most segments is particularly meaningful, as this is traditionally the strongest quarter for transactions.

Office investment declined in 2022 in all markets except Duesseldorf. However, at €17.0 bn (down 29% y-o-y), the overall decline was more muted than in the overall commercial investment sector. The more significant decline in transaction activity in Germany can be attributed in part to the fall in residential transactions.

A decade of uninterrupted yield compression (with the minor exception of pandemic-weakened yields in Warsaw and Budapest) has come to a halt. One of the immediate drivers of yield decompression was the rise in interest rates in the eurozone and neighbouring countries. Prime yields have expanded first where they were lowest: Germany and Vienna in the first half of 2022, followed by CEE from Q3 onwards. The overall yield expansion was 105 bps in Germany, while in CEE the highest was in Warsaw at 85 bps.

[1)] Source: CBRE; Data supplied by CBRE Research, Q4 2022

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, and Hungary. 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 sales activities and despite the transfer of own project completions into the investment portfolio CA Immo has decreased the value of its property assets in 2022 by –5% to €5.9 bn (2021: €6.3 bn). Of this figure, investment properties account for €5.0 bn (84% of the total portfolio), property assets under development represent €0.6 bn (10%) and short-term properties[1)] €335 m (6%). With a proportion of 66% 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 99,962 sqm (2021: 122,805 sqm). As at the balance sheet date, these assets comprised six investment properties in Austria with a market value (including prepayments made and construction in progress) of €179,517 K (eight seven properties; €219,074 K on 31.12.2021). This portfolio generated rental income of €14,694 K in 2021 (€16,877 K in 2021).

Lettings

An approximate of 13,990 sqm of floor space was newly let or extended in 2022 (20,670 sqm in 2020). Of this, around 7,040 sqm relates to extensions or renewals of existing contracts. The economic occupancy rate in the investment portfolio is around 82% (2020: 84%).

Investments

In 2022, the company invested €504 K in its asset portfolio (€165 K in 2021). These largely went into tenant improvements in the investment property VIE in Erdberger Lände in Vienna, which was developed by the company itself in the past.

Disposals

In 2022, CA Immo continued its path of selling non-core property assets with the successful sale of Handelskai 388 office building in Vienna. Income of €10,568 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 –13% decrease in **rental income** to €14,694 K in 2022 (€16,877 K in 2021). Operating expenses passed on to tenants also decreased as well by –21% from €5,335 K in 2021 to €4,226 K in 2022. **Management revenue** for services provided to subsidiaries increased by 74% year-on-year to €13,615 K (€7,825 K in 2021). As a result, this led to a 8% increase in **gross revenues** to €33,283 K (€30,739 K in 2021), distributed as follows: Austria 72%, Germany 11% and 17% in Eastern Europe.

Other operating income decreased by –21% to €12,336 K (€15,522 K in 2021). In 2022, income of €10,568 K was generated from the sale of the property Handelskai 388 in Vienna. In 2021 €14,683 K income was generated by the sale of a property in the Wolfganggasse in Vienna. No write-ups were made to tangible assets in 2022. Income from the reversal of provisions amounted to €357 K (€194 K in 2021) and mainly relates to provisions for the Annual General Meeting, legal advice and other consulting costs. The other operating income of €1,411 K (2021: €644 K) resulted from cost transfers, insurance proceeds and the reversal of deferred income from public grants.

Personnel expenses decreased by –7% from €16,113 K in 2021 to €14,973 K in 2022. In 2022, the company employed 76 staff members on average (72 staff members in 2021).

Depreciation on intangible fixed assets and tangible fixed assets totalled €–7,222 K (€–8,140 K in 2021). No impairment losses were recognised on real estate in the financial year 2022.

Other operating expenditures totalled €–16,746 K (€–20,251 K in 2021). Of this, an amount of €–705 K was attributable to tax expense. The prior-year comparative amounted to €–861 K. Other expenses directly related to properties stood at €–5,992 K (€–7,013 K in 2021). An amount of €–10,049 K (€–12,377 K in 2021) 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 €6,678 K compared to €1,757 K in the previous year.

The company received **income from investments** totalling €28,184 K (€179,486 K in 2021) via subsidiary dividend distributions. This item was offset by expenses linked to financial assets (write-downs on equity holdings) of €–5,765 K compared to €–34,496 K in 2021, of which €0 K due to dividend distributions (€–34,174 K in 2021).

Income of €8,420 K (€14,109 K in 2021) was generated from loans granted to subsidiaries. The item **other interest and similar income** stood at €3,816 K (compared to €3,315K in 2021).

Income from the disposal and revaluation of financial investments amounted to €15,065 K (€11,366 K in 2021) and include write-ups on investments in affiliated companies amounting to €1,330 K (€1,675 K in 2021).

Interest expense decreased in total by –15% to €–26,854 K (€–31,460 K in 2021). Interest for bank loans or **real estate financing** declined by –12% to €–1,905 K (€–2,161 K in 2021). The costs and commitment interest for other bank financing and promissory loans amounted to €–3,459 K (€–1,222 K in 2021). Expenses for derivative transactions fell to €–822 K (€–1,074 K in 2021). Interest costs in respect of affiliated companies increased from €–74 K in 2021 to €–302 K in 2022. The largest amount, totalling €–19,498 K, concern interest costs for bonds; last year, this figure stood at €–24,691 K.

Due to the factors outlined above, the **financial result** declined by –84% to €22,867 K (€142,320 K in 2021). **Earnings before taxes** stood at €29,545 K (against €144,077 K in 2021). After taking into account **taxes on income** of €1,843 K (€2,684 K in 2021), the annual **net profit** as at 31 December 2022 stands at €31,388 K, compared to €146,761 K on 31 December 2021 (–79%). After taking into account the allocation to reserve from retained earnings in connection with the buyback of treasury shares of €–32,447 K and the profit carried forward from the previous year in the amount of €440,139 K (€293,378 K in 2021) the annual financial statements of CA Immobilien Anlagen AG show a **net profit** of €439,080 K (€440,139 K in 2021).

Proposed dividend for 2022

For fiscal year 2022, the Executive Board proposes a dividend of €1.00 per dividend-bearing share. Based on the closing price at December 31, 2022 (€28.35), the dividend yield is around 3.5%. The proposed appropriation of earnings reflects the current assessment of the Executive

Board and Supervisory Board. The distribution amount exceeding the base target of 70% of FFO I reflects the profitable sales activity in connection with the strategic capital rotation programme.

Cash-flow

In the year under review, cash-flow from operating activities (operating cash-flow plus changes in net working capital) stood at €12,344 K (€160,577 K in 2021). Cash-flow from investment activities was €221.812 K (€–56.312 K in 2021) and cash-flow from financing activities was €–227.871 K (€–512.467 K in 2021).

BALANCE SHEET ANALYSES

Assets

CA Immobilien Anlagen AG's **total assets** declined year-on-year from €4,081,488 K as at 31 December 2021 to €3,840,001 K as at 31 December 2022.

Fixed assets decreased slightly from €3,733,454 K as at 31 December 2021 to €3,535,458 K on 31 December 2022. Fixed assets accounted for 92% of total assets on 31 December 2022 (91% on 31.12.2021). Intangible assets, which solely comprise EDP software, decreased to €315 K (€1,211 K on 31.12.2021). Following the successful sale of the property Handelskai 388 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 €179,466 K (€219,074 K on 31.12.2021). **Tangible fixed assets** recorded a decrease of –18% totalled €180,239 K (€220,036 K on 31.12.2021). In 2022, like in the previous year, no impairment losses and no write-ups were recognized on property, plant and equipment.

Financial assets decreased by –4% to €3,354,904 K (€3,512,207 K on 31.12.2021). As of the balance sheet date, the book value of investments in affiliated companies stood at €3,175,900 K (€3,219,269 K on 31.12.2021). The additions result from shareholder contributions. The disposals mainly result from capital repayments of €36,704 K and the sale and liquidation of one Hungarian company each.

Current assets showed a decrease by –13% from €339,524 K as at 31 December 2021 to €296,826 K on 31 December 2022. **Receivables** recorded an decrease of –92% to €4,326 K (€53,308 K on 31.12.2021). On 31 December 2022, the company has **cash and cash equivalents** of €292,500 K (€286,216 K on 31.12.2021).

Liabilities

As at the balance sheet date **shareholders' equity** decreased to €2,212,268 K (€2,213,327 K on 31.12.2021). The equity ratio on the key date was approximately 58% (54% on 31.12.2021). Equity covered 63% of fixed assets (59% on 31.12.2021).

Provisions amounted to €13,340 K (€18,642 K on 31.12.2021). An amount of €8,435 K was recognized for bonus payments (€8,774 K on 31.12.2021). Provisions for derivative transactions amount to €0 (€3,547 K on 31.12.2021).

Liabilities declined from €1,843,375 K at the end of 2021 to €1,609,944 K as at 31 December 2022. The proportion of unsecured financing at the Group parent company level has significanctly grown since the company was rated investment grade in 2015. five 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 €1,291,621 K (€1,434,032 K on 31.12.2021).

The bonds and promissory loans 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. All 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 investment loans and promissory loans amounting to €153,788 K (€100,833 K on 31.12.2021).

DEVELOPMENT OF SHAREHOLDERS' EQUITY

€1,000	31.12.2021	Change Treasury share reserve	Dividend payments	Annual result	Addition to reserves	31.12.2022
Share capital	732,208	–7,854	0	0	0	724,354
Tied capital reserves	998,959	0	0	0	0	998,959
Retained Earnings	42,021	7,854	0	0	0	49,875
Net profit	440,139	0	0	31,388	–32,447	439,080
Total equity	**2,213,327**	**0**	**0**	**31,388**	**–32,447**	**2,212,268**

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 90% (around 89% on 31 December 2021). [1)]
- 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 10% as of 31 December 2022 (around 11% on 31 December 2021).
- **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 4.4 years at CA Immoblien Anlagen AG as of 31 December 2022 (4.0 years on 31 December 2021 adjusted (without Romania)).
- 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

[1)] 2022: Excl. own-used properties; excl. the properties ONE (Frankfurt), Grasblau (Berlin), completed in 2022 and taken over into the investment portfolio, which are still in the stabilisation phase; 2021: Excl. own-used properties and excl. the office buildings Mississippi House, Missouri Park (Prague) and ZigZag (Mainz), completed in 2021 and taken over into the investment portfolio, which were still in the stabilisation phase.

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 1.5° 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

To define and manage our strategic sustainability activities, the impacts of our business activities on the environment, society and governance across the entire value chain were evaluated. The following direct (own activities) and indirect (supply chain) material impacts as well as risks and opportunities were identified.

Environment:
- Management of energy efficiency and CO2 emissions, waste generation, resource consumption and circular economy principles over the entire life cycle of the buildings
- Pollution prevention
- Green procurement and supply chain
- Brownfield vs. greenfield development (protection of biodiversity)
- Sustainable product definition for urban district 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 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
- Social commitment
- Independent and responsible corporate governance, compliance with social and environmental requirements, observance of human rights, avoidance of corruption and bribery, reputational risk, cybersecurity

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. The climate and general sustainability risks relevant to CA Immo are re-evaluated and assessed annually by the responsible departments as part of the Group-wide risk catalog. Risk-reducing measures are derived accordingly (risk profiles). If the assessments reveal a need for additional measures or changes in strategy, these are subsequently implemented by the relevant departments.
CA Immo pursues a proactive approach to ensure that any risks are minimized through early countermeasures and that the company can respond to any changes in good time. In 2022, a risk and vulnerability analysis of

climate risks was also carried out in accordance with EU taxonomy guidelines.

Social engagement

CA Immo also takes measures in the social sphere to set positive impulses and responsible standards within its sphere of influence. Our strategic focus here is particularly on the topics of well-being, health & safety, employee development, diversity, impact on communities, and the social aspects of a sustainable supply chain and urban neighborhood 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. In addition, a large number of employee-related regulations have been established in cooperation with the Austrian Works Council within the framework of company agreements. Information on diversity, equality and inclusion as well as employee rights can be found in the Group Management Report (chapter "ESG Report").

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[2]**	**New hires[3]**	**Turnover[4]**
	31.12.2021	**31.12.2022**	**Change in %**	**2022 Ø**	**31.12.2022 in %**	**2022**	**2022 in %**	**2022 in %**
Austria	92	85	–8	91	64	15/21	17	23
Germany/Switzerland[5]	247	235	–5	240	40	24/38	10	16
CEE	102	72	–29	90	72	7/14	8	16
Total	**441**	**392**	**–11**	**421**	**51**	**46/73**	**11**	**17.3**

[1] Headcounts, thereof around 11% part-time staff, incl. 28 employees on unpaid leave; excl. 22 employees of joint venture companies, the calculations for this table are based on the GRI guidelines (GRI 401-1)
[2] The departures do not include the departure of the employees of the Romanian entity, which was taken over by the purchaser together with the local portfolio (discontinued operations).
[3]New hires: Joiners 2022 / average number of employees in 2022 (Headcount)
[4] Turnover: Leavers 2022 / average number of employees in 2022 (Headcount)
[5] At the end of 2022, 10 local employees were employed at the Basel branch of the 100% CA Immo construction subsidiary omniCon

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

SHARE CAPITAL & SHAREHOLDER STRUCTURE

The share capital of the company amounts to €774,229,017.02 and is divided into four registered shares and 106,496,422 ordinary bearer shares, each representing €7.27 of the share capital. The bearer shares are listed on the Prime Market of the Vienna Stock Exchange (ISIN: AT0000641352).

With a stake of around 59% (62,924,265 bearer shares and four registered shares at the time of reporting), SOF-11 Klimt CAI S.à r.l., Luxembourg, a company managed by Starwood Capital Group, is CA Immo's largest shareholder. Starwood Capital Group is a private investment firm with a primary focus on global real estate. The remaining outstanding shares of CA Immo are held in free float by both institutional and private investors who, with the exception of Petrus Advisers Ltd. (5.01% as of latest notice), each hold a stake below the 4% threshold required by law to be reported. The company held 6,860,401 treasury shares at the balance sheet date. For more information on the organisation of the shares and the rights of shareholders, please refer to the Corporate Governance Report[1].

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 2022, 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)).

SHARE BUYBACK

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.

On May 03, 2022, the Management Board decided to implement a further share buyback programme on the basis of the authorization resolution of the 34th Annual General Meeting on May 6, 2021, pursuant to Section 65

[1] https://www.caimmo.com/en/investor-relations/corporate-governance/

(1) 8 AktG. On October 19, the share buyback programme was completed as planned. 1,000,000 bearer shares (ISIN AT0000641352) were acquired, which corresponds to approximately 0.94% of the share capital. The highest consideration paid per share acquired was €32.10, the lowest consideration paid per share acquired was €26.25. The weighted average consideration paid per share acquired was €30.33 and the total value of shares acquired was €30,327,788.47. CA Immo held 6,780,037 treasury shares after the end of the buyback program, which corresponds to a share of approximately 6.4% of the total number of issued voting shares.

On December 19, 2022, the Management Board again decided to implement a further share buyback programme based on the authorization resolution of the 34th Annual General Meeting of May 6, 2021, pursuant to Section 65 (1) 8 AktG. By December 31, 2022, 80,364 shares with a value of around €2.1 m had been acquired in the course of this share buyback programme.

A total of 1,080,364 treasury shares were acquired in 2022. As of December 31, 2022, CA Immo held 6,860,401 treasury shares.

Details of the transactions carried out under the share buyback programmes and any changes to the current share buyback programme are published on the company's website.[1]

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[2] 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 2022 (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 2022 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[3].

[1] https://www.caimmo.com/en/investor-relations/share-buy-back-ca-immo
[2] 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.
[3] https://www.caimmo.com/en/investor-relations/corporate-governance/

OUTLOOK

ANTICIPATED DEVELOPMENTS AND MAIN OPPORTUNITIES AND THREATS

The general conditions on the real estate markets were increasingly burdened by general economic and political developments in the course of 2022. Above all, the rapid rise in interest rates as a result of high inflation poses challenges for the real estate industry, which are reflected, among other things, in a strong weakening of the real estate investment markets. This prevailing uncertainty and volatility will continue to shape the real estate sector in 2023.

In addition, our tenants' requirements for office space are increasing against the backdrop of hybrid working environments and the transition to a sustainable economy. However, as a leading prime office player with Germany as an anchor market, we see this change as an opportunity. For many years, we have been meeting the demand for high-quality, energy-efficient and innovative offices in prime locations in major European cities. Thanks in part to this strategic orientation, we were able to achieve important strategic milestones in the 2022 financial year and further strengthen our stable balance sheet and defensive financing structure - a solid foundation for future value-creating growth.

Strategic focus to ensure the resilience of the business model

In view of these fundamental macroeconomic changes, we will continue to focus on securing and increasing our competitiveness and resilience. In doing so, we are essentially following three directions:

Firstly, a further increase in the quality of our portfolio through a clear focus on our core markets and the successive sale of properties that do not or no longer meet the strategic requirement profile.

–- Secondly, we want to accelerate our transformation into a sustainable company.

- Thirdly, we are pursuing the consistent optimisation of our organisational and cost structures in order to continue to generate value for all our stakeholders.

Continuous increase in portfolio quality

In addition to the increased focus of the portfolio on prime 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 share of the two core markets Germany and Austria is expected to increase to over 80% in the medium term.

Our deep value chain around high-quality office properties in attractive metropolitan areas makes us the ideal partner for blue-chip companies. We want to use and further expand these strengths to consolidate our good market position in the long term.

The profitable sale of non-strategic properties as part of the strategic capital rotation programme should further increase our portfolio quality and resilience. The reinvestment of proceeds from the sale of non-strategic properties in acquisitions or in the company's strategic development pipeline aims to optimise the quality of the portfolio in terms of location, structural and sustainable quality, resilience and management efficiency. In addition, the implementation of innovative utilisation concepts is intended to raise the ecological and technological standard of the entire portfolio.

Successive realisation of the strategic development pipeline

In 2022, we were able to add two high-quality buildings to our portfolio with the successful completion of the ONE project in Frankfurt (total investment volume of around €444 m) and Grasblau in Berlin (total investment volume of around €72 m). The completion of the Berlin project Hochhaus am Europaplatz (total investment volume of around €143 m), which is currently under construction, is expected for the end of 2023/beginning of 2024. Both this and the second development project upbeat in Berlin (total investment volume of around €334 m), which has been under construction since last year, are 100% pre-let.

The development of extensive land reserves in central locations in the German metropolises of Munich, Frankfurt and especially Berlin represents significant long-term organic growth potential for CA Immo, which is to be realised successively as the necessary conditions and requirements are met. While office development projects are generally dedicated to the company's own portfolio, projects with a different focus of use are generally earmarked for sale.

Key business factors

Key factors that may influence the business development planned for 2023 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.
- Impact of flexible and hybrid forms of work ("work-from-home") on the demand for office real estate.
- Political, fiscal, legal and economic risks, transparency and the development level on our real estate markets.

Dividend

CA Immo intends to maintain its profit-oriented dividend policy. The amount of the dividend is based on the profitability, growth prospects and capital requirements of the CA Immo Group. At the same time, a continuous payout ratio of around 70% of recurring earnings (FFO I) is intended to maintain the continuity of the dividend development.

After a thorough evaluation, CA Immo decided in the previous year to propose to the Annual General Meeting on 5 May 2022 to deviate from its previous dividend policy and carry forward the entire net profit for the 2021 financial year. The background to this decision was the fact that - including special distributions - a dividend of €3.50 per share was already distributed to the shareholders in the 2021 financial year and a further dividend of €2.50 per share in the 2022 financial year from the net profit as at 31 December 2020.

For the 2022 financial year, the Executive Board proposes a dividend of €1.00 per share entitled to dividend. Based on the closing price on 31 December 2022 (€28.35), the dividend yield is around 3.5%. The proposal for the appropriation of profits reflects the current assessment of the Executive Board and the Supervisory Board. The distribution amount exceeding the base target of 70% of FFO I reflects the profitable sales activity in connection with the strategic capital rotation program.

Share buyback

After a share buyback programme for 1,000,000 shares was completed in 2022, the Executive Board decided in December 2022 to carry out another share buyback programme with a volume of up to 2,000,000 shares on the basis of the authorisation resolution of the 34th Annual General Meeting of 6 May 2021 pursuant to § 65 para 1 item 8 of the Austrian Stock Corporation Act. By 31 December 2022, 80,364 shares with a value of approximately €2.1m had been acquired in the course of this share buyback programme.

Financial target 2023

For the 2023 financial year, an EBITDA of over €200 m is expected on the basis of profitable sales as part of the strategic capital rotation programme, which would result in a significant increase compared to the figure for 2022 (€149.5 m).[1)]

The annual target for the recurring result (FFO I) is expected to be announced as part of the first quarter reporting in May 2023.

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.

1) Based on transactions signed and closed to date.

RISK 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

The Management Board, with the involvement of the Supervisory Board, determines the strategic direction of the CA Immo Group as well as the nature and extent of those risks which the Group is prepared to assume in order to achieve its strategic objectives. The Management Board is supported by the Risk Management department in assessing the risk landscape and developing potential strategies to increase long-term stakeholder value. In addition, an internal risk committee with representatives from all divisions as well as the Chief Financial Officer has been established, which meets on a quarterly basis or in special meetings if necessary. The aim of this committee is to establish a regular, cross-functional assessment of the Group's risk situation, including the initiation of any necessary measures. This is to ensure that the company's direction is optimally chosen against the background of available alternatives.

Identification of risks and assessment

At CA Immo, the opportunity/risk situation is assessed on a quarterly basis within the framework of reports which are drawn up on the basis of the results of the risk committee, among other things. Risks are evaluated both at individual property and project level and at (sub-)portfolio level. Early warning indicators such as rent forecasts, vacancy analyses, continuous monitoring of lease terms and termination options as well as continuous monitoring of construction costs for project realisations are included. Scenario presentations regarding the development of the value of the property portfolio, exit strategies and liquidity planning supplement risk reporting and increase planning certainty. CA Immo takes account of the precautionary principle in that multi-year planning and investment decisions cover the entire time horizon of investments.

In addition, CA Immo now carries out an annual inventory and evaluation of individual risks according to content, impact and probability of occurrence. An annual update is also carried out with regard to the estimated impact on the result, assets and liquidity of CA Immo ("extent of damage") and the probability of occurrence within one year. Measures and controls already implemented are taken into account to determine the net risk. This data serves as the basis for the Management Board to determine the level and type of risks it deems acceptable in pursuing the strategic objectives. Once the board has approved the strategy, it is incorporated into the group's 3-year planning and helps to communicate the group's risk appetite and expectations both internally and externally.

CA Immo's risk policy is specified by a series of guidelines. Compliance with them is continuously monitored and documented through controlling processes. Risk management is implemented in a binding manner at all levels of the company. The Management Board is involved in all risk-relevant decisions and bears overall responsibility. Decisions are made at all levels according to the principle of dual control. As an independent department, the internal audit department examines the operational and business processes; if necessary, external experts are consulted. In reporting and evaluating the audit results, it is not bound by instructions.

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 control system encompasses all principles, procedures and measures to ensure the effectiveness, efficiency and regularity of accounting as well as compliance with the relevant legal regulations and corporate guidelines. Taking management processes into account, the ICS is integrated into the individual business processes. The aim is to prevent or detect errors in accounting and financial reporting and thus ensure early correction. Transparent documentation enables the processes for accounting, financial reporting and auditing activities to be presented. All operational areas are integrated into the accounting process. The responsibility for the implementation and monitoring of the ICS lies with the respective local management. The managing directors of the subsidiaries are required to evaluate and document compliance with the controls through self-audits. The effectiveness of the ICS is reviewed on a random basis by the Group's internal audit department and the efficiency of the business processes is continuously evaluated. The results of the audit are reported to the respective management, the entire Management Board of CA Immo and at least once a year to the Audit Committee.

INVESTMENT PROPERTY RISKS

Risks arising from the market environment and portfolio composition (portfolio risk)

The economic success of CA Immo depends, among other things, on the development of the property markets relevant to the Group. The main factors influencing economic development include the global economic situation as a whole, rental price trends, the rate of inflation, the level of government debt and interest rates. In the office property segment, factors such as economic growth, industrial activity, unemployment rate, consumer confidence and other elements that are decisive for economic development also play a significant role. All these factors are beyond the company's control. They could have negative effects on the entire European economy and thus also on economically strong nations such as Germany and Austria, for example, or have a negative impact on the financial and real estate sector as a whole. Any negative change in the economic situation could result in a decline in demand for real estate, which in turn could affect the occupancy rate, property values or even the liquidity of properties. Economic instability and limited access to debt and equity financing may lead to possible defaults by counterparties and a general slowdown in market activity. If there is a lack of liquidity in the property investment market, there is a risk that it may not be possible to sell individual properties or only at unattractive conditions.

The value of real estate depends not only on the development of the general economic conditions and in particular on rental prices, but also on the initial yields in the real estate economy. Due to the current market environment, there is still a risk that initial yields for commercial properties will correct further upwards. The historically exceptionally high price level for property investments and the low level of property yields therefore harbour risks for the **property values** of the CA Immo portfolio. As was already apparent in the fourth quarter of 2022, it cannot be ruled out that a rise in general interest rates will lead to a further increase in property yields and a subsequent decline in property values.

In view of the risks outlined above, CA Immo regularly reviews its own **property valuations**. Following an almost complete external valuation of the Group's portfolio in the fourth quarter of 2022, the values for the property assets as at the reporting date of 31 December 2022 were adjusted on the basis of binding purchase agreements or on the basis of the external valuations. Taking into account the current exceptional market conditions (see chapter "Economic environment") as well as the currently low level of transactions, a higher degree of caution must continue to be applied to the property valuations than is otherwise the case. Further information on changes in market values can be found in the chapter "Property valuation".

CA Immo counteracts **market risk** through broad diversification across different countries. CA Immo counters **country risk** by concentrating on strategic core markets with local branches and its own local staff, and by adjusting regional allocation within the core markets. The focus here is on markets with long-term structural trends such as increasing urbanisation, positive demographic change and structural supply shortages, as well as high investment liquidity. Market knowledge, ongoing evaluation of the strategy, continuous monitoring of the portfolio as well as targeted portfolio management within the framework of strategic decisions (e.g. determination of exit strategies, medium-term planning for sales) enable a timely response to economic and political events.

CA Immo prevents any **transfer risk** through the targeted repatriation of liquid funds from investment markets with weaker credit ratings. Active portfolio management is designed to prevent **concentration risks** and maintain a balanced portfolio structure. CA Immo is currently active in Germany, Austria and selected CEE markets. With a share of around 66% of the total portfolio, Germany is currently CA Immo's largest single market. CA Immo is part of the EPRA Developed Europe Index, which supports capital market positioning and the overall rating. The aim is to achieve an aggregate EBITDA contribution of more than 50% from Germany, Austria and Poland. 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 area primarily develops high-quality office properties for the company's own portfolio. In addition, property developments and, to a lesser extent, construction projects with other types of use such as residential properties are realised, which are generally sold after successful development or completion.

Individual investments should not exceed 5% of total property assets in the long term. Exceptions are possible after approval (e.g. ONE). As at the balance sheet date, only the Skygarden investment property in Munich and ONE in Frankfurt fell into this category. Overall, the portfolio shows a high degree of diversification: the top 10 portfolio properties of the Group represent around 40% of the total portfolio. The concentration risk in relation to individual tenants is also manageable: as at 31 December 2022, around 22% of rental income was generated by ten top tenants. With a share of around 3% of total rental income, PricewaterhouseCoopers, followed by Intercity Hotel GmbH, were the largest single tenants in the portfolio as at the reporting date. In general, single tenants should not account for more than 5% of total annual rental income over a longer period of time, 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 cases in which more than 75% of the annual rental income (single property level) is attributable to a single tenant. In principle, rental income from single-tenant buildings should not exceed 20% of the total annual rental income. In addition, the average lease term for single-tenant properties should be more than ten years.

Other risk concentrations resulting from factors such as the holding of several properties with a market value of more than €100 m in the same city, the industry mix of tenants, the identity of contractual partners or suppliers or lenders, etc., which cannot be effectively measured or limited quantitatively, are subject to appropriate regular review.

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.

Political and economic developments in countries in which CA Immo operates also have a significant impact on **occupancy rates** and rent defaults. If the Group is unable to extend expiring leases on favourable terms and find or retain suitable creditworthy tenants, this affects the earnings power and market value of the properties concerned. The creditworthiness of a tenant, especially during an economic downturn, may decline in the short or medium term, which may affect rental income. In critical situations, the Group may decide to reduce rents in order to maintain an acceptable occupancy rate.

All of CA Immo's core cities experienced a challenging operating environment due to the current prevailing economic conditions and the effects of the Russia/Ukraine conflict, which is characterised in particular by a significant slowdown in transaction activity. Should letting activity also weaken significantly, longer marketing and vacancy periods for unlet units are to be expected in the future as well. Since the demand for office space depends primarily on the overall economic development, it remains to be seen how the partially declining office space turnover in the course of 2022 will develop in the 2023 financial year. Furthermore, it remains to be seen how the crisis-related expansion of digital work processes and the trend towards flexible or hybrid working ("work-from-home") will affect the demand for office properties in the medium term. It cannot be ruled out that the trends towards flexible office space rentals and co-working could shape the office market even more in the future.

CA Immo counters the risk of rent defaults by analysing the property portfolio, the tenant structure and the cash flow, among other things, and carries out various analysis scenarios to assess the risks. In principle, a case-by-case assessment is always necessary here. Through targeted monitoring and proactive measures (e.g. requesting security deposits, checking tenants for creditworthiness and reputation), the **rent default risk** in the Group has remained at a low level despite the recent negative effects of the pandemic on individual tenants. All outstanding receivables are evaluated on a quarterly basis and value adjusted according to their risk content. A default risk was sufficiently taken into account in the valuation of the property. Many of the Group's leases (around 95%) contain value protection clauses, mostly with reference to the country-specific consumer price index. Therefore, the amount of income from such leases and from new leases is highly dependent on the development of inflation (**value hedging risk**).

In the rental market, **competition** for reputable tenants is intense; in many markets, rents are under pressure. In order to remain attractive to tenants, CA Immo could be forced to accept lower rents. In addition, misjudgements about the attractiveness of a location or its potential use can make letting more difficult or severely compromise the desired rental conditions.

The Group's portfolio also includes, to a lesser extent, **other asset classes** such as shopping centres and hotels, whose operation is associated with its own risks. Poor management of the building or the tenants, falling visitor numbers and the increasing competitive situation can lead to falling rents or the loss of important tenants and thus to rent losses and problems with new lettings. Although CA Immo does not operate any hotels itself, the Group's earnings situation is influenced by the quality of external hotel management and the development of the hotel markets. Last but not least, 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

In real estate development projects, only costs are typically incurred in the initial phase. Revenues are only generated in later phases of the project. Development projects can often be associated with **cost overruns** and **delays** in completion, which are frequently caused by factors outside CA Immo's control. This can impair the economic success of individual projects and lead to contractual penalties or claims for damages. If no suitable tenants can be found, this can lead to vacancies after completion.

CA Immo has taken a number of measures to manage these risks to a large extent (cost controls, deviation analyses, multi-year liquidity planning, etc.). With few exceptions, projects are only started once a corresponding preletting rate has been achieved that can cover future debt service through rental income. An exception is only made in special constellations of the project and/or market situation (e.g. extreme regional shortage of lettable space with foreseeable rising rents and low letting risk during the project phase). Such exceptions require explicit examination when obtaining project approval.

In view of the recent high level of capacity utilisation in the construction industry, CA Immo is exposed to risks with regard to the (timely) availability of construction services as well as construction prices and quality. This has recently been noticeable not only in Germany - the core market for project developments - but in all core regions of CA Immo. Despite the fact that project reserves have been priced in, it cannot be ruled out that a further rise in construction costs could pose risks to budget compliance and overall project success. In addition, despite defensive project costing, there is a risk that current property yields could change and reduce the targeted project profit (developer profit). CA Immo is therefore increasingly focusing on appropriate market and cost analyses in the development sector. Particularly under the current market conditions, which have been tested by high inflation, rising interest rates, supply bottlenecks and a general increase in market uncertainty and volatility, a higher uncertainty factor is unavoidable in project developments with rising construction costs, supply and time problems, fluctuating financing rates, uncertain marketing periods and a lack of current comparative values. Land values could therefore fluctuate much more than would be the case under normal circumstances. The projects upbeat and Hochhaus am Europaplatz in Berlin, which are currently being implemented, show 100% preletting and are continuously evaluated with regard to the cost risk.

CA Immo creates sustainable value through a comprehensive value chain ranging from letting and management to the construction, planning and development of investment properties with strong competences within the company. This reduces functional (performance) risks and maximises opportunities along this value chain (developer profit). However, due to their high capital commitment without ongoing inflows, **land reserves** and **projects to create building rights** entail specific risks (e.g. approval risk), but at the same time offer considerable potential for value appreciation by obtaining or improving building rights. Risks are regularly reduced through the sale of non-strategic land reserves. On the remaining sites, the creation of building rights is being rapidly pursued with the company's own capacities. Overall, CA Immo aims for a balanced portfolio; on the basis of balance sheet values, this means around 85% investment properties and around 15% developments under construction, including land reserves.

CA Immo also realises project developments in **joint ventures** and is partly dependent on partners and their ability to pay and perform (**partner risk**). The Group is also exposed to the credit risk of its counterparties. Depending on the agreement in question, CA Immo could also be jointly and severally liable with its co-investors for costs, taxes or other third-party claims and, in the event of a default by its co-investors, have to bear 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 factors for property companies. CA Immo requires debt capital in particular to refinance existing financial liabilities and to finance project developments and acquisitions. As a result, it is dependent on the willingness of banks and capital markets to provide additional capital or to prolong existing financing at reasonable conditions. The market conditions for property financing are constantly changing. The attractiveness of financing options depends on a number of factors, not all of which can be influenced by the Group (market interest rates, required collateral, etc.). This can have a significant impact on the Group's ability to increase the percentage of completion of its development portfolio, to invest in suitable acquisition projects or to meet its obligations under financing agreements.

From today's perspective, the CA Immo Group has sufficient liquidity. Nevertheless, restrictions at the level of individual subsidiaries must be taken into account, as access to liquid funds is limited due to commitments for ongoing projects or there is a need for liquidity in individual cases for the required stabilisation of loans. In addition, there is a risk that planned sales activities cannot be realised, or can only be realised with delays or below the price expectations. Other risks include unforeseen obligations to make **additional funding obligations** in the case of project financing and covenant violations in the area of property financing or the corporate bonds issued by CA Immo. If these covenants are breached or in the event of default, the respective contractual partners would be entitled to call in financing and demand immediate repayment. This could force the Group to sell properties or conclude refinancing agreements at unfavourable conditions.

CA Immo has fluctuating holdings of liquid funds, which it invests according to the respective operational and strategic requirements and objectives. In order to maintain or improve the long-term issuer **investment grade** rating from Moody's (currently Baa3 with a negative outlook) in the long term, it is also necessary to have adequate capital resources, solid interest cover and a sufficiently large pool of unencumbered properties.

CA Immo counters any risk with continuous monitoring of the covenant agreements as well as with a well-developed liquidity planning and safeguarding system. The financial effects of the strategic objectives are also taken into account. In addition, the Group has a revolving current account line at the level of the parent company with a volume of €300 m to manage liquidity peaks. This ensures that unforeseen liquidity needs can be met throughout the Group. In line with the investment horizon for real estate, loans are generally concluded on a long-term basis. As a basic rule, appropriate financing (e.g. loan, bond) must be guaranteed before binding contracts are concluded in connection with property purchases. In the past, capital partnerships (joint ventures) were also entered into at project level as an alternative and supplement to the previous (equity) capital procurement sources.

Despite careful planning, however, a liquidity risk cannot be ruled out, particularly in the case of joint venture partners, due to the impossibility of calling up funds. In addition, CA Immo Germany has a high level of capital commitment, which is typical for project developments. The financing of all projects already under construction is secured. There is a need for additional financing for new projects.

Interest rate risk

The current economic environment, characterised among other things by high inflation and the associated significant **rise in interest rates**, has recently had a negative effect on the real estate market and subsequently on the valuation of real estate and disinvestment projects. Raising equity and debt capital on capital markets has become considerably more difficult over the last few quarters, as a result of which growth aspects could not be implemented or could only be implemented in part.

Market-related fluctuations in interest rates affect both the level of the financing rate and the market value of the interest rate hedges concluded. CA Immo uses domestic and foreign banks and issues corporate bonds for financing purposes and ensures that the interest rate hedging ratio is as high as possible. Derivative financial instruments (interest rate caps, interest rate swaps and interest rate floors) are increasingly used to hedge against impending **changes in interest rates** and the associated fluctuations in financing costs. However, such hedging transactions could turn out to be inefficient or unsuitable for the achievement of objectives or lead to losses recognised in profit or loss. Furthermore, the valuation of derivatives could have a negative impact on the result or equity. The extent to which the Group makes use of derivative instruments depends on assumptions and market expectations regarding future interest rate levels, in particular the 3-month Euribor. If these assumptions prove to be incorrect, this can lead to a considerable increase in interest expenses.

Permanent monitoring of the interest rate risk is therefore essential. There are currently no risks that pose a significant and sustained threat to CA Immo. CA Immo's financing strategy is based on a balanced mix of secured bank financing and unsecured capital market financing. Currently, 92% of the total financing volume is accounted for by fixed-interest financing (including in the form of corporate bonds) or financing secured by derivatives. The continuous optimisation of the financing structure in recent years has led to a reduction in average borrowing costs, an improvement in the maturity profile and an increase in the share of interest-rate-hedged financial liabilities. The robustness of the financial profile has thus been further strengthened.

Tax risks

All companies are subject to income tax in the respective country with regard to both current income and capital gains. Significant discretionary decisions must be made in connection with the amount of tax provisions to be made. In addition, the extent to which deferred tax assets are to be recognised must be determined.

Income from the sale of participations may be fully or partially exempt from income tax if certain conditions are met. Even if the intention is to meet the conditions, deferred tax liabilities are nevertheless recognised in full for the property assets in accordance with IAS 12.

Significant assumptions must also be made about the extent to which deductible temporary differences and loss carryforwards can be offset against taxable profits in the future and thus deferred tax assets recognised. Uncertainties exist regarding the amount and timing of future income as well as the interpretation of complex tax regulations. In the case of uncertainties regarding the income tax treatment of transactions, an assessment is required as to 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 recognises tax liabilities at the amount considered most probable in the event of uncertainty. Uncertainties and complexities can, however, result in future tax payments being significantly higher or lower than the obligations currently assessed as probable and recognised in the balance sheet.

The CA Immo Group holds a significant portion of its real estate portfolio in Germany, where numerous complex tax regulations must be observed. These include in particular (i) regulations on the transfer of hidden reserves to other assets, (ii) legal requirements on real estate transfer tax or the possible incurrence of real estate transfer tax in the case of indirect and direct changes of shareholders in German partnerships and corporations, (iii) the tax recognition of outsourcing of operating facilities, (iv) the distribution of trade income among several permanent establishments or (v) the deduction of input tax on construction costs in development projects. The CA Immo Group takes all steps to comply with all tax regulations. Nevertheless, there are circumstances - also outside the sphere of influence of the CA Immo Group - such as changes in the shareholding structure, changes in the law or changes in interpretation on the part of the tax authorities and courts, which can lead to the aforementioned tax issues having to be treated differently than before and can therefore have an influence on the recognition of taxes in the consolidated financial statements.

Furthermore, there are uncertainties in connection with past restructuring in Central and Eastern Europe regarding the possible retrospective application of subsequent tax changes. However, CA Immo considers the probability of an actual charge to be low.

With regard to the tax deductibility of service charges within the Group, CA Immo always endeavours to charge an arm's length price for internal services and to document this sufficiently in order to comply with all legal requirements (transfer price documentation). However, it is possible that the tax authorities may take a different view and come to a conclusion that could lead to tax consequences with regard to the deductibility of internal service charges made 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

After many years of high demand and record transaction volumes on the European real estate market as well as on CA Immo's core markets, particularly in Germany, the transaction markets slumped in 2022 due to significant changes in the general conditions for real estate investments. The risk of transactions being paused or even cancelled due to problems with pricing, availability and financing costs remains high.

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 spring 2020, CA Immo filed claims for damages against the Republic of Austria and the State of Carinthia for a preliminary amount of €1.9 bn on the grounds of unlawful and culpable partisan influence on the best bidder procedure in the context of the privatisation of the federal housing companies in 2004 ("**BUWOG**") and the unlawful failure to award a contract to CA Immo. The first-instance criminal verdicts of the "BUWOG criminal proceedings" of January 2022 against the defendants, former Federal Minister of Finance Grasser et al., which are relevant to these civil proceedings and - due to the pending appeal proceedings - not legally binding, essentially confirmed from CA Immo's point of view that unlawful and partisan actions were taken to the detriment of CA Immo in connection with the BUWOG privatisation proceedings. An assessment of the effects of the criminal proceedings on the pending civil proceedings for damages will only be possible once all appeal proceedings have been concluded and a final criminal verdict has been reached.

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 capital markets (e.g. EU Green Deal) as well as new legal requirements create pressure for companies to report more strongly than before on ESG risks resulting from their business activities. Environmental, social and governance aspects also play an essential role in the entire 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, but 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 CO2 emissions. Building materials contain carbon that is produced during their extraction, manufacture, transport and processing. As carbon is present in almost every phase of the construction and operation of buildings, companies should start implementing appropriate **decarbonisation programmes for real estate** 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. To best meet the associated requirements and secure its long-term competitiveness, CA Immo embeds corresponding goals, measures, processes and systems in its strategic orientation (e.g. sustainability certifications, ESG reporting, green financing, etc.).

For CA Immo, improving the **energy efficiency** of existing buildings is a key factor in achieving **climate neutrality.** In this way, we prevent higher energy consumption and the associated higher operating costs. Since the results of carbon efficiency depend to a large extent 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 sustainable materials, paying attention to the carbon footprint of conventional materials and generating energy from on-site renewable sources (solar panels, heat pumps, heat grids, etc.). Our procurement process also ensures that the high ecological requirements are met in accordance with the certification standard provided for the building in question. We oblige 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 Group Management Report ('ESG Report' chapter).

Other environmental and climate risks

Environmental and safety regulations include actual as well as latent obligations to remediate contaminated properties. Compliance with these regulations may involve significant investment and other costs. These obligations could relate to properties that are currently or were in the past owned, managed or developed by CA Immo. In particular, this relates to **contamination** with previously undiscovered harmful materials or pollutants, war material or other environmental risks such as soil contamination, etc. Some regulations sanction the release of emissions into the air, soil and water, which form the basis of CA Immo's **liability** to third parties and can have a significant impact on the sale, letting or rental income of the properties concerned. **Natural disasters** and extreme weather events can also cause considerable damage to properties. In principle, insurable risks are insured to the usual extent (e.g. all-risk insurance for development projects). However, if there is insufficient **insurance cover** for such damage, this could have adverse effects. In order to minimise risk, CA Immo also includes these aspects in its due diligence before every purchase. Corresponding guarantee declarations are required from the seller. Wherever possible, the CA Immo Group uses environmentally compatible materials and energy-saving technologies. CA Immo takes account of the ecological precautionary principle by carrying out project developments and (re)developments exclusively on the basis of certifiability.

Social risks

In the social area, our strategic focus is on the following topics in particular: Well-being, health and safety, employee development, diversity, community impact, social aspects of a sustainable supply chain and neighbourhood development. In the case of construction services, for example, CA Immo requires and monitors its contractors for compliance with statutory regulations on health and safety at work, regulations on workplaces and working hours, and collective agreements.

Information on the main social risks for CA Immo and the comprehensive protective measures implemented by

CA Immo in the wake of the Covid 19 pandemic to ensure a safe working environment for CA Immo employees, tenants and on CA Immo construction sites can be found in the ESG report.

Governance risks

§ Exemplary 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, which can range from penalties and fines to loss of reputation. These include not only compliance with legal requirements, governance rules and (internal) guidelines, but also the transparent handling of conflicts of interest, the payment of appropriate remuneration, the promotion of open communication with all stakeholders, respect for human rights and adherence to our ethical principles and corporate values. CA Immo takes a clear position against any form of unequal treatment, human rights violations, organised crime (e.g. fraud, extortion, bribery and corruption), money laundering or terrorist 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. In addition, employees and external third parties who suspect misconduct can report it anonymously via the electronic **whistleblowing system**[1] set up by CA Immo on the company's website.

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 from the Management Board, Audit Committee or full Supervisory Board. All operationally active Group companies are audited for corruption risks on a regular basis.

As early as the awarding process, we require our **contractors and suppliers (vendors)** to recognise 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 checks its business partners - especially construction companies - as part of the award process not only with regard to their professional qualifications and economic situation, but also with regard to social aspects. As part of a **third-party compliance** check, compliance with governance, social and environmental standards is queried and checked by means of questionnaires and the use of company and risk databases for undesirable media, sanctions, watchlists, etc., and taken into account in award processes. In the area of governance, we pay particular attention to compliance with laws, our internal guidelines for contract partners, for example, with regard to corporate ethics, ensuring compliance and measures to combat corruption, money laundering and the financing of terrorism.

Details of our key standards and the associated control mechanisms are available on our website.[2]

[1] https://www.caimmo.com/en/investor-relations/whistleblower-system/

[2] https://www.caimmo.com/en/investor-relations/corporate-governance/our-values/

Vienna, 22.3.2023

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer/CEO)	Dr. Andreas Schillhofer (Member of the Management Board)	Keegan Viscius (Member of the Management Board)

DECLARATION OF THE MANAGEMENT BOARD DUE TO SECTION 124 OF THE AUSTRIAN STOCK EXCHANGE ACT (BÖRSEGESETZ)

The Management Board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

Vienna, 22.3.2023

The Management Board

Silvia Schmitten-Walgenbach (Chief Executive Officer/CEO)	Dr. Andreas Schillhofer (Member of the Management Board)	Keegan Viscius (Member of the Management Board)

AUDITOR'S REPORT*)

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

CA Immobilien Anlagen Aktiengesellschaft, Vienna,

These financial statements comprise the balance sheet as of December 31, 2022, 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, 2022 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 accor¬dance 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 is the key audit matter 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, 2022 show material investments in affiliated companies (€3,175,900 K) as well as material loans to affiliated companies (€178,758 K). Furthermore, the financial statements show impairments of investments in and loans to affiliated companies of €5,761 K and income from revaluation of such of €1,330 K. All investments in and loans to affiliated companies are tested for impairment. These impairment assessments require significant assumptions and estimates. Due to the fact that most of the affiliated companies are real estate companies the impairment test is based on a simplified entity value which is mainly influenced by the property valuation reports by external, independent valuation experts or contractually agreed purchase prices. The material risk within the valuation reports exists when determining assumptions and estimates such as the discount/capitalization rate and rental income and for prop-

erties under development the construction and development costs to completion and the developer's profit. A minor change in these assumptions and estimates can have a material impact on the valuation of investments in and loans to affiliated companies.

The respective disclosures relating to investments in and loans to affiliated companies are shown in Section "2 Financial assets", in Section "11 a) – Financial assets" and in "appendix 2 – Information about group companies" in the financial statements as of December 31, 2022.

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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
– evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
– conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
– evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 5, 2022. We were appointed by the Supervisory Board on July 28, 2022. 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 22, 2023

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 applicable 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 Vienna
Phone +43 1 532 59 07-0
office@caimmo.com
www.caimmo.com

Investor Relations
Free info hotline in Austria: 0800 01 01 50
Christoph Thurnberger
Julian Wöhrle
Phone +43 1 532 59 07-0
ir@caimmo.com

Corporate Communications
Phone +43 1 532 59 07-0
presse@caimmo.com

DISCLAIMER

This Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or the risks set out in the risk management report materialise, then the actual results may deviate from the results currently anticipated. This Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

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We ask for your understanding that gender-conscious notation in the texts of this Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

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