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## STRATEGY

CA Immo has built up a strong market position in core Europe over more than three decades of steady development. As a manager, investor and developer of high-quality office properties, we shape the urban landscape of our core markets and create places where people love to work. Through our strategic focus, strong operational capabilities with experienced on-the-ground teams, stable balance sheet, and holistic commitment to sustainability, we ensure the highest quality in the office segment and secure long-term competitiveness for CA Immo. Our high-quality investment portfolio – combined with land reserves in central, inner-city locations and proven development expertise – offers a first-class capital and earnings base for sustainable growth. As a result, CA Immo has been able to generate an attractive total return from share price increases and dividends for its shareholders in recent years (total shareholder return 3-years: 41%, 5-years: 71%), and significantly outperformed the European property index EPRA Developed Europe.

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### COMPANY PROFILE AND BUSINESS MODEL

CA Immo's core competence is the management and development of modern prime office properties in urban locations in core cities across Germany, Austria and CEE. 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 the aspiration to meet the diverse interests and needs of our stakeholders in a responsible balance and thereby secure our competitiveness in the long-term. Value generation for CA Immo stakeholders is based on a comprehensive value chain ranging from the conception and development of entire urban districts to the active management of existing properties. The CA Immo business model aims to generate stable and sustainable rental income from a first-class tenant pool with a high credit rating as well as additional income from the development and sale of properties.

#### Strategic core cities

The core regions are Germany, Austria, Poland, and Czechia. 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). Germany is an important anchor market for the company,

currently accounting for around 66% of the total portfolio. In the medium term, the portfolio share of Germany and Austria is expected to exceed 80%.

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 services and the greatest possible flexibility for our tenants. The special synergy of being an experienced developer of sustainable buildings, and manager of an international Class A office portfolio in attractive metropolises, makes us the ideal partner for blue-chip companies. We continuously leverage and develop these strengths in order to build on our strong market position in the long-term.

CA Immo is thus concentrating on markets with strong economies which pool clusters of talent, enable innovation, attract liquidity, and offer above-average levels of growth. In addition to established city centres, the Group also expands to emerging submarkets with tenants from various sectors to create synergies within the portfolio and competitive advantages. The focus on prime office buildings in attractive locations in strategically selected cities is intended to secure CA Immo's long-term competitive advantage and generate continuous demand from both tenants and investors in a market characterised by hybrid forms of work.

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### FIRST-CLASS INVESTMENT PORTFOLIO

We aim to offer our tenants high-quality buildings in top locations. The existing income-producing portfolio is focused on modern office properties with a high technological standard in central locations with excellent connections. Part of this comprehensive quality standard is to maintain sustainable and energy-efficient buildings in the portfolio and to operate them in a way that conserves resources as much as possible. As of the reporting date, office buildings accounted for around 94% of the total investment property portfolio. Other types of use serve the realisation or optimisation of the actual strategic properties and have only a very small share of the total portfolio.

**Effective management through decentralised organisational structure**

Local teams on the ground in all strategic markets enable us to provide first-class services to our tenants, maintain close relationships with key market participants, internalise service margins, and generate stable cash flow through high occupancy rates and the realisation of rental growth potential. A critical portfolio size in the respective submarkets ensures the utilisation of synergies and economies of scale to efficiently manage our property portfolio.

**Value-creating capital rotation**

Active portfolio management with continuous investments and the disciplined sale of properties with limited value-creation potential is designed to maintain and enhance the quality, sustainability, and attractiveness of the portfolio in the long-term. A strategic portfolio property should not only be attractive to our tenants in terms of its location and amenities, but also in balance with the environment from a social and sustainable perspective and thus have a strong market position in the long-term.

Since the beginning of the 2018 financial year, gross sales proceeds totalling around €3.1bn (100%, CA Immo share €2.4bn) have been generated as part of the strategic capital rotation programme. The majority of these transactions were concluded at prices that were higher than the book values of the sold properties. As part of this programme, CA Immo sold its Romanian platform consisting of seven office buildings in November 2022. In 2023, CA Immo has decided to reclassify Hungary to strategically non-core. In addition, a number of properties were qualified as non-strategic with the aim of selling them in the medium term, including properties in non-core markets (e.g. Belgrade, Mainz) and properties in the core markets that are not intended to be held in the long term due to their location, size and structure, asset class, or value generation potential (e.g. hotels or selective office assets in CEE).

Despite a challenging transaction market environment, CA Immo was able to continue its strategic capital rotation programme successfully in 2023 and sold four non-strategic investment properties as well as four plots in Germany not primarily suitable for office use with a total value of around €580m at a premium to book value.

Sales proceeds from non-strategic disposals are reinvested in areas such as the value-enhancing continuation

of its prime development pipeline in Germany, the revitalization of existing buildings, selective property acquisitions as well as balance sheet, and liability management.

In addition to investing in organic growth and external acquisitions, since the end of 2018 we have returned €1.2bn to shareholders through a combination of buy-backs and dividends, helping to drive total shareholder return of 71% over the past five years, clearly outperforming both closest peer group and main industry benchmark.

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**REAL ESTATE DEVELOPMENT AS ORGANIC GROWTH DRIVER**

An additional organic growth driver for CA Immo is the development of modern, energy-efficient prime properties for its own portfolio in our core markets, especially in Germany. CA Immo experts cover the entire value chain: From the preparation of the land, involvement in the master plan and the creation of building rights, to the implementation of the surrounding infrastructure and the construction and operation of new buildings. CA Immo has been successful as a project developer, completing construction projects with a gross development volume of around €3.5bn over the past fifteen years capturing value across the entire development process. The majority of these developments were realised in Germany and integrated into the Group's own portfolio, the rest were sold.

This long-term and value-creating development activity in the form of continuous construction and utilisation of existing strategic land reserves, which are primarily located in Berlin, represents an important growth lever and strategic competitive advantage for CA Immo. A high location quality ensures value-accretive development and good marketability of the plots and properties to be developed on them. Prominent examples of land reserves in the CA Immo portfolio are the prime office sites in the Europacity district around Berlin's main railway station, close to the Reichstag and the Chancellery, which is developing into a modern, mixed-use neighbourhood with high-quality residential and commercial space on around 60 hectares. Outside Berlin, CA Immo has land reserves in Frankfurt, Munich and Mainz, which are well served by public and private transport. These plots are at various stages of obtaining building rights and are largely

earmarked for residential development and thus for sale (short-term property assets).

For details of recent project completions, current projects under construction and future development plans see the section “Investment properties under development”.

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#### PROPERTY ACQUISITIONS AS AN ADDITIONAL GROWTH IMPETUS

In addition to realising property development profits from current projects under construction and on land reserves, selective acquisitions are intended to strengthen the portfolio in selected core markets of the Group and provide additional rental income growth. The corporate platform, which has been continuously optimised in recent years, combined with a robust balance sheet profile and the local market expertise of the internal asset management teams in all core markets, represents a fundamentally strong basis for value-creating growth.

In July 2023, for example, the acquisition of a plot of land envisaged for a prime office development adjacent to the central station in Berlin was completed at the same time as the sale of Hamburger Bahnhof and Rieckhallen in Berlin.

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#### ROBUST BALANCE SHEET STRUCTURE AS A SOLID BASIS FOR GROWTH

The financing strategy of the CA Immo Group is based on a balanced mix of secured and unsecured financing instruments with the aim of minimising financing costs and

the risk of interest rate changes, while maximising average terms and flexibility. Maintaining an investment grade financial policy in the medium term on the basis of a solid balance sheet structure with a strong equity base and sustainable profitability is a key strategic component, which is also reflected in the objective of a long-term defensive and robust financial profile (refer to the section on “Financing”).

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#### ESG: TRANSFORMATION INTO A SUSTAINABLE COMPANY

The evaluation and management of the impact of our business activities on our ecological and social environment is an integral part of our quality standards. With our ESG commitment, we want to actively contribute to achieving the climate and environmental goals defined by the European Union and the general transition to a sustainable economy. To ensure this, CA Immo is committed to strategic sustainability management that is consistent across the Group. As part of this, a wide range of measures are implemented, including minimising the carbon footprint and resource consumption over the entire life cycle of buildings and setting high social standards within our sphere of influence. Detailed information on this commitment can be found in the “ESG Report”.

CA IMMO BUSINESS MODEL

