

alstria

# 2022 ANNUAL REPORT

IFRS financial statements

## KEY FIGURES

### FIVE-YEAR OVERVIEW

Revenues and earnings	2022	2021	2020	2019	2018
Revenues (EUR k)	182,819	183,670	177,063	187,467	193,193
Net rental income (EUR k)	158,946	163,271	154,823	162,904	169,068
Consolidated profit for the period (EUR k)	-74,614	209,678	168,489	581,221	527,414
FFO (EUR k) <sup>1)</sup>	106,562	116,455	108,673	112,572	114,730
Earnings per share (EUR) <sup>1)</sup>	-0.42	1.18	0.95	3.27	3.02
FFO per share (EUR) <sup>1)</sup>	0.60	0.65	0.61	0.63	0.65

<sup>1)</sup> Excluding minorities.

Balance sheet	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Investment property (EUR k)	4,606,848	4,775,801	4,556,181	4,438,597	3,938,864
Total assets (EUR k)	5,163,774	5,234,372	5,090,249	5,029,328	4,181,252
Equity (EUR k)	2,571,400	3,367,083	3,252,442	3,175,555	2,684,087
Liabilities (EUR k)	2,592,374	1,867,290	1,837,806	1,853,773	1,497,165
Net asset value (NAV) per share (EUR)	14.42	18.91	18.29	17.88	15.13
Net loan-to-value (Net LTV, %)	43.7	28.8	27.0	27.1	30.4

G-REIT figures	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
G-REIT equity ratio (%)	55.3	69.1	71.1	70.9	67.2
Revenues including other income from investment properties (%)	100	100	100	100	100

EPRA figures <sup>1)</sup>	2022	2021	2020	2019	2018
EPRA earnings per share (EUR)	0.63	0.55	0.61	0.61	0.62
EPRA cost ratio A (%) <sup>2)</sup>	32.1	25.0	26.6	26.1	23.0
EPRA cost ratio B (%) <sup>3)</sup>	27.0	21.1	22.1	21.7	19.0

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
EPRA NRV per share (EUR)	16.40	20.86	20.13	19.67	n/a
EPRA NTA per share (EUR)	14.47	18.97	18.34	17.91	15.14
EPRA NDV per share (EUR)	15.69	18.82	17.95	17.61	14.96
EPRA net initial yield (%)	3.5	2.9	3.3	3.3	4.0
EPRA 'topped-up' net initial yield (%)	3.7	3.4	3.7	3.8	4.4
EPRA vacancy rate (%)	7.2	6.9	7.6	8.1	9.7

<sup>1)</sup> For further information, please refer to EPRA Best Practices Recommendations, [www.epra.com](http://www.epra.com).

<sup>2)</sup> Including vacancy costs.

<sup>3)</sup> Excluding vacancy costs.

**CONTENT**

- DETAIL INDEX COMBINED MANAGEMENT REPORT ..... 2**
- A. COMBINED MANAGEMENT REPORT ..... 3**
  - I. ECONOMICS AND STRATEGY ..... 3
  - II. FINANCIAL ANALYSIS ..... 9
  - III. EXPECTED DEVELOPMENTS .....21
  - IV. REPORT REGARDING ALSTRIA AG .....22
  - V. RISK AND OPPORTUNITY REPORT .....29
  - VI. SUSTAINABILITY REPORT .....56
  - VII. DISCLOSURES REQUIRED BY TAKEOVER LAW .....57
  - VIII. ADDITIONAL GROUP DISCLOSURE.....60
- DETAIL INDEX CONSOLIDATED FINANCIAL STATEMENTS ..... 63**
- B. CONSOLIDATED FINANCIAL STATEMENTS ..... 64**
  - I. CONSOLIDATED INCOME STATEMENT .....64
  - II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....65
  - III. CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....66
  - IV. CONSOLIDATED STATEMENT OF CASH FLOWS .....68
  - V. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....70
  - VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....71
- C. RESPONSIBILITY STATEMENT ..... 155**
- D. INDEPENDENT AUDITOR’S REPORT ..... 156**
- E. REPORT OF THE SUPERVISORY BOARD ..... 167**
- F. CORPORATE GOVERNANCE STATEMENT ..... 175**
- G. REMUNERATION REPORT ..... 193**
- H. REIT DISCLOSURES ..... 215**
  - I. REIT DECLARATION ..... 215
  - II. REIT MEMORANDUM ..... 217
- I. FINANCIAL CALENDAR/IMPRINT ..... 219**
  - I. FINANCIAL CALENDAR ..... 219
  - II. CONTACT/IMPRINT ..... 219

## DETAIL INDEX COMBINED MANAGEMENT REPORT

<b>A.</b>	<b>COMBINED MANAGEMENT REPORT .....</b>	<b>3</b>
I.	ECONOMICS AND STRATEGY .....	3
1.	STRATEGY.....	3
2.	CORPORATE MANAGEMENT .....	4
3.	ECONOMY AND OFFICE MARKETS .....	5
4.	PORTFOLIO ANALYSIS .....	6
II.	FINANCIAL ANALYSIS .....	9
1.	EARNINGS POSITION .....	9
2.	FINANCIAL AND ASSET POSITION.....	14
3.	THE MANAGEMENT BOARD’S OVERALL ASSESSMENT OF THE FINANCIAL YEAR .....	21
III.	EXPECTED DEVELOPMENTS .....	21
1.	EXPECTED ECONOMIC DEVELOPMENT .....	21
2.	DEVELOPMENT OF THE REAL ESTATE MARKET: OUTLOOK FOR 2023.....	21
3.	OUTLOOK FOR THE ALSTRIA GROUP .....	22
IV.	REPORT REGARDING ALSTRIA AG .....	22
1.	SIGNIFICANT TRANSACTIONS .....	22
2.	EARNINGS POSITION .....	23
3.	FINANCIAL AND ASSET POSITION.....	26
4.	ADDITIONAL DISCLOSURE REGARDING ALSTRIA AG .....	28
V.	RISK AND OPPORTUNITY REPORT.....	29
1.	RISK REPORT.....	29
2.	REPORT ON OPPORTUNITIES .....	53
VI.	SUSTAINABILITY REPORT .....	56
VII.	DISCLOSURES REQUIRED BY TAKEOVER LAW .....	57
VIII.	ADDITIONAL GROUP DISCLOSURE.....	60
1.	CORPORATE GOVERNANCE GROUP DECLARATION PURSUANT TO SECTIONS 289F AND 315D HGB (“HANDELSGESETZBUCH”: GERMAN COMMERCIAL CODE).....	60
2.	EMPLOYEES .....	60
3.	GROUP AND DEPENDENT-COMPANY REPORT .....	61
4.	DIVIDEND.....	62

## A. COMBINED MANAGEMENT REPORT

### I. ECONOMICS AND STRATEGY

#### 1. STRATEGY

alstria office REIT-AG (herein referred to as the “Company”, “alstria”, or “alstria AG”) is a German stock corporation in the legal form of a Real Estate Investment Trust (REIT) that invests in office real estate in major German economic centers. The Company has been listed on the Frankfurt Stock Exchange since 2007 (WKN: AOLD2U). As of December 31, 2022, the alstria group consisted of the parent company alstria and 37 direct and indirect subsidiaries (hereinafter “alstria” or the “Group”). The parent company makes operational decisions. As of December 31, 2022, alstria’s real estate portfolio comprised 108 buildings, with a lettable area of 1.4 million m<sup>2</sup> and a total value of EUR 4.7 billion. The properties are predominantly located in the major German office markets of Hamburg, Düsseldorf, Frankfurt, Stuttgart, and Berlin, where local and operating offices represent alstria, which alstria defines as its core market. As a fully integrated and long-term oriented company, alstria’s 177 employees actively manage the buildings over their entire life cycle.

The year 2022 was significantly impacted for alstria by the acquisition by Brookfield Corporation, Toronto/Canada (formerly Brookfield Asset Management Inc, “Brookfield”), through its subsidiary Alexandrite Lux Holdings S.á r.l., Luxembourg (hereinafter “Alexandrite” or “acquiring company”). After the end of the first offer period on January 18, 2022, Brookfield declared the successful acquisition of alstria office REIT-AG and with the end of the second offer period on February 3, 2022, the shareholding of the new majority shareholder was 91.6%. In the course of 2022, Brookfield further increased its shareholding and holds directly and indirectly 95.1% of the shares in alstria office REIT-AG according to the latest published voting rights notification.

Brookfield has committed to assist the Management Board in the continued implementation of the Group’s business strategy and to further support the Company’s growth. In particular, value-enhancing modernization and repositioning opportunities with potential for sustainable value creation are to be driven forward on the basis of hands-on asset management in order to future-proof the portfolio and continue the ongoing decarbonization process. Following the Brookfield transaction and in light of the new anchor shareholder, the Management Board undertook a review of the company’s capital structure. In total the company identified EUR 1 bn of capital that could be released through increased leverage and/or asset sales. The proceeds of the released capital could be used to be either deployed in additional assets to be acquired or, if no investment opportunity was available to the company, returned to shareholders. In this context, additional loans with a total volume of EUR 760 million were raised. The additional capital released by these new loans was subsequently used to finance a return of capital to the shareholders in the form of a special dividend in the amount of EUR 750 million. This dividend was approved by an extraordinary general meeting on August 31, 2022 and was subsequently paid out.

alstria's corporate strategy is based on the following principles:

- Access to capital and a comprehensive operational knowledge based on an integrated business model are fundamental success factors for alstria.
- By concentrating the real estate portfolio on the major German office markets and by focusing on solvent tenants, alstria generates steady income primarily used for reinvesting in the portfolio.
- Continuous investments in the quality of the real estate portfolio secure and increase rental income and property values and improve the portfolio's energy efficiency.
- Depending on the assessment of the market situation, properties are bought or sold. The goal is risk-adjusted corporate growth and achieving a return in line with the market over the real estate cycle.

## 2. CORPORATE MANAGEMENT

alstria proactively controls the Company based on two key financial performance indicators: revenues and funds from operations (FFO). Revenues mainly comprise rental income derived from the Company's leasing activities. The FFO is derived from real estate management. It excludes valuation effects and other adjustments, such as noncash expenses / income, gain on disposal and expected nonrecurring effects.\*

The revenue and FFO guidance published by alstria at the beginning of 2022 was fully achieved in the financial year 2022. Revenues amounted to EUR 183 million (forecast: EUR 183 million) and FFO reached around EUR 107 million in the reporting year for the Group (forecast: EUR 106 million).

The Company also monitors the progress of its Net LTV\*\*, G-REIT equity ratio\*\*\*, net-debt\*\*\*\*/EBITDA, and cash (cash and cash equivalents). For the Company's internal control, in each case these are not classified as the most relevant performance indicators. alstria's Net LTV was 43.7% as of December 31, 2022, compared to 28.8% at the end of the 2021 financial year. The G-REIT equity ratio was 55.3%, compared to 69.1% in the previous year and the minimum statutory rate amounts to of 45%. The net-debt / EBITDA was a ratio of 14.5 as of December 31, 2022, compared to a ratio of 9.9 as of December 31, 2021.

The management at the level of the Company primarily focuses on the total operating performance. alstria AG strives for stable results with low volatility.

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\* For further details, please refer to page 12f.

\*\* Net-debt / fair value of immovable assets (deducted by interests in joint ventures).

\*\*\* Total equity divided by the carrying amount for immovable assets. The minimum requirement according to G-REIT regulations is 45 %.

\*\*\*\* Total debt deducted by cash positions and short-term financial assets.

### 3. ECONOMY AND OFFICE MARKETS

#### 3.1. Economic development

Economic development in Germany in 2022 was characterized in particular by the effects of the Russian attack in Ukraine. The German economy's heavy dependence on Russian energy led at times to sharp price increases, particularly for natural gas and electricity, in view of the de facto cutoff of Russian energy supplies in the course of the year. Western economic sanctions against Russia, in addition to the sharp rise in energy prices, placed a further burden on economic performance. Driven by energy prices and disrupted supply chains, Germany experienced a significant rise in inflation, forcing the ECB to make a drastic turnaround on interest rates. The hopes prevailing at the beginning of the year for an economic recovery following the fade-out of the COVID-19 pandemic were thus completely dashed by the Russian attack on Ukraine.

#### 3.2. Office markets\*

##### 3.2.1. Vacancy rate, office lettings and rents

The weak economic performance and the business uncertainty of many companies had a direct impact on demand for office space. The war in Ukraine slowed leasing activity throughout the year. The vacancy rate rose to 5.1% over the course of the year (previous year: 4.7%), while both prime and average rents again increased slightly (except for Berlin). Overall, office lettings increased by 9.0% year-on-year to 3,500,000 m<sup>2</sup> ("Big 7" cities: Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart) according to the major commercial brokerage houses. Berlin reached the highest average rent for office space at EUR 27.80/m<sup>2</sup> (previous year: EUR 30.50/m<sup>2</sup>), followed by Munich at EUR 24.40/m<sup>2</sup> (previous year: EUR 23.68/m<sup>2</sup>), Frankfurt at EUR 23.60/m<sup>2</sup> (previous year: EUR 22.04/m<sup>2</sup>), Hamburg at EUR 21.50/m<sup>2</sup> (previous year: EUR 18.06/m<sup>2</sup>), Düsseldorf at EUR 19.00/m<sup>2</sup> (previous year: EUR 16.57/m<sup>2</sup>), Cologne at EUR 17.30/m<sup>2</sup> (previous year: EUR 16.42/m<sup>2</sup>), and Stuttgart at EUR 18.10/m<sup>2</sup> (previous year: EUR 16.10/m<sup>2</sup>).

##### 3.2.2. Transactions

In 2022 the transaction volume in the "Big 7" cities was EUR 17.2 billion (Berlin: EUR 4.4 billion, Hamburg: EUR 3.4 billion, Frankfurt am Main: EUR 3.3 billion, Munich: EUR 2.6 billion, Düsseldorf: EUR 1.8 billion, Stuttgart: EUR 1.0 billion, Cologne: EUR 0.7 billion). The reason for the 28% decline compared with the corresponding figure for the previous year was the rapid and drastic interest rate increases in the course of the year. The transaction volume in 2022 represents the lowest overall annual figure since 2014 and is therefore around 10% below the 10-year average.

Due to the significant change in financing conditions, there was a very strong reluctance to invest, especially in large-volume investments.

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\* Sources of real estate market data in this chapter are Colliers International Deutschland GmbH, BNP Paribas Real Estate, CBRE GmbH, and Jones Lang LaSalle, German Property Partners & Savills.

## 4. PORTFOLIO ANALYSIS

### 4.1. Key metrics of the portfolio and investment locations

alstria owns, manages, and develops office buildings with a total lettable area of 1.4 million m<sup>2</sup>. At the end of 2022, 90.0% of this was office and storage space and 10.0% included other types of use (retail, hotel, and other). By focusing on the large and liquid German office markets, the management board believes that alstria can secure its competitive position by efficiently managing substantial sub-portfolios even in economically difficult times. Rather than large buildings, alstria typically prefers smaller, geographically close properties. alstria's management believes that such a portfolio design allows the company to spread the operational risk over a larger number of buildings and thus reduce the overall risk of the real estate portfolio. The buildings in the alstria portfolio have an average lettable area of 12,900 m<sup>2</sup> and an average market value of EUR 43.1 million.

Key metrics	Dec. 31, 2022	Dec. 31, 2021
Number of properties	108	112
Market value (EUR bn) <sup>1)</sup>	4.7	4.9
Annual contractual rent (EUR m)	199.7	204.6
Valuation yield (% , contractual rent / market value)	4.3	4.2
Lettable area (m <sup>2</sup> )	1.398.000	1,434,000
EPRA vacancy rate (%)	7.2	6.9
WAULT (weighted average unexpired lease term in years)	5.5	5.7
Average value per m <sup>2</sup> (EUR)	3.329	3,398
Average rent/m <sup>2</sup> (EUR / month) <sup>3)</sup>	14.06	13.33

<sup>1)</sup> Including fair value of owner-occupied properties.

<sup>2)</sup> Average rent for the office space.

Total portfolio by region (% of market value)	Dec. 31, 2022	Dec. 31, 2021	Change (pp)
Hamburg	35	34	1
Düsseldorf	25	25	0
Frankfurt	22	21	1
Stuttgart	9	11	-2
Berlin	9	9	0



#### 4.2. Tenants and leases

Public tenants and large national and international companies in particular characterize alstria's tenant structure. The following table shows the ten largest tenants as of December 31, 2022:

alstria's main tenants (% of annual rent)	Dec. 31, 2022	Dec. 31, 2021	Change (pp)
City of Hamburg	13	12	1
Mercedes-Benz AG	6	11	-5
Bundesanstalt für Immobilienaufgaben	5	5	0
City of Frankfurt am Main	3	3	0
GMG Generalmietgesellschaft	3	2	1
HOCHTIEF Aktiengesellschaft	2	2	0
Commerzbank Aktiengesellschaft	2	2	0
Deutsche Post Immobilien	2	1	1
Hamburger Hochbahn AG	2	2	0
City of Berlin	1	1	0

Letting metrics (m <sup>2</sup> )	2022	2021	Change
New leases	43,700	51,700	-8,000
Renewals of leases <sup>1)</sup>	63,600	103,600	-40,000
<b>Total</b>	<b>107,300</b>	<b>155,300</b>	<b>-48,000</b>

<sup>1)</sup> Option drawings of existing tenants are included.

Commercial leases usually have a limited term agreed in the respective lease. The following table summarizes the share of expiring leases as a share of the total portfolio over the next three years:

Lease expiry profile (% of annual rent)	Dec. 31, 2022	Dec. 31, 2021	Change (pp)
2023	6.4	10.7	-4.3
2024	10.6	8.0	2.6
2025	13.7	12.0	1.7

#### 4.3. Capital expenditure into the existing portfolio

In 2022, EUR 113 million was invested in the existing portfolio. The largest part of this amount, EUR 87 million, was invested in development projects, which significantly improved the quality of the spaces to achieve higher rents for new leases. The development capex remained on a high level in 2022, because alstria still sees the best return opportunities here. The current development portfolio comprises 21 projects with a total lettable area of 377,100 m<sup>2</sup>.

## Consolidated Financial Statements

Project	Lettable area (m <sup>2</sup> )	Status	Estimated completion
Besenbinderhof 41, Hamburg	5,500	Under construction	Q2 2023
Epplestr. 225, Stuttgart	108,900	Under construction	n/a
Carl-Reiss-Platz 1, Mannheim	8,500	Under construction	Q1 2023
Carl-Reiss-Platz 2,3,4, Mannheim	5,300 <sup>1)</sup>	Under construction	Q1 2024
Augustaanlage 60, Mannheim	4,400	Under construction	Q1 2023
Friedrich-Scholl-Platz 1, Karlsruhe	26,800	Under construction	Q4 2024
Gustav-Nachtigal-Str. 3, Wiesbaden	18,400	Under construction	Q1 2023
Gustav-Nachtigal-Str. 4, Wiesbaden	800	Under construction	Q1 2024
Gustav-Nachtigal-Str. 5, Wiesbaden	7,600	Under construction	Q1 2023
Gasstr. 18, Hamburg	26,800	Under construction	Q2 2023
Deutsche Telekom Allee 7, Darmstadt	22,200	Under construction	Q2 2023
Friedrich-List-Str. 20, Essen	9,200	Under construction	Q4 2023
Uhlandstr. 85, Berlin	9,400	Under construction	Q2 2024
Adlerstr. 63, Düsseldorf	2,900	Under construction	Q1 2024
Handwerkstr. 4/Breitwiesenstr. 27, Stuttgart	6,400	Under construction	Q4 2023
Deutsche Telekom Allee 9, Darmstadt	60,700	In planning	n/a
Gartenstr. 2, Düsseldorf	5,100	In planning	n/a
Corneliusstr. 36, Düsseldorf	3,100	In planning	n/a
Maxstr. 3a, Berlin	4,200	In planning	n/a
Hanauer Landstr. 161-173, Frankfurt	10,500	In planning	n/a
Platz der Einheit 1, Frankfurt	30,400	In planning	n/a
<b>Total</b>	<b>377,100</b>		

<sup>1)</sup> Planned lettable area.

#### 4.4. Transactions

alstria's investment decisions are based on both analyses of local markets and individual inspections of each asset. The latter focuses on the attributes of location, size, and quality (relative to those of direct competitors' assets) as well as the long-term potential for value growth. alstria's strategy is to operate what it considers to be a lucrative portfolio size in the respective locations (concentration on "Big 7" office markets in Germany), but also sell mature or non-core assets to optimize its capital allocation. In this context, three assets for a total consideration of EUR 116 million were sold in the course of the year. Two properties with a total price of EUR 72 million were already sold in fiscal year 2021, and the transfer took place in the first quarter of 2022. The sales proceeds were mainly used to finance the development measures in the existing real estate portfolio.

## Consolidated Financial Statements

### Disposals

Asset	City	Disposal price (EUR k)	Gain to book value (EUR k) <sup>1), 2)</sup>	Signing SPA	Transfer of benefits and burdens
Heidenkampsweg 44-46	Hamburg	9,100	1,070	Dec. 9, 2021	March 31, 2022
Vaihinger Str. 131	Stuttgart	63,000	15,730	Dec. 23, 2021	March 31, 2022
Kanzlerstr. 8	Düsseldorf	24,970	-15	Feb. 16, 2022	April 30, 2022
Rotebühlstr. 98-100	Stuttgart	64,500	2,255	Sept. 21, 2022	Nov. 30, 2022
Amsinckstr. 34	Hamburg	26,550	575	Dec. 12, 2022	March 31, 2023 <sup>3)</sup>
<b>Total Disposals</b>		<b>188,120</b>	<b>19,615</b>		

<sup>1)</sup> Different from the position "Net result from the disposal of investment property" in the income statement. This position only contains contracts which were signed in 2021 financial year and their transaction costs as well as capitalizations during the year which were booked until the time of disposal.

<sup>2)</sup> Rounded to the nearest five thousand Euros.

<sup>3)</sup> Expected.

### 4.5. Portfolio valuation

An external valuer (Savills Advisory Services Germany GmbH & Co. KG) valued alstria's entire real estate portfolio at fair market value as of December 31, 2022 in accordance with the requirements of IAS 40 in connection with IFRS 13. For the entire portfolio, the 2022 valuation resulted in a depreciation of EUR 173.8 million; previous year: appreciation of EUR 94.8 million (after deduction of capex and transactions). Based on the determined market value as of December 31, 2022, there is an average value of EUR 3,314 per m<sup>2</sup> and, based on the ratio of contractual rent to the market value, a yield of 4.3% in the total portfolio.

## II. FINANCIAL ANALYSIS

### 1. EARNINGS POSITION

EUR k	2022	2021
Revenues	182,819	183,670
Net rental income	158,946	163,271
Administrative and personnel expenses	-37,435	-28,094
Other operating result	13,219	-8,684
<b>Operating income</b>	<b>134,730</b>	<b>126,493</b>
Net result from fair value adjustments to investment property	-173,794	94,827
Net result from disposal of investment property	2,896	15,134
<b>Net operating result</b>	<b>-36,168</b>	<b>236,454</b>

#### 1.1. Net operating result

alstria closed the 2022 financial year with a net operating result (before financing costs and taxes) of EUR -36,168 k, compared to EUR 236,454 k for the previous year.

The main reason for the significant deterioration in net operating profit is the negative net result from the fair value adjustments of investment property.

### 1.2. Revenues

In the reporting period, revenues totaled EUR 182,819 k (compared to EUR 183,670 k in 2021). This corresponds to a decrease of 0.5% or EUR 851 k. The decline is primarily the result of the scheduled expiry of rental agreements and transaction-related changes in revenue. The lower rental income was partially offset by an increase in revenue from new leases, indexation, and proceeds from leases of the properties acquired in fiscal 2021.

### 1.3. Real estate operating expenses

Real estate operating expenses consist of recoverable and non-recoverable operating costs, and they amounted to EUR 62,043 k (compared to EUR 59,307 k in 2021). The expense ratio of non-recoverable operating costs increased from 11.2% in 2021 to 13.4% in 2022. This development was due to higher maintenance and vacancy costs compared with the previous year. Thus, the Group's net rental income decreased by EUR 4,325 k to EUR 158,946 k (compared to EUR 163,271 k in 2021).

### 1.4. Administrative and personnel expenses

Administrative expenses increased year-on-year by EUR 2,116 k (compared to EUR 8,325 k in 2021), mainly due to the increase in external advisory needs in light of the changes implemented following the transaction with Brookfield. Personnel expenses were EUR 26,994 k for the reporting period and, therefore, EUR 7,225 k higher than in the previous year (2021: EUR 19,769 k). The reason for the increase in the reporting period is mainly a rise in the value of the share-based compensation following the take-over offer (virtual shares and stock options increased by EUR 1,557 k to EUR 2,544 k (2021: EUR 987 k)) and a change in the compensation scheme related to the takeover by Brookfield. The company also incurred EUR 1,079 k of redundancy expenses linked to the transaction. The total of administrative and personnel expenses thus corresponds to around 20.5% of revenues and 0.8% of the fair value of the portfolio (2021: 15.3% and 0.6%).

### 1.5. Other operating result

alstria's other operating results amounted to EUR 13,219 k during the reporting period (compared to EUR -8,684 k in 2021). An increase in income of EUR 10,289 k mainly resulted from EUR 6,854 k higher income from compensation payments and other charges passed on to tenants and a redemption grant for energy-related refurbishment measures from KfW. Other operating expenses are EUR 11,614 k lower than in the 2021 financial year. In the previous year, the figure was negatively impacted by EUR 9,147 k higher expenses for legal and consulting fees mainly as a result of the voluntary public takeover offer.

### 1.6. Net result from fair value adjustments to investment property

In the 2022 financial year, the net result from fair value adjustments to investment property was EUR -173,794 k (compared to EUR 94,827 k in 2021). The total of the increases in value amounted to EUR 34,233 k (compared to EUR 233,320 k in 2021), while the total of the decrease in value amounted to EUR 208,027 k (compared to EUR 138,493 k in 2021). Different value developments are recorded on the asset level. In response to the rise in interest rates, properties with low rental yields in particular recorded higher devaluations.

### 1.7. Net result from the disposal of investment property

In 2022, alstria achieved a positive result of EUR 2,896 k from the disposal of investment properties (compared to EUR 15,134 k in 2021). The realized disposal gains mainly resulted from the sale of the Rotebühlstr. 98-100 asset in Stuttgart.

### 1.8. Net financial result

EUR k	2022	2021
Interest expenses, corporate bonds	-21,916	-21,954
Interest expenses, other loans	-8,351	-2,142
Interest result Schuldschein	-1,968	-1,977
Other interest expenses	-858	-815
<b>Financial expenses</b>	<b>-33,093</b>	<b>-26,888</b>
Income from financial instruments	4,062	1,323
Other financial expenses	-8,025	-455
<b>Net financial result</b>	<b>-37,056</b>	<b>-26,019</b>

Financial expenses increased by EUR 6,205 k to EUR 33,093 k mainly due to the take up of further loans in the course of 2022. For details on the new loans, refer to the 'Noncurrent and current financial liabilities' section starting on page 15.

### 1.9. Share of the result of companies accounted for at equity

In 2022, alstria's share of the result of companies accounted for at equity was EUR -782 k (compared to EUR -108 k in 2021).

### 1.10. Consolidated profit

The consolidated net result for the financial year 2022 amounted to EUR -74,614 k (2021: EUR 209,677 k) and was therefore EUR 284,291 k lower than in the previous year. The main driver of this development is the result from the fair value measurement of investment property, which amounted to EUR -173,794 k in the financial year, compared with a positive figure of EUR 94,827 k in the previous year. Undiluted earnings per share amounted to EUR -0.42 for the reporting period (compared to EUR 1.18 in 2021).

REITs are fully exempt from German corporate income tax and trade tax. However, tax obligations can arise to a minor extent for REIT subsidiaries.

### 1.11. Funds from operations (FFO)

The revenue and earnings position of alstria developed as planned. Due to the scheduled expiration of leases and transaction-related changes in revenue, rental income in 2022 decreased by 0.5 % to EUR 182,819 k (prior year: EUR 183,670 k). The decline in rental income was partially offset by revenues from new leases, indexation, and revenues from leases for the properties acquired in fiscal year 2021.

FFO after minority interests amounted to EUR 106.6 million (previous year: EUR 116.5 million), in line with the guidance of EUR 106.0 million. In addition to slightly lower net rental income, the lower FFO was due in particular to higher financing and personnel costs, which were only partly offset by higher other operating income. The FFO margin reduced accordingly to 58.3 % in 2022 (63,4% FY21). Reconciliation of consolidated net income to FFO is based on eliminating non-cash income items, those that are not expected to recur annually, non-periodic items and items that do not serve the operating business. The adjustments between the income figures in the income statement and FFO are shown in the table on the next page. The most significant adjustments (> EUR 1,000 k) in the current reporting period related to non-cash or one-off personnel expenses (EUR 4,967 k), non-recurring other operating income (EUR -1,866 k), non-cash and non-recurring other operating expenses (EUR 2,649 k) and expenses not attributable to the operating business in the financial result (EUR 7,302 k). The main adjustments here are related primarily to the costs associated with the bridge facility and a market flex premium. The adjustments in the operating expenses relate to the valuation of the limited partner capital. In addition, there were non-recurring proceeds from disposals (EUR -2,896 k) and a non-cash valuation result (EUR 173,794 k), which were adjusted accordingly in the calculation of operating profit.

## Consolidated Financial Statements

EUR k <sup>1)</sup>	IFRS P&L	Adjustments	FFO 2022	FFO 2021
Revenues	182,819	-	182,819	183,670
Revenues from service charge income	38,170	-	38,170	38,908
Real estate operating expenses	-62,043	-	-62,043	-59,307
<b>Net rental income</b>	<b>158,946</b>	<b>-</b>	<b>158,946</b>	<b>163,271</b>
Administrative expenses	-10,441	964	-9,477	-7,382
Personnel expenses	-26,994	4,967	-22,027	-17,698
Other operating income	16,219	-1,866	14,353	3,559
Other operating expenses	-3,000	2,649	-351	-665
Net result from fair value adjustments to investment property	-173,794	-173,794	0	0
Net result from the disposal of investment property	2,896	-2,896	0	0
<b>Net operating result</b>	<b>-36,168</b>	<b>177,612</b>	<b>141,444</b>	<b>141,085</b>
Net financial result <sup>2)</sup>	-37,056	7,302	-29,754	-22,306
Share of the result of companies accounted for at equity	-783	-	-782	-108
Net result from the valuation of derivative financial instruments	-499	499	0	0
<b>Pretax income</b>	<b>-74,505</b>	<b>185,413</b>	<b>110,908</b>	<b>118,671</b>
Income tax expenses	-109	109	0	0
<b>Consolidated profit</b>	<b>-74,614</b>	<b>185,522</b>	<b>110,908</b>	<b>118,671</b>
Minority interests	-	-4,346	-4,346	-2,216
<b>Consolidated profit / FFO (after minorities)<sup>3)</sup></b>	<b>74,614</b>	<b>181,176</b>	<b>106,562</b>	<b>116,455</b>
<b>Number of outstanding shares (k)</b>			<b>178,291</b>	<b>178,033</b>
<b>FFO per share (EUR)</b>			<b>0.60</b>	<b>0.65</b>

<sup>1)</sup> Numbers may not sum up due to rounding.

<sup>2)</sup> The operating financial result contains interest expenses for financial liabilities, which are used for the financing of the existing portfolio. The nonoperating financial result contains interest expenses for financial liabilities, which are not used for the financing of the existing portfolio. This concerns the interest expenses for already refinanced financial liabilities and financial liabilities, which are intended for future property investments.

<sup>3)</sup> FFO is not a measure of operating performance or liquidity under generally accepted accounting principles, in particular IFRS, and it should not be considered an alternative to the Company's income or cash flow measures as determined in accordance with IFRS. Furthermore, there is no standard definition for FFO. Thus, alstria's FFO values and the measures with similar names presented by other companies may not be comparable.

## 2. FINANCIAL AND ASSET POSITION

### 2.1. Investment properties

The total value of investment properties as of December 31, 2022 was EUR 4,606,848 k, compared to EUR 4,775,801 k at the beginning of 2022. The decrease is mainly attributable to the decline in the value of investment property and the sale of three properties. One of the properties was reported under the balance sheet item "Properties held for sale" as of December 31, 2022. A partially offsetting effect resulted from the investments in the existing portfolio during the year, which had a positive impact on the value of the real estate.

EUR k	
<b>Investment property as of December 31, 2021</b>	<b>4,775,801</b>
Investments	113,147
Acquisitions	0
Acquisition costs	0
Capitalization of right of use IFRS 16	504
Disposals	-83,910
Transfer to assets held for sale	-24,900
Transfer to property, plant, and equipment (owner-occupied properties)	0
Transfer from property, plant, and equipment (owner-occupied properties)	0
Net loss / gain from fair value adjustments to investment property	-173,794
<b>Investment property as of December 31, 2022</b>	<b>4,606,848</b>
Carrying amount of owner-occupied properties	16,293
Carrying amount of the forest	2,683
Fair value of assets held for sale	26,550
Interests in joint ventures	101
<b>Carrying amount of immovable assets</b>	<b>4,652,475</b>

### 2.2. Cash and cash equivalents

Cash and cash equivalents increased by EUR 51,289 k from EUR 313,684 k to EUR 364,973 k in the reporting period. A positive cash flow of EUR 87,079 k was generated from operating activities. Financing activities showed net cash outflows of EUR 80,740 k. In addition to additional borrowings of EUR 760,000 k, which were used to pay a special dividend of EUR 749,519 k, there was a repayment of loans of EUR 69,483 k. In addition, a regular dividend of EUR 7,121 k was distributed. Investing activities resulted in cash inflows of EUR 44,950 k, mainly due to the sale of real estate, which more than compensated for the investments in investment property.



## Consolidated Financial Statements

### 2.3. Equity

	Dec. 31, 2022	Dec. 31, 2021	Change
Equity (EUR k)	2,571,400	3,367,083	-23.6 %
Number of outstanding shares (k)	178,291	178,033	0.1 %
Net asset value per share (EUR)	14.42	18.91	-23.7 %
Equity ratio (%)	49.8	64.3	-14.5 pp
G-REIT equity ratio (%)	55.3	69.1	-13.8 pp

Compared to December 31, 2021, equity decreased by EUR 795,683 k as of December 31, 2022, mainly due to the payment of the special dividend of EUR 749,519 k and the net loss for the year of EUR 74,614 k resulting from the negative valuation result. In contrast, a hedging valuation reserve of EUR 32,663 k had a positive effect on the equity position as of December 31, 2022.

### 2.4. Limited partnership capital noncontrolling interests

Liabilities due to minority interests represent the limited-partner capital of noncontrolling shareholders in the alstria office Prime Portfolio GmbH & Co. KG. In line with IFRS requirements, the share capital that minority shareholders in German partnerships owned is treated as a liability on the Company's balance sheet.

### 2.5. Noncurrent and current financial liabilities

alstria's financial management is carried out at the corporate level. Individual loans and corporate bonds are taken out at the property and the portfolio levels. alstria's main financial goal is to establish a sustainable long-term financial structure. Therefore, alstria diversifies its financing sources and strives for a balanced maturity profile to enable coordinated and constant refinancing (see the following overview of the loan facilities and maturity profile of financial debt on the page after next).

In 2022, alstria signed new loans with a volume of EUR 607,000 k and increased existing loans by a total of EUR 153,000 k. Bank loans with a total volume of EUR 69,483 k were repaid in the reporting period.

## Consolidated Financial Statements

The loan facilities in place as of December 31, 2022 are in the following table.

Liabilities	Maturity	Principal amount drawn as of Dec. 31, 2022 (EUR k)	LTV <sup>1)</sup> as of Dec. 31, 2022 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 31, 2021 (EUR k)
Loan #1 <sup>2)</sup>	June 28, 2024	150,000	58.8	70.0	34,000
Loan #2 <sup>3)</sup>	Mar. 28, 2024	0	-	n/a	45,900
Loan #3	June 30, 2026	47,063	31.1	65.0	56,000
Loan #4 <sup>4)</sup>	Sept. 29, 2028	97,000	50.2	65.0	60,000
Loan #5 <sup>5)</sup>	Sept. 30, 2024	0	-	n/a	13,338
Loan #6 <sup>6)</sup>	Dec. 30, 2022	0	-	n/a	5,550
Loan #7	Sept. 30 2027	500,000	61.2	75.0	-
Loan #8	Aug. 29, 2024	107,000	55.3	n/a	-
<b>Total secured loans</b>		<b>901,063</b>	<b>55.2</b>	-	<b>214,788</b>
Bond #2	Apr. 12, 2023	325,000	-	-	325,000
Bond #3	Nov. 15, 2027	350,000	-	-	350,000
Bond #4	Sept. 26, 2025	400,000	-	-	400,000
Bond #5	Jun. 23, 2026	350,000	-	-	350,000
Schuldschein 10y/fixed	May 6, 2026	40,000	-	-	40,000
Schuldschein 7y/fixed	May 6, 2023	37,000	-	-	37,000
Revolving credit line <sup>7)</sup>	Apr. 29, 2025	0	-	-	0
Bridge credit facility <sup>8)</sup>	Apr. 29, 2025	0	-	-	0
<b>Total unsecured loans</b>		<b>1,502,000</b>	-	-	<b>1,502,000</b>
<b>Total</b>		<b>2,403,063</b>	<b>51.5</b>	-	<b>1,716,788</b>
<b>Net LTV</b>			<b>43.7</b>		

<sup>1)</sup> Calculation based on the market values of the properties serving as collateral in relation to the loan amount drawn down.

<sup>2)</sup> The loan was upgraded by EUR 116 million to EUR 150 million on October 28, 2022.

<sup>3)</sup> Loan agreement terminated, refinancing occurred on April 14, 2022.

<sup>4)</sup> The loan was upgraded by EUR 37 million to EUR 97 million on September 5, 2022.

<sup>5)</sup> Loan agreement terminated, refinancing occurred on July 19, 2022.

<sup>6)</sup> Loan agreement terminated, refinancing occurred on October 7, 2022.

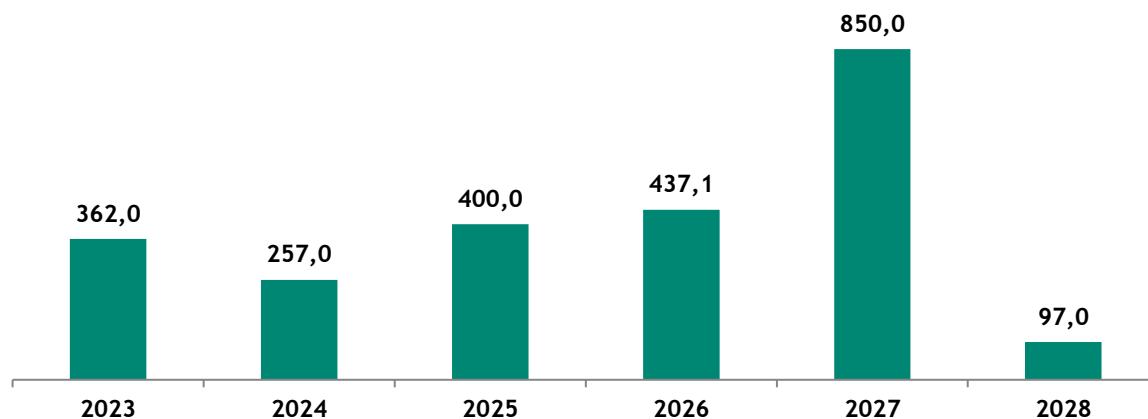
<sup>7)</sup> Agreement of a revolving credit line of EUR 200 million on April 29, 2022.

<sup>8)</sup> Termination of the undrawn bridge financing facility of EUR 1,535 million as of May 31, 2022.

Cash cost of debt	Dec. 31, 2022			Dec. 31, 2021		
	Nominal amount (EUR k)	Ø cost of debt (%)	Ø maturity (years)	Nominal amount (EUR k)	Ø cost of debt (%)	Ø maturity (years)
Bank debt	901,063	3.2	3.9	214,788	0.9	4.1
Bonds	1,425,000	1.4	2.9	1,425,000	1.4	3.9
Schuldschein	77,000	2.5	2.0	77,000	2.5	3.0
<b>Total</b>	<b>2,403,063</b>	<b>2.1</b>	<b>3.2</b>	<b>1,716,788</b>	<b>1.4</b>	<b>3.9</b>

## Consolidated Financial Statements

### Maturity profile of financial debt in EUR m



### 2.6. Financial derivatives

In connection with the raising of additional loans, alstria purchased derivative financial instruments. As of December 31, 2022, their holdings were as follows:

Product	Strike p.a.	Start of Hedging	Maturity date	Counterpart	31.12.2022		31.12.2021	
					Notional	Fair value	Notional	Fair value
					(EUR k)	(EUR k)	(TEUR)	(TEUR)
Swap	1,7500 (%)	30.09.2022	30.09.2027	Societe Generale	500.000	29.812	0	0
Swap	1,9240 (%)	30.09.2022	30.09.2028	UniCredit Bank AG	60.000	3.606	0	0
Swap	1,9240 (%)	30.09.2022	30.09.2028	UniCredit Bank AG	22.450	1.349	0	0
<b>Total</b>					<b>582.450</b>	<b>34.767</b>	<b>0</b>	<b>0</b>

The derivative financial instruments held by alstria are exclusively interest rate swaps. All derivative financial instruments had a positive value as of the balance sheet date, so that the Group reported only derivative financial assets. As of December 31, 2022, 86.7% of the financial liabilities are thus hedged or have a fixed interest coupon.

## 2.7. Compliance with and calculation of the Covenants, referring to § 11 of the Terms and Conditions\*

In case of the incurrence of new Financial Indebtedness for purposes other than the refinancing of existing liabilities, alstria needs to comply with the following covenants:

- The ratio of Consolidated Net Financial Indebtedness to Total Assets will not exceed 60%
- The ratio of Secured Consolidated Net Financial Indebtedness to Total Assets will not exceed 45%
- The ratio of Unencumbered Assets to Unsecured Consolidated Net Financial Indebtedness will be more than 150%

In the reporting period, alstria signed new secured mortgage loans in the total amount of EUR 607,000 k and increased existing loans by a total of EUR 153,000 k. This served to finance the special dividend. In contrast, secured loans totaling EUR 69,483 k were repaid during the reporting period.

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\* The following section refers to the Terms and Conditions of the Fixed Rate Notes, as well as to the Terms and Conditions of the Schuldschein (for further information, please refer to [www.alstria.com](http://www.alstria.com)). Capitalized terms have the meanings defined in the Terms and Conditions.

## Consolidated Financial Statements

EUR k	December 31, 2022
Consolidated Net Financial Indebtedness as of the reporting date	2,033,459
Net Financial Indebtedness incurred since the reporting date	-
<b>Sum Consolidated Net Financial Indebtedness (I)</b>	<b>2,033,459</b>
Total Assets as of the reporting date (less cash)	4,798,801
Purchase price of any Real Estate Property acquired or contracted for acquisition since the reporting date	-
Proceeds of any Financial Indebtedness incurred since the reporting date that were not used to acquire Real Estate Property or to reduce Financial Indebtedness	-
<b>Total (II)</b>	<b>4,798,801</b>
<b>Ratio of the Consolidated Net Financial Indebtedness over Total Assets (max. 60 %) (I/II)</b>	<b>42 %</b>

EUR k	December 31, 2022
Secured Consolidated Net Financial Indebtedness as of the reporting date	757,160
Secured Net Financial Indebtedness incurred since the reporting date	-
<b>Sum Secured Consolidated Net Financial Indebtedness (I)</b>	<b>757,160</b>
Total Assets as of the reporting date (less cash attributable to secured debt)	5,027,876
Purchase price of any Real Estate Property acquired or contracted for acquisition since the reporting date	-
Proceeds of any Financial Indebtedness incurred since the reporting date that were not used to acquire Real Estate Property or to reduce Financial Indebtedness	-
<b>Total (II)</b>	<b>5,027,876</b>
<b>Ratio of the Secured Consolidated Net Financial Indebtedness over Total Assets (max. 45%) (I/II)</b>	<b>15 %</b>

EUR k	December 31, 2022
Value of Unencumbered Real Estate Property	2,989,375
Value of all other assets	314,761
<b>Unencumbered Assets as of the reporting date</b>	<b>3,304,136</b>
Net Unencumbered Assets recorded since the reporting date	-26,550
<b>Sum Unencumbered Assets</b>	<b>3,277,586</b>
Unsecured Consolidated Net Financial Indebtedness as of the reporting date	1,276,299
Net Unsecured Financial Indebtedness incurred since the reporting date	-
<b>Sum Unsecured Consolidated Net Financial Indebtedness</b>	<b>1,276,299</b>
<b>Ratio of Unencumbered Assets over Unsecured Consolidated Net Financial Indebtedness (min. 150%)</b>	<b>257 %</b>

## Consolidated Financial Statements

Furthermore, alstria needs to maintain a ratio of the Consolidated Adjusted EBITDA over Net Cash Interest of no less than 1.80 to 1.00. The ratio should be calculated and published at every reporting date following the issuance of the bond or the Schuldschein, starting after the fifth reporting date.

EUR k	Cumulative 2022
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>-37,449</b>
Net profit / loss from fair value adjustments to investment property	173,794
Net profit / loss from fair value adjustments to financial derivatives	499
Profit / loss from the disposal of investment property	-2,896
Other adjustments <sup>1)</sup>	6,716
Fair value and other adjustments in joint venture	-
<b>Consolidated Adjusted EBITDA</b>	<b>140,664</b>
Cash interest and other financing charges	-39,247
One-off financing charges	14,255
<b>Net Cash Interest</b>	<b>-24,992</b>
<b>Consolidated Coverage Ratio (min. 1.80 to 1.00)</b>	<b>5.63</b>

<sup>1)</sup> Depreciation, amortization, and nonrecurring or exceptional items.

In the 2022 financial year no covenants under the loan agreements and / or the terms and conditions of the bonds and Schuldschein had been breached. The breach of a covenant would lead to liquidity outflow.

### 2.8. Current liabilities

Current liabilities amounted as of December 31, 2022 to EUR 429,960 k (December 31, 2021: EUR 82,932 k) and mainly consisted of short-term loan obligations of EUR 372,142 k (December 31, 2020: EUR 19,594 k) and of limited partnership capital noncontrolling interests of EUR 21 k (December 31, 2021: EUR 15 k). Another EUR 2,188 k of this total was attributable to income tax obligations (December 31, 2021: EUR 4,525 k) that arose at the level of the consolidated alstria office Prime companies. Moreover, current liabilities include trade payables (December 31, 2022: EUR 3,581 k; December 31, 2021: EUR 3,487 k). Other current liabilities (December 31, 2022: EUR 51,224 k; December 31, 2021: EUR 52,331 k) mainly include provisions for outstanding invoices (December 31, 2022: EUR 28,490 k; December 31, 2021: EUR 28,488 k) and tenants' deposits (December 31, 2022: EUR 8,043 k; December 31, 2021: EUR 8,858 k). Furthermore the other current liabilities include value-added tax liabilities (December 31, 2022: EUR 2,072 k; December 31, 2021: EUR 1,728 k) and tenants' deposits (December 31, 2022: EUR 1,820 k; December 31, 2021: EUR 3,259 k).

### 3. THE MANAGEMENT BOARD'S OVERALL ASSESSMENT OF THE FINANCIAL YEAR

Although the consequences of the Russian war of aggression on Ukraine had a significant impact on the German economy, alstria's results of operations developed according to plan in the financial year 2022. Revenues and earnings reflected the high quality of the real estate portfolio and the efficient corporate structure. The financial position and net assets were impacted by a slight depreciation of the real estate portfolio, reflecting in particular the environment of increased interest rates and a resulting pressure on commercial real estate prices. The liquidity situation proved to be comfortable at all times during the course of the 2022 financial year.

### III. EXPECTED DEVELOPMENTS

The report on expected developments contains statements related to anticipated future developments. The Company's development depends on various factors, some of which are beyond alstria's control. Statements about expected developments are based on current assessments and are thus, by their nature, exposed to risks and uncertainty.

The alstria Group's actual development may differ positively or negatively from the predicted development presented in this report's statement.

#### 1. EXPECTED ECONOMIC DEVELOPMENT

The German government's very optimistic forecasts for GDP growth at the beginning of 2022 had to be revised downward in the course of the year. The economic consequences of the Russian war of aggression on Ukraine, which are reflected in particular in weak economic growth coupled with persistently high inflation, are preventing a sustained economic recovery even after the COVID-19 crisis has subsided. For the current year, the German government accordingly expects a slight contraction in overall economic output in Germany.

#### 2. DEVELOPMENT OF THE REAL ESTATE MARKET: OUTLOOK FOR 2023

It is to be expected that the ongoing slowdown in economic development will also impact on the commercial real estate market. The letting market is likely to remain at the same level than in 2022. The transaction market on the other hand is expected to remain challenging as the increase in the interest rate environment is creating substantial uncertainty and volatility in the pricing of assets.

### 3. OUTLOOK FOR THE ALSTRIA GROUP

Based on the existing leases and the high proportion of tenants with strong credit ratings, alstria expects an increase in revenues to around EUR 190 million in 2023 despite the expected subdued macroeconomic development. By contrast, FFO is expected to decrease to EUR 79\* million. This development in particular reflects the impact of higher financing costs as a result of the rise in interest rates and a simultaneous increase in the level of debt.

## IV. REPORT REGARDING ALSTRIA AG

### 1. SIGNIFICANT TRANSACTIONS

#### 1.1. Step-Up merger

At the beginning of the year, six subsidiaries, which held nine properties, were merged into alstria by a step-up merger. As part of this transaction, alstria acquired assets with a book value of EUR 351.5 m. The new properties contributed to both the company's income and its expenses. In the following, the result of the fiscal year is compared with the previous year's result. Insofar as changes result in the contribution of the merged companies, the effects are stated below in the respective line items

#### 1.2. Takeover bid

At the end of the previous period, Alexandrite Lake Lux Holdings S.à r.l., Luxembourg, Grand Duchy of Luxembourg (hereinafter also "Bidder") submitted a public takeover bid. At the beginning of the financial year, the bidder acquired the majority of the shares in alstria.

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\* Following the takeover, the accounting of alstria and Brookfield will be partially harmonized as of the financial year 2023. Without taking into account this harmonization, which primarily relates to a change in the capitalization of costs in the area of development projects, the FFO forecast for the year 2023 would be EUR 66 million.



## 2. EARNINGS POSITION

The following table shows the key operating figures of the audited income statements for the 2022 and 2021 financial years:

in EUR k	2022	% of oper. perf.	2021	% of oper. perf.	Change
Total operating performance	156,846	100.0	131,209	100.0	25,637
Other operating income	129,880	82.8	11,709	8.9	118,171
Cost of purchased services	-32,075	-20.4	-25,366	-19.3	-6,709
Personnel expenses	-23,745	-15.1	-23,613	-18.0	-132
Depreciation	-47,305	-30.2	-39,455	-30.1	-7,850
Other operating expenses	-42,142	-26.9	-37,114	-28.3	-5,028
financial result	-110,906	-70.7	-48,280	-36.8	-62,626
<b>Net result of the year</b>	<b>30,553</b>	<b>19.5</b>	<b>-30,910</b>	<b>-23.6</b>	<b>61,463</b>

### 2.1. Operating performance

The net result for the 2022 financial increased by EUR 61,463 k to EUR 30,553 k (compared with EUR -30,910 k in 2021). As the Company has been exempt from income taxes since its conversion into a REIT structure, no tax expenses arose in 2022.

The increase in the net result was mainly due to, an increase of other operating income by EUR 118,171 k as well as an increase of total operating performance by EUR 25,637 k.

On the other hand, the increase in the annual result is reduced by the decrease in the net financial result by EUR 62,626 k, the increase in depreciation by EUR 7,850 k, the increase in purchased services by EUR 6,709 k and the increase in other operating expenses by EUR 5,028 k.

### 2.2. Total operating performance

alstria's total operating performance improved in the 2022 financial year, primarily due to an increase in let revenues as well as an increase in income from real estate-related services passed on to subsidiaries. In the reporting period, revenues amounted to EUR 156,269 k. Together with the changes in inventory amounting to EUR 577 k, alstria's total operating performance amounted to EUR 156,269 k (versus EUR 131,209 k in the previous year).

The increase in sales by EUR 25,105 k compared to the previous year is primarily due to the merger of subsidiaries. The newly acquired properties contributed EUR 23,680 k to alstria's sales for the first time in the financial year (see Section 1.1). The remainder of the increase in revenue of EUR 1,425 k is attributable to rent increases through indexation and new letting.

### 2.3. Other operating income

Other operating income increased by EUR 118,172 k compared to the previous year to EUR 129,880 k. On the one hand, the increase results from merger profits of EUR 59,836 k, which result from the step-up merger of six subsidiaries at the beginning of the year. In addition, the company sold three properties in its portfolio in the reporting period. With book values of EUR 61,197 k and purchase prices of EUR 98,532 k, there were capital gains of EUR 37,335 k. Next to this, the company sold shares of its investment in alstria office Prime Portfolio GmbH & Co. KG. With book values of EUR 35,417 k and a total purchase price of EUR 55,518 k, there was a capital gain of EUR 20,101 k. Finally, income from grants by the KfW for an improvement of energy efficiency, increased the item by another EUR 6,419k.

In contrast, income from compensation payments and penalties decreased by EUR 2,216 k, which included a few larger individual cases in the previous year. Appreciations on tangible assets also decreased by EUR 1,703 thousand due to lower market prices. Income from convertible profit participation rights decreased by EUR 1,703 thousand due to a significantly lower share price on the conversion date.

### 2.4. Purchased services

The cost of purchased services increased by EUR 6,709 k. The increase is mainly due to the step-up merger of 6 subsidiaries and their properties to alstria (see also section 1.1). The merged properties burdened the annual result with expenses for purchased services in the amount of EUR 7,391 k. Due to the sale of three properties, expenses for the remaining portfolio decreased slightly.

### 2.5. Depreciation and amortization

Depreciation increased by EUR 7,849 k compared to the previous year, to EUR 47,305 k. The effect is mainly due to the increase in depreciation and amortization of property, plant and equipment in connection with the addition of subsidiaries (see Note 1.1) and investments.

### 2.6. Other operating expenses

Other operating expenses increased by EUR 4,063 k. The increase mainly results from the losses from the disposal of fixed assets of EUR 6,778 k and the increase in property operating costs by EUR 6,808 k. The disposal of fixed assets relates to the demolition of a building on an asset owned by the company. The increase in property operating costs primarily results from the merger of 6 subsidiaries with their properties (see Section 1.1).

In contrast, the previous year included EUR 10,057 thousand in costs in connection with a takeover bid (see section 1.2).

## Consolidated Financial Statements

### 2.7. Financial result

in EUR k	2022	2021	Change (%)
Interest expenses, corporate bonds	-19,351	-19,406	0
Transaction costs	-16,430	-333	4,834
Interest result "Schuldschein" ("senior unsecured debt")	-1,931	-1,940	0
Interest expenses from bank loans	-8,964	-842	965
Interest result from financial derivatives	-972	-48	1,925
Other interest expenses	-982	-107	818
<b>Financial expenses</b>	<b>-48,630</b>	<b>-22,676</b>	<b>114</b>
Income from participating interests	0	0	-
Income from loans to affiliates	3,364	4,778	-30
Other interests and similar income	4,046	1,057	283
Write down on financial assets	-69,686	-31,439	122
<b>Net financial result</b>	<b>-110,906</b>	<b>-48,280</b>	<b>130</b>

Compared to the previous period, financial expenses increased by EUR 25,953 k to EUR 48,630 k.

The increase is mainly based on the increase in transaction costs (EUR + 16,097 thousand) resulting from taking out loans in the reporting period. For the same reason, interest expenses from other loans increased by EUR 8,121 k to EUR 8,964 k. In addition, depreciation of financial assets increased by EUR 38,247 k compared to the previous year. The increase mainly results from an unscheduled depreciation of an investment at its fair value.

On the other hand, other interest income increased by EUR 2,989 thousand compared to the previous year to EUR 4,046 k.

### 3. FINANCIAL AND ASSET POSITION

On the balance sheet date, alstria owned 83 real estate properties (in 2021: 72). The following table illustrates alstria's changes in investment property in 2022:

in EUR m	
Land and Buildings on December 31, 2021	1,467.49
Investments	2.89
Adjustments	5.34
Acquisitions by step-up merger	297.26
Disposals	-68.06
Appreciations on market value	0.92
Nonscheduled depreciation	-2.71
Ordinary depreciation	-44.09
<b>Land and Buildings as of December 31, 2022</b>	<b>1,659.04</b>

#### 3.1. Land and buildings

The land and buildings line item increased by EUR 191.6 m. In the reporting period, six companies with a total of 14 properties at book values of EUR 351.5 m were merged on the alstria by a step up merger. An additional amount of EUR 2.9 m was invested in existing properties. In addition, three properties with a book value of EUR 61.2 million were sold, and a building with a book value of EUR 6.7 million was demolished.

The following table shows the real estate transactions during the period:

Disposals				
Asset	City	Sales price (EUR k)	Signing SPA	Transfer of benefits and burdens
Rothebühlstraße 98-100	Stuttgart	64,462	23.12.2021	31.03.2022
Kanzlerstraße 8	Düsseldorf	24,970	16.02.2022	30.04.2022
Heidenkampsweg 44	Hamburg	9,100	09.12.2021	31.03.2022
<b>Total</b>		<b>98,532</b>		

## Consolidated Financial Statements

### Merged assets

Adresse	Stadt	Bookvalue as of merging date (in EUR k)
Drehbahn	Hamburg	53,377
Grindelberg	Hamburg	29,772
Steinstraße	Hamburg	64,025
Bamler Straße	Hamburg	43,259
Carl-Reiß-Platz	Mannheim	23,048
Carl-Reiß-Platz TG	Mannheim	1,119
Carl Living Grundstück	Mannheim	1,225
Gustav-Nachtigal-Straße	Wiesbaden	57,590
Nagelsweg	Hamburg	10,560
Schaartor	Hamburg	11,967
Insterberger Straße	Frankfurt a.M.	14,343
Hauptstätter Straße	Stuttgart	16,305
Immermannstraße	Düsseldorf	14,865
Augusta Grand	Mannheim	9,994
<b>Total</b>		<b>351,460</b>

### 3.2. Prepayments and constructions in progress

The prepayments and constructions in progress increased by EUR 128,591 k compared to the previous year to EUR 167,996 k. In the year under review, EUR 79,733 thousand was invested in modernization projects. A further EUR 48,862k increased as a result of the merger with subsidiaries.

### 3.3. Financial assets

Financial assets decreased by EUR 306,639 k to EUR 732,142 k compared to the previous year's reporting date. The decline is primarily due to the impairment of an investment at fair value by EUR 68,689 k, the withdrawal of EUR 33,067 k from a subsidiary, and the sale of shares of the same company with a book value of EUR 35,417 thousand. In addition, subsidiaries with book values totaling EUR 157,172k were merged to the company in the year under review. Furthermore, loans of EUR 66,965k were repaid in the year under review and an existing loan to third parties was increased by EUR 55,568k.

### 3.4. Cash position

The Company's cash position increased by EUR 64,440 k to EUR 335,383 k. The inflow of funds resulted primarily from income from rents and property-related services (EUR 156,269 k) and the taking out of loans in the amount of EUR 797,067 k. On the other hand, cash outflows resulted primarily from the payment of dividends (EUR 756,640 k), investments in fixed assets (EUR 82,675 k) and interest expenses (EUR 48,630 k).

### 3.5. Equity

Total **equity** amounted to EUR 593,045 k, reflecting an equity ratio of 19.2 %, which is 24 percentage points below the prior year's ratio of 43 %. The decrease in equity by EUR 725,570 thousand results from the distribution of the dividend for the 2021 financial year of EUR 756,640 thousand.

This was partially offset by the annual surplus of EUR 30,554 thousand and a capital increase of EUR 516 thousand as part of the conversion of convertible profit participation rights.

### 3.6. Provisions

Provisions increased by EUR 7,356 k, compared with the previous balance sheet date to EUR 37,515 k as of December 31, 2022. The increase is mainly due to the increase in provisions for outstanding invoices of EUR 6,035 k and a provision for expected costs for bank charges in connection with taking out a loan (Market-Flex bonus) of EUR 3,800 k. In contrast, there were no provisions for the share-based payment system, which expired in the year under review (EUR -2,694 k).

### 3.7. Liabilities

Finally, liabilities increased by EUR 737,829 k compared to the previous year's reporting date. In the reporting period, the company took out loans secured by land charges in the amount of EUR 723,000 k and increased an existing loan by EUR 79,670 k.

On the other hand, liabilities to affiliated companies decreased by EUR 64,215 thousand, primarily as a result of the acquisition of six subsidiaries and the resulting elimination of receivables from and liabilities to these companies.

## 4. ADDITIONAL DISCLOSURE REGARDING ALSTRIA AG

### 4.1. Employees

As of December 31, 2022, alstria AG had 178 employees (December 31, 2021: 163). The annual average number of employees was 173 (previous year: 162). These figures exclude Management Board members.

### 4.2. Outlook for alstria AG

The company is managed at group level, so planning is also based on the group's key figures. Overall, the company expects a stable total overall performance for the next financial year.

## V. RISK AND OPPORTUNITY REPORT

### 1. RISK REPORT

#### 1.1. Risk management

alstria has implemented a Group-wide system for structured risk management and early warning in accordance with Section 91 para. 2 of the German Stock Corporation Act (AktG).

alstria AG is the parent company of the alstria group. alstria AG's directly and indirectly held subsidiaries considerably influence its results. Its business performance is fundamentally subject to the same risks and opportunities as those of the alstria group, and therefore the following explanations for the alstria group also apply to alstria AG.

All risks are recorded, evaluated, and monitored on at least a quarterly basis.

As part of alstria's operating business and its strategic management, alstria weighs opportunities and risks and ensures that they remain balanced. We aim to identify and evaluate risks and opportunities as early as possible and take appropriate action to mitigate risk. This should prevent potential damage and safeguard the Company against losses and risks to its going concern. The Company's risk identification allows for the early identification of potential new risks on an ongoing basis. Risk mitigation measures are defined so that alstria can undertake the necessary steps to circumvent any identified risks (i.e., to insure, diversify, manage, or avoid those risks).

For alstria, risk management means growing sustainably and increasing the company's value while managing appropriate risks and opportunities as well as avoiding inappropriate risks. alstria's risk-management system is an integral part of its management and control system, with the risk policy being specified by the Management Board. The risk-management system is integrated into its regular reporting to the Management Board and Supervisory Board, which ensures that risks are addressed proactively and efficiently. The risk-management system thereby focuses on full coverage of the risks. Identifying and assessing opportunities are not part of alstria's risk-management system.

##### 1.1.1. Structure of the risk-management system

Risk management is coordinated independently from individual business divisions. The risk manager prepares a risk report on a quarterly basis and provides it to the Management Board. This report is based on reports from the risk owners – those who are responsible for particular risk areas. The risk manager also informs the Management Board on matters relating to implementing, operating, and overseeing the risk and internal control system and assists the Management Board by, for example, reporting to the Audit Committee of the Supervisory Board.

## Consolidated Financial Statements

alstria faces various risk areas within the context of its business activities. These are divided into the following four risk categories:

- Strategic risks
- Operational risks
- Compliance risks
- Financial risks

Each risk category is assigned to one or several so-called “risk owners.” Inherent to the risk owners’ position in the Company is that they represent the area in which the identified risks could materialize; the risk owner is also responsible for the assigned risk category.

### alstria’s areas of risk and risk categories

Risk category	Risk owner
Strategic risks	Finance & Controlling
Operational risks	Real Estate Operations, Development, and IT
Compliance risks	Legal
Financial risks	Finance & Controlling

The risk report presents the findings observed during risk identification, assessment, evaluation, and monitoring. At the same time, this report’s comprehensive documentation ensures an orderly assessment, which the responsible departments and the Supervisory Board conduct.

In addition, the divisions report their respective risks and opportunities to the Management Board in weekly meetings.

### 1.1.2. Risk valuation

Risks are assessed according to their likelihood of occurrence and their magnitude of affect. Accordingly, they are categorized as high, medium, or low. The potential damage includes any potential negative deviation from alstria’s forecasts and objectives with regard to its total comprehensive income or effects on the overall result of alstria.

### Classification according to degree of impact

Expected impact in EUR m	Degree of impact
Between 0.0 and 0.6	minor
Between 0.6 and 1.5	low
Between 1.5 and 6.0	moderate
Between 6.0 and 15.0	high
Greater than 15.0	very high



## Consolidated Financial Statements

### Classification according to likelihood

Probability/likelihood of occurrence	Description
1 to 15%	very unlikely
16 to 35%	unlikely
36 to 55%	possible
56 to 75%	likely
76 to 99%	highly likely

According to this framework, a very unlikely risk is defined as one that occurs only in exceptional circumstances and a highly likely risk as one that is expected to occur within a specified period.

Based on the likelihood that a specific risk event will occur and the affect it would have on alstria's business, financial position, profit, and cash flow, each risk is classified as high, medium, or low according to the following matrix.

### Risk classification

Probability					
highly likely	L	M	H	H	H
likely	L	M	M	H	H
possible	L	L	M	M	H
unlikely	L	L	L	M	M
very unlikely	L	L	L	L	M
<b>Degree of impact</b>	minor	low	moderate	high	very high

L = low risk.

M = medium risk.

H = high risk.

In 2022, in principle the Company's risk-management system was not subject to any significant changes compared to the previous year. The following updates were implemented as part of the new version of the auditing standard 340 issued by the Institute of Public Auditors for the audit of the risk early warning system (IDW PS 340 new version):

- Determination of the risk-bearing capacity and comparison with the aggregated overall risk,
- use of a Monte Carlo simulation to determine the value at risk,
- documentation of the control measures to mitigate the main risks.

### 1.2. Internal control system

alstria's internal control system (ICS) comprises all principles, policies, procedures, and measures aimed at implementing the decisions of the Group's management to ensure:

- The effectiveness and economic efficiency of alstria's operations (this encompasses asset protection, including the prevention and detection of financial losses)

## Consolidated Financial Statements

- The correctness and reliability of the accounting (internal control and risk management system relating to the (consolidated) accounting process)
- Compliance with the laws and regulations that apply to the alstria Group.

The ICS is an integral part of the centralized and decentralized internal control and monitoring processes with corresponding responsibilities and is documented in a corporate policy.

The ICS also includes a compliance management system which reflects the company's risk situation.

Internal monitoring includes both process integrated and process independent measures. Process-integrated monitoring includes the controls and security measures integrated in the organizational and operational structure. They include authorization schemes, access restrictions, separation of functions, completeness and plausibility checks, and limit monitoring.

Controls and measures are regularly assessed within the organization. In addition, Internal Audit monitors and reviews structures and activities (such as the internal control and risk management system) independently from processes. The Management Board is thus able to assess the effectiveness and appropriateness of the internal control and risk management system. In accordance with the recommendations of the 2022 German corporate Governance Code, the Management Board assessed the appropriateness and effectiveness of the risk management system and the internal control system in detail and identified no significant objections.

The Audit Committee deals with the ICS as well.

### **1.3. Key characteristics of accounting-related internal controls and risk-management system**

Regarding the reporting process, the control and risk-management system aims to ensure that reporting is consistent and in line with legal requirements, generally accepted accounting principles, the International Financial Reporting Standards (IFRS), and internal guidelines. Only then can it provide true and reliable information to the recipients of the annual financial statements and the combined management report. To this end, alstria has implemented an internal control and risk-management system that combines all relevant principles, processes, and measures.

The internal control system consists of two areas: control and monitoring. In organizational terms, the divisions' treasury, controlling, and accounting divisions are responsible for control.

## Consolidated Financial Statements

The monitoring measures consist of elements incorporated into the process as well as independent external elements. The integrated measures include process-related, system-based technical controls such as the “dual control principle” (which is applied universally) and software-based checking mechanisms. In addition, qualified employees with the appropriate expertise and specialized departments, such as controlling, legal, and treasury, perform monitoring and control functions as part of the various processes.

The Management Board and Supervisory Board (in particular, the Audit Committee) are involved in the monitoring system. These groups perform various checks independent of the Company’s processes. The internal audit function is transferred to an external auditing firm.

The Accounting Department acts as the central interlocutor for special technical questions and complex reporting issues. If required, external experts (auditors, qualified accounting specialists, etc.) are consulted.

In addition, the Company’s controlling department executes monitoring related to accounting. All items and main accounts for the consolidated companies’ income statements and balance sheets, as well as the consolidated income statements and the consolidated statement of financial position, are reviewed regularly for accuracy and plausibility. This process is conducted for both the consolidated financial statements and alstria’s individual financial statement. Accounting-related data are monitored monthly or quarterly, depending on the frequency of their preparation.

The accounting-related risk-management system forms part of the alstria Group’s risk-management system. The risk owner responsible for the finance area monitors the risks relevant to the accuracy of accounting-related data. Risks are identified on a quarterly basis and the risk-management committee assesses and documents them. Appropriate action is taken to monitor and optimize accounting-related risks throughout the Group.

### 1.4. Description and assessment of risks

According to the four risk categories described, alstria differentiates between strategic risks, operational risks, compliance risks, and financial risks. All material risks inherent to the future development of the Group’s position and performance (including effects on assets, liabilities, and cash flows) and reputation are described in this section.

The order in which the risks are presented in each of the four categories reflects the currently estimated relative exposure for alstria associated with these risks and thus indicates the risks’ current importance to the Group. Additional unknown risks and those currently considered immaterial may also negatively affect alstria’s business objectives and operations. Unless otherwise stated, the risks described below relate to all Group companies.

## Consolidated Financial Statements

The individual risks described relate to the planning period from 2023 to 2025.

<b>Corporate risks</b>				
	<b>Likelihood</b>	<b>Risk impact</b>	<b>Risk level</b>	<b>Change since prior year</b>
<b>Strategic risks</b>				
Market environment risks	likely	high	H	unchanged
Risks in relation to changes to the legal environment	unlikely	moderate	L	unchanged
Risks due to inefficient organizational structures	unlikely	moderate	L	unchanged
<b>Operational risks</b>				
Refurbishment project risks	likely	very high	H	increased
Vacancy risks	possible	high	M	unchanged
Shortfalls of rental payment risks	possible	high	M	unchanged
Maintenance risks	Possible	high	M	unchanged
HR risks	possible	low	L	unchanged
IT risks	possible	low	L	unchanged
Risks relating to property transactions	unlikely	moderate	L	unchanged
<b>Compliance risks</b>				
Risks resulting from not complying with G-REIT legislation	possible	very high	H	increased
Risks arising from fraud or noncompliance	unlikely	moderate	L	unchanged
Litigation risks	unlikely	moderate	L	unchanged
Climate-related risks	possible	low	L	unchanged
Human rights risks	unlikely	low	L	unchanged
<b>Financial risks</b>				
Valuation risks	possible	very high	H	increased
Refinancing on unfavorable terms	possible	very high	H	Increased
Interest rate risks	possible	high	M	unchanged
Breaches of covenants	possible	high	M	unchanged
Tax risks	Unlikely	high	M	unchanged
Liquidity risks	unlikely	moderate	L	unchanged
Counterparty risks	very unlikely	high	L	unchanged

### 1.4.1. Impact of Ukrainian war and COVID-19 on alstria's risk situation

There are considerable uncertainties regarding the global economic and geopolitical outlook, which deteriorated significantly in the past year due to multiple headwinds, all of which may continue to intensify. First and foremost, Russia's invasion of Ukraine and its political and economic consequences, such as sanctions and countermeasures, result in far-reaching risks. War in Ukraine may have a negative impact on the economy's sales development, production processes as well as purchasing and logistics processes, for example through interruptions in supply chains and energy supplies or bottlenecks affecting components, raw materials, and intermediate products. The conflict could also intensify further to the point of expanding to include other warring parties, including NATO countries, and the use of unconventional weapons. An expansion of the war would have a significant impact on the market environment. This would fuel already high inflation, with further risk of a sustained wage-price-spiral. An essential risk is that central banks may fail to get inflation under control and have then to react even more restrictively.

Alternatively, central banks may overreact, which could lead to rapid monetary tightening. More restrictive financial conditions would likely push advanced economies into recession and pose a significant risk to vulnerable emerging economies. Highly indebted (emerging and industrialized) countries could suffer from increasing financing costs, further U.S. dollar appreciation, and loss of investor confidence. Other risks could arise for the stability of public finances and the banking sector. Further risks are coming from other geopolitical tensions (particularly associated with Ukraine, the Baltics, Eastern Europe, the Western Balkans, China, Taiwan, and Iran). Recent, electoral results within the European Union may make cooperation and implementation of reforms more difficult. Even though the latest virus variants have seemed less dangerous, the COVID-19 pandemic is still taking a toll on global economic activity. Compared to the first years of the pandemic, we are seeing a recovery in many business sectors, and travel has also normalized in many areas. The availability of vaccines has improved, although their effectiveness against emerging virus variants cannot yet be conclusively assessed. However, regional lockdowns as a result cannot be completely ruled out. The longer such restrictive measures (e.g. curfews) last, the deeper the resulting consequences will be. Possible consequences include an unchecked increase of public and private debt which hampers the post-crisis recovery, serious disruptions in the financial system, and insolvencies among alstria's tenants and suppliers. In the long term, a reversal of globalization could reduce the potential for future growth. In all functional areas of alstria, we continue to closely monitor COVID-19 events and engage in active mitigation activities if required.

Regarding alstria's risk situation, the developments described have negative effects, in particular on the market environment risks, valuation risks, and refinancing and interest rate risk (see table above). The effects are discussed in detail below in these risks' descriptions.

### 1.4.2. Strategic risks

Strategic risk management addresses the factors that influence the Company's market environment, regulatory environment, and strategic corporate organization.

#### *Market environment risks*

For the Group, market environment risks are derived from macroeconomic developments and their impact on respective real estate markets. An economic downturn in the German market could result in a decreasing number of employees and in lower demand for rental areas in office properties. For alstria, this would lead to a higher risk of vacant space or to lower rental income.

Due to global markets' high dependency, especially for the German economy, the global economy's development also has an indirect influence on alstria's business development, although alstria's business activities are limited to the domestic rental market. Moreover, the significant macroeconomic challenges introduced by the COVID-19 pandemic have not eased, as initially expected, but have actually intensified under the influence of the Russian war against Ukraine (see explanations in Section V.1.4.1.). A further escalation of the war would significantly worsen global growth prospects. A significant risk to alstria's letting potential and cost structure comes from mounting supply chain bottlenecks due to the continued lack of availability of circuit boards for building technology and certain building materials. Bottlenecks in energy supply on the one hand and in access to raw materials on the other would substantially reduce industrial production potential.

The escalating possibility of major defaults in the Chinese property sector, with potential spillover effects into the entire real estate market and financial markets, would significantly affect growth prospects of the Asian emerging countries and China. Further, it might have reverberations even on the global financial system and the world economy. A further increase in inflation rates could lead to serious distortions in global currency, capital, and foreign exchange markets if central banks initiate the tightening cycle too fast and too aggressively. Because the fiscal and monetary policy scope for action appears already largely exhausted, the economic affect could be much greater compared to the fiscal year 2022.

Additionally, the highly interconnected global economy remains vulnerable to natural disasters or further pandemics.

After the severe economic downturn in the Corona years 2020 to 2021 and the renewed tension due to the Russian war against Ukraine in 2022, the uncertainties for further economic development in Germany, the EU and the global economy remain considerable. As a result, the market environment risks continue to show a high-risk level (H), as was the case on the previous year's reporting date.

### *Risks in relation to changes in the legal environment*

Risks related to the Company's legal environment result from changes to regulations and laws. These may in turn affect key regulatory requirements and the corporate constitution of the alstria companies. These include alstria's classification as a REIT and other regulations concerning publicly listed companies. New laws and regulations may result in new regulatory requirements and thus in higher expenses. Overall, risks regarding the legal environment are classified as low (L), as they were in the previous year.

### *Risk caused by inefficient organizational structures*

Within the scope of the business organization's strategic direction, there are further risks that the inefficient organizational structures and the Company's dependence on IT systems and structures cause. Both the organizational structure and the IT infrastructure support strategic and operational objectives. The transition from work in an office to digital work in locally decentralized structures could thus be implemented without friction losses. Therefore, the risk of strategic corporate organization remains low (L).

### **1.4.3. Operational risks**

alstria's operational risk management addresses property-specific risks and general business risks. These include vacancy risk, tenants' creditworthiness, and the risk of falling market rents. This risk area also monitors personnel-related risks, such as loss of expertise and competencies due to staff fluctuations. alstria applies various early warning indicators to monitor these risks. Ongoing insurance checks, such as rent projections, vacancy analyses, and controlling lease terms and termination clauses, are designed to help identify potential dangers and risks.

### *Refurbishment project risks*

alstria realizes a significant number of refurbishment projects. All risks related to these projects are managed through extensive project control and through a related budget-management process. Potential risks include those of delayed completion, budget overrun, and deficiencies in construction. The still strong utilization in the construction industry places high demands on procuring and executing contracts due to the limited availability of craftsmen and construction companies. Even against the background of the COVID-19 pandemic and the Russian war against Ukraine, these economic bottlenecks have not eased but have intensified. Supply chain issues and high inflation make planning and executing construction projects difficult. The volume of construction projects planned for the three financial years after the reporting period has increased compared to the previous years' long-term average. For these reasons, the risk resulting from refurbishment projects continues to be classified as high (H).

### *Vacancy risk*

In the cases of lease terminations, leases that are not extended, and existing vacancies, there is a risk that the rental area will not be re-let as planned, resulting in lower-than-anticipated revenues.

alstria's budgeting is based on the assumption that rental areas can be re-let within a defined period following the end of a lease. Because of the COVID-19 countermeasures, the economic downturns described and the increased trend toward working from home already began in the 2020 financial year. Even if the economic situation recovered somewhat in the reporting period and most companies had employees moving back from home office to office space, the volume of new leases for office and commercial space is only slowly picking up speed again. The effect on existing tenancies is very limited. Due to long-cycle development of the demand for office rental areas, there is usually time lag between changes in macroeconomic conditions and their effect on alstria's letting results. Vacancy risks are expected if tenants move out because they can no longer pay their rents, if the leases of the rental space are not extended after the lease agreement has expired, or if, after tenants have moved out, the space cannot be re-let so easily because the demand is no longer comparable due to the economic situation or the remaining home office times.

Overall, the volume of lettings was again lower than the years before the COVID-19 pandemic outbreak. Due to the longer planning and decision-making phases regarding the companies leasing office space, a longer-lasting lag effect is to be expected. As a result, the vacancy risk remains at a higher level and, as at the end of the previous reporting period, is classified as a medium risk (M).



### *Shortfall of rental payment risks*

An operational risk is a potential shortfall of rental payments from one or more major tenants; it could be realized because of an economic downturn or of a particular case. Due to the described consequences of the COVID-19 pandemic on many market participants' economic situation, the risk had increased that alstria's tenants could also have trouble in meeting their rental payment obligations. alstria's main tenants are predominantly public institutions or companies with a high rating. Actual defaults were limited over the Corona years through end of 2022. Precautions had already been taken in the 2020 financial year via increasing the write-downs on receivables. In addition to the effects of the COVID-19 pandemic, there are the described uncertainties of the Ukraine war, the high inflation and the increased interest rates on the economic situation of the market participants and thus also of alstria's tenants. To what extent the situation will affect the future payment behavior of tenants in the medium term cannot be conclusively assessed at this time. As a result, the risk of default on rental payments remains a medium risk (M), as was the case on the previous year's reporting date.

### *Maintenance risks*

To plan for the requirements of maintenance measures, the Company makes assumptions about a property's condition and the intended standard. Undetected defects, repair requirements resulting from external damage, new legal requirements regarding the building's condition, or incorrect assessment of maintenance requirements could all result in higher-than-planned maintenance costs. Due to alstria's high maintenance budgets, the maintenance risk is categorized as medium (M), as it was in the previous year.

### *HR risks*

The skills and motivations of alstria's employees decisively affect the Company's success. The risk of losing knowledge results from staff member fluctuation and from the inability to recruit sufficiently qualified experts to fill vacancies in good time. Both cases could result in a shortfall of suitable experts and key personnel, which could endanger alstria's competitive advantages and further growth opportunities in its markets. alstria mitigates these risks through the following measures: selective, needs-oriented skill development for existing staff members; strengthening its image as an attractive employer; university marketing; trainee programs; training apprentices; and profit-oriented variable remuneration schemes. Furthermore, independent external experts anonymously carry out employee surveys on employee motivation, management, and corporate culture. The takeover by Brookfield (see Section I.1.) could lead to impaired employee motivation if the impression is given that the transferred company would not continue the operational and administrative activities in the existing structure and manner, or if there is a major change in the corporate identity. To counteract this, the Investor Agreement with the Bidder states that employees are critical to alstria's success and the Bidder will therefore support alstria in attracting, developing, and retaining talent and maintaining a collaborative work environment. The Bidder has also undertaken not to take any action that would

result in terminating alstria employees for operational reasons. In addition, it is still planned to leave alstria's headquarters in Hamburg and to continue all local branches of alstria in their current form. Overall, alstria estimates the described risks to be at a low level (L), which corresponds to the situation at the end of the previous year.

### *IT risks*

IT systems support the majority of alstria's business processes. Any fault affecting the IT systems' reliability or security could lead to delays or interruptions in operating activities. alstria protects itself against IT risks through constantly examining and enhancing the information technology it deploys. In addition, it has installed modern hardware and software solutions and safeguards against attacks. In view of attempted hacker attacks, measures were implemented to combat such cyberattacks. Structural security measures are in place to protect the computer center. All data are backed up daily in an internal depository and once per week in a separate data depository. Workstations have access restrictions so that employees can only access the systems they need for their work. During the transition from office work to decentralized digital work in home offices, the IT security measures were transferred as far as possible to distance work. An external IT consultant's review confirmed the IT security's effectiveness in the home offices. Therefore, overall IT risks are assessed as unlikely to materialize; as in the prior year, their possible consequences are considered low (L).

### *Risks relating to property transactions*

alstria is exposed to risks related to the acquisition and disposal of real estate properties. A related risk includes the partial or complete failure to detect the risks and liabilities associated with properties during the due diligence process. In case of the disposal of real estate assets, alstria usually provides potential purchasers certain warranties regarding factual and legal matters for the property in question. The possibility that alstria's management may not be aware of risks that are covered by certain elements and warranties given in a sales agreement cannot be fully ruled out. As a result, there is generally a risk that a prospective purchaser may charge alstria (as the seller) with breach of warranty.

From a purchasing perspective, alstria is exposed to risks that hidden deficiencies on land and/or property may not be observed and that unfavorable contractual agreements may be transferred to the Company, resulting in additional future costs.

In both acquisition and selling proceedings, alstria responds to these risks with thorough technical, legal, and tax analyses of all relevant property and contractual issues. It does so by employing internal and external lawyers, tax advisors, architects, construction engineers, and other required experts. As before, risks relating properties' transactions are assessed to be of a low (L) level.

#### 1.4.4. Compliance risks

##### *Risks resulting from not complying with G-REIT legislation*

alstria is registered in the commercial register as a German REIT-AG (G-REIT). The G-REIT segment basically enables a stock corporation to be more present for investors and to differentiate itself as a G-REIT on the capital market. The REIT shares are traded on the Frankfurt Stock Exchange. The G-REIT status does not influence admission to the regulated market (Prime Standard).

The Company has to meet certain requirements to qualify for and retain its designation as a G-REIT. The most significant requirements are that a G-REIT must be a stock corporation listed on an organized market, and its registered office and management must be in Germany. Its registered share capital must amount to at least EUR 15 million. All shares must be voting shares of the same class. Free float must be at least 15%, and no investor can directly hold 10% or more of the shares or shares that represent 10% or more of the voting rights. Furthermore, at least 75% of assets must consist of real estate, and at least 75% of gross income must be generated from real estate. A proportion of 90% of the company's annual profits as resulting under German GAAP-accounting less the loss carryforward is subject to a distribution obligation pursuant to Section 13 (1) REITG. The G-REIT's equity cannot fall below 45% of the fair value of its real estate assets as recorded under IFRS.

REIT corporations are exempt from German corporate income tax (KSt) and German trade tax (GewSt). This tax exemption has been applied to the Company with a retrospective effect since January 1, 2007.

Capital and investment management activities maintain the Company's G-REIT status in order to support its business activities.

## Consolidated Financial Statements

According to Section 15 of the REIT Act, alstria's equity (as reported in its consolidated financial statements) must not fall short of 45 % of its immovable assets. However, if the minimum equity ratio is not satisfied for three consecutive financial years, the German exemption from corporate income taxes (KSt) and trade taxes (GewSt) ceases at the end of the third financial year.

The G-REIT equity ratio is 55.3 % as of the balance sheet date. Accordingly, alstria complies with the minimum G-REIT equity ratio requirement according to Section 15 of the G-REIT Act (REITG). alstria cannot lose its G-REIT status because of failing to meet the 45 % threshold within the three-year forecast period through December 31, 2025.

As a result of the takeover (see Section I.1.), the acquiring company, Alexandrite Lake Lux Holdings S.à r.l., Luxembuorg, Grand Duchy of Luxembuorg, (hereinafter "Alexandrite" or "acquiring company") directly acquired a stake of more than 10% in alstria-office REIT-AG. As of December 31, 2021, the share of direct participation in the share capital and voting rights of alstria office REIT-AG amounted to 33.76%. This share has increased since and as of December 31, 2022 amounted to 83.40 %. In addition, Lapis Luxembourg Holdings S.à r.l., Luxembuorg, Grand Duchy of Luxembuorg, a company acting jointly with Alexandrite within the meaning of Section 2, para. 5 WpÜG, directly held around 10.23% of the share capital and the voting rights of alstria office REIT-AG. Furthermore, the free float pursuant to the REIT Act of shares in the Company fell in the financial year 2022 below the limit of 15% of the shares. As of the balance sheet date, the free float in accordance with the REIT Act was 4.89%.

The requirement to exceed the 10% ownership interest only takes effect once the direct interest has existed for three years. If the proportion of a direct holding is not reduced to below 10% by the end of the third year following the end of the year in which it was first exceeded, the REIT status is lost retrospectively at the end of the second financial year following the end of the year in which it was first exceeded. If the exceeding maximum investment limit in the present case is not remedied by December 31, 2024, the REIT status of alstria office REIT-AG would cease to exist at December 31, 2023.

Alexandrite has committed itself to alstria office REIT-AG, if the REIT status is maintained within three years' time after December 31, 2021, to take suitable measures to ensure again compliance with the maximum participation limit with regard to the shareholdings of the Bidder and the Lapis Luxembourg Holdings S.à r.l. in due time.

The minimum free float ratio of 15% was not reached for the first time in the 2022 financial year. This means that the REIT status could not be lost before December 31, 2024. Curing this regulation would be possible until December 31, 2025.

alstria constantly monitors compliance with all of the REIT criteria described, which the company could influence. Violations of the two criteria of exceeding the 10 percent maximum ownership interest and falling below the minimum free float ratio can be cured by the end of the periods described above for in each case. However, the remaining deadlines for this have now been shortened since the criterion of the 10 percent maximum ownership interest was not met for the second time. In addition, a further criterion was not met with falling below the minimum free float ratio on the balance sheet date. For these reasons and because the loss of REIT status would have a very high impact due to deferred tax liabilities to be taken into account, the risk of non-compliance with the REIT criteria is classified as high (H) as of the balance sheet date, while it was still rated as low (L) in the previous year.

### *Risks resulting from fraud or noncompliance*

alstria depends on all employees and management respecting the compliance standards in place. alstria's business expects employees and management members to comply with documented laws, policies, and procedures. If alstria's senior management fails to document and reinforce the Company's policies and procedures, or if employees commit criminal, unlawful, or unethical acts (including corruption), such actions could have an adverse material effect on alstria's business, financial condition, and the results of operations. They would also harm alstria's reputation in the real estate market, thereby negatively affecting future business opportunities. The General Data Protection Regulation (Datenschutzgrundverordnung), which came into force in the financial year 2020, provides significantly higher fines in the event of infringement. The data protection measures already in place at alstria, as well as newly introduced guidelines and processes, are in line with the General Data Protection Regulation's requirements. alstria has implemented a compliance organization, which addresses adequate and documented compliance rules and regulations and provides training to all employees concerning compliance-related topics.

In doing so, the Company has established central behavioral principles in the areas of:

- anti-corruption,
- avoiding conflicts of interest,
- handling confidential information and insider knowledge, and
- anti-discrimination, equality, and diversity concerns.

The materialization of compliance risks is assessed to be low (L), which is unchanged from the previous year's assessment.

### *Litigation risks*

alstria AG or any of its subsidiaries could be involved in pending or foreseeable court or arbitration proceedings that might significantly affect the Group's business position at any time. Other risks might arise from legal actions taken to address warranty claims, repayment claims, or any other claims brought forward in connection with divested properties or development projects implemented over the last few years.

After the legally binding clarification of the legal disputes in connection with converting DO Deutsche Office AG into the limited partnership alstria office Prime Portfolio GmbH & Co. KG in 2016, neither alstria office REIT-AG nor its subsidiaries are involved in current or foreseeable court or arbitration proceedings that could significantly affect the Group's economic position. This also applies to warranty, repayment, or other claims asserted in legal proceedings in connection with the sale of real estate or development projects carried out in recent years. Appropriate provisions have been made at the respective Group company for any financial burdens arising from ongoing or foreseeable court or arbitration proceedings.

Because none of the Group's companies are currently exposed to civil rights proceedings or other types of legal disputes and none are expected to occur, the risk of legal disputes is classified as low (L), as it was in the previous year.

### *Climate-related risks*

Considering the long-term nature of the real estate business and the immovable nature of the assets, it is imperative to take into account the effect of climate change on the prospects.

Alstria's assets are in areas with (on a global scale) relatively limited climate sensitivity. In most cases, the changes in market regulations and tenant demand that will be caused by the transition to a low-carbon society are known and predictable. The adaptation and innovation need of the company's assets and services fit naturally into the modernization cycle of its portfolio. However, alstria's business is not immune to the systemic risks created by climate change.

The specific risks related to climate change that the Company faces are listed below.

**Physical risks – acute:** alstria's property portfolio is subject to extreme weather events, such as flooding, storms, and hail, which may weaken building structures and threaten tenants' safety. The potential immediate risk for alstria relates to the cost of repairing a damaged building and reduced revenues due to reduced office quality/availability during the renovation period. In the worst case, the structural value of the asset will be negatively impacted. According to many experts, such as the IPCC (Intergovernmental Panel on Climate Change), extreme weather phenomena will increase in the coming years. alstria's control process includes:

- Regular update of physical climate-risk assessments to determine which buildings must be upgraded accordingly.
- Insurances covering the portfolio from the loss of rent due to fire, storms, hail, or any act of God with a total insured value at least as high as alstria's assets' balance sheet value.

**Transition risks – regulatory:** After the Paris Agreement, new regulations, for example the EU Energy Performance of Buildings Directive imposes stringent obligations for the energy efficiency of EU's building stock to be met by 2050. Failing to meet new climate regulations may decrease the attractiveness of alstria's assets, which may, in turn, lower or nullify their rental potential and ultimately decrease the company's revenues and value. alstria's control process includes:

- Ongoing environmental monitoring and compliance with applicable laws and standards.
- Participation in industry bodies to monitor emerging legislation early.
- Integration of physical, regulatory, and demand-related impacts in all central decision-making and planning processes (incl. OPEX and CAPEX) along the business cycle (buy, manage, redevelop, and sell), to reduce the carbon footprint of the company's building portfolio.
- De-carbonization of the company's revenues/ business model through technological innovations, e.g., smart building technology, which also enables less carbon-intensive office offerings in the sharing economy (e.g., alstria's coworking business BEEHIVE).
- Putting the development of existing assets at the core of alstria's business model, instead of ground-up development. From alstria's perspective, new developments have negative contribution to climate change, regardless of their operational efficiency, because of the carbon needed for their construction (i.e., embedded carbon).

**Transition risks - market and reputational:** Growing climate-change awareness and the cost considerations following an increase in environmental taxes (e.g., carbon taxes) could shape tenants' behavior by them requiring more energy-efficient office space. Failing to respond to this demand could make alstria's assets unattractive, implying a subsequent decline in their rental potential. alstria's control process includes:

- Offering additional services to help tenants run their offices efficiently (e. g., Mieterstrompool and coworking spaces).
- Recognizing early the financial requirements to upgrade and modernize buildings.

Similar to the previous year, environmental risks are assessed at a low (L) level.

### *Risk of noncompliance with human rights*

There is a risk that alstria's activities will trigger activities or have an effect that violates human rights. This could be the case, for instance, as a result of unworthy working conditions at construction sites or the production of products or services used in business activities. alstria is fully committed to its responsibility to respect human rights. Efficient management guidelines and the compliance organization, which is particularly geared toward legal compliance, anti-discrimination, and diversity, support the goal that alstria's legal representatives and employees' behaviors always remain within the framework of the legal requirements and at the same time correspond to high ethical standards. These standards also apply to drafting contracts with contractors or customers, which should be done to minimize the risk of noncompliance with human rights along the value chain. Throughout the group, alstria especially respects the UN Guiding Principles on Business and Human Rights, which are grounded in recognizing that states and companies must respect human rights. States are primarily responsible for protecting their citizens' human rights, and it is their obligation to translate their international human rights duties into national regulations and laws that ensure protection of human rights. In situations where national laws do not cover internationally recognized human rights, or the implementation of such laws is weak, the UN Guiding Principles clearly expect companies to operate according to a higher international standard.

In Germany, the degree to which the government respects and protects human rights is rather high. As a German real estate company focusing solely on German office properties, alstria operates within the German law's framework and accordingly obeys its human rights rules and regulations. Overall, the risk of noncompliance with regard to human rights is classified as low (L), as in the previous year.



### 1.4.5. Financial risks

Following the takeover by Brookfield, alstria's strategy was complemented with the objective of driving further growth by actively pursuing new value-add refurbishment and repositioning opportunities and accelerated assets rotation.

The partnership with Brookfield enabled alstria to develop a risk-return profile consistent with the private real estate market and pursue a more effective total return approach than previously possible in public markets. This included an increase in the level of debt at Group level with the consequence of a reduction in recurring dividend payments in subsequent years.

#### *Valuation risks*

The fair value of the real estate properties the Company owns reflects their market value as independent appraisers determine, which could be subject to change in the future. Generally, the real estate properties' market value depends on various factors, some of which are exogenous and may be outside alstria's control. These factors include declining rent levels, decreasing demand, and increasing vacancy rates. Many qualitative factors also decide a property's valuation, including its conditions, expected market rents, and location. The mandated appraiser's final assessment is to a certain extent discretionary and may differ from another appraiser's opinion. Should the factors considered or assumptions made in valuing a property change to reflect new developments or for other reasons, subsequent valuations of the respective property may result in a diminished market value. If such valuations reveal significant decreases in market value compared to prior valuations, the Company may incur significant revaluation losses with respect to such properties.

Factors such as economic changes, interest rate fluctuations, and inflation may adversely affect properties' value. A further rise in inflation could lead to a further rise in interest rates and thus make it more expensive to refinance a property. Higher interest rates also make other forms of investment, such as bonds or similar money market products, more attractive than investing in real estate. Both could have a negative impact on the demand for real estate and thus on its value. However, higher inflation rates also lead to higher rental income, since the development of rents for a large part of alstria's tenants is linked to the consumer price index. This effect would have a positive impact on the value of the properties. To minimize these risks, regional diversification of investment portfolios, consistent focus on the tenants' individual needs, and detailed market research and analysis (broker reports) are applied. In addition, Independent, internationally recognized experts determine the market value of all of alstria's assets at the end of each year. The consequences of the COVID-19 pandemic had so far no negative effects on the current assessment.

The risk of higher inflation, which could negatively affect the demand for real estate and thus its value via the rise in interest rates, is perceived as inconsistent. In return, ceteris paribus, higher nominal rental income would be expected, so that, at least in terms of model theory, valuation pressure appears manageable. Historically, real estate has been inflation-proof in practice.

Since the increase in the rate of inflation and interest rates has developed more dynamically in recent months than ever before and neither the further development nor the subsequent effects on valuations are fully foreseeable, the risk of unexpected devaluations as of the balance sheet date is perceived as high (H), after it was still classified as moderate (M) on the same date in the previous year.

### *Refinancing risks*

The main financial instruments currently used by the Group are fixed rate bonds. In addition, there are mortgage-backed bank loans. The bonds and bank loans' main purpose is to finance alstria's business activities. The main risks arising from the Group's financial instruments are cash flow risks, interest rate risks, and liquidity risks. Even though alstria's Net LTV increased from 28.8% to 43.6 % at the end of the reporting period compared to the previous year's reporting date, alstria's creditworthiness was rated BBB - ("Investment Grade") by rating agency Standard & Poor's. The Group's bonds and bank loans have a diversified maturity profile, so that there is a diversified maturity profile and the refinancing of the entire loan at one point can be avoided (see the maturity profile of the loans on page 17).

The change in capital structure triggered by the change of control in January 2022 (see section I.1.) nevertheless resulted in a higher refinancing requirement. Planned financing of around EUR 1,019 million is pending within the three-year risk period. As a result, the extent of the risk has increased compared to the previous year's reporting date.

The refinancing risk is therefore now classified as a high risk (H) as of the balance sheet date, after it was still considered a medium risk (H) on the previous year's reporting date.

### *Interest rate risks*

Interest rate risks result from fluctuations in market interest rates. These floating rates influence the sum of interest expenses in the financial year and the three-year forecast period on which risk management is based. The level of nominal interest rates also depends on the further development of inflation rates.

alstria's hedging policy included the use of classic interest rate swaps or interest rate caps, if applicable to limit the Company's exposure to interest rate fluctuations and provide enough flexibility to dispose real estate assets. The interest base for the floating rate interest loans is the EURIBOR, which is adjusted every three months. The majority of alstria's funding consists of long-term fixed-interest bonds as well as bank loans whose variable interest rate (3-month EURIBOR) is hedged by fully efficient interest rate swaps and is therefore not subject to interest rate risk up to its maturity.

The future refinancing requirements as described in the previous chapter, could result in higher interest rate conditions than planned. In this respect, the probability that the new loans will entail higher interest expenses than planned has increased by one level from "unlikely" to "possible".

The interest rate risk in total, is still classified as a medium risk (M) as of the balance sheet date.

### *Breaches of covenants*

In the process of issuing corporate bonds, taking out loans and the issuance of a Schuldschein, alstria agrees to comply with certain covenants, such as achieving a minimum income (debt service coverage ratios) from mortgaged properties or not exceeding a certain level of debt (LTV). In the event of a breach of these covenants, consequences arise, such as increased credit margins or, in the worst case, a lender's extraordinary termination of a loan.

Although the impact of breaching loan covenants could be significant, the likelihood of breaching them is considered manageable due to consistent monitoring of compliance with the loan terms. Overall, the risk from breaches of covenants as of December 31, 2022, as in the previous year, is classified as a medium risk (M).

### *Tax risks*

REITs are completely exempt from corporate income tax and trade tax. As a result, tax risks can only arise in the case of lost REIT status or at a subsidiary level. Additionally, the Group faces risks from value-added tax, real transfer tax, and property tax. Furthermore, changes in tax laws or their interpretations may result in higher tax liability for prior tax periods that have not yet been approved. Due to the takeover of the alstria office Prime Group, companies are included in the consolidated financial statements that are not subject to the REIT legislation's regulations. The restructuring, which was implemented during the 2016 financial year, particularly the conversion of these companies' legal forms into limited partnerships, resulted in taxing hidden reserves and liabilities within the acquired companies. Subsequently, the companies are tax transparent.

Due to the income tax exemption as a REIT and internal and external tax experts' consistent monitoring of tax-relevant issues, the probability of a tax loss is limited. Because certain tax-related issues, such as real estate transactions or valuations of assets and liabilities as well as reentry into a tax liability status that could result in high tax obligations over the three-year risk period, the risk impact is considered significant.

Because of the Federal Constitutional Court judgment, the German legislature passed a new regulation on property tax at the end of 2020. From January 1, 2022, new property tax values will apply; these will be the new tax base for property taxes beginning January 1, 2025. Basically, the new model is value based. At the same time, an amendment to the Basic Law (Grundgesetz) grants German states the right to deviate from the federal regulation, such as through using an area model. In the case of nonresidential properties relevant to alstria – particularly business properties – the so-called real value method is used in principle. The property value is thereby determined from the building value, which is calculated based on standard production costs, usable space, year of construction, and land value. The latter results from the multiplication of the land area by the standard land value. Therefore, it is unnecessary to determine standard rents. Even if the new concept is to be revenue neutral, an increase in the property tax for alstria's real estate cannot be ruled out. Basically, changes in property tax may affect tenants through higher service charge costs because passing on costs to tenants was not restricted. The Federal Constitutional Court will allow applying the current property tax rates until the end of 2024. Therefore, no significantly higher real estate tax expenses are expected within the next three years.

The transfer of shares in companies with real estate assets can under certain circumstances, if certain share quotas are exceeded, result in real estate transfer tax on the real estate of the company or their subsidiaries. Because of Alexandrite's takeover activities, shares in alstria office REIT-AG were transferred. Due to the extensive real estate assets of the alstria Group, real estate transfer taxes could be incurred to a considerable extent in the event of a harmful transfer of shares. Therefore, the Bidder has guaranteed the company that it will refrain from transferring a harmful number of shares. In addition, the Bidder has warranted to the Company that it will indemnify the Company and its affiliates against any property tax damage or loss resulting from a breach of warranty or any other harmful measures.

Overall, there is therefore a medium (M) tax risk, which is unchanged from the previous year.

### *Liquidity risk*

One of alstria's core processes is cash management. The Company manages its future cash position and monitors its progress daily. The Company uses a cash-forecasting tool to prevent liquidity risks. As a basis for analysis, this liquidity-planning tool uses the expected cash flows from business activities and the maturity of the financial investments.

Due to refinancing activities in recent years, such as placing several corporate bonds with diversified maturity profiles, the substantial liquidity risk arising from repaying all or most of alstria's credit commitments in one sum ("balloon repayment") has been managed successfully. The Group had implemented most of the new refinancing strategy by the balance sheet date. The existing debt capital structure can be maintained through the planned refinancing of the bonds and loans that will expire within the next three years. In addition, cash and cash equivalents amounted to EUR 365 million as of the balance sheet date. As a result, the liquidity risk from the obligation to repay loans has been classified as low (L), as in the previous year.

### *Counterparty risks*

alstria hedges a portion of its risk by applying third-party instruments (interest rate derivatives, property insurance, and others). alstria's counterparties in these contracts are internationally recognized institutions that leading rating agencies rate. alstria regularly reviews the ratings of its counterparties to mitigate any risk of default. The 2007 financial crisis raised doubts regarding the reliability of rating agencies' assessments. In response to this concern, alstria uses other information sources to verify rating agencies' assessments. The COVID-19 crisis has not yet affected the creditworthiness of alstria's major contractual partners.

The determination of fiscal policy and monetary policy to support industries and particularly affected companies, as well as systemically important institutions such as banks and insurance companies, could have also contributed to this. alstria is otherwise not exposed to significant credit risks. Hence, counterparty risk can be classified as low (L), just as it was last year.

### 1.5. Overall risk assessment by the Management Board

alstria AG consolidates and aggregates all risks reported by the different business units and functions adhering to its risk management policy. The most significant challenges have been mentioned first in each of the four risk categories: strategic, compliance, operational, and financial.

Compared to the previous year, alstria's risk situation was still influenced by the COVID-19 pandemic. Additionally, the Russian war against Ukraine has affected the risk environment. The latter in particular provided based on higher energy prices, the initial impetus for a sharp rise in inflation rates and, as a reaction, an increase in interest rates. This affected the refinancing and valuation risks in particular. Furthermore, for assessing certain financial risks and risks from violations of the REIT Act due to the takeover (see Section I.1.), questions arose

These developments result in an overall assessment of a moderate increase in risks.

For the 2022 financial year, compared to 2020, changes were noted in alstria's risk level matrix for risks categorized as high (H) or medium (M). At the end of the year, high risks accounted for 14.5% (December 31, 2021: 9,1%) of all identified risks, whereas medium risks accounted for 30.9% (December 31, 2021: 34.5%). Due to the high proportion of government agencies, public-sector companies, and companies with high credit ratings, the Management Board assesses the risk situation as manageable.

From the Management Board's point of view, the liquidity situation and the solid REIT equity ratio are stabilizing factors. The long-term refinancing position is supported by the S&P rating BBB- ("investment grade"). The equity ratio of 50% reduces the risk that could arise if the property valuations come under pressure (e.g., because of inflation-driven interest rate hikes).

Sufficient precautionary measures have been undertaken to counteract identifiable risks.

In addition to assessing the potential impact of the realization of risks on the value of the Group's net assets, the potential liquidity requirements for selected key risks are identified for a period of three years. The assessed amount of liquidity amounted to EUR 89.4 million as of the balance sheet date, compared to EUR 55.1 million as per December 31, 2021.

The risks described in the aggregated risk report do not threaten, whether individually or cumulatively, alstria's ability to continue as a going concern, given the likelihood of occurrence and potential levels of impact.

## 2. REPORT ON OPPORTUNITIES

### 2.1. Management of opportunities

alstria's management aims to identify and assess opportunities as early as possible and to initiate appropriate measures to take advantage of and transform them into business success.

Growth and earnings opportunities result from alstria's existing real estate portfolio and potential acquisitions. Depending on where the property stands in its lifecycle, value opportunities might be unlocked by its repositioning or/and redeveloping, in its re-tenanting, or its disposal.

The Company's financing activities safeguard the necessary funding to implement the asset business plans. Financing opportunities rely on ensuring competitive financing, including equity funding, on favourable terms.

Evaluating opportunities is done in the context of annual budget planning and on an ongoing, basis during the year. The process begins with a careful analysis of the market environment and market opportunities related to the properties held in the portfolio. This analysis includes assessing criteria, such as tenant needs, property categories, and regulatory changes. Regular reporting addressed to the management supports monitoring growth initiatives within the budget and planning-approval processes.

alstria's Management Board is regularly updated on the status and progress of the initiatives being implemented. The real estate operations department receives monthly reports in which the planned costs and revenues are compared to the actual budget consumption and revenues. In addition, financial and liquidity planning and forecasts are updated, and changes to the project scope are clarified.

### **2.1.1. Opportunities related to real estate acquisitions**

A property's location is key to its attractiveness. Opportunities arise when favorable demographics and real estate dynamics that characterize a regional market. Combined with optimal Real Estate operations, a good location leads to opportunities for long-term capital appreciation. alstria's acquisition strategy aim at identifying properties that offer this capital appreciation potential. Therefore, its investment strategy focuses on acquiring properties and portfolios which are well located in their respective markets but are (either immediately or at the end of the current occupier cycle) of a substantial repositioning/redevelopment as its reached the end of its economic life.

Acquisitions are underwritten on the basis of unlevered IRR (Internal Rates of Return) based on a long-term business plan, which the company assess as delivering adequate returns on a risk-adjusted basis.

### **2.1.2. Opportunities related to tenant relationships**

Structured and active real estate operations, underpin the quality of alstria's services to tenants and is the basis for sustainable tenant relationships. Opportunities arise through flexible responses to existing or potential tenants' needs. The Company has the knowledge and resources to provide solutions and implement tenants' requirements, which allows opportunities to generate sustainable, long-term cash flows.

### **2.1.3. Opportunities arising from real estate development**

Alstria's acquisition strategy leads it to own properties that need repositioning/redevelopment in the mid to long term. Modernizing properties provides value creation opportunities through reshaping assets for the next 20 to 30 years and strengthening their future attractiveness in the market and for tenants.

### **2.1.4. Opportunities from sustainable management**

alstria sees itself as a transition agent that aims to transition office real estate that reaches the end of their economic life into the next operational cycle. As the investment community increase awareness about the sustainability performance of real estate assets, it increases the attractiveness of the assets refurbished by the company in the investment market, thereby increasing investor demand in the market where the company sells. On the other hand, the investment community is shying away from assets the company buys and uses as primary goods for its value-creation process, thereby reducing the demand and prices in these markets. The conjunction of the two factors offers a substantial business opportunity that the company seeks to capture over time.



### 2.1.5. Opportunities arising from financing

alstria's business model is in constant need of a substantial amount of capital. The cost of capital the company can access (relative to other real estate players) is a key element in the success of the company's business. As the financing markets increasingly focus on the "ESG" approach of real estate players, alstria aims to benefit from the positioning that the company's Management Board has built up in this area over the past decade. Our ability to access sufficient amounts of capital provides the opportunity to successfully implement our business plan.

### 2.2. Overall summary of the Opportunities Report

Overall, alstria's core competencies, which include the consistent implementation of sustainability measures in the company and in the investment portfolios, offer the opportunity to seize opportunities and translate them into entrepreneurial success. In terms of revenues, alstria benefits from rental agreements with an average remaining term of around 5.5 years and a potential increase in rental income due to implementing value-added development projects. The Company owns a number of properties that offer attractive and value-adding sustainable refurbishment opportunities. alstria's portfolio is well balanced and has high-quality properties with tenants with good credit ratings. The concept of not building new real estate, but refurbish existing real estate, offers the opportunity to achieve greater flexibility in the market for rental space and disposal of investment properties due to the focus of investors and tenants on sustainability aspects.

alstria sees itself well positioned to successfully continue its strategy of acquisition, sustainable property development, letting, and property management, and to recognize and implement its future market opportunities in this regard.

alstria's core competence is asset management. The repositioning and restructuring projects, which alstria continues to pursue and implement, provide a strong basis for further organic increases in value within the portfolio.

### VI. SUSTAINABILITY REPORT\*

In November 2022, alstria published its annual sustainability report for the financial year 2021. The report provides insights into the environmental, employee-related, and societal performance of alstria. It is prepared in accordance with the GRI standards and the EPRA real estate specific guidelines. In addition, the recommendations of the FSB Task Force on Climate-related Financial Disclosure (TCFD) have been considered. The report has received independent limited assurance for the sections 'Our Buildings' and 'Our People' as well as for the 'EPRA Sustainability Performance Indicators'.

The core elements of alstria's sustainability strategy are:

- Built emissions from the construction of buildings account for the majority of a building's total lifecycle emissions. Operational emissions are becoming increasingly smaller due to the decarbonization of energy grids.
- The most efficient way to address CO<sub>2</sub> emission reduction in the real estate space is to refurbish existing buildings for energy efficiency and to use them for as long as possible. New commercial buildings are now part of the problem, not the solution.
- There are no net-zero buildings - compensation and offsetting which are widely used are not rooted in science and do not work.
- The best operational measures for existing buildings are to replace fossil fuel heating methods (gas/oil) with decarbonizing and renewable energy (district heating and heat pumps) and to advance the electrification of buildings accordingly.

For further information please refer to alstria's Sustainability Report 2021/22.

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\* This section is an unaudited statement.

## VII. DISCLOSURES REQUIRED BY TAKEOVER LAW

Disclosures and the explanatory report pursuant to Sections 289a and 315a of the German Commercial Code (*Handelsgesetzbuch, HGB*)

### 1. COMPOSITION OF SUBSCRIBED CAPITAL

On the balance sheet dated December 31, 2022, alstria's share capital amounted to EUR 178,291,272.00, divided into 178,291,272 no-par value bearer shares. All shares are fully paid in and have equal rights and obligations. Each share entitles the bearer to one vote at the Annual General Meeting and is decisive for the shareholder's share in the Company's profits. The shareholders' individual rights and duties result from the provisions of the German Stock Corporation Act (*Aktiengesetz, AktG*), particularly Sections 12, 53a *et seq.*, 118 *et seq.*, and 186.

### 2. RESTRICTIONS ON VOTING RIGHTS OR THE TRANSFER OF SHARES

The exercise of voting rights and the transfer of shares are based on statutory requirements and alstria's Articles of Association; the latter basis does not restrict either of these activities. According to Sections 71b and 136 of the AktG, for example, the voting rights of the affected shares are excluded by law. Other restrictions as to voting rights or the transfer of shares do not exist, or, as far as they arise from agreements between shareholders, are not known to the Management Board.

### 3. SHAREHOLDINGS EXCEEDING 10 % OF VOTING RIGHTS

The Company was notified in accordance with Section 33 of the German Securities Trading Act (WpGH) that Brookfield Asset Management Inc., Toronto, Canada held 95.11% of the voting rights in the Company as of February 17, 2022. 10.23% of the voting rights were attributable to Lapis Luxembourg Holdings S.à r.l. and 83.14% of the voting rights were attributable to Alexandrite Lake Lux Holdings S.à r.l. As of the balance sheet date December 31, 2022, alstria was not aware of any other shareholders whose direct shareholding exceeded 10% of voting rights.

### 4. SHARES WITH SPECIAL RIGHTS

There are no shares with special rights of control.

### 5. SYSTEM OF CONTROL FOR ANY EMPLOYEE SHARE SCHEME IN WHICH EMPLOYEES DO NOT DIRECTLY EXERCISE CONTROL RIGHTS

Employees who hold alstria shares exercise their rights of control as any other shareholders do, in accordance with the applicable law and the Articles of Association.

## **6. APPOINTMENT AND DISMISSAL OF MANAGEMENT BOARD AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

alstria's Management Board consists of one or more members who may be appointed or dismissed in accordance with Sections 84 and 85 of the AktG. The Articles of Association do not contain any special provisions in this respect. Pursuant to Section 84 of the AktG, members of the Management Board are appointed by the Supervisory Board for a maximum term of five years. Reappointment or extension of the term of office is permitted for a maximum of five years in each case.

Amendments to the Articles of Association are made pursuant to Sections 179 and 133 of the AktG. Pursuant to Section 12, para. 2 of the Articles of Association, the Supervisory Board is also authorized to make changes and amendments to the Articles of Association that merely affect the wording without passing a shareholder resolution in at General Meeting. In addition, the Supervisory Board is, by resolutions of the Annual General Meeting on September 29, 2020, authorized to adapt the wording of the Articles of Association to the utilization of the Company's capitals and after expiration of the applicable authorization periods.

Pursuant to Section 15, para. 5 of the Articles of Association, in conjunction with Sections 179 paras. 2 and 133 of the AktG, shareholders may make resolutions regarding such amendments at a general meeting with a simple majority of the votes cast and a simple majority of the share capital represented. Insofar as a larger majority is prescribed by law, such a majority shall be decisive.

The Articles of Association were last amended in the reporting year by a resolution passed by the Supervisory Board on December 5, 2022: Section 5, paras. 1 and 2 of the Articles of Association were formally adapted to a capital increase executed from the Company's Conditional Capital III 2017. Section 5, para. 7 of the Articles of Association was deleted because the Conditional Capital III 2017 had become obsolete following the execution of the capital increase.

## **7. AUTHORITY OF MANAGEMENT BOARD REGARDING THE ISSUE AND BUYBACK OF SHARES**

### **7.1. Authorized capital**

The Articles of Association authorize the Management Board, with the approval of the Supervisory Board, to increase the share capital on or before September 28, 2025, by issuing new no-par value bearer shares against contributions in cash and/or in kind one or more times, up to a total amount of EUR 35,198,684.00. Further details are governed by Section 5, paras. 3, 4, and 4a of the Articles of Association.

### **7.2. Conditional Capital**

alstria holds two conditional capitals (pursuant to Sections 192 et seq. of the AktG), which are regulated in Section 5, paras. 5 and 8 of the Company's Articles of Association.

### 7.2.1. Conditional Capital I 2020

The share capital is conditionally increased by up to EUR 16,750,000.00 by issuing up to 16,750,000 no-par value bearer shares. The conditional capital is to be carried out to the extent that the holders of option or conversion rights or persons obliged to conversion under option or conversion bonds, profit participation rights or participating bonds which were issued by alstria AG on the basis of the authorization resolved by the shareholders in the Annual General Meeting on September 29, 2020, under item 11 of the agenda exercise their option or conversion rights or, if they are obliged to conversion or exercise of the option, fulfill their conversion obligation or, as the case may be, their obligation to exercise the option and that no cash settlement is granted and no own shares are being used to satisfy such claims. Further details are governed by Section 5, para. 5 of the Articles of Association.

### 7.2.2. Conditional Capital III 2020

Furthermore, the share capital is conditionally increased by an amount of up to EUR 1,000,000.00 by issuing up to 1,000,000 no-par-value bearer shares. The conditional capital increase shall be used exclusively to grant shares to the holders of convertible profit participation certificates issued by the Company on or before September 28, 2025, in accordance with the authorization of the General Meeting held on September 29, 2020. The conditional capital increase is only carried out to the extent that issued convertible profit participation certificates are converted into shares of the Company and no treasury shares are used to satisfy the certificates. The new shares shall participate in the Company's profits from the beginning of the financial year in which they come into existence as a result of conversion of certificates.

### 7.3. Purchase of treasury shares

In the General Meeting held on September 29, 2020, the shareholders authorized the Management Board, subject to the approval of the Supervisory Board, to acquire their own shares of the Company of up to a total of 10% of the share capital in place at the time of the authorization's issuance on or before September 28, 2025. The acquired shares and other treasury shares in the possession of, or to be attributed to, alstria (pursuant to Sections 71a et seq. of the AktG) may at no time amount to more than 10% of the share capital. Shares may be purchased through a stock exchange, by means of a public offer to all shareholders, or by making use of financial derivatives (put or call options, or a combination of both).

## **8. SIGNIFICANT AGREEMENTS OF ALSTRIA AG THAT TAKE EFFECT UPON A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID**

Some of alstria AG's financing agreements contain clauses common to such contracts regarding a change of control. In particular, the agreements entitle the lenders to request repayment of the loans or an obligation by alstria to repay the loans in the event that any person, company, or a group of persons should acquire, directly or indirectly, 50% of the voting rights or a controlling influence in alstria. However, for some financings, the repayment obligation is subject to a downgrade of the Company's or the bonds rating, occurring within 120 days of the control change.

The total volume of obligations under those agreements with corresponding change of control clauses amounted to approx. EUR 2,356 million on the balance sheet date.

## **9. COMPENSATION AGREEMENTS WITH MANAGEMENT BOARD MEMBERS AND EMPLOYEES IN CASE OF A TAKEOVER BID**

No compensation agreements with Management Board members or employees are in place that will take effect in case of a takeover bid.

All these takeover provisions comply with statutory requirements or are reasonable and common practice at comparable, publicly listed companies. They are not intended to hinder potential takeover bids.

## **VIII. ADDITIONAL GROUP DISCLOSURE**

### **1. CORPORATE GOVERNANCE GROUP DECLARATION PURSUANT TO SECTIONS 289F AND 315D HGB ("HANDELSGESETZBUCH": GERMAN COMMERCIAL CODE)**

The complete corporate governance declaration is published on alstria AG's website ([www.alstria.com/company](http://www.alstria.com/company)). Thus, it is made permanently accessible to the public.

### **2. EMPLOYEES**

As of December 31, 2022, alstria had 181 employees (compared to 171 on December 31, 2021). The annual average number of employees was 177 (compared to 171 in the previous year). These figures exclude Management Board members.

### 3. GROUP AND DEPENDENT-COMPANY REPORT

In accordance with Section 290 of the German Commercial Code (HGB), alstria is required to prepare consolidated statements and a Group management report with respect to the Group companies controlled by alstria. Therefore, alstria office REIT-AG and all associated companies as stated in the group notes are consolidated in the alstria Group.

Due to the majority interest in alstria held by Brookfield Corporation on December 31, 2022 and the fact that there is no control agreement with the controlling company and alstria, the Company issued a separate dependent-company report with affiliated companies, as a dependent stock corporation pursuant in accordance with Section 312 of the German Stock Corporation Act (AktG). This report includes the following statement by alstria's management board:

“According to the circumstances that were known to us at the time the legal transactions with affiliated companies were carried out or the measures were taken or omitted, alstria office REIT-AG, Hamburg, received appropriate consideration for every legal transaction and was not disadvantaged by the measures taken or omitted.”

#### 4. DIVIDEND

The Management Board, in agreement with the Supervisory Board, intends to propose to the Annual General Meeting to use the balance sheet profit of alstria office REIT-AG for the 2022 financial year to pay a dividend of EUR 0.06 per share. In the event that there are significant changes in the company's available liquidity in the further course of the 2022 financial year, the Management Board and Supervisory Board reserve the right to submit a different dividend proposal to the Annual General Meeting. The payment of a dividend depends on the approval of the General Meeting.

Hamburg, February 27, 2023

**alstria office REIT-AG**

The Management Board

**Olivier Elamine**

CEO



## DETAIL INDEX CONSOLIDATED FINANCIAL STATEMENTS

I.	CONSOLIDATED INCOME STATEMENT .....	64
II.	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	65
III.	CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	66
IV.	CONSOLIDATED STATEMENT OF CASH FLOWS .....	68
V.	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	70
VI.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	71
1.	BASIS OF PRESENTATION.....	71
2.	BASIS OF PREPARATION .....	72
3.	SEASONAL OR ECONOMIC EFFECTS ON BUSINESS .....	103
4.	SEGMENT REPORTING .....	103
5.	NOTES TO THE CONSOLIDATED INCOME STATEMENT .....	104
6.	NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS .....	110
7.	NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES.....	120
8.	OTHER NOTES .....	129
9.	RELATED PARTY RELATIONSHIPS.....	131
10.	EARNINGS PER SHARE .....	132
11.	DIVIDENDS PAID AND DIVIDENDS PROPOSED.....	133
12.	EMPLOYEES .....	133
13.	SHARE-BASED REMUNERATION .....	134
14.	FINANCIAL RISK MANAGEMENT .....	139
15.	SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD .....	148
16.	UTILIZATION OF EXEMPTING PROVISIONS.....	148
17.	DISCLOSURES PURSUANT TO THE WERTPAPIERHANDELSGESETZ [GERMAN SECURITIES TRADING ACT] AND EUROPEAN MARKET ABUSE REGULATION [MAR].....	148
18.	DECLARATION OF COMPLIANCE PURSUANT TO AKTG SECTION 161 .....	150
19.	AUDITORS' FEES.....	151
20.	MANAGEMENT BOARD .....	152
21.	SUPERVISORY BOARD .....	153

## B. CONSOLIDATED FINANCIAL STATEMENTS

### I. CONSOLIDATED INCOME STATEMENT

For the period from January 1 to December 31, 2022

EUR k	Notes	2022	2021
Revenues	5.1	182,819	183,670
Revenues from service charge income	5.1	38,170	38,908
Real estate operating expenses	5.2	-62,043	-59,307
<b>Net rental income</b>		<b>158,946</b>	<b>163,271</b>
Administrative expenses	5.3	-10,441	-8,325
Personnel expenses	5.4	-26,994	-19,769
Other operating income	5.5	16,219	5,930
Other operating expenses	5.6	-3,000	-14,614
Net result from fair value adjustments to investment property	6.1	-173,794	94,827
Net result from the disposal of investment property	5.7	2,896	15,134
<b>Net operating result</b>		<b>-36,168</b>	<b>236,454</b>
Net financial result	5.8	-37,056	-26,019
Share of the result of companies accounted for at equity	2.2.3	-782	-108
Net result from the adjustemt of investment propert		-499	
<b>Pretax result</b>		<b>-74,505</b>	<b>210,327</b>
Income tax expenses	5.9	-109	-649
<b>Consolidated profit</b>		<b>-74,614</b>	<b>209,678</b>
Attributable to:			
Shareholders of alstria office REIT-AG		-74,614	209,678
<b>Earnings per share in EUR</b>			
Basic earnings per share	10	-0.42	1.18
Diluted earnings per share	10	-0.42	1.18

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1 to December 31, 2022

EUR k	Notes	2022	2021
Consolidated profit for the period		-74,614	209,678
Other comprehensive income for the period (items that can be reclassified to net income):			
Market valuation cash flow hedges		32,663	0
<b>Total comprehensive income for the period</b>		<b>32,663</b>	<b>209,678</b>
		<b>-41,951</b>	
<b>Total comprehensive income attributable to</b>			
Shareholders of alstria office REIT-AG		-41,951	209,678

## Consolidated Financial Statements

### III. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2022

ASSETS			
EUR k	Notes	Dec. 31, 2022	Dec. 31, 2021
<b>Noncurrent assets</b>			
Investment property	6.1	4,606,848	4,775,801
Equity-accounted investments	6.2	101	923
Property, plant, and equipment	6.3	20,247	22,936
Intangible assets	6.3	504	274
Financial assets	6.4	94,891	39,185
Derivatives	6.5	34,767	0
<b>Total noncurrent assets</b>		<b>4,757,358</b>	<b>4,839,119</b>
<b>Current assets</b>			
Trade receivables	6.6	8,166	3,922
Income tax receivables		1,343	1,289
Other receivables	6.6	5,384	4,258
Cash and cash equivalents	6.7	364,973	313,684
thereof restricted		8,761	0
Assets held for sale	6.8	26,550	72,100
<b>Total current assets</b>		<b>406,416</b>	<b>395,253</b>
<b>Total assets</b>		<b>5,163,774</b>	<b>5,234,372</b>

## Consolidated Financial Statements

EUR k	Notes	EQUITY AND LIABILITIES	
		Dec. 31, 2022	Dec. 31, 2021
<b>Equity</b>	7.1		
Share capital		178,291	178,033
Capital surplus		507,640	1,261,630
Hedging reserve		32,663	0
Retained earnings		1,849,321	1,923,935
Revaluation surplus		3,485	3,485
<b>Total equity</b>		<b>2,571,400</b>	<b>3,367,083</b>
<b>Noncurrent liabilities</b>			
Limited partnership capital noncontrolling interests	7.2	120,959	69,798
Long-term loans and bonds, net of current portion	7.3	2,026,290	1,697,605
Other provisions	7.4	1,802	2,585
Other liabilities	7.5	13,363	14,369
<b>Total noncurrent liabilities</b>		<b>2,162,414</b>	<b>1,784,357</b>
<b>Current liabilities</b>			
Limited partnership capital noncontrolling interests	7.2	21	15
Short-term loans	7.3	372,142	19,594
Trade payables	7.5	3,581	3,487
Profit participation rights	5.4; 13.2	279	541
Income tax liabilities	7.6	2,188	4,525
Other provisions	7.4	525	2,439
Other current liabilities	7.5	51,224	52,331
<b>Total current liabilities</b>		<b>429,960</b>	<b>82,932</b>
<b>Total liabilities</b>		<b>2,592,374</b>	<b>1,867,289</b>
<b>Total equity and liabilities</b>		<b>5,163,774</b>	<b>5,234,372</b>

#### IV. CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ending December 31, 2022

EUR k	Notes	2022	2021
<b>1. Cash flows from operating activities</b>			
<b>Consolidated profit or loss for the period</b>		<b>-74,614</b>	<b>209,678</b>
Interest income	5.8	-4,062	-1,323
Interest expense	5.8	41,118	27,343
Result from income taxes	5.9	109	649
Unrealized valuation movements		174,535	-91,239
Other noncash income (-)/expenses (+)	8.3	6,678	5,957
Gain (-)/loss (+) on disposal of investment properties	5.7	-2,896	-15,134
Depreciation and impairment of fixed assets (+)	6.3	965	942
Increase (-)/decrease (+) in trade receivables and other assets not attributed to investing or financing activities		-5,958	987
Increase (+)/decrease (-) in trade payables and other liabilities not attributed to investing or financing activities		-15,122	-688
<b>Cash generated from operations</b>		<b>120,753</b>	<b>137,172</b>
Interest received		3,115	1,323
Interest paid		-34,343	-24,705
Income taxes paid		-2,446	2,644
<b>Net cash generated from operating activities</b>		<b>87,079</b>	<b>116,434</b>
<b>2. Cash flows from investing activities</b>			
Acquisition of investment properties		-114,886	-206,996
Proceeds from the sale of investment properties		161,570	24,750
Payment of transaction cost in relation to the sale of investment properties		-882	-1,006
Acquisition of other property, plant, and equipment		-703	-3,093
Payments for investment in financial assets	6.4	-149	-87
<b>Net cash generated from/ used in investing activities</b>		<b>44,950</b>	<b>-186,432</b>

## Consolidated Financial Statements

EUR k	Notes	2022	2021
<b>3. Cash flows from financing activities</b>			
Cash received from cash equity contributions	7.1	258	240
Payments for the acquisition of shares in limited partnerships of minority interests	7.1	-1	0
Distributions on limited partnerships of minority shareholders		-3,810	-1,957
Proceeds from the issue of bonds and borrowings		760,000	21,210
Payments of transaction costs for taking out loans		-8,019	0
Proceeds from the issue of convertible participation rights		0	287
Payments for the redemption portion of leasing obligations		-457	-505
Payments of dividends	11	-756,640	-94,230
Payments due to the redemption of bonds and borrowings		-69,483	-2,323
Payments for the acquisition of financial derivatives	6.5	-2,588	0
<b>Net cash used in financing activities</b>		<b>-80,740</b>	<b>-77,278</b>
<b>4. Cash and cash equivalents at the end of the period</b>			
Change in cash and cash equivalents (subtotal of 1 to 3)		51,289	-147,276
Cash and cash equivalents at the beginning of the period		313,684	460,960
<b>Cash and cash equivalents at the end of the period</b>			
<i>thereof restricted: EUR 8,761 k; previous year: EUR 0 k</i>	6.7	<b>364,973</b>	<b>313,684</b>

## Consolidated Financial Statements

### V. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from January 1 to December 31, 2022

EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Retained earnings	Revaluation surplus	Total equity
<b>As of Dec. 31, 2021</b>		<b>178,033</b>	<b>1,261,630</b>	<b>0</b>	<b>1,923,935</b>	<b>3,485</b>	<b>3,367,083</b>
<b>Changes in the financial year 2022</b>							
Consolidated profit		0	0	0	-74,614	0	-74,614
Other comprehensive income		0	0	32,663	0	0	32,663
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>32,663</b>	<b>-74,614</b>	<b>0</b>	<b>-41,951</b>
Payments of dividends	11	0	-756,640	0	0	0	-756,640
Share-based Remuneration	5.4; 13.2	0	2,392	0	0	0	2,392
Conversion of convertible participation rights	13.2	258	258	0	0	0	516
<b>As of Dec. 31, 2022</b>	<b>7.1</b>	<b>178,291</b>	<b>507,640</b>	<b>32,663</b>	<b>1,849,321</b>	<b>3,485</b>	<b>2,571,400</b>

For the period from January 1 to December 31, 2021

EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Retained earnings	Revaluation surplus	Total equity
<b>As of Dec. 31, 2020</b>		<b>177,793</b>	<b>1,356,907</b>	<b>0</b>	<b>1,714,257</b>	<b>3,485</b>	<b>3,252,442</b>
<b>Changes in the financial year 2021</b>							
Consolidated profit		0	0	0	209,678	0	209,678
Other comprehensive income		0	0	0	0	0	0
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>209,678</b>	<b>0</b>	<b>209,678</b>
Payments of dividends	11	0	-94,230	0	0	0	-94,230
Share-based remuneration	5.4; 13.2	0	3,210	0	0	0	3,210
Change to the Stock Awards Compensation Conditions	7.1	0	-4,497	0	0	0	-4,497
Conversion of convertible participation rights	13.2	240	240	0	0	0	480
<b>As of Dec. 31, 2021</b>	<b>7.1</b>	<b>178,033</b>	<b>1,261,630</b>	<b>0</b>	<b>1,923,935</b>	<b>3,485</b>	<b>3,367,083</b>



## VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PRESENTATION

alstria office REIT-AG (the Company) is a listed real estate property corporation under the scope of the G-RETT Act. The main objectives of the Company and its subsidiaries (the Group or alstria) are the acquisition, management, operation, and sale of owned real estate property and the holding of participations in enterprises that acquire, manage, operate, and sell owned property.

Alexandrite Lake Lux Holdings S.à r.l., Luxembourg, Grand Duchy of Luxembourg, (hereinafter "Alexandrite" or "Bidder") published its decision on December 13, 2021 to offer the shareholders of alstria office REIT-AG to acquire their bearer shares in alstria office REIT-AG by way of a voluntary public takeover bid. By the end of the offer period on February 3, 2022, the total number of alstria shares to be taken into account for the minimum acceptance threshold was exceeded and amounted to 91.63% of the share capital. The total number of alstria shares to be considered for the minimum acceptance threshold was reached for the first time on January 11, 2022. This corresponded to a share of 50.50% of the share capital. The company was thus to be included in the consolidated financial statements of Alexandrite's ultimate parent company, Brookfield Asset Management Inc., Toronto, Canada (hereinafter "Brookfield"), for the first time on January 11, 2022. Brookfield Asset Management Inc. prepares the consolidated financial statements for the largest and smallest group of companies in the Brookfield Group. Brookfield's consolidated financial statements are published on the company's website at [www.brookfield.com](http://www.brookfield.com). As of the balance sheet date, December 31, 2022, Alexandrite held 83.28 % of the shares in the company, so that control on alstria office REIT-AG can be assumed. As a result, alstria office REIT-AG is accounted for as subsidiary in Brookfield's consolidated financial statements as of the reporting date.

alstria prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the additional requirements set forth in Section 315e para. 1 of the German Commercial Code (HGB). The Management Board authorized for issue the consolidated financial statements on February 23, 2023.

alstria office REIT-AG's registered office and address is Steinstrasse 7, 20095 Hamburg, Germany. The Company is entered in the commercial register at the local court of Hamburg under HRB No. 99204.

alstria prepares and reports its consolidated financial statements in Euro (EUR), the Group's functional currency. Due to rounding, the numbers presented may not add up precisely to the totals provided.

The financial year ends on December 31 of each calendar year. The consolidated financial statements presented in this report were prepared for the period from January 1 to December 31, 2022.

## 2. BASIS OF PREPARATION

Apart from investment property (land and buildings), properties held for sale and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, the consolidated financial statements have been prepared based on historical cost.

The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates and for management to exercise its judgement when applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity, or items wherein assumptions and estimates have a significant impact on the consolidated financial statements, are disclosed in Note 2.3.

The consolidated income statement is prepared using the total cost method. Single items are summarized in the consolidated statement of financial position and the income statement. They are commented on in the Notes to the financial statements.

Assets and liabilities are classified as noncurrent and current, respectively. Current items are defined as items that are due in less than 1 year and vice versa for noncurrent items.

### 2.1. Changes in accounting policies and mandatory disclosures

#### Effects of new and amended IFRSs

The Company adopted the following new amendments to existing standards for the first time for the financial year beginning January 1, 2022:

EU Endorsement	Standard/ interpretation	Content
June 28, 2021	Amendments to IFRS 3	Business Combinations: Update of an outdated reference in IFRS 3 without significantly changing its requirements.
June 28, 2021	Annual Improvement	„Improvements to IFRSs 2018-2020 Cycle“
April 01, 2021	Amendments to IFRS 16	„Covid-19-Related Rent Concessions beyond 30 June 2021“
Aug. 30, 2021	Amendments to IFRS 37	„Onerous Contracts - Costs of Fulfilling a contract“
June 28, 2021	Amendments to IFRS 16	PP&E: Proceeds before Intended Use

The changes to standards and to the framework concept did not have any material effects on the Group's net assets, financial position, and results of operations.

## Consolidated Financial Statements

### New and amended IFRSs and interpretations to existing standards that are not yet effective and that the Group has not adopted early

EU Endorsement	Standard/ interpretation	Content	Applicable for FY beginning on/after	Effects
Nov. 19, 2021	IFRS 17	New standard "Insurance contracts"	Jan. 1, 2023	None
Not yet endorsed	Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	Jan. 1, 2024	Minor effects possible
Sept. 8, 2022	Amendments to IFRS 17	Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Jan. 1, 2023	None
Not yet endorsed	Amendments to IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent	Jan. 1, 2024	None
March 2, 2022	Amendments to IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	Jan. 1, 2023	None
March 2, 2022	Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	None
Aug. 11, 2022	Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	None

No significant impact on financial reporting is expected from the other new standards and amendments to the existing standards listed above.

The Group did not adopt any new or amended standards or interpretations early in the 2022 financial year.

## 2.2. Basis of consolidation

### 2.2.1. Subsidiaries

The consolidated financial statements incorporate the financial statements of alstria office REIT-AG and entities controlled by the Company and its subsidiaries. Control is achieved when the Company

- exercises authority over the investee;
- is exposed or has rights to variable returns from its involvement with the investee; and
- can use its authority to affect the amount of its returns.

## Consolidated Financial Statements

The Company reassesses whether it controls an investee if facts and circumstances indicate changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date when the Company gains control until the date when the Company ceases to control the subsidiary.

The profit or loss and each component of the other comprehensive income are attributed to the Company's owners and noncontrolling interests. The total comprehensive income of the subsidiaries is attributed to the Company's owners and noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

### *Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and
- (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any noncontrolling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity, as specified/permitted by applicable IFRSs).

### *Business combinations*

Acquisitions of businesses within the meaning of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable acquired assets and the assumed liabilities are recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. After reassessment, if the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree and fair value of the acquirer's previously held interest in the acquiree fit and the excess is recognized immediately in profit or loss as a bargain purchase gain.

Noncontrolling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the noncontrolling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets and reported under liabilities. The choice of measurement is made on a transaction-by-transaction basis. Other types of noncontrolling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value, and the resulting gain or loss, if any, is recognized in profit or loss.

## Consolidated Financial Statements

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive incomes are reclassified as profit or loss, where such treatment would be appropriate if that interest were disposed of.

Significant companies wherein alstria office REIT-AG is directly or indirectly able to significantly influence financial and operating decisions (associates), or directly or indirectly share control (joint ventures), are accounted for using the equity method.

The acquisition of real estate property companies that do not represent a business in the sense of IFRS 3 is shown as a direct purchase of real estate (asset deal). The acquisition costs of the property company are assigned to the individually identifiable assets and liabilities on the basis of their fair values. In this case, there is no goodwill.

### **2.2.2. Fully consolidated subsidiaries**

The Group of consolidated companies, including alstria office REIT-AG, comprised 44 companies in the financial year (2021: 46). As of the balance sheet date, 38 companies (prior-year balance sheet date: 44 companies) existed. In addition, like in the previous year, one joint venture and one noncontrolling interest have been accounted for using the equity method.

## Consolidated Financial Statements

In the consolidated financial statements of alstria office REIT-AG, the following companies are included (statement according to Section 313 para. 2 and Section 315 (e) HGB):

No.	Company	Headquarters	Equity interest (%)	Held by no.	Business activity
1	alstria office REIT-AG	Hamburg	Parent company		Asset management; holding
2	Beehive solutions GmbH (former alstria Bamlerstraße GP GmbH)	Hamburg	100.0	1	Service company; General Partner of 6
3	alstria Englische Planke GP GmbH	Hamburg	100.0	1	General Partner of 7
4	alstria Gänsemarkt Drehbahn GP GmbH	Hamburg	100.0	1	General Partner of 8
5	alstria Mannheim/Wiesbaden GP GmbH	Hamburg	100.0	1	General Partner of 10
6	alstria office Bamlerstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Own property
7	alstria office Englische Planke GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Own property
8	alstria office Gänsemarkt Drehbahn GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Own property
9	alstria office Insterburger Straße GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Own property
10	alstria office Mannheim/Wiesbaden GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Own property
11	alstria office Steinstraße 5 GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Own property
12	alstria Portfolio 1 GP GmbH	Hamburg	100.0	1	General Partner of 9 and 19
13	alstria Portfolio 3 GP GmbH	Hamburg	100.0	1	General Partner of 18
14	alstria Prime Portfolio 2 GP GmbH	Hamburg	100.0	1	General Partner of 21 to 44
15	alstria Prime Portfolio GP GmbH	Hamburg	100.0	1	General Partner of 20
16	alstria solutions GmbH	Hamburg	100.0	1	Service company General Partner of 11
17	alstria Steinstraße 5 GP GmbH	Hamburg	100.0	1	General Partner of 11
18	beehive GmbH & Co. KG <sup>1)</sup>	Hamburg	100.0	1	Service company
19	First Pine GmbH & Co. KG <sup>3)</sup>	Hamburg	100.0	1	Own property
20	alstria office Prime Portfolio GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	1	Intermediate holding
21	alstria office PP Holding I GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	20	Intermediate holding
22	alstria office Kampstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	21	Own property
23	alstria office Berliner Straße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	21	Own property
24	alstria office Hanns-Klemm-Straße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	21	Own property
25	alstria office Maarweg GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	21	Own property
26	alstria office Heerdter Lohweg GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	21	Own property
27	alstria office Solmsstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	21	Own property
28	alstria office PP Holding II GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	20	Intermediate holding

## Consolidated Financial Statements

No.	Company	Headquarters	Equity interest (%)	Held by no.	Business activity
29	alstria office Wilhelminenstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
30	alstria office Hauptstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
31	alstria office Mergenthaler Allee GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
32	alstria office Am Hauptbahnhof GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
33	alstria office Kastor GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
34	alstria office Heidenkampsweg GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
35	alstria office An den Dominikanern GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
36	alstria office Carl-Schurz-Straße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
37	alstria office Pempelfurtstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
38	alstria office Frauenstraße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
39	alstria office Olof-Palme-Straße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
40	alstria office Region Nord GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
41	alstria office Region Süd GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
42	alstria office Region Mitte GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	28	Own property
43	alstria office PP Holding III GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	20	Intermediate holding
44	alstria office Vaihinger Straße GmbH & Co. KG <sup>1)</sup>	Hamburg	89.0	42	Own property

<sup>1)</sup> The Company has made use of the exemption from the obligation to prepare annual financial statements in accordance with the provisions applicable to corporations in accordance with Section 264b HGB.

<sup>2)</sup> Terminated as a result of an upstream merger in financial year 2022.

Alongside alstria office REIT-AG, the consolidation comprised companies in which the Company directly or indirectly held the majority of voting rights. The consolidated group at the balance sheet date consisted of the Company, 13 domestic subsidiaries, and 24 domestic second-tier subsidiaries. Six subsidiaries were terminated as a result of mergers.

The reporting date for the consolidated financial statements is the same as the reporting date for the Company and consolidated subsidiaries.

There were no further changes to the consolidated group in the 2022 financial year in comparison to the consolidated financial statements as of December 31, 2021. All of the Group's companies are land or property management companies, holding companies, or general partner companies.



### 2.2.3. Interests in joint ventures and noncontrolling interests

As of the balance sheet date, the Group held investments in a joint venture and an associated company. The companies are accounted for using the equity method. The carrying value of EUR 101 k relates to a joint venture. The associated company was written down to zero euros due to its business situation. As of the previous year's reporting date, the book value of the associated company was EUR 815 k and that of the joint venture was EUR 108 k.

Details of the Group's joint ventures at the end of the reporting period are as follows:

in %	Name of joint venture	Principal activity	Place of incorporation and business	Proportion of ownership, interest, and voting rights held by the Group	
				Dec. 31, 2022	Dec. 31, 2021
	Kaisergalerie General Partner GmbH i.L	n/a	Hamburg, Germany	49.0	49.0

There were no unrecognized shares of joint venture's losses or any significant restrictions as to the ability of joint ventures to transfer cash funds to the Group.

### 2.3. Key judgments and estimates

To a certain degree, estimates, assessments, and assumptions must be made in the course of preparing the Group's consolidated financial statements. These can affect the reported amounts and recognition of assets and liabilities, contingent assets and liabilities on the balance sheet date, and the amounts of income and expenses reported for the overall period. The major items that such estimates, assessments, and assumptions affect are described hereafter. Actual amounts may differ from the estimates. Changes in the estimates, assessments, and assumptions can have a material impact on the consolidated financial statements.

#### 2.3.1. Judgements

Management has made the following discretionary decisions in line with the Group's accounting policies. Apart from decisions involving estimations, it has the most significant effect on the amounts recognized in the financial statements:

### **Operating lease commitments—the Group as lessor**

The Group has entered into commercial property leases in its investment-property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that all significant risks and rewards of ownership of these properties remain with the Group. As a result, the contracts are treated and accounted for as operating leases.

### **Equity-settled share-based payment transactions**

As part of its remuneration, the Management Board was granted share-based payments (see Note 13.1). While the virtual shares issued in business year 2017 were cash-settled share-based payments, in the 2018 financial year, share-based payments were for the first time equity settled.

All conditions of the share-based payment conditions were settled in advance by the parties involved. The predominant value-determining parameters are objectively observable market parameters, such as the share price performance of the alstria share or the performance of a benchmark index. At the end of the term, the number of equity instruments to be granted can be adjusted by the Supervisory Board of the Company in a narrow band (so-called discretionary factor). This leads to the question of whether the grant date is in the current financial year or only at the time when the Supervisory Board determines the discretionary factor. In the first case, the virtual shares are measured at fair value at their issue. The amount of the valuation is to be recognized pro rata in equity over the term until conversion. If the grant date falls to the end of the term, the value of the virtual shares must be revalued at each reporting date and recognized as a liability.

The terms of the agreement on which the equity instruments were granted were already fixed when the virtual shares were issued during the reporting period. The main value drivers are observable market parameters. Therefore, the issue date of the virtual shares is considered the date of granting the share-based payment with the result that the virtual shares were valued at the issue date and recognized pro rata as personnel expenses and in the equity of the Group.

Four tranches of the stock awards described were granted by the end of the reporting period. With the resolution of the Supervisory Board on December 2, 2021, it was determined that the stock awards granted in the 2018 financial year are not to be settled with shares in the company, but with cash settlement. This is a change in the terms of compensation for the Stock Awards, as a result of which compensation changes from equity-settled to cash-settled. The values required for this are to be shown as obligations under other provisions. In order to allocate the probable amount to the provision, the Management Board had exercised the option of withdrawing these allocations from the capital reserve without affecting income. As a result of this resolution, it was also assumed that the other existing stock awards that were granted in the financial years 2019 to 2021 would be converted by cash settlement as a result of a change in the contractual terms. Therefore, provisions were made as of December 31, 2021 for these stock awards as well.

All Stock Awards were converted against cash settlement in the second quarter of the financial year, so that there were no longer any provisions for Stock Awards at the end of the reporting period.

### 2.3.2. Estimates and assumptions

Significant key sources of estimation uncertainty and key assumptions concerning the future as of the balance sheet date relate to the following balance sheet items. They present a significant risk, possibly resulting in necessary material adjustments to the carrying amounts of assets and liabilities within the next financial year. Applying estimates is particularly necessary to

- determine the fair value of investment property (see Note 6.1);
- positive fair values of derivatives (see Notes 5.8 and 6.5);
- expected credit loss (see Note 5.5 and 6.6);
- determine the amortized cost of limited partnership capital of noncontrolling interests (see Note 7.2);
- determine the fair value of other provisions (see Notes 7.4) and
- determine the fair value of stock awards granted to management (see Note 13.1) and ACES granted to employees (so called alstria Collective Employee Scheme shares see Note 13.2).

## Consolidated Financial Statements

At the end of the reporting period, the above-stated assets, liabilities, and equity instruments, which are particularly exposed to estimation uncertainties, had the following impact on the consolidated statement of financial position:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Investment property and properties held for sale, without prepayments made	4,633,398	4,847,901
Positive fair values of derivatives	34,767	0
expected credit loss	1,469	156
Limited partnership capital of noncontrolling interests	120,980	69,813
Other provisions	525	2,439
thereof stock award	0	1,911
Other provisions	1,802	2,585
thereof ACES/previous year: stock awards	1,802	2,585

### 2.4. Summary of significant accounting policies

The following accounting and valuation methods have been used to prepare the consolidated financial statements of alstria office REIT-AG.

#### 2.4.1. Fair value measurement

The Group measures certain financial instruments, such as derivatives, and nonfinancial assets, such as investment property, at their fair value at each reporting date.

The fair value of an asset or liability is determined based on the assumptions that market participants would use in pricing the asset or liability, regardless of whether that price is directly observable or estimated by applying another valuation technique. In estimating fair value, it is assumed that the transaction during which the disposal of the asset or the transfer of the liability occurs takes place either

- in the principal market for the asset or liability, or
- in the most advantageous market for the asset or liability if no principal market exists.

The Group must have access to the principal market or the most advantageous market.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis. Hereby excluded are the following:

- share-based payment transactions that are within the scope of IFRS 2 “Share-based payments”;
- leasing transactions that are within the scope of IFRS 16 “Leases”; and
- measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 “Inventories” or value in IAS 36 “Impairment of assets.”

Market prices are not always available to determine the fair value. It must often be determined based on various valuation parameters. In addition, for financial-reporting purposes, fair value measurements are categorized as Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Level 3 inputs require more extensive disclosures.

### 2.4.2. Investment property

Investment properties are properties held to earn rental income and/or for capital appreciation (including property under construction for such purposes). They are not used in production or for administrative purposes. This includes properties that are in production and are intended to serve the aforementioned purposes. Investment properties are measured initially at cost at the time of purchase or construction, including transaction costs. In accordance with IAS 40.17, costs incurred subsequently for dismantling, replacement of parts, or maintenance of property are also included, insofar as these contribute to an increase in the fair value of the property.

Costs of debt, which can be directly allocated to the acquisition or production of investment property, are capitalized in the year in which they arise.

For subsequent measurement, the Company uses the fair value model according to IFRS 13.61 et seq., which reflects an income-capitalization approach combined with market conditions at the end of the reporting period.

In the context of the fair value hierarchy described above, only inputs from Levels 2 and 3 are applicable for property. The majority is categorized as Level 3. Inputs used in the valuation approach that the Group has adopted for all of its properties include rental revenues, adjusted yield figures (e.g., property-based capitalization rates), and vacancy periods. These inputs are not observable in markets and are considered significant. Therefore, the fair value measurement used by the Group for valuation of all investment properties is generally categorized as Level 3. Information about the significant unobservable inputs used and their sensitivities to the fair values of the Group's investment property is presented in Note 6.1.

Gains and losses arising from changes in the fair value of investment properties are included in the profit or loss in the period when they arise.

An investment property derecognized upon disposal, or when the investment property is permanently withdrawn from use, and future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties are transferred to property, plant, and equipment when there is a change in use evidenced by the commencement of owner occupation. The properties' deemed cost for subsequent accounting corresponds to the fair value at the date of reclassification.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising from this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in OCI and presented in the revaluation reserve.

Any loss is recognized in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognized in other comprehensive income and reduces the revaluation surplus within equity.

Leases of land and buildings in which the Group acts as a lessee and which it sublet are also classified as financial investments and subsequently measured at fair value. The investment properties are shown with the addition of the leasing liabilities.

### 2.4.3. Valuation process for investment properties

The fair value hierarchy gives no information about the applied valuation techniques.

The basis for deriving fair value, as defined by IFRS 13.61, should, if possible, be based on valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, thereby maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The analysis in the previous section showed there was no sufficient number of official comparable transactions to derive any market values. Therefore, fair value was determined based on an income approach in accordance with IFRS 13.61.

In estimating the fair value of the properties, their current use of the property is the highest and best option. In order to align the valuation method with the method predominantly used by the companies of the ultimate parent company, a different valuation method was used for the valuation on the balance sheet date than on the previous year's balance sheet date.

The valuation of the investment property at market value as of December 31, 2022 was carried out by external real estate experts using internationally customary, IFRS-compliant valuation methods. The properties were valued at the end of the reporting period using the DCF method (discounted cash flow method). As of December 31, 2021, however, the valuation was based on the so-called "hardcore and top slice" method. An accredited, external, and independent expert performed the fair value measurements (Savills Advisory Services Germany GmbH & Co. KG, Frankfurt am Main, Germany). Both methods are scientifically approved and result in the same values. The basics of the respective assessment procedure are explained below.

### **Description of the DCF method**

The DCF method is a two-stage financial mathematical model to determine the cash value of the future yield of the property, which is viewed as its present value. In this coherence, a detailed forecast computation of the revenue and expenditures for a "holding period" of 10 years is compiled. This method fulfills the requirements of the Red Book, a set of international valuation standards, set forth by the Royal Institution of Chartered Surveyors. In addition, the method used by the independent experts is also appropriate and suitable for determining market values in accordance with the provisions of the International Valuation Standards (IVS, or the White Book).

To determine the fair values, the DCF method takes into account the following points:

- the contractual rent for the remaining term of the lease (in the case of open-ended leases, a residual term of 1 year to half of the previous rental period is assumed);
- relets at market rents;
- necessary investments for reletting;
- leasing commission in the amount of 2 to 3 months' rent;
- an average lease term of 7.5 years for each potential new lease;
- rent-free periods from 3 to 7 months' rent;
- a vacancy period of between 2 and 24 months for vacancies existing at the valuation date and after the expiry of the lease;
- vacancy costs in the amount of EUR 0.50/m<sup>2</sup> to EUR 2.00/m<sup>2</sup>;
- management costs between 1 and 3 % of the market rent;
- non-allocable costs of ongoing maintenance between EUR 8.50/m<sup>2</sup> and EUR 12.00/m<sup>2</sup> depending on the property standard;
- inflation assumptions;
- capitalization and discount rates reflecting the individual risk of the property and market activity (comparable transactions); and
- costs of transaction consisting of real estate transfer tax, notary fees and agency fees.

If the future development of these properties differs from the estimate, large-scale losses resulting from the change in the fair value may be incurred. This can have a negative impact on future earnings. The effects of the most significant input parameters on the valuation of the Group's investment properties are shown in Note 6.1.

### **Description of the hardcore-and-top-slice method**

According to the hardcore-and-top-slice method, rental income is horizontally segmented. The hardcore portion represents the prevailing contractual rent. The top slice represents the difference between market and contractual rent. This method fulfills the requirements of the *Red Book*, a set of international valuation standards, set forth by the Royal Institution of Chartered Surveyors. In addition, the method used by the independent experts is also appropriate and suitable for determining market values in accordance with the provisions of the International Valuation Standards (IVS, or the *White Book*).



To determine the fair values, the hardcore-and-top-slice method takes into account the following points:

- the contractual rent for the remaining term of the lease (in the case of open-ended leases, a residual term of 1 year to half of the previous rental period is assumed);
- a vacancy period of between 0 and 32 months following the expiry of the lease;
- the necessary maintenance costs to relet the properties;
- relets at market rents (accounting for the difference between market and contractual rent);
- capitalization rates reflecting the individual risk of the property and market activity (comparable transactions);
- management costs between 1 and 3 % of the market rent;
- non-allocable costs of ongoing maintenance between EUR 3.50/m<sup>2</sup> and EUR 11.50/m<sup>2</sup> depending on the property standard; and
- the net selling price as comparable.

If the future development of these properties differs from the estimate, large-scale losses resulting from the change in the fair value may be incurred. This can have a negative impact on future earnings. The effects of the most significant input parameters on the valuation of the Group's investment properties are shown in Note 6.1.

The valuation methods described also apply to investment properties in which development projects are realized. In the case of development projects, the construction costs incurred are also taken into account.

Gains or losses arising from changes in the fair values of investment properties are disclosed in the income statement under the item "Net gain/loss from fair value adjustments on investment property" in the year in which they arise.

Investment properties are derecognized when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

### 2.4.4. Assets held for sale

Noncurrent assets intended for disposal under an asset deal are reported separately as being held for sale in the consolidated financial statements if the formally required resolution of the Board – and, when above a certain level of transaction volume, the Supervisory Board – for the sale of a property is met until the end of the reporting period. If the disposal is to take the form of a share deal, noncurrent assets and other assets and liabilities held for sale are reported separately on the consolidated balance sheet.

Assets held for sale are measured at fair value on the date of reclassification and each subsequent reporting date. Gains or losses from measuring individual assets held for sale and disposal groups are reported under gain or loss on the disposal of investment property until they have been sold.

### 2.4.5. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Further information on leases can be found in Notes 5.3 Administrative expenses, 5.8 Financial and valuation results, 6.1 Investment property, 6.3 Intangible assets and property, plant and equipment and 7.5 Trade payables and other obligations.

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the contractually agreed fee is to be allocated on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, minus any lease incentives received.

## Consolidated Financial Statements

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain that it will not terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant, and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense in a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the asset's economic life. The Group has classified the sublease contracts on the basis of the right of use and not the underlying asset, and it has come to the conclusion that the leases are operating leases in accordance with IFRS 16.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as revenues.

**2.4.6. Revenue and expense recognition**

Revenues and other operating expenses are generally only recognized when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of the asset.

This is usually the case when services are rendered or goods or products have been delivered and the risk has thus been transferred.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duties. Revenues are recorded, excluding VAT. In addition, the following specific recognition criteria must be met before revenues are recognized.

**Rental income** from operating leases on investment properties is, according to IFRS 16, recognized on a straight-line basis over the terms of the relevant lease, regardless of the payment date. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

**Revenues from service charge income** are, according to IFRS 15, realized over the period of performance, which essentially corresponds to the time at which service charge expenses are recorded. With regard to the service charge costs of letting, alstria has a principal position. In this respect, the operating costs charged to the tenants must be shown as sales. The costs incurred relating to the provision of services in this context are presented as real estate operating expenses.

**Proceeds from the sale of investment properties** are recognized when the risks and opportunities associated with ownership of the property have passed to the buyer (transfer of ownership, benefits, and burdens of the property).

**Operating expenses** are recognized at the time of the service or when they are incurred.

**Interest expenses and interest income** are recognized using the effective interest method.

#### 2.4.7. Income taxes

Income tax expense is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or directly in equity, in which case, current taxes are also recognized in other comprehensive income or directly in equity, respectively.

As a REIT-AG parent company, alstria office REIT-AG is exempt from corporation and trade taxes.

Current tax assets and liabilities for the current and prior periods are shown as the amount expected to be recovered from or paid to the tax authorities. To take effect, the determination of the amount is based on the tax rates and laws applicable on the reporting date or soon after.

#### 2.4.8. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the parent company by the weighted-average number of shares outstanding during the financial year. Diluted earnings per share are calculated based on the assumption that all potentially dilutive securities and share-based payments are converted or exercised.

#### **2.4.9. Impairments of assets according to IAS 36**

Assets are tested for impairment when triggering events or changes in circumstances indicate that the carrying amount may no longer be recoverable. The consequences of the COVID-19 pandemic gave no indication that the carrying amounts of the assets for which IAS 36 is to be applied could no longer be achieved.

An impairment loss is recorded at an amount equivalent to the excess of the carrying amount over the recoverable amount. If the reasons for an impairment loss cease to apply, the impairment loss is reversed as appropriate, but not above the maximum value that would have resulted if normal amortization had been charged.

#### **2.4.10. Property, plant, and equipment**

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. They include owner-occupied real estate, right-of-use assets according to IFRS 16, and operating and office equipment. Such costs include the cost of replacing part of the property, plant, and equipment at the time the cost is incurred, if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred.

The depreciation of operating and office equipment is calculated on a straight-line basis over the estimated useful life of the asset (3 to 23 years). The useful life of owner-occupied property is estimated at 33 to 50 years. While the building is depreciated on a scheduled basis, the land is not subject to depreciation.

The growth of the tree population on a forest property in accordance with IAS 41 is also reported under property, plant and equipment. Initial and subsequent valuations are measured at fair value less estimated cost of sales.

#### **2.4.11. Intangible assets**

The Group amortizes intangible assets with finite useful lives on a straight-line basis over their respective estimated useful lives. Estimated useful lives for patents, licenses, and other similar rights generally range from 3 to 10 years. Currently, the Company does not have intangible assets with indefinite useful lives.

#### **2.4.12. Financial instruments**

##### ***Recognition and initial measurement***

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### *Classification and subsequent measurement*

#### **Financial assets**

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment;
- or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise to specified dates for cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms provide an increase of specified dates for cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Consolidated Financial Statements

All financial assets not classified as measured at amortized cost, are measured at FVTPL. This also affects the derivative financial instruments that were designated in a hedging position (see Note 6.5.). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### ***Financial assets - Business model assessment***

With respect to financial assets, the Group pursues a business model with the objective of holding assets in order to collect the contractual cash flows.

### ***Financial assets - Assessment of whether contractual cash flows are solely payments of principal and interest***

In assessing whether contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

A prepayment feature is consistent with the exclusive payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the outstanding principal amount, which may include reasonable additional compensation for early termination of the contract.

### ***Financial assets - Subsequent measurement and gains and losses***

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

### ***Financial liabilities - Classification, subsequent measurement, and gains and losses***

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as being at FVTPL if it is categorized as held-for-trading, it is a derivative, or it is designated as such on initial recognition.



Financial liabilities at FVTPL are measured at fair value; net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. All financial liabilities are currently classified at amortized cost.

### *Derecognition*

#### *Financial assets*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which all significant risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains all significant risks and rewards of ownership and does not retain control of the financial asset.

#### *Financial liabilities*

The Group derecognizes a financial liability when its contractual obligations are discharged, are cancelled, or expire. The Group also derecognizes a financial liability when its terms are significantly modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any noncash assets transferred or liabilities assumed) is recognized in profit or loss.

### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **Derivative financial instruments**

##### *Closed Derivatives*

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps and interest rate caps. Further details of derivative financial instruments are disclosed in note 6.5.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. The impact of the master netting agreements on the Group's financial position is disclosed in note 34. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

### Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Information on the fair values of the derivatives designated as part of hedging relationships can be found in Note 6.5. The development of the hedging reserve in equity is shown in Note 7.1.

### *Cash flow hedges*

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognized in the line item other comprehensive income, and any ineffective portion is recognized immediately in net income. Amounts accumulated in equity are reclassified to net income during the same periods in which the hedged item affects net income.

## Consolidated Financial Statements

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated, or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a nonfinancial item, it is included in the nonfinancial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods in which hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in the hedging reserve and the cost of the hedging reserve are immediately reclassified to profit or loss.

### *Other hedges*

The Group uses neither any financial derivatives that qualify for the hedging of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges) nor such financial derivatives that qualify for the hedging of a net investment in a foreign operation (net-investment hedge).

### **Cash and cash equivalents**

The Company considers all highly liquid investments with less than three months' maturity from the date of acquisition to be cash equivalents.

For the purposes of the consolidated cash flow statement, cash and cash equivalents include those defined above, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

### 2.4.13. Impairment

#### **Nonderivative financial assets**

##### Financial instruments and contract assets

The Group recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Group generally measures loss allowances at an amount equal to the 12-month ECLs if the default risk has not increased significantly since the initial recognition.

Loss allowances for trade receivables are measured at an amount equal to lifetime ECLs unless they are trade receivables from alstria's main tenant.

Value adjustments on trade receivables are always based on the amount of the ECL over the term. The Group applies the simplified approach in accordance with IFRS 9.5.5.15. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk of a financial asset other than trade receivables measured at an amount equal to lifetime ECLs will have significantly increased if it is more than 30 days past due. For trade receivables, the number of days past due could be significantly higher due to the fact that service charge invoices are regularly under investigation on the tenants' side, causing a delay in acceptance by alstria until consent has been met. The same applies for rental receivables not paid by the tenants in case of other disputes relating to the tenancy.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). This usually does not apply to rental receivables for which the usual security deposit of two months' net rent is included in the assessment of whether a rental claim is deemed canceled.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade." The Group considers this to be Baa3 or higher per Moody's Corporation, New York, USA or BBB- or higher per Standard & Poor's Corporation, New York, USA.

Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs for financial assets are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial problems of the borrower or issuer;
- a breach of contract, such as a default; or
- probability that the borrower will enter bankruptcy or other financial restructuring.

### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in whole or in part. For tenants, the Group makes assessments individually with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities.

### **2.4.14. Noncontrolling interests of limited partners**

In addition to alstria office REIT-AG, other limited partners are minority shareholders in the subsidiary alstria office Prime Portfolio GmbH & Co. KG (“alstria office Prime”), which is included in the consolidated financial statements. From the Group’s point of view, the equity of these limited partners is to be reported as debt capital in accordance with IFRS. They are shown in the consolidated balance sheet under the item “limited partnerships of noncontrolling interests.” The limited partner contributions are shown at amortized cost in accordance with the articles of association.

### **2.4.15. Provisions**

Provisions are recognized when a present obligation to third parties exists as a result of a past event, a future outflow of resources is probable, and a reliable estimate of that outflow can be made. Provisions are measured, taking all risks into account at the best estimate of future cash outflows required to meet the obligation. If they are not current, they are discounted. Provisions are not offset with reimbursements.

A debt resulting from termination of employment (severance) is recognized when the Group may not withdraw the offer of such services or if the Group recorded costs related to restructuring earlier.

### **2.4.16. Share-based payments**

Share-based payments comprise equity settled compensation schemes and, until the prior-year reporting date, also cash-settled liability awards.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 13.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Further details on the share-based payment schemes are given in Note 13 and the combined management report.

### **2.4.17. Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.



The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 3. SEASONAL OR ECONOMIC EFFECTS ON BUSINESS

The business activities of alstria office REIT-AG (primarily the generation of revenues from investment properties) are not generally affected by seasonality. However, the sale of one or more large properties can have a significant impact on revenues and operating expenses.

Experience shows that the real estate market tends to fluctuate as a result of factors such as changes in consumers' net income, GDP, interest rates, consumer confidence, demographics, and other factors inherent to the market. Changes in interest rates might lead to a modified valuation of the investment property.

### 4. SEGMENT REPORTING

IFRS 8 requires a management approach, under which information on segments is presented to the Management Board on the same basis used for internal-reporting purposes.

The services offered by alstria office REIT-AG focus exclusively on letting activities to commercial-property tenants in Germany. In accordance with IFRS 8, a single reporting segment is identified that comprises all of the Group's operations.

The manner of reporting for this segment is consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources to the operating segments of an entity and assessing their performance. The Group's chief operating decision maker is the Management Board.

A larger number of tenants generate revenues. Total revenues amount to EUR 220,989 k (2021: EUR 222,578 k), of which EUR 27,887 k (2021: EUR 25,012 k) are related to leases to the Group's largest customer with a share of more than 10% of revenues. In the previous year, there was another tenant who contributed with EUR 29,936 k in revenues, more than 10% of the 2021 financial year's revenues. Due to the termination of leases with this tenant, their share of sales fell to less than 10% in the year under review.

No other single customer has contributed 10 % or more to the consolidated revenues in the 2021 or 2022 financial years.

## 5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 5.1. Revenues

EUR k	2022	2021
Revenues from investment properties	182,819	183,670
Revenues from service charge income	38,170	38,908
<b>Revenues</b>	<b>220,989</b>	<b>222,578</b>

Revenues from investment properties mainly comprised rental income. The rental income includes effects totaling EUR 2,983 k (2021: EUR 3,144 k), which are attributable to rent-free periods. The reduced rental income was spread over the remaining term of the respective rental agreement. In addition, revenues from investment properties include income from asset management services in relation to the leased real estate properties in the amount of EUR 3,196 k (2021: EUR 3,049 k).

Rental income from property leases contains variable rental income amounting to EUR 4,593 k (2021: EUR 5,945 k). These are rental agreements in which the rental payments are linked to the operating results of the tenants.

### 5.2. Real estate operating expenses

EUR k	2022	2021
Operating costs that can be charged to tenants	37,546	38,822
Vacancy costs	9,237	7,185
Maintenance and refurbishment	7,183	5,431
Ongoing repairs	4,724	4,838
Legal and advisory fees	983	1,122
Insurance expenses	475	194
Electricity costs	436	286
Property management	367	208
Rent expenses	126	122
Other expenses	967	1,099
<b>Total</b>	<b>62,043</b>	<b>59,307</b>

## Consolidated Financial Statements

### 5.3. Administrative expenses

EUR k	2022	2021
Legal and consulting fees	3,841	2,138
Depreciation	964	943
IT maintenance	858	656
Communication and marketing	796	590
Audit fee (audit and audit-related services)	541	564
Insurance expenses	519	446
Supervisory Board compensation	491	526
Leasing payments and rents	453	494
Recruitment	389	290
Office area costs	368	290
Travel expenses	331	141
Contributions	206	200
Training & workshops	140	137
Office equipment	106	183
Other	439	727
<b>Total</b>	<b>10,441</b>	<b>8,325</b>

The lease payments and rents in the 2022 financial year amounting to EUR 453 k are related to short-term and low-value leases.

### 5.4. Personnel expenses

EUR k	2022	2021
Salaries and wages	13,585	10,983
Social insurance contribution	2,098	1,971
Bonuses	2,405	2,392
Expenses for long term compensation	8,161	3,772
<i>thereof relating to stock options and other long term compensation</i>	<i>2,544</i>	<i>987</i>
<i>thereof relating to the convertible profit participation certificates and other long term compensation</i>	<i>5,617</i>	<i>2,785</i>
Amounts for Management Board retirement provisions and disability	161	161
Other	584	490
<b>Total</b>	<b>26,994</b>	<b>19,769</b>

Personnel expenses increased by EUR 7,225 k or 36.5 %. This increase is mainly due to one-off effects from the restructuring of compensation components as a result of the takeover by Brookfield and severance payments for employees who have left the company.

See also Sections 13.1 and 13.2 for information on expenses for long-term remuneration.

The convertible profit participation rights granted to employees for the last time in the previous year entitle the right not only to a conversion when the conditions apply but also to an annual payment equivalent to the dividend amount paid out per share.

## Consolidated Financial Statements

The employer's contribution to statutory pension insurance, included in wages and salaries, amounts to EUR 974 k for the 2022 financial year.

On average, the Group employed 177 employees in 2022 (2021: 171).

### 5.5. Other operating income

EUR k	2022	2021
Compensation payments and other recharges	8,170	1,316
KfW loan grant for green investments	4,242	0
Indemnity payments received	1,324	2,371
Guarantee builder	1,000	0
Revaluation of the limited partnership capital noncontrolling interests	541	0
Property management services	93	80
Proceeds from forest management	68	60
Health insurance reimbursement	45	61
Income from the reversal of accrued liabilities	7	350
Revaluation of trade receivables	0	910
Other	729	783
<b>Total</b>	<b>16,219</b>	<b>5,930</b>

Compensation payments and other charges result from early termination of leases and refurbishment activities conducted by alstria. The latter refers to refurbishments the tenants had originally committed to carry out themselves upon conclusion of the leasing contracts. This item also includes compensation payments made by a tenant for the postponement of the start of the lease caused by the tenant.

The revaluation of trade receivables in the previous years is based on a better than originally, in the light of the COVID-19 pandemic, assumed payment behavior of tenants.

## Consolidated Financial Statements

### 5.6. Other operating expenses

EUR k	2022	2021
Impairment on trade receivables	1,469	156
Legal and advisory fees	1,066	10,213
VAT payments made for previous years	345	377
Settlement agreements	28	354
Revaluation of the limited partnership capital noncontrolling interests	0	3,476
Other operating expenses	92	38
<b>Total</b>	<b>3,000</b>	<b>14,614</b>

After the previous year's Impairment on trade receivables was at a low level because the payment behavior of the tenants was better than originally assumed in view of the COVID-19 pandemic, the magnitude of the impairments increased again in the 2022 reporting year.

Legal and consulting fees for the previous year mainly relate to consulting services in connection with the Brookfield's takeover bid (see Note 1). The higher valuation allowances on receivables in the 2021 financial year were related to higher expected defaults on rent receivables as a result of the COVID-19 pandemic.

### 5.7. Net results of the disposal of investment property

EUR k	2022	2021
Proceeds from the disposal of investment property - transferred to buyer	161,280	24,750
Carrying amount of investment property disposed of - transferred to buyer	-158,075	-25,418
Costs in relation to the sale of investment properties - transferred to buyer	-611	-222
<b>Gain on disposal of investment property - transferred to buyer</b>	<b>2,594</b>	<b>-890</b>
Agreed selling price of held-for-sale investment properties	26,550	72,100
Carrying amount of investment property at the time of reclassification to held-for-sale	-25,977	-55,292
Costs in relation to the sale of investment properties - held for sale	-271	-784
<b>Valuation result of held-for-sale investment properties</b>	<b>302</b>	<b>16,024</b>
<b>Gain on disposal of investment property</b>	<b>2,896</b>	<b>15,134</b>

In the 2022 financial year, the sale of properties that were sold below their book value resulted in a loss of EUR 303 k (2021: loss of EUR 890 k).

## 5.8. Net financial result

The financial result breaks down as follows:

EUR k	2022	2021
<b>Income from financial instruments and other interest income</b>	<b>4,062</b>	<b>1,323</b>
Interest expenses, corporate bonds	-21,916	-21,954
Interest result "Schuldschein"	-8,351	-2,142
Interest expenses, bank loans	-1,968	-1,977
Interest result derivatives	-843	
Other interest expenses	-15	-815
<b>Financial expenses</b>	<b>-33,093</b>	<b>-26,888</b>
Bank loan charges	-3,800	0
Commitment fees	-2,959	-283
Agency fees financial derivatives	-158	
Financial expenses lease liability IFRS 16	-87	-89
Miscellaneous other expenses from financial instruments	-1,021	-82
<b>Other financial expenses</b>	<b>-8,025</b>	<b>-454</b>
<b>Net financial result</b>	<b>-37,056</b>	<b>-26,019</b>

Income from financial instruments and other interest income result primarily from loans and interests received. Negative interest income is included in the previous year in an amount of EUR 316 k.

The increase in interest expense on bank loans is due to new bank loans (see Notes 7.3).

The bank loan charges of EUR 3,800 k relate to a payment obligation in the event that an existing loan cannot be further syndicated by the lending bank by the end of the third quarter of the 2023 financial year.

Miscellaneous other expenses from financial instruments relate to prepayment penalties for early loan repayments.

The total interest expenses calculated by applying the effective interest method for financial liabilities (i.e., not recognized at fair value through profit or loss) amounted to EUR 3,794 k (interest expenses, 2021: EUR 2,669 k).

In neither of the two former financial years did the Group hold any financial assets available for sale. Therefore, the net result from the disposal of financial assets available for sale amounted, as in the previous year, to EUR 0.

A net loss from the change in the fair value of derivative financial instruments in the amount of EUR 499 k was recognized from the first-time recognition of the counterparty's credit valuation (so-called CVA (Credit Valuation Adjustment) risk. Overall, the fair value of the derivative financial instruments increased by EUR 32,662 thousand, which is reported in Other Comprehensive Income due to the fully designated effective hedging of the underlying interest payments. There was no net gain or loss from the change in the fair values of derivative financial instruments in the 2021 financial year.

Further details and explanations on derivatives are presented in Note 6.5.

### 5.9. Income tax expenses

On January 1, 2007, alstria office REIT-AG obtained G-REIT status. At that time, it was subject to final taxation and has been effectively tax exempt with regard to corporate and trade tax since then.

Minor tax-payment obligations may arise at Group level for affiliates serving as a general partner of a partnership or for REIT Service Companies.

With the acquisition of the alstria office Prime Portfolio GmbH & Co. KG, however, companies were included in the consolidated financial circle that are not subject to the REIT exemption. This resulted in expenses for income taxation at the level of the alstria office Prime Portfolio GmbH & Co. KG subgroup.

Income tax expense comprises essentially current tax expenses from previous years. A deferred tax result is no longer expected due to the de facto tax exemption of the Group.

## 6. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

### 6.1. Investment property

This item, comprising investment properties held by the Company, breaks down as follows:

EUR k	2022	2021
<b>Investment property as of December 31</b>	<b>4,775,801</b>	<b>4,556,181</b>
Investments	113,147	121,590
Acquisitions	0	80,559
Acquisition costs	0	5,296
Recognition of a right-of-use asset according to IFRS 16	504	0
Disposals	-83,910	-25,400
Transfer to assets held for sale	-24,900	-55,010
Transfer to property, plant, and equipment (owner-occupied properties)	0	-2,242
Net loss / gain from fair value adjustments to investment property	-173,794	94,827
<b>Investment property as of December 31</b>	<b>4,606,848</b>	<b>4,775,801</b>

Three properties were sold in the 2022 financial year, two of which were transferred to the buyer in the financial year and one of which is classified in assets held for sale at the end of the reporting period. The two properties held for sale as of the previous year's reporting date were transferred to the buyers in the reporting period.

Property transaction	Acquisition		Disposal	
	Number of properties	Transaction amount in EUR k	Number of properties	Transaction amount in EUR k
Contract signed until 2021, transferred in 2022	0	0	2	72,100
Contract signed and transferred in 2022	0	0	2	89,470
Contract signed in 2022, transferred 2022	0	0	1	26,550
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>188,120</b>

Capital expenditure (EUR 113,147 k) comprises subsequent acquisition and production costs relating to property acquisitions and refurbishment projects.

The investment property includes rights-of-use assets from leases, which are shown in the amount of the leasing liabilities of EUR 4,991 k.



Borrowing costs that would have had to be capitalized as construction costs were not incurred during the reporting period (2021: EUR 0).

The alstria office REIT-AG applied the fair value model pursuant to IAS 40.33 et seq. for subsequent measurement of investment property. External appraisals were obtained for measurement. For a detailed description of the valuation of assets, please see Note 2.4.

The item “net result from fair value adjustments on investment property” on the income statement in the amount of EUR 207,879 k (2021: EUR 138,493 k) is attributable to a change in unrealized losses.

The total of the increases in value amounted to EUR 34,085 k (2021: EUR 233,320 k). The properties sold in the financial year did not affect the net result from the valuation of investment properties.

As in the previous year, all real estate held as investment property measured at fair value is classified as Level 3 in the fair value hierarchy.

The Group has considered the nature, characteristics, and risks of its properties, as well as the level of the fair value hierarchy within which the fair value measurements are categorized, in determining the appropriate classes of investment property.

The following factors help determine the appropriate classes:

- a) The real estate segment: Within all investment portfolios, the majority of the lettable area is dedicated to offices. Therefore, all investment properties belong to one asset class: offices.
- b) The geographical location of all properties is Germany.
- c) The level of fair value hierarchy for all investment properties is Level 3.
- d) There are large differences between the contractual lease terms. This also affects the weighted average unexpired lease term (**WAULT**) for each investment property. A distinction is made between objects with a short, medium, and long WAULT.

As a result, three appropriate classes of investment properties emerged:

- Germany - Office - Level 3 - short WAULT (0-5 years);
- Germany - Office - Level 3 - medium WAULT (> 5-10 years); and
- Germany - Office - Level 3 - long WAULT (> 10 years).

## Consolidated Financial Statements

### Quantitative information about fair value measurements using unobservable inputs (alstria portfolio) (Level 3)

EUR k, unless stated otherwise						
Portfolio	Fair value on Dec. 31, 2022	Valuation technique	Unobservable inputs	Range Min. Max.		Weighted average
German offices	4,627,500	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	7.3	24.6	13.8
Number of properties:			Discount Rate	3.0%	7.4%	4.3%
108			Exit Cap Rate	3.2%	7.5%	4.2%
<b>0 ≤ WAULT ≤ 5 Years</b>						
German offices	3,299,870	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	7.3	24.6	14.0
Number of properties:			Discount Rate	3.0%	7.4%	4.4%
85			Exit Cap Rate	3.2%	7.5%	4.4%
<b>5 &lt; WAULT ≤ 10 Years</b>						
German offices	841,330	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	8.4	19.1	13.1
Number of properties:			Discount Rate	3.0%	6.9%	4.3%
17			Exit Cap Rate	3.2%	6.8%	4.2%
<b>WAULT &gt; 10 Years</b>						
German offices	486,300	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	10.4	14.8	13.6
Number of properties:			Discount Rate	3.0%	3.8%	3.2%
6			Exit Cap Rate	3.2%	4.0%	3.3%

#### Sensitivity of measurement to variance of significant unobservable input

A decrease in the estimated rental income decreases the fair value.

An increase in the discount rate decreases the fair value.

An increase in the Exit Cap Rate decreases the fair value.

For the use of the hardcore and top slice valuation method as of the previous year's reporting date, the main unobservable input parameters were rental income, adjusted yields and the vacancy periods of rental agreements. The following statements were made about their sensitivities to the assessment:

A decrease in the estimated rental income decreases the fair value.

An increase in the vacancy period decreases the fair value.

An increase in the adjusted yield decreases the fair value.

## Consolidated Financial Statements

A decrease in the estimated rental income leads to an increase in the adjusted yield; an increase in the estimated rental income leads to a decrease in the adjusted yield.

A decrease in the vacancy period increases the adjusted yield; an increase in the vacancy period decreases the adjusted yield.

In the following, the influence of changes in the capitalization rates (discount rate) on the market values is indicated.

### Fair value of investment properties (EUR m)

Capitalization rate	Dec. 31, 2022	Dec. 31, 2021
-0.50 %	4,819	5,631
-0.25 %	4,712	5,169
0.00 %	4,607	4,776
0.25 %	4,506	4,436
0.50 %	4,407	4,139

### Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio, which consists of the Group's offices and commercial real estate. These noncancelable leases have remaining maturity of between 1 and 19 years. Most leases include an indexation clause allowing rental charges to be raised annually according to consumer price indexation.

Future minimum rental charges receivable as agreed in noncancelable operating leases as at December 31, 2022 are as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Within 1 year	193.053	186,926
After 1 year but not longer than 5 years	522.533	550,571
Longer than 5 years	388.970	428,047
<b>Total</b>	<b>1,104.556</b>	<b>1,165,544</b>

Disclosures concerning expenses/income as recorded in the income statement pursuant to IAS 40.75 (f) include the following:

- EUR 220,989 k (2021: EUR 222,577 k) in revenues from investment properties, of which EUR 344 k is related to subleases of rights-of-use assets;
- EUR 52,806 k (2021: EUR 52,121 k) in operating expenses (including repairs and maintenance) directly allocable to investment properties from which rental income was generated during the period under review; and
- EUR 9,237 k (2021: EUR 7,185 k) in operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period under review.

## Consolidated Financial Statements

Investment properties, held-for-sale properties, and own used properties amounting to EUR 1,613,464 k (December 31, 2021: EUR 1,039,701 k) served as collateral for bank loans.

### 6.2. Equity-accounted investment

As of the balance sheet date, alstria held shares in an investment with a book value of Euro zero and shares in a joint venture with a book value of EUR 101 k. Further details on the investments accounted for using the equity method can be found in Note 2.2.3.

### 6.3. Intangible assets and property, plant, and equipment

The intangible assets consist of licenses to other rights and software licenses with carrying amounts of EUR 424 k and EUR 80 k, respectively. The useful life of the intangible assets is estimated to be between 1 and 10 years.

The alstria office REIT-AG occupies areas for its own use in four of its office buildings in Hamburg, Berlin, Düsseldorf and Frankfurt. Therefore, the owner-occupied areas of the properties are categorized as “Property, plant, and equipment” according to IAS 16, and amortized according to plan. Another owner-occupied area in Stuttgart was occupied in the previous year and led to the reclassification of EUR 2,243 k, which corresponded to the market value of the area at the time the own use started. The property was sold in the reporting year, so that this area is no longer accounted for as owner-occupied land and buildings under property, plant and equipment in accordance with IAS 16 as of the reporting date.

The following table shows the development of property, plant, and equipment.

EUR k	Plant	Furniture and fixtures	Owner-occupied property	Forrest	IFRS 16 right-of-use assets	Total 2022
<b>Acquisition and production cost</b>						
As of January 1, 2022	1,266	2,807	20,192	2,683	1,209	28,157
Additions	0	59	5	0	335	399
Disposals	1,266	2,026	17,954	2,683	1,544	25,473
As of December 31, 2022	1,266	2,807	20,192	2,683	1,209	28,157
<b>Accumulated amortization, depreciation, and write-downs</b>						
As of January 1, 2022	1,239	1,834	1,360	0	788	5,221
Additions	12	225	318	0	238	793
Disposals	0	-771	-17	0	0	-788
As of December 31, 2022	1,251	1,288	1,661	0	1,026	5,226
<b>Net book values as of December 31, 2022</b>	<b>15</b>	<b>738</b>	<b>16,293</b>	<b>2,683</b>	<b>518</b>	<b>20,247</b>

## Consolidated Financial Statements

EUR k	Plant	Furniture and fixtures	Owner-occupied property	Forrest	IFRS 16 right-of-use assets	Total 2021
<b>Acquisition and production cost</b>						
As of January 1, 2021	1,266	2,838	17,944	0	807	22,855
Additions	0	91	5	2,683	402	3,181
Reclassification from Investment Property	0	0	2,243	0	0	2,243
Disposals	0	-122	0	0	0	-122
<b>As of December 31, 2021</b>	<b>1,266</b>	<b>2,807</b>	<b>20,192</b>	<b>2,683</b>	<b>1,209</b>	<b>28,157</b>
<b>Accumulated amortization, depreciation, and write-downs</b>						
As of January 1, 2021	1,227	1,704	1,034	0	530	4,495
Additions	13	219	326	0	257	815
Disposals	0	-89	0	0	0	-89
<b>As of December 31, 2021</b>	<b>1,239</b>	<b>1,834</b>	<b>1,360</b>		<b>788</b>	<b>5,221</b>
<b>Net book values as of December 31, 2021</b>	<b>27</b>	<b>973</b>	<b>18,832</b>	<b>2,683</b>	<b>421</b>	<b>22,936</b>

Two (previous year: three) of these properties were pledged with a mortgage to secure loans from the Group.

The forest property with an area of 2,168 hectares was acquired in the reporting period for sustainable management and use. The growth is a mixed pine forest. Accounting is carried out in accordance with IAS 41. There was no change in valuation as of the balance sheet date.

### 6.4. Financial assets

EUR k	Dec. 31, 2021	Repayments	Investment in financial assets	Valuation	Dec. 31, 2022
Noncurrent financial assets	39,185	0	55,667	39	<b>94,891</b>

The financial assets of EUR 94,891 k (December 31, 2021: EUR 39,185 k) are related to long-term deposits in the amount of EUR 94,432 k with a term up to the end of the 2032 financial year. A further amount of EUR 273 k is attributable to a below -3 % share in a stock corporation on which alstria cannot exert any significant influence. A further EUR 186 k was invested in a minority interest in a company to enable CO<sub>2</sub> storage technology.

The increase in financial assets is based on an increase in loans granted in the amount of EUR 55,568 k and on investments in a company in the amount of EUR 99 k. In addition, there were write-ups of EUR 39 k.

Current financial assets did neither exist at the end of the reporting period nor at the end of the previous.

## Consolidated Financial Statements

There were no value adjustments for financial assets as of the balance sheet date, as they are covered by the borrower's shares in an investment.

### 6.5. Derivative financial instruments

The following derivative financial instruments were in place at the end of the reporting period:

Product	Strike p.a. (%)	Start of Hedging	Maturity date	Counterpart	Dec. 31, 2022		Dec. 31, 2021	
					Notional (EUR k)	Fair value (EUR k)	Notional (EUR k)	Fair value (EUR k)
Swap	1.7500	Sep. 30, 2022	Sep. 30, 2027	Societe Generale	500,000	29,812	0	0
Swap	1.9240	Sep. 30, 2022	Sep. 30, 2028	UniCredit Bank AG	60,000	3,606	0	0
Swap	1.9240	Sep. 30, 2022	Sep. 30, 2028	UniCredit Bank AG	22,450	1,349	0	0
<b>Financial derivatives - cash flow hedges</b>					<b>582,450</b>	<b>34,767</b>	<b>0</b>	<b>0</b>

The derivative financial instruments held by alstria are exclusively interest rate swaps. All derivative financial instruments had a positive value as of the balance sheet date, so that the group only recognized derivative financial assets.

Derivative financial instruments that are not designated for a cash flow hedge relationship were not held on the balance sheet date or during the year.

Netting agreements with counterparties (so-called master agreements) have not been agreed.

## Consolidated Financial Statements

### 6.6. Receivables and other assets

Due to the specific nature of the business, the Group considers receivables with a remaining term of up to 1 year to be current. The following table presents an overview of the Group's receivables:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Net rent receivables	5,865	3,883
Service charge receivables	2,301	39
<b>Trade receivables</b>	<b>8,166</b>	<b>3,922</b>
<b>Other receivables</b>		
Creditors with debit balance	412	92
Maintenance reserves	320	268
Interest receivables	318	9
Cash in transit	246	6
Receivables against employees	123	238
Receivables and other assets	33	33
<b>Financial assets</b>	<b>1,452</b>	<b>636</b>
VAT receivables	1,925	1,880
Deductible capital gains taxes	1,029	1,029
Capitalized transaction costs on outstanding loan facility	634	0
Prepayments made	344	713
<b>Non-financial assets</b>	<b>3,932</b>	<b>3,622</b>
<b>Other receivables</b>	<b>5,384</b>	<b>4,258</b>

The increase of Trade receivables from EUR 3,922 by EUR 4,244 to EUR 8,166 is based on an increase in Net rent receivables due to a one-off rent receivable for special services provided to a tenant. The increases in service charge receivables are mainly based on the increased energy prices due to the Ukrainian war.

The deductible capital gains taxes are related to the taxation on hidden reserves in the course of the change of legal form in subsidiaries in the 2016 financial year. Affected are companies of the Prime Portfolio subgroup, which, following the takeover of the former DO Deutsche Office Group, changed from the legal form of a limited liability company to the legal form of a limited partnership.

All receivables are due within 1 year from the balance sheet date. The fair value of all receivables is equal to their carrying amount.

## Consolidated Financial Statements

The expected credit losses are calculated in two ways. For alstria's key tenants, default probabilities observed on the market made available by Bisnode Deutschland GmbH, Darmstadt, Germany, are used. For its receivables from the remaining (non-key) tenants, alstria uses an impairment matrix. The receivables of these other tenants are valued based on historical probabilities of default. Future developments or macroeconomic indicators are monitored, and adjustments are made if necessary.

On this basis, alstria estimates the following default rates:

EUR k	0-30 days overdue	31-90 days overdue	91-180 days overdue	More than 180 days overdue
<b>Default rate as of 31.12.2022</b>	16.40%	63.46%	99.96%	100.00%
<b>Default rate as of 31.12.2021</b>	11.22%	23.70%	41.54%	100.00 %

Trade receivables from tenants of alstria as of December 31, 2022 are valued as follows:

EUR k	Gross amount	Provision made for default of receivables over the entire term	Provision made for default of receivables over 12 months	Net amount
0-30 days overdue	856	-140		716
31-90 days overdue	395	-252		143
91-180 days overdue	113	-113		0
More than 180 days overdue	269	-269		0
<b>Total other tenants</b>	<b>1,633</b>	<b>-774</b>		<b>859</b>
Key tenants	7,362	-	-55	7,307
<b>Total</b>	<b>8,995</b>	<b>-774</b>	<b>-55</b>	<b>8,166</b>

Trade receivables from tenants of alstria as of December 31, 2021 were valued as follows:

EUR k	Gross amount	Provision made for default of receivables over the entire term	Provision made for default of receivables over 12 months	Net amount
0-30 days overdue	633	-71		562
31-90 days overdue	331	-78		253
91-180 days overdue	368	-153		215
More than 180 days overdue	490	-490		0
<b>Total other tenants</b>	<b>1,822</b>	<b>-792</b>		<b>1,030</b>
Key tenants	2,926	-	-34	2,892
<b>Total</b>	<b>4,748</b>	<b>-792</b>	<b>-34</b>	<b>3,922</b>



## Consolidated Financial Statements

The allowance for trade receivables developed as follows:

EUR k	2022	2021
As of January 1	826	1,736
Additions	1,469	156
Net revaluation of allowances	-1,466	-1,066
As of December 31	829	826

After the previous year's revaluation of trade accounts receivable at a low level because the payment behavior of the tenants was better than originally assumed in view of the COVID-19 pandemic, the magnitude of the additions increased again in the 2022 reporting year.

Receivables from rental agreements and property disposals, as well as insurance receivables and derivative financial instruments, have been assigned to the lenders (Note 7.3) to secure the Group's mortgage-backed loans.

### 6.7. Cash and cash equivalents

EUR k	Dec. 31, 2022	Dec. 31, 2021
Bank balances	313,684	313,684

Current accounts held with banks attract variable interest rates for on-call balances. As of the reporting date, EUR 8,761 k of the cash and cash equivalents were restricted. The amount corresponds to accrued interest obligations and other amounts that are not at the Company's free disposal. There were no restrictions on cash amounts as of the previous year's reporting date.

Due to the very low credit default probabilities of the banks for the daily available bank balances, there was no impairment of cash and cash equivalents. The credit rating was based on observable market parameters.

In addition, cash and cash equivalents include EUR 8,043 k in rent deposits received from tenants (December 31, 2021: EUR 8,858 k). These tenant deposits, recognized under cash and cash equivalents, are offset by an item included under Other Liabilities.

### 6.8. Assets held for sale

The assets held for sale comprise two properties. The transfer of benefits and burdens for the property is expected in the first quarter of 2022 after the preparation of these consolidated financial statements. The sale of properties resulted in disposal revenues of EUR 26,550 k.

The property reported is not one of the properties shown in the previous year, which were transferred to the buyer as planned in 2022.

## Consolidated Financial Statements

The 'gain on disposal of investment property' is increased by the valuation result from the property held for sale in the amount of EUR 302 k (see Note 5.7).

The valuation of assets held for sale is generally based on the contract prices and, therefore, included within Level 1 of the fair value hierarchy.

### 7. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

#### 7.1. Equity

For detailed information on equity, please refer to the consolidated statement of changes in consolidated equity.

#### *Share capital*

EUR k	Dec. 31, 2022	Dec. 31, 2021
Ordinary shares of EUR 1 each	178,291	178,033

The conversion of profit participation rights (Note 13.2) in the second quarter of 2022 resulted in the issuance of 258,275 new shares by making use of the conditionally increased capital provided for such purposes. The share capital of alstria office REIT-AG increased by EUR 258,275.00 as compared with December 31, 2021, and as of December 31, 2022, it is represented by 178,291,272 no-par value bearer shares.

The following table shows the reconciliation of the number of shares outstanding:

Number of shares	2022	2021
Shares outstanding on January 1	178,032,997	177,792,747
Conversion of convertible participation rights	258,275	240,250
As of December 31	178,291,272	178,032,997

As a result of the takeover bid by Alexandrite (see Note 1), 83.28% of the shares in the company were attributable to Alexandrite as of the balance sheet date.

#### *Capital reserve*

The capital reserve changed as follows during the financial year:

EUR k	2022	2021
As of January 1	1,261,630	1,356,907
Payment of dividends	-756,640	-94,230
Share-based remuneration	2,392	3,210
Change in the payment conditions of the Stock Awards from equity to cash settled	0	-4,497
Conversion of convertible participation rights	258	240
As of December 31	507,640	1,261,630

## Consolidated Financial Statements

The previous year's change in the payment conditions for the Stock Awards is a contractual change, as a result of which the payment changes from being settled through equity instruments to being settled in cash. The values required for this settlement are to be shown as obligations under other provisions. In order to allocate the corresponding amount to the provision, in the financial year 2021 the Management has used the option of allocating them from the capital reserve without affecting income (see Note 2.3.1).

The share premium resulting from the conversion of 258,275 profit-participation rights resulted in an increase in capital reserves of EUR 258 k.

### *Revaluation surplus*

Following the relocation of the headquarters within Hamburg in the first quarter of the financial year 2018, the office space that had previously been used as owner-occupied property again became investment property and was remeasured at fair value. The fair value revaluation resulted in an increase in the carrying amount of the property in the amount of EUR 3,485 k. The increase in value was recognized in other comprehensive income and allocated to the revaluation surplus.

### *Hedging reserve*

EUR k	Dec. 31, 2022	Dec. 31, 2021
Hedging reserve	32,663	0

For further details on the change in hedging reserve please refer to Note 5.8.

### *Treasury shares*

As of December 31, 2022, the Company held no treasury shares.

By resolution of the Annual General Meeting held on September 29, 2020, the Company's authorization to acquire treasury shares was renewed. The resolution authorized alstria office REIT-AG to acquire up to 10 % of the capital stock until September 28, 2025. There is no intention to make use of this authorization at present.

### *Retained earnings*

Retained earnings as of December 31, 2022, totaled EUR 1,849,321 k (December 31, 2021: profit carried forward of EUR 1,923,935 k). At the dividend's due date, alstria office REIT-AG's stand-alone positive retained earnings were not high enough for the payment of the dividend according to German GAAP (HGB). Therefore, the amount of the dividend payouts was released from the available capital reserve in 2022. The reduction in retained earnings results from the consolidated annual result for the 2022 financial year.

### *Authorized capital*

By resolution of the Annual General Meeting on September 29, 2020, the Company's Authorized Capital 2019 was renewed through the Authorized Capital I 2020.

The Authorized Capital I 2020 authorizes the Management Board, with the Supervisory Board's approval, to increase the Company's share capital by September 28, 2025, by up to a total of EUR 35,199 k.

### *Conditional capital*

The Company's share capital has been conditionally increased to grant convertible profit participation rights to the employees of the Company and its subsidiaries and to issue bearer convertible or option bonds, profit participation rights, or participating bonds. As of December 31, 2021, the conditional capital amounted to EUR 17,750 k. This was divided into Conditional Capital I 2020 (EUR 16,750 k) and Conditional Capital III 2020 (EUR 1,000 k).

In the year under review, Conditional Capital III 2017 was used in the amount of EUR 258 k. The Conditional Capital III 2017 became irrelevant after this utilization and matured at May 16, 2022 and was therefore deleted from the Articles of Association.

### **7.2. Noncontrolling interests of limited partners**

In the 2017 financial year, alstria office REIT-AG acquired 2,128,048 limited partner shares. A further 3,593,463 limited partner shares were redeemed against cash compensation by alstria office Prime. In the financial years 2018 to 2020, a further 47,781 limited partner shares were acquired. No limited partnership shares were acquired in the 2021 and 2022 financial years. In the 2022 financial year, alstria office REIT-AG sold 8,840,478 limited partnership shares at a sale price of EUR 55,518 k.

In the reporting period, the change in value of the existing limited partnership shares of noncontrolling interests resulted in a gain of EUR 541 k (2021: expenses of EUR 3,476 k). The fair value of the limited partnerships of noncontrolling interests reported as of the balance sheet date amounted to EUR 120,980 k, whereby EUR 120,959 k are to be classified as long term and EUR 21 k as short term.

## Consolidated Financial Statements

### 7.3. Financial liabilities

EUR k	Noncurrent	Current			Total Dec. 31, 2022
		Loan	Accrued interest	Total current	
<b>Loans</b>					
Corporate bonds	1,093,249	324,835	8,909	333,744	1,426,993
Mortgage loans	893,094	0	171	171	893,265
Schuldschein	39,947	36,961	1,266	38,227	78,174
<b>Total</b>	<b>2,026,289</b>	<b>361,796</b>	<b>10,346</b>	<b>372,142</b>	<b>2,398,431</b>

EUR k	Noncurrent	Current			Total Dec. 31, 2021
		Loan	Accrued interest	Total current	
<b>Loans</b>					
Corporate bonds	1,415,486	0	8,964	8,964	1,424,450
Mortgage loans	195,619	0	64	64	195,683
Schuldschein	76,902	0	1,276	1,276	78,178
KfW-loan	9,598	9,290	0	9,290	18,888
<b>Total</b>	<b>1,697,605</b>	<b>9,290</b>	<b>10,304</b>	<b>19,594</b>	<b>1,717,199</b>

The table presents the long-term loans and the net of the current portion as stated under noncurrent liabilities. Furthermore, it shows the current amount due within 1 year, recorded as an item in short-term loans in current liabilities.

As of December 31, 2022, the total repayable amount of the corporate bonds, the bank loans, the Schuldscheindarlehen, and the convertible bond drawn by alstria (as of the prior year's balance sheet date) was EUR 2,403,063 k (December 31, 2021: EUR 1,716,788 k). The carrying amount of EUR 2,398,431 k (EUR 2,026,289 k, noncurrent, and EUR 372,142 k, current) considers interest liabilities and accrued transaction costs. Financial liabilities with a maturity of up to 1 year are recognized as current loans.

The following table shows the changes in financial liabilities:

EUR k	December 31, 2021	Payments of the period	Reclassification noncurrent/current	Changes in fair value	December 31, 2022
Long-term loans and bonds, net of current portion	1,697,605	737,858	-412,312	3,139	2,026,290
Short-term loans	19,594	-55,360	412,312	-4,404	372,142
<b>Total</b>	<b>1,717,199</b>	<b>682,498</b>	<b>0</b>	<b>-1,265</b>	<b>2,398,432</b>

<sup>1)</sup> Changes in deferred loan costs (effective interest).

<sup>2)</sup> Changes in the accrued interest.

The cash changes in borrowings shown in the column "Payments of the period" include, in addition to the cash inflows and outflows from loans and corporate bonds, the payments of transaction costs for taking out loans.

## Consolidated Financial Statements

The following table provides information on the Group's loans and borrowings:

Liabilities	Start	Maturity	Notional in EUR k	Coupon in %	Utilized at 31.12.2022 in EUR k	Book value as of 31.12.2022 in EUR k	OMV as at 31.12.2022 in EUR k	Accrued interest at 31.12.2022 in EUR k
Mortgage loan #1	II 2016/ IV 2022	28.06.2024	150,000	3M- EURIBOR	150,000	148,791	150,000	28
Mortgage loan #3	II 2016	30.06.2026	56,000	3M- EURIBOR	47,063	47,031	47,063	9
Mortgage loan #4	III 2018/ III 2022	29.09.2028	97,000	3M- EURIBOR	97,000	96,740	97,000	17
Mortgage loan #7	III 2022	30.09.2027	500,000	3M- EURIBOR	500,000	494,332	500,000	96
Mortgage loan #8	III 2022	29.08.2024	107,000	3M- EURIBOR	107,000	106,200	107,000	21
<b>Total secured</b>			<b>910,000</b>		<b>901,063</b>	<b>893,094</b>	<b>901,063</b>	<b>171</b>
Bond II	II 2016	12.04.2023	500,000	2,1250	325,000	324,733	322,498	4,969
Bond III	IV 2017	15.11.2027	350,000	1,5000	350,000	347,853	294,350	671
Bond IV	III 2019	26.09.2025	400,000	0,5000	400,000	396,740	324,840	528
Bond V	II 2020	23.06.2026	350,000	1,5000	350,000	348,757	270,813	2,741
Schuldschein 10y/fix	II 2016	06.05.2026	40,000	2,7500	40,000	39,947	39,191	1,128
Schuldschein 7y/fix	II 2016	06.05.2023	37,000	2,2700	37,000	36,961	36,238	138
<b>Total unsecured</b>			<b>1,677,000</b>		<b>1,502,000</b>	<b>1,494,991</b>	<b>1,287,930</b>	<b>10,175</b>
<b>Total</b>			<b>2,587,000</b>		<b>2,403,063</b>	<b>2,388,085</b>	<b>2,188,993</b>	<b>10,346</b>

### Corporate bonds

To finance its debt financing, the group predominantly uses corporate bonds. The table presented before contains a summary of the corporate bonds in existence in the financial year.

### Mortgage loans

These are property-related bank loans, most of them with variable interest rates. The loans are secured by mortgages and other collateral customary for bank loans.

### Schuldschein

As of May 6, 2016, alstria issued a Schuldschein (a debenture bond) with a nominal value of EUR 150,000 k. The Schuldschein has an average coupon of 2.07 % p.a. payable according to end-of-year convention and a staggered term of between 4 and 10 years. In the meantime, loan shares in the amount of EUR 73,000 k were repaid before the end of their term, so that the Schuldschein had a notional value of EUR 77,000 k at the end of the reporting period. The fair value (hierarchy Level 2) amounted to EUR 75,430 k as of the balance sheet date.

### *KfW-Darlehen*

The funds from the KfW loans were used to invest in measures to increase energy efficiency. They were granted by the KfW or Kreditanstalt für Wiederaufbau, a German development bank. The loans had been repaid as of the reporting date.

### *Further details regarding the loan liabilities*

The current portion of the loans refers to scheduled repayments and accrued interest on the loans. As of the balance sheet date, EUR 10,346 k have been accrued for interest payment liabilities, which will be payable in the course of the next 12 months (December 31, 2021: EUR 10,304 k).

The variable interest for the loans is payable on a quarterly basis, whereby the standard margin and borrowing costs for the market are added to the respective EURIBOR rate.

Due to the variable interest rate of the main part of the mortgage loans, there are no significant differences between the carrying amounts and the fair value of these loans, with the exception of transaction costs.

As of December 31, 2022, the loans and the convertible bond were reduced by accrued transaction costs of EUR 14,978 k (December 31, 2021: EUR 9,893 k).

The average debt maturity slightly decreased from 3.9 years as of December 31, 2021, to 3.2 years as of December 31, 2022. The Group's average interest rate increased from 1.4 % at the previous balance sheet date to 2.1 % as of December 31, 2022.

The carrying amounts of the loans are all reported in euros. With the exception of the fixed rate corporate bonds, the Schuldschein, and the convertible bond described above, the fair values of the Group's financial liabilities approximate their carrying values at the end of the reporting period. This does not apply to their accrued transaction costs.

As of December 31, 2022, an undrawn loan facility of EUR 200,000 k was in place.

The liabilities exposed to an interest rate risk are due as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Up to 1 year	0	0
More than 1 year	893,094	158,800
<b>Total</b>	<b>893,094</b>	<b>158,800</b>

The following loans are secured by land charges:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Financial liabilities secured by land charges	901,063	209,238
<i>thereof on investment property</i>	<i>890,962</i>	<i>202,688</i>
<i>thereof on own used property</i>	<i>10,101</i>	<i>6,550</i>

## Consolidated Financial Statements

### 7.4. Other provisions

EUR k	Due		Total Dec. 31, 2022	Due		Total Dec. 31, 2021
	up to 1 year	in more than 1 year		up to 1 year	in more than 1 year	
<b>Other provisions</b>						
Provision virtual share liabilities	0	1,802	1,802	1,911	2,585	4,496
Other	525	0	525	528	0	528
<b>Total</b>	<b>525</b>	<b>1,802</b>	<b>2,327</b>	<b>2,439</b>	<b>2,585</b>	<b>5,024</b>

The development of other provisions is shown in the following overview:

EUR k	Dec. 31, 2021	Consumption	Resolution	Additions	Dec. 31, 2022
<b>Development of other provisions</b>					
Provision virtual share liabilities	4,496	-6,109	0	3,415	1,802
Other	528	-3	0	0	525
<b>Total</b>	<b>5,024</b>	<b>-6,112</b>	<b>0</b>	<b>3,415</b>	<b>2,327</b>

As of the balance sheet date, there were provisions of EUR 1,802k for the ACEs granted to the Management Board and employees. The program was relaunched in the financial year and replaces the previous performance-related long term remuneration programs for the Management Board and employees.

As of the previous year's balance sheet date, EUR 4,496 k was recognized as a provision for awarding the Long-Term Incentive Plan (Note 13.1). Due to the termination of the program and the settlement of all resulting obligations in the reporting period, there were no longer any provisions from this Long-Term Incentive Plan at the end of the financial year.

Other provisions are mainly related to litigation expenses.



## Consolidated Financial Statements

### 7.5. Trade payables and other liabilities

EUR k	Due		Total Dec. 31, 2022	Due		Total Dec. 31, 2021
	up to 1 year	in more than 1 year		up to 1 year	in more than 1 year	
<b>Trade payables</b>	<b>3,581</b>	<b>0</b>	<b>3,581</b>	<b>3,487</b>	<b>0</b>	<b>3,487</b>
<b>Other current liabilities</b>						
Accruals for outstanding invoices	28,490	0	28,490	28,488	0	28,488
Rent and security deposits received	8,043	8,050	16,093	8,858	9,669	18,527
IFRS 16 lease liabilities	393	5,314	5,707	373	4,700	5,073
Market flex premium	3,800	0	3,800	0	0	0
Salary obligations	2,358	0	2,358	2,353	0	2,353
Cash compensation	961	0	961	2,565	0	2,565
Accruals for tax consulting	919	0	919	870	0	870
Customers with credit balances	874	0	874	807	0	807
Supervisory Board compensation	491	0	491	525	0	525
Auditing costs	359	0	359	412	0	412
Vacation provisions	241	0	241	197	0	197
Interests for tax provisions	0	0	0	521	0	521
Miscellaneous liabilities	165	0	165	1,158	0	1,158
<b>Financial liabilities</b>	<b>47,094</b>	<b>13,364</b>	<b>60,458</b>	<b>47,127</b>	<b>14,369</b>	<b>61,496</b>
Advance rent payments received	1,820	0	1,820	3,259	0	3,259
Value-added tax liabilities	2,072	0	2,072	1,728	0	1,728
Income tax and social security contributions	238	0	238	217	0	217
<b>Non-financial liabilities</b>	<b>4,130</b>	<b>0</b>	<b>4,130</b>	<b>5,204</b>	<b>0</b>	<b>5,204</b>
<b>Total other liabilities</b>	<b>51,224</b>	<b>13,364</b>	<b>64,588</b>	<b>52,331</b>	<b>14,369</b>	<b>66,700</b>

The disclosed carrying amounts approximate their fair values.

The **Market Flex premium** relates to the commitment to a lending bank. For the portion of the loan that the bank cannot pass on to a banking syndicate, alstria has committed to pay the Market Flex premium.

**Salary liabilities** relate to bonus provisions for the 2022 financial year.

The **IFRS 16 lease liabilities** relate to the contractually agreed rental terms, including the expected extension options. Future cash outflows that the lessee might face due to extension options that were not considered in the measurement of the lease liability amount to EUR 8,992 k.

In its decision of September 26, 2019, the Regional Court of Hamburg set the cash compensation to be paid to entitled shareholders of the former DO Deutsche Office AG, which was leaving the company with regard to the change of the legal form, at an amount of EUR 5.58 per share plus interest. The decision is meanwhile effective. This led to a resurgence of the liability from the cash value settlement (**Cash compensation**), in terms of the outstanding settlement obligation including interests according to the court decision, in the amount of EUR 6,052 k. At the end of the reporting period, after part of the obligation has been settled, this still amounts to EUR 961 k, including interest.

### 7.6. Income tax liabilities

The recognition of income tax liabilities as of December 31, 2022, is described in Note 5.9 regarding income tax expenses. Obligations from income taxes arise almost exclusively at the level of the alstria office's Prime companies acquired through the business combination on October 27, 2015.

The tax liabilities mainly resulted from taxes arising out of the realization of hidden reserves as a result of the inclusion of the companies into the tax-exempt REIT structure. As a result, no further deferred tax liabilities had to be formed since the 2016 financial year.

## 8. OTHER NOTES

### 8.1. Compensation of the Management Board and Supervisory Board

**Management Board** The following total remuneration was granted to the members of the Management Board, according to IAS 24.17:

EUR k	2022	2021
Short-term benefits	1,427	1,411
Share-based remuneration	900	900
Postemployment benefits	161	161
<b>Total</b>	<b>2,489</b>	<b>2,472</b>

On the reporting date, liabilities for the compensation of the Management Board members amounted to EUR 450 k (2021: EUR 433 k).

As of December 31, 2022, no Stock Options were outstanding from the equity-settled share-based remuneration plan set up in 2018. As of December 31, 2021, there were 234,620 Stock Options issued to members of the Management Board (see Note 13.1).

**Supervisory Board** Pursuant to the Articles of Association, Supervisory Board members' fixed annual payments amounted to EUR 491 k (2021: EUR 526 k).

Further information on the disclosures from HGB Section 314, para. 1, no. 6a (German Commercial Code) and IAS 24.17 is provided in the remuneration report of the Company.

### 8.2. Other financial commitments and contingencies

Other financial obligations from refurbishment projects and ongoing maintenance amounted to EUR 103,819 k (2021: EUR 45,402 k). The increase results from a higher level of ongoing development projects at the end of the reporting period.

As of December 31, 2022, rental agreements for the car parking spaces and administrative premises were subject to a minimum lease term. Future financial obligations of EUR 6,035 k arose from other leasing agreements. Of these, EUR 477 k in obligations has a residual maturity of up to 1 year; EUR 1,213 k in obligations has a remaining maturity of 1 to 5 years; and the remaining EUR 4,345 k has more than 5 years.

### 8.3. Consolidated cash flow statement

The cash flow statement shows how the Group's cash and cash equivalents have changed over the financial year as a result of cash received and paid. In accordance with IAS 7, cash flows are distinguished from operating activities and from investing and financing activities.

## Consolidated Financial Statements

Cash flows from investing and financing activities are calculated based on payments, whereas cash flows from operating activities are indirectly derived based on the consolidated profit for the year.

The net cash generated from operating activities for the 2022 financial year amounted to EUR 87,097 k, which is below the level of previous year's operating cash flow (EUR 116,434 k). In addition to the increase in working capital, the decline results on the one hand from lower revenue received and on the other hand from higher interest payments compared to the previous period. The net cash generated from operating activities includes other noncash income and expenses totaling EUR 6,678 k. These essentially relate to allocation to provisions and other liabilities. Cash outflows for leases amounted to EUR 759 k for the financial year.

The cash flow from investing activities is affected by the cash outflow for investments in the investment property portfolio in the amount of EUR 114,886 k while the inflow of cash from property disposals amounted to EUR 161,570 k. The increase in loans granted by EUR 55,568 k (see Note 6.4) only affected the cash flow statement by EUR 50 k, as it was offset against the sale of 8,840,478 limited partnership shares at a sale price of EUR 55,518 k (see Note 7.2).

The cash flows from financing activities includes cash inflows from taking out a bank loans in the amount of EUR 760,000 k. Cash outflows resulted mainly from the dividend distribution in the amount of EUR 756,640 k and the repayment of loans in an amount of EUR 69.483 k.

Cash and cash equivalents reported in the cash flow statement relate to all liquidity items disclosed on the balance sheet (e.g., cash in hand and bank balances).

## 9. RELATED PARTY RELATIONSHIPS

### 9.1. Preliminary remarks

The related parties are the Management Board, the members of the Supervisory Board, the managing directors of the subsidiaries and second-tier subsidiaries, and their close relatives. The related parties also include entities with a controlling influence over the Group and entities with joint control or significant influence over alstria office REIT-AG.

Companies with a controlling interest on alstria office REIT-AG, are Alexandrite Lake Lux Holdings S. á r.l., Luxembourg, Luxembourg (parent company), Brookfield Corporation (ultimate parent company) and all companies that are directly and indirectly controlled by them. There was no group of companies with joint management or significant influence with which transactions were conducted during the reporting period.

The joint ventures over which alstria office REIT-AG has joint control are also considered related parties.

In the view of alstria office REIT-AG's management, all transactions with related parties entered into during financial year 2022 were undertaken in terms of arm's-length transactions or under conditions favoring alstria office REIT-AG.

### 9.2. Remuneration of key management personnel

For a description of the remuneration of key management personnel, please refer to Notes 8.1 and 13.1 and the Company's remuneration report.

### 9.3. Related party transactions

At the end of the reporting period, the Group recorded no receivables from or liabilities to joint ventures or related persons other than referred to in Note 9.2.

The following table shows transactions with related companies in the 2022 financial year:

in EUR k	Revenues/ Expenses (net) (-) 2022	Receivables/liabilities (-) Dec. 31, 2022
Interest Corporate Bonds	-63	-63
Accounting & Reporting services	70	0
Containerlease	-16	-3

The accounting and reporting services relate to the preparation of consolidation accounting and reporting services for Brookfield companies outside the alstria group.

## Consolidated Financial Statements

The interest expenses relate to corporate bonds that alstria placed on the capital market and that were acquired by Brookfield companies on the capital market in the 2022 financial year. As of December 31, 2022, this relate to the following corporate bonds:

Bond	ISIN	Shares	Notional value of shares
			EUR k
Bond III	XS1717584913	14,600,000	14,600
Bond IV	XS52053346297	11,300,000	11,300
Bond V	XS2191013171	25,500,000	25,500
		<b>51,400,000</b>	<b>51,400</b>

The construction containers were rented as part of ongoing business for an alstria construction site. The lessor is a company dependent on Brookfield and is outside of the alstria group of consolidated companies.

There were no other transactions with related companies and persons in the reporting period.

### 10. EARNINGS PER SHARE

Basic earnings per share are calculated as the quotient of the profit attributable to the shareholders and the weighted average number of shares outstanding during the financial year – except for the average number of treasury shares held by the Company itself.

Diluted earnings per share are calculated by dividing the profit attributable to the parent company's ordinary owners by the weighted average number of ordinary shares outstanding during the year – except for the treasury shares held by the Company itself – plus the weighted average of shares that would be issued as a result of the dilutive potential ordinary shares' conversion.

The following table reflects the income and share data used in the earnings per share computations:

Earnings per share	2022	2021
Profit attributable to the shareholders (EUR k)	-74,614	209,678
Average number of shares outstanding (thousands)	178,098	177,949
Basic earnings per share (EUR)	-0.42	1.18

The granted Stock Awards and the convertible profit participation rights did not result in dilution effects during the period under review.

## Consolidated Financial Statements

alstria office REIT-AG is authorized to issue up to EUR 17,750 k in shares as conditional capital. These contingently issuable shares could dilute basic earnings per share in the future, but they were not included in the calculation of diluted earnings per share because they are nondilutive for the presented period.

### 11. DIVIDENDS PAID AND DIVIDENDS PROPOSED

EUR k	2022	2021
Dividends on ordinary shares <sup>1)</sup> not recognized as a liability as of December 31	756,640	94,230
Dividend per share	4.25	0.53

<sup>1)</sup> Refers to all shares except treasury shares on the dividend payment date.

At the Annual General Meeting held on June 10, 2022, alstria office REIT-AG resolved to distribute dividends totaling EUR 7,121 k (EUR 0.04 per outstanding share). The dividends were distributed on June 15, 2022. At the Extraordinary General Meeting on August 31, 2022, a further dividend payment of EUR 749,519 k (EUR 4.21 per outstanding share) was resolved, which was paid on September 5, 2022. Overall, this represents a dividend payment of EUR 756,640 k (EUR 4.21 per outstanding share). By comparison, the dividends paid out in 2021 totaled EUR 94,230 k (EUR 0.53 per outstanding share).

The Management Board, in agreement with the Supervisory Board, intends to propose to the Annual General Meeting to use the balance sheet profit of alstria office REIT-AG for the 2022 financial year to pay a dividend of EUR 0.06 per share. In the event that there are significant changes in the company's available liquidity in the further course of the 2023 financial year, the Management Board and Supervisory Board reserve the right to submit a different dividend proposal to the Annual General Meeting. The payment of a dividend depends on the approval of the General Meeting.

### 12. EMPLOYEES

From January 1 to December 31, 2022, the Company had an average of 177 employees (January 1 to December 31, 2021: 171 employees on average). The average was calculated based on the total number of employees at the end of each quarter. On December 31, 2022, 181 people were employed at alstria, excluding the Management Board members (December 31, 2021: 171 employees).

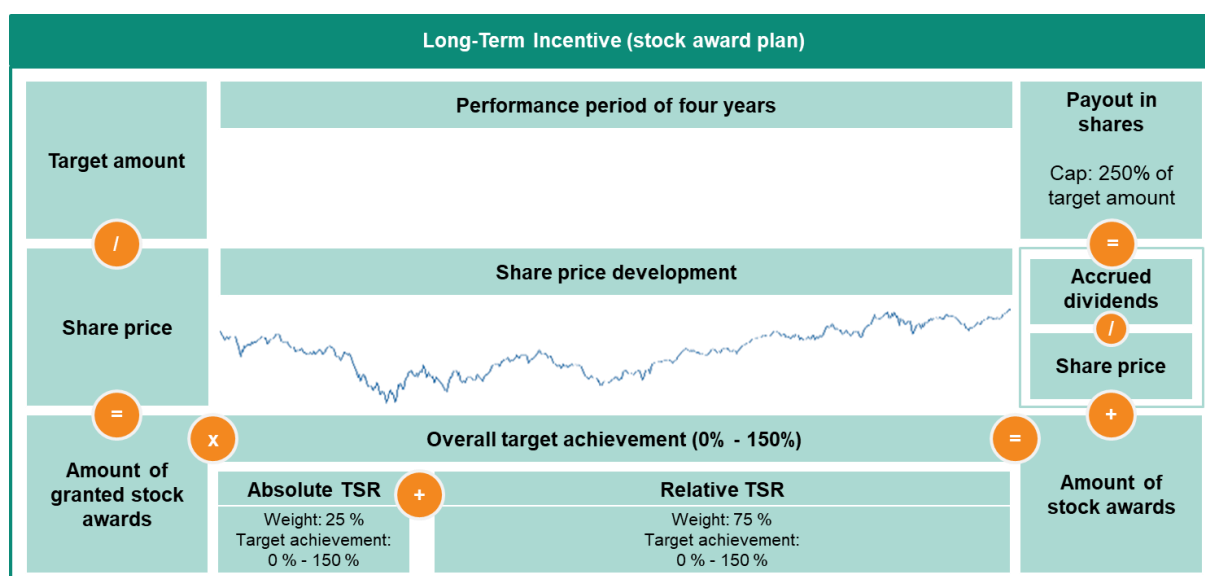
Employees	Average 2022	December 31, 2022	Average 2021	December 31, 2021
Real estate management and development	106	109	101	104
Finance and legal	39	37	39	39
Other occupations	32	35	31	28
<b>Total</b>	<b>177</b>	<b>181</b>	<b>171</b>	<b>171</b>

### 13. SHARE-BASED REMUNERATION

#### 13.1. Share-based remuneration (virtual shares and stock awards) for Management Board members

The share-based payment entitlements issued to the Management Board in previous years, so-called stock awards, are based on the remuneration system that came into effect on January 1, 2018 and with adjustments on January 1, 2021. The cornerstones of the Stock Awards are therefore explained below.

On January 1, 2018, the Supervisory Board set up a share-based payment system as part of the long-term performance-related remuneration for the members of the Management Board (Long-Term Incentive). The Long-Term Incentive (LTI) consists of so-called virtual stock awards, which are converted into alstria shares after a four-year performance period. In each financial year, the members of the Management Board are granted a long-term variable remuneration element with a target amount determined in the service contract. The number of stock awards to be granted is based on the target amount divided by the arithmetic mean of the alstria share price during the 60 trading days prior to the grant date. The number of stock awards granted is then adjusted depending on the performance of alstria's share during the performance period both in absolute and relative terms compared to a peer group (so called Absolute and Relative TSR or Total Shareholder Return). Payout of the Long-Term Incentive is capped at 250 % of the target amount.



#### Absolute TSR

The absolute TSR had a weighting of 25 %. The absolute TSR was generally derived from the weighted average cost of capital (WACC).



### Relative TSR

The relative TSR had a weighting of 75 %. By using relative TSR, an outperformance of relevant competitors is incentivized, and interests of the shareholders are taken into account. The relative TSR measures the return for shareholders consisting of share price development (including reinvested dividends) of alstria compared to a selected peer group over the entire four-year performance period. alstria compares its performance to the performance of relevant competitors, the FTSE EPRA/NAREIT Developed Europe Index. As for the absolute TSR of alstria, 60 trading day averages were used for the TSR of FTSE EPRA/NAREIT Developed Europe Index as well.

Since the payout per earned virtual share depends on the 60-day average price of alstria shares, the average share price in the last 60 trading days before the balance sheet date essentially represented the fair value per virtual share.

The LTIs were equity-settled share-based payments.

The fair value of the stock awards at the grant date was estimated using a 100,000-path Monte Carlo simulation based on the terms of the LTIP 2018/LTIP 2021.

The following table lists the model specifications used to determine the fair value:

Grant date	March 7, 2018	March 4, 2019	March 2, 2020	March 1, 2021
Expected term of the option (in years)	4.00	4.00	4.00	4.00
Risk-free interest rate (%)	0.11	-0.39	-0.84	-0.67
Share volatility (%)	18.77	18.11	15.95	24.67
Volatility of the FTSE EPRA/NAREIT Developed Europe Index (%)	16.46	16.09	13.58	18.25
Correlation between share price and benchmark index (%)	65.19	66.21	56.57	73.56
Expected dividend yield of the share (%)	4.03	3.88	3.11	3.75
Share price on grant (in EUR)	12.06	13.40	16.74	14.15
Index value when granted	2,085.51	2,166.92	2,333.61	2,113.90
Reference share price (in EUR)	12.69	12.83	17.40	14.23
Reference price of the FTSE EPRA/NAREIT Developed Europe Index	2,176.16	2,112.40	2,502.27	2,108.17
Estimated fair value of one option on the grant date (in EUR)	8.61	10.22	12.48	10.36
Number of stock options issued and converted in the 2022 financial year Olivier Elamine	34,673	34,295	25,287	35,137
Number of stock options issued and converted in the 2022 financial year Alexander Dexne	28,369	28,059	20,690	28,110

## Consolidated Financial Statements

The development of the virtual shares through December 31, 2022, is shown in the following table:

Number of Stock Awards	2022	2021
As of January 1	234,620	240,817
Stock Awards granted in the reporting period	0	63,247
Converted into cash in the reporting period	-234,620	-69,444
As of December 31	0	234,620

In 2022, the LTIP generated remuneration expenses amounting to EUR 2,095 k (2021: EUR 987 k). The increase in LTI expenses is due to the termination of all outstanding stock awards. The reason for this is the low market capitalization of freely tradable alstria shares that remained after the takeover by Brookfield. As a result, the development of the alstria share price is no longer meaningful, so that the calculation of the LTI based on the development of the share price has lost its function as part of the Management Board remuneration system 2018/2021. With this in mind, the performance periods of all outstanding LTI tranches granted to Management Board members for prior years up to and including fiscal year 2021 (i.e. LTI 2019/2023, LTI 2020/2024, LTI 2021/2025) were extended effective February 3, 2022 ended early and then paid out immediately in cash. The LTI 2022/2026 granted to the members of the Executive Board under the conditions of the 2021 Executive Board remuneration system was transferred to the 2022 Executive Board remuneration system. The exercise of all 234,620 stock awards in the first half of 2022 resulted in payments of EUR 6,591 k.

In the 2021 financial year, the LTI resulted in provisions of EUR 4,496 k as of December 31, 2021, in addition to remuneration expenses of EUR 987 thousand. The 234,620 stock awards issued under the LTI were originally share-based payments that were intended to be settled through equity instruments. The change in value was taken into account in the capital reserve up to the 2021 financial year. Due to a resolution of the Supervisory Board, according to which the LTI 2018 will be settled in cash instead of converted into shares in the company, the Group recognizes the obligation from granted stock awards at the end of the reporting period in other provisions at the end of the 2021 reporting period (see Section 2.3.1).

As part of the new remuneration system 2022, the members of the Management Board receive certificates with a term of two years, the performance of which is linked to certain budget-based key figures. At the end of the term, a payment is made in cash, whereby the performance and the amount of the payment can be between 0% and 115% depending on the development of the based key figures. In the reporting period, the members of the Management Board were granted 900,000 certificates with a nominal value of EUR 1.00 each, retrospectively as of January 1, 2022. As of December 31, 2022, assuming 100% target achievement, EUR 449 thousand was accrued pro rata temporis.

### 13.2. Convertible profit participation rights program

On September 5, 2007, the Company's Supervisory Board resolved the issuance of convertible profit participation certificates ("certificates") to employees of the Company and of companies in which alstria office REIT-AG directly or indirectly holds a majority interest. Members of alstria office REIT-AG's Management Board are not considered employees of the Company in terms of this convertible profit participation rights program. The Supervisory Board passed a resolution to specify the details of the convertible profit participation rights program in accordance with an authorization granted at the General Meeting of shareholders on March 15, 2007. The convertible profit participation rights program was renewed by the Supervisory Board with minor modifications in 2012 in accordance with an authorization granted at the General Meeting of shareholders on April 24, 2012. Due to the lack of visibility of the alstria share as described in the previous section as a result of the takeover by Brookfields, the convertible participatory rights program was also discontinued and replaced by a new employee participation program (see below).

The main terms of the program can be summarized as follows:

The nominal amount of each certificate is EUR 1.00, which is payable upon issuance. A maximum of 1,000,000 certificates with a total nominal value of up to EUR 1,000,000.00 can be issued as part of the Conditional Capital III 2020 created by resolution of the Annual General Meeting. At the end of the reporting period, 287.100 certificates related to this Conditional Capital III 2020 had been granted in business year 2021.

The certificates were issued as nontransferable rights and are not sellable, pledgeable, or otherwise chargeable.

The maximum term of each certificate is 5 years.

During its term, each certificate entitles the holder to a disbursement corresponding to the amount of the dividend per share that the Company paid for a full financial year. For certificates held by a beneficiary for less than a full financial year, the profit share is reduced pro rata temporis.

Each certificate shall be converted into one no-par value bearer share in the Company on the second, third, fourth, or fifth anniversary of the issue date if the Company's then-current stock exchange share price has exceeded the share price on the issue date by 5% or more on at least seven non-subsequent trading days (market condition). For 279,550 certificates issued on May 7, 2021, this market condition was fulfilled until the end of the 2022 financial year.

Upon conversion of a certificate, the beneficiary shall pay an additional conversion price to the Company for each certificate to be converted. This conversion price shall be the aggregate proportionate amount of the Company's share capital to which the certificate entitles the holder; this amount shall be payable in addition to the offer price.

## Consolidated Financial Statements

The fair values of the inherent options for conversion were estimated on the respective grant dates using a binary barrier option model based on the Black-Scholes model. The conversion will automatically be affected once the barrier has been reached. The model considers the terms and conditions upon which the instruments were granted.

The following share-based payment agreements under the employee profit participation program existed during this year:

<b>Number of certificates</b>			
<b>Grant date of tranche</b>	<b>Sept 30, 2020</b>	<b>May 7, 2021</b>	<b>Total</b>
<b>January 1, 2022</b>	<b>260,025</b>	<b>281,050</b>	<b>541,075</b>
Expired due to termination of employment	-1,750	-1,500	-3,250
Converted	-258,275	0	-258,275
Granted	0	0	0
<b>December 31, 2022</b>	<b>0</b>	<b>279,550</b>	<b>279,550</b>

For the conversion of 258,275 of the 2020 convertible profit participation rights certificates, the relevant XETRA share price on the conversion date was EUR 6.915 per share.

Total expenses relating to convertible profit participation rights amounted to EUR 2,392 k in 2022 (see Note 5.4).

The following table lists the inputs used to determine the fair value of the options for conversion:

<b>Grant date of tranche</b>	<b>Sept 30, 2020</b>	<b>May 7, 2021</b>
Dividend yield (%)	4.47	3.67
Risk-free interest rate (%)	-0.82	-0.69
Expected volatility (%)	20.20	26.00
Expected life of option (years)	2.00	2.00
Exercise share price (EUR)	2.00	2.00
Labor turnover rate (%)	6.00	5.40
Stock price as of valuation date (EUR)	11.86	14.44
Estimated fair value of one option for conversion on the grant date	8.57	11.49

The expected volatility was based on the implied volatility of alstria shares.

As a result of the termination of the convertible participation rights program described above, no new convertible participation rights were granted in the 2022 financial year. For this purpose, a new long-term remuneration system was generated by the Management Board. In 2022, the employees received certificates (so-called alstria Collective Employee Scheme or ACES) with a term of two years, the performance of which is linked to certain budget-based key figures. At the end of the term, a payment is made in cash, whereby the performance and the amount of the payment can be between 0 % and 115 % depending on the development of the based key figures. In the reporting period, employees were granted 2,752,583 certificates with a nominal value of EUR 1.00 each, retroactive to January 1, 2022. As of December 31, 2022, assuming 100 % target achievement, EUR 1,374 k was accrued on a pro rata basis.

### 14. FINANCIAL RISK MANAGEMENT

#### 14.1. Managing financial risk factors

The Group's activities expose it to a variety of financial risks related to interest rates, credit, and liquidity. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. To this end, sources of funding are diversified and a balanced maturity profile is planned, enabling a coordinated and continuous refinancing process. The financial instruments mainly used by the Group are corporate bonds, Bank loans and a Schuldschein (promissory note loans). The increase in the debt ratio initiated after the takeover of the majority of the shares by Alexandrite in January of the 2022 financial year (see Note 1) took place, did not change the basic refinancing strategy of the Group. In particular, neither the corporate bonds nor the promissory note were to be repaid before the end of their regular term. In the event of the loss of the investment grade rating assigned to alstria by the rating agency Standard & Poor's (S&P), the bondholders could have had demanded that the corporate bonds would have to be repaid. In February 2022, S&P confirmed the investment grade rating, although the rating was downgraded from BBB+ to BBB-, the lowest notch within the investment grade rating. The main purpose of the debt funding is to finance alstria's business activities. In addition, the Group also owns various financial assets, such as loans granted and short-term deposits, which arise directly from business activities.

## Consolidated Financial Statements

The treasury function (group treasury) within the finance and controlling department manages financial risks. The group treasury identifies, evaluates, and hedges financial risks in close cooperation with the Management Board. The Management Board provides written principles for overall risk management and policies that cover specific areas, such as interest rate risk and credit risk, making use of both derivative and nonderivative financial instruments, as well as excess liquidity investment.

Derivative financial instruments comprise interest caps. The purpose of these derivative financial instruments is to hedge against the interest risks arising from the Group's business activities and funding.

The main risks arising from the Group's financial instruments are related to cash flow, interest rates, and liquidity. The Group is exposed mainly to credit risks, due to derivative financial instruments being held as assets and due to its bank balances. The carrying amount of the financial assets is the amount that best presents the maximum credit risk. The Management Board decides on strategies and processes to manage specific risk types, as defined in the following paragraphs.

Risks that can arise from an economic slowdown are seen mainly in the potential default of payment by tenants. Given that all of the Company's main tenants are public institutions or are highly rated, the risk of such defaults is currently limited.

The loan agreements of alstria Group allow for the loan-to-value (LTV) ratios outlined by the following table. As represented in the overview, the Group managed to keep its LTV below the LTV of the loan at the relevant date – in some cases, significantly so. The risk of a breach of covenant is effectively countered.

## Consolidated Financial Statements

The following table presents the single-LTV ratios and covenants for the Group's loans as of the end of the reporting period:

Liabilities	Maturity	Principal amount drawn as of Dec. 31, 2022 (EUR k)	LTV <sup>1)</sup> as of Dec. 31, 2022 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 31, 2021 (EUR k)
Loan #1 <sup>2)</sup>	June 28, 2024	150,000	58.8	70.0	34,000
Loan #2 <sup>3)</sup>	Mar. 28, 2024	0	-	n/a	45,900
Loan #3	June 30, 2026	47,063	31.1	65.0	56,000
Loan #4 <sup>4)</sup>	Sept. 29, 2028	97,000	50.2	65.0	60,000
Loan #5 <sup>5)</sup>	Sept. 30, 2024	0	-	n/a	13,338
Loan #6 <sup>6)</sup>	Dec. 30, 2022	0	-	n/a	5,550
Loan #7	Sept. 30 2027	500,000	61.2	75.0	-
Loan #8	Aug. 29, 2024	107,000	55.3	n/a	-
<b>Total secured loans</b>		<b>901,063</b>	<b>55.2</b>	-	<b>214,788</b>
Bond #2	Apr. 12, 2023	325,000	-	-	325,000
Bond #3	Nov. 15, 2027	350,000	-	-	350,000
Bond #4	Sept. 26, 2025	400,000	-	-	400,000
Bond #5	Jun. 23, 2026	350,000	-	-	350,000
Schuldschein 10y/fixed	May 6, 2026	40,000	-	-	40,000
Schuldschein 7y/fixed	May 6, 2023	37,000	-	-	37,000
Revolving credit line <sup>7)</sup>	Apr. 29, 2025	0	-	-	0
Bridge credit facility <sup>8)</sup>	Apr. 29, 2025	0	-	-	0
<b>Total unsecured loans</b>		<b>1,502,000</b>	<b>-</b>	-	<b>1,502,000</b>
<b>Total</b>		<b>2,403,063</b>	<b>51.5</b>	-	<b>1,716,788</b>
<b>Net LTV</b>			<b>43.7</b>		

<sup>1)</sup> Calculation based on the market values of the properties serving as collateral in relation to the loan amount drawn down.

<sup>2)</sup> The loan was upgraded by EUR 116 million to EUR 150 million on October 28, 2022.

<sup>3)</sup> Loan agreement terminated, refinancing occurred on April 14, 2022.

<sup>4)</sup> The loan was upgraded by EUR 37 million to EUR 97 million on September 5, 2022.

<sup>5)</sup> Loan agreement terminated, refinancing occurred on July 19, 2022.

<sup>6)</sup> Loan agreement terminated, refinancing occurred on October 7, 2022.

<sup>7)</sup> Agreement of a revolving credit line of EUR 200 million on April 29, 2022.

<sup>8)</sup> Termination of the undrawn bridge financing facility of EUR 1,535 million as of May 31, 2022.

Apart from the risks mentioned above, the Group is not exposed to any commodity or currency risks.

## Consolidated Financial Statements

### 14.1.1. Interest rate risk

The following tables display the carrying amount of the Group's financial instruments that are exposed to interest rate risk by maturity:

EUR k	< 1 year	1-2 years	2-3 years	3-4 years	> 4 years	Total
<b>Financial year ending Dec. 31, 2022</b>						
<i>Variable interest</i>						
Mortgage bank loans	0	257,000	00	47,063	14,550	<b>318,613</b>
<b>Total</b>	<b>0</b>	<b>257,000</b>	<b>00</b>	<b>47,063</b>	<b>14,550</b>	<b>318,613</b>

EUR k	< 1 year	1-2 years	2-3 years	3-4 years	> 4 years	Total
<b>Financial year ending Dec. 31, 2021</b>						
<i>Variable interest</i>						
Mortgage bank loans	0	0	42,800	0	116,000	<b>158,800</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>42,800</b>	<b>0</b>	<b>116,000</b>	<b>158,800</b>

Given its noncurrent financial liabilities with variable interest rates, alstria is exposed to risks from fluctuations in market interest rates. The interest base for these financial liabilities (loans) is the three-month EURIBOR rate, which is adjusted every three months.

The term of the derivative financial instruments corresponds to the term of the loan. The derivative financial instruments are interest rate swaps, in which the company agrees with its contractual partners to exchange the difference between fixed interest and variable interest amounts at fixed intervals. This is calculated based on an agreed nominal amount.

The overview in Note 6.5 reflects the status of the derivative financial instruments of alstria office REIT-AG as of December 31, 2022.

The interest rate swaps are also used to hedge the obligations resulting from loans.

The following table shows the sensitivity of the Company's loans to consolidated profit or loss and equity, due to a reasonably possible change in interest rates (due to the effect on the floating-interest loans). All of the variables remain constant; the effects from the derivative financial instruments were not factored into this calculation.

#### Interest expenses per annum

EUR k	2022	2021
+ 100 bps	3,186	1,588
- 50 bps	-1,593	-169



The fair market value of derivative financial instruments is also subject to interest rate risks. A change in the interest rate would give rise to the following changes in respective fair market values:

### Impact on equity

#### Financial derivatives qualifying for cash flow hedge accounting.

EUR k	2022	2021
+ 100 bps	22,802	n/a
- 50 bps	-11,926	n/a

#### 14.1.2. Credit risk

Credit risks are managed at the group level, except for those relating to accounts receivable balances.

The department responsible for managing the operating business property oversees and analyzes credit risks in relation to each reletting activity before the standard payment and lease terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, and credit exposures to customers (including outstanding receivables and other compensatory commitments). Only banks and financial institutions are accepted as counterparties—and only if they are independently rated parties with a minimum rating of “investment grade.” If the tenants are independently rated, then their ratings are applied. If there is no independent rating, the tenant’s credit quality is assessed; its financial position, past experience, and other factors are taken into account. Credit limits are generally not provided to tenants. Lease receivables from tenants are settled in bank transfers, which are usually due at the beginning of each payment term. Tenants must pay a deposit or provide other warranties prior to the start of a lease term.

#### 14.1.3. Liquidity risk

The Company continually monitors the Group-wide risk of potential liquidity bottlenecks with a liquidity planning tool. The tool uses the expected cash flows from business activities and the maturity of the financial liabilities as a basis for analysis. The Group’s long-term refinancing strategy ensures that these medium- and long-term liquidity requirements are met. Such forecasting considers the Group’s debt-financing plans, covenant compliance, compliance with internal balance sheet targets, and, if applicable, external regulatory or legal requirements (e. g., G-REIT equity ratio).

At the end of the reporting period, the nominal financial liabilities had the following maturities in line with their contractual maturity (based on the three-month EURIBOR) as of December 31, 2022.

## Consolidated Financial Statements

The following chart shows the related future undiscounted cash flows of financial liabilities:

EUR k	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
<b>Financial year ending Dec. 31, 2022</b>							
Corporate bond	325,000	0	400,000	350,000	350,000	0	1,425,000
Loans	0	257,000	0	47,063	500,000	97,000	901,063
Interest	48,251	41,958	34,582	28,640	19,929	2,286	175,646
Schuldschein	37,000	0	0	40,000	0	0	77,000
Trade payables	3,581	0	0	0	0	0	3,581
Other liabilities	51,224	1,994	1,889	1,749	1,739	5,992	64,586
	<b>465,056</b>	<b>300,952</b>	<b>436,471</b>	<b>467,452</b>	<b>871,668</b>	<b>105,278</b>	<b>2,646,877</b>

EUR k	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
<b>Financial year ending Dec. 31, 2021</b>							
Corporate bond	0	325,000	0	400,000	350,000	350,000	1,425,000
Loans	9,290	5,960	83,538	0	56,000	60,000	214,788
Interest	23,437	23,853	15,350	14,206	12,218	6,461	95,525
Schuldschein	0	37,000	0	0	40,000	0	77,000
Trade payables	3,487	0	0	0	0	0	3,487
Other liabilities	52,331	2,321	2,306	2,217	2,127	6,520	67,822
	<b>88,545</b>	<b>394,134</b>	<b>101,194</b>	<b>416,423</b>	<b>460,345</b>	<b>422,981</b>	<b>1,883,622</b>

Details on the loans, borrowings, and bonds can be found in Note 7.3. The loans' maturity profile is shown in Note 2.5 of the Combined Management Report. To secure the bank loans, receivables from rental and property purchase agreements, as well as from insurance and derivative financial instruments, were assigned to the lenders. Liens were granted on bank accounts, and charges were registered on the land. Obligations arising from floating-interest bank loans were fully secured. Land charges for real estate properties with a carrying amount of EUR 1,630,488 k (December 31, 2021: EUR 1,059,264 k) were provided as collateral.

## 14.2. Capital management

Capital management activities are aimed at maintaining the Company's classification as a REIT to support its business activities and maximize shareholder value.

The Group actively manages its capital structure and makes adjustments in response to changes in economic conditions. To maintain or adjust its capital structure, the Group can make a capital repayment to its shareholders or issue new shares. No changes were made to the aims, guidelines, and processes as of either December 31, 2021 and December 31, 2022.

The Company monitors its capital structure using the LTV indicator, as well as the relevant performance indicators, for its classification as a REIT. The REIT equity ratio, which is the ratio of equity to immovable assets, is the most important of these indicators. According to the Group's strategy, the REIT equity ratio is aimed at exceeding the REIT equity ratio of 45%, within the relevant terms provided by REIT law. G-REIT status is unaffected, as long as the G-REIT ratio is not below 45% at the end of the financial year for 3 consecutive financial years.

The following ratios are also used to manage capital:

### Ratios according to G-REIT law

%	2022	2021	G-REIT covenant
Equity ratio according to G-REIT law	55.27	69.13	> 45
Immovable assets	90.10	93.05	> 75
Revenues gained from immovable assets	100.00	100.00	> 75
Income gained from disposal of immovable assets	13.31	13.09	< 50 <sup>1)</sup>

<sup>1)</sup> Within five years, based on the average property value during this period.

## Consolidated Financial Statements

### 14.3. Determination of fair value

The following table shows the carrying amount and fair value of all financial instruments disclosed in the consolidated financial statements:

Assets as per balance sheet (EUR k) as of Dec. 31, 2022	Carrying amount	Nonfinancial assets	Financial assets				
			At amortized costs	Fair value through p/l	Derivatives	Total	Fair value
Financial assets	94,891	0	94,432	459	0	94,891	94,891
Derivatives	34,767	0	0	-499	35,266	34,767	34,767
<b>Total long-term</b>	<b>129,658</b>	<b>0</b>	<b>94,432</b>	<b>-40</b>	<b>35,266</b>	<b>129,658</b>	<b>129,658</b>
Trade receivables	8,166	0	8,166	0	0	8,166	8,166
Tax receivables	1,343	1,343	0	0	0	0	0
Receivables and other assets	5,384	3,932	1,452	0	0	1,452	1,452
Cash and cash equivalents	364,973	0	364,973	0	0	364,973	364,973
<b>Total short-term</b>	<b>379,866</b>	<b>5,275</b>	<b>374,591</b>	<b>0</b>	<b>0</b>	<b>374,591</b>	<b>374,591</b>
<b>Total</b>	<b>509,524</b>	<b>5,275</b>	<b>469,023</b>	<b>-40</b>	<b>35,266</b>	<b>504,249</b>	<b>504,249</b>

Liabilities as per balance sheet (EUR k) as of Dec. 31, 2022	Carrying amount	Nonfinancial liabilities	Financial liabilities			
			At amortized costs	Total	Fair value	
Ltd. equity of noncontrolling interests	120,959	0	120,959	120,959	120,959	
Long-term loans	2,026,290	0	2,026,290	2,026,290	1,830,258	
Other liabilities	13,363	0	13,363	13,363	13,363	
<b>Total long-term</b>	<b>2,160,612</b>	<b>0</b>	<b>2,160,612</b>	<b>2,160,612</b>	<b>1,964,580</b>	
Ltd. equity of noncontrolling interests	21	0	21	21	21	
Short-term loans	372,142	0	372,142	372,142	358,736	
Trade payables	3,581	0	3,581	3,581	3,581	
Tax liabilities	2,188	2,188	0	0	0	
Other liabilities	51,224	4,130	47,094	47,094	47,094	
<b>Total short-term</b>	<b>429,156</b>	<b>6,318</b>	<b>422,838</b>	<b>422,838</b>	<b>409,432</b>	
<b>Total</b>	<b>2,589,768</b>	<b>6,318</b>	<b>2,583,450</b>	<b>2,583,450</b>	<b>2,374,012</b>	

## Consolidated Financial Statements

Assets as per balance sheet (EUR k) as of Dec. 31, 2021	Carrying amount	Nonfinancial assets	Financial assets			
			At amortized costs	Fair value through p/l	Total	Fair value
Financial assets	39,185	0	38,941	321	39,262	39,262
<b>Total long-term</b>	<b>39,185</b>	<b>0</b>	<b>38,941</b>	<b>321</b>	<b>39,262</b>	<b>39,262</b>
Trade receivables	3,922	0	3,922	0	3,922	3,922
Tax receivables	1,289	1,289	0	0	0	0
Receivables and other assets	4,258	3,622	636	0	636	636
Cash and cash equivalents	313,684	0	313,684	0	313,684	313,684
<b>Total short-term</b>	<b>323,153</b>	<b>4,911</b>	<b>318,242</b>	<b>0</b>	<b>318,242</b>	<b>318,242</b>
<b>Total</b>	<b>362,338</b>	<b>4,911</b>	<b>357,183</b>	<b>321</b>	<b>357,504</b>	<b>357,504</b>

Liabilities as per balance sheet (EUR k) as of Dec. 31, 2021	Carrying amount	Nonfinancial liabilities	Financial liabilities		
			At amortized costs	Total	Fair value
Ltd. equity of noncontrolling interests	69,798	0	69,798	69,798	69,798
Long-term loans	1,697,605	0	1,697,605	1,697,605	1,729,207
Other liabilities	14,369	0	14,369	14,369	14,369
<b>Total long-term</b>	<b>1,781,772</b>	<b>0</b>	<b>1,781,772</b>	<b>1,781,772</b>	<b>1,813,374</b>
Ltd. equity of noncontrolling interests	15	0	15	15	15
Short-term loans	19,594	0	19,594	19,594	19,594
Trade payables	3,487	0	3,487	3,487	3,487
Tax liabilities	4,525	4,525	0	0	0
Other liabilities	52,331	5,204	47,127	47,127	47,127
<b>Total short-term</b>	<b>79,952</b>	<b>9,729</b>	<b>70,223</b>	<b>70,223</b>	<b>70,223</b>
<b>Total</b>	<b>1,861,724</b>	<b>9,729</b>	<b>1,851,995</b>	<b>1,851,995</b>	<b>1,883,597</b>

All of the Group's financial instruments recognized at fair value, with the exception of the corporate bonds, were measured using the Level 2 valuation method.

The disclosures in the notes on the market values of the corporate bonds were based on quoted market prices and were therefore evaluated according to Level 1.

## 15. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Between the balance sheet date and the completion of these consolidated financial statements, there were no more significant transactions or events.

## 16. UTILIZATION OF EXEMPTING PROVISIONS

Certain subsidiaries, which have been included in the consolidated financial statements of alstria office REIT-AG have made use of the exemption from the obligation to prepare annual financial statements in accordance with the provisions applicable to corporations and certain commercial partnerships pursuant to Section 264b HGB. An overview of the companies that made use of the exemption can be found in the table in Note 2.2.2.

## 17. DISCLOSURES PURSUANT TO THE WERTPAPIERHANDELSGESETZ [GERMAN SECURITIES TRADING ACT] AND EUROPEAN MARKET ABUSE REGULATION [MAR]

### 17.1. Ad hoc announcements

The following table summarizes the announcements pursuant to Art. 17 MAR, as published by the Company during the reporting period:

Date	Topic
Jan 12, 2022	Voluntary public takeover offer to the shareholders of alstria by Brookfield
Feb 24, 2022	Management Board resolves to propose the appropriation of a dividend in the amount of EUR 0.04 per dividend entitled share (2020: EUR 0.53)
April 8, 2022	alstria intends to take up debts in the amount of presumably up to EUR 850 million, expected proceeds shall be used to return approximately EUR 1 billion of capital to the shareholders
July 15, 2022	Conclusion of a EUR 500 million loan agreement and use of proceeds for a special dividend payment of approx. EUR 500 million
Aug 8, 2022	Management Board increases the special dividend proposal to EUR 550 million
Aug 30, 2022	Management Board further increases the special dividend proposal to EUR 750 million
Jan 10, 2023	Portfolio valuation as per December 31, 2022 of EUR 4.6 bn

## Consolidated Financial Statements

### 17.2. Directors' dealings

The following transactions regarding the shares of the Company (ISIN DE000A0LD2U1) have been reported to the Company during the reporting period pursuant to Art. 19 MAR:

Name of person subject to the disclosure requirement	Function	Transaction	Place	Transaction date	Price per share in EUR	Volume in EUR
Marianne Voigt	Member of the Supervisory Board	Tendering <sup>1)</sup>	Outside a trading venue	Jan 31, 2022 UTC + 1	19.50	167,700.00

Aggregated information for the transactions by Ms. Voigt on Jan 31, 2022:  
Average weighted share price: EUR 19.50; aggregated volume: EUR 167,700.00

<sup>1)</sup>Tendering of shares in the framework of the voluntary public take over offer from Alexandrite Lake Lux Holdings S.à r.l. in December 2021; pursuant to the conditions of the offer the settlement took place on January 31, 2022.

Name of person subject to the disclosure requirement	Function	Transaction	Place	Transaction date	Price per share in EUR	Volume in EUR
Richard Mully	Member of the Supervisory Board	Tendering <sup>1)</sup>	Outside a trading venue	Jan 31, 2022 UTC + 0	19.50	390,000.00

Aggregated information for the transactions by Mr. Mully on Jan 31, 2022:  
Average weighted share price: EUR 19.50; aggregated volume: EUR 390,000.00

<sup>1)</sup>Tendering of shares in the framework of the voluntary public take over offer from Alexandrite Lake Lux Holdings S.à r.l. in December 2021; pursuant to the conditions of the offer the settlement took place on January 31, 2022.

Name of person subject to the disclosure requirement	Function	Transaction	Place	Transaction date	Price per share in EUR	Volume in EUR
Dr. Johannes Conradi	Chairman of the Supervisory Board	Tendering <sup>1)</sup>	Outside a trading venue	Jan 31, 2022 UTC + 1	19.50	1,170,000.00

Aggregated information for the transactions by Mr. Conradi on Jan 31, 2022:  
Average weighted share price: EUR 19.50; aggregated volume: EUR 1,170,000.00

<sup>1)</sup>Tendering of shares in the framework of the voluntary public take over offer from Alexandrite Lake Lux Holdings S.à r.l. in December 2021; pursuant to the conditions of the offer the settlement took place on January 31, 2022.

Name of person subject to the disclosure requirement	Function	Transaction	Place	Transaction date	Price per share in EUR	Volume in EUR
Benoît Hérault	Member of the Supervisory Board	Tendering <sup>1)</sup>	Outside a trading venue	Jan 31, 2022 UTC + 1	19.50	180,375.00

Aggregated information for the transactions by Mr. Hérault on Jan 31, 2022:  
Average weighted share price: EUR 19.50; aggregated volume: EUR 180,375.00

<sup>1)</sup>Tendering of shares in the framework of the voluntary public take over offer from Alexandrite Lake Lux Holdings S.à r.l. in December 2021; pursuant to the conditions of the offer the settlement took place on January 31, 2022.

Name of person subject to the disclosure requirement	Function	Transaction	Place	Transaction date	Price per share in EUR	Volume in EUR
Alexander Dexne	CFO	Tendering <sup>1)</sup>	Outside a trading venue	Jan 31, 2022 UTC + 1	19.50	542,100.00

Aggregated information for the transactions by Mr. Dexne on Jan 31, 2022:  
Average weighted share price: EUR 19.50; aggregated volume: EUR 542,100.00

<sup>1)</sup>Tendering of shares in the framework of the voluntary public take over offer from Alexandrite Lake Lux Holdings S.à r.l. in December 2021; pursuant to the conditions of the offer the settlement took place on January 31, 2022.

Name of person subject to the disclosure requirement	Function	Transaction	Place	Transaction date	Price per share in EUR	Volume in EUR
Olivier Elamine	CEO	Tendering <sup>1)</sup>	Outside a trading venue	Jan 31, 2022 UTC + 1	19.50	1,347,703.50

Aggregated information for the transactions by Mr. Elamine on Jan 31, 2022:  
Average weighted share price: EUR 19.50; aggregated volume: EUR 1,347,703.50

### 17.3. Voting right notifications

Below is information according to Section 160 para. 1 No. 8 German Stock Corporation Act (AktG): The following table shows shareholdings in the Company that were in place until the date of the preparation of the financial statements, were communicated to us pursuant to Section 33 para. 1 WpHG, and have been published pursuant to Section 40 para. 1 WpHG. Moreover, the table contains such notifications on no longer existing shareholdings published during the reporting period.

No.	Shareholders, registered office	Voting rights (new) (%) <sup>1)</sup>	Amount of shares	Date of change	Attribution of voting rights	Contains 3 % or more of voting rights from
1	DWS Investment GmbH, Frankfurt, Germany	2.78	4.958.004	Jan 10, 2022	Yes	-
2	The Goldman Sachs Group, Inc. Wilmington, DE, USA	2.84 <sup>1)</sup>	5.060.820	Jan 12, 2022	Yes	-
3	SAS Rue la Boétie, Paris, France	0.56	989.070	Jan 31, 2022	Yes	-
4	BlackRock Inc., Wilmington, Delaware, USA	2.59 <sup>2)</sup>	4.613.770	Feb 10, 2022	Yes	-
5	Brookfield Asset Management Inc., Toronto, Canada	95.11	169.328.485	Feb 17, 2022	Yes	Lapis Luxembourg Holdings S.à r.l. (10.23%), Alexandrite Lake Lux Holdings S.à r.l. (83.14%)

<sup>1)</sup> Percentage as per date of change. Current percentage in voting rights can deviate, e. g., due to changes in the share capital of the issuer.

<sup>2)</sup> Contains 0.57 % financial instruments pursuant to Sec. 38 para. 1 No. 1 WpHG (corresponds to 3,013,087 voting rights).

<sup>3)</sup> Contains 0.04 % financial instruments pursuant to Sec. 38 para. 1 No. 1 and No. 2 WpHG (corresponds to 71,552 voting rights).

The Company did not receive any notifications pursuant to Section 20 para. 1 and 4 AktG or pursuant to Section 33 para. 2 WpHG during the reporting period.

### 18. DECLARATION OF COMPLIANCE PURSUANT TO AKTG SECTION 161

The Management Board and the Supervisory Board have submitted the declaration of compliance required by AktG Section 161 with respect to the recommendations of the German Corporate Governance Code as developed by a government commission. It is permanently available to the public on alstria office REIT-AG's website ([www.alstria.com](http://www.alstria.com)) and is included in the Group's declaration of corporate management according to HGB Section 315d.



## 19. AUDITORS' FEES

On June 10, 2022, the General Meeting elected Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Dammtorstraße 12, Hamburg auditor of the separate and consolidated financial statements for the 2021 financial year. The fees totaled EUR 541 k in 2021. They were structured as follows:

Auditors' fees in EUR k	2022
Audit services	456
<i>thereof from previous year</i>	0
Other confirmation services	85
Tax advisory services	0
Other services	0
<b>Total</b>	<b>541</b>

The non-audit services in the 2022 business year, essentially relate to the review of quarterly reports and audit related advisory.

On September 2, 2021, the General Meeting elected KPMG Wirtschaftsprüfungsgesellschaft, Ludwig-Erhard-Strasse 11-17, Hamburg, auditor of the separate and consolidated financial statements for the 2022 financial year. The fees totaled EUR 564 k in 2021. They were structured as follows:

Auditors' fees in EUR k	2021
Audit services	525
<i>thereof from previous year</i>	-5
Other confirmation services	28
Tax advisory services	0
Other services	11
<b>Total</b>	<b>564</b>

The non-audit services in the 2021 business year essentially relate to the review of the sustainability report, the review of quarterly reports and audit related advisory.

Annika Deutsch is the professionally qualified auditor in charge of the financial statements for alstria office REIT-AG and the Group. She first assumed this position in fiscal year 2022.

## 20. MANAGEMENT BOARD

During the financial year, the Company's members of the Management Board were:

<b>Olivier Elamine</b>	<b>Hamburg, Germany</b> COIMA RES S.p.A. SIIQ Urban Campus Group SAS	<b>CEO of the Company</b> Non-Executive Director Member of the Advisory Board
<b>Alexander Dexne</b> Left alstria's Management board on December 31, 2022	<b>Hamburg, Germany</b>  International School of Management (ISM), Hamburg	<b>CFO of the Company</b>  Lecturer

The remuneration report details the principles used to define the remuneration of the Management Board and Supervisory Board.

## 21. SUPERVISORY BOARD

Pursuant to the Company's Articles of Association (Section 9), the Supervisory Board consists of six members who are elected at the General Meeting of the shareholders.

During the 2022 financial year, the members of the Supervisory Board and their membership in supervisory boards of German companies or comparable German or foreign controlling committees of commercial enterprises were as follows:

<p><b>Brad Hyler</b> <b>Chair</b> Joined alstria's Supervisory Board on March 1, 2022</p>	<p><b>London, United Kingdom</b></p> <p>Edyn Apart Hotels (Brookfield group) Experimental Group (Brookfield group) Temprano Capital (Brookfield group) Student Roost (Brookfield group)</p>	<p><b>Managing Partner, Brookfield Asset Management</b></p> <p>Member of the Board of Directors (non-executive) Member of the Board of Directors (non-executive) Member of the Board of Directors (non-executive) Member of the Board of Directors (non-executive)</p>
<p><b>Jan Sucharda</b> <b>Vice-Chair</b> Joined alstria's Supervisory Board on March 1, 2022</p>	<p><b>Toronto, Canada</b></p> <p>Canary Wharf Group Investment Holding plc</p>	<p><b>Managing Partner, Brookfield Property Group</b></p> <p>Director (non-executive)</p>
<p><b>Dr. Johannes Conradi</b> <b>Chair</b> Left alstria's supervisory board on Feb 28, 2022</p>	<p><b>Hamburg, Germany</b></p> <p>Elbphilharmonie und Laeiszhalle Betriebsgesellschaft mbH Flughafen Hamburg GmbH HamburgMusik gGmbH</p>	<p><b>Lawyer and Partner, Freshfields Bruckhaus Deringer PartGmbH</b></p> <p>Member of the Advisory Board Member of the Supervisory Board Member of the Supervisory Board</p>
<p><b>Richard Mully</b> <b>Vice-Chair</b> Left alstria's supervisory board on Feb 28, 2022</p>	<p><b>Cobham (Surrey), United Kingdom</b></p> <p>Great Portland Estates plc, UK</p>	<p><b>Director, Starr Street Limited</b></p> <p>Non-Executive Chair</p>
<p><b>Benoît Hérault</b> Left alstria's supervisory board on Feb 28, 2022</p>	<p><b>Uzès, France</b></p>	<p><b>CEO, Elaia Investement Spain, SOCIMI, S.A. (Batipart Group), Spain</b></p>

## Consolidated Financial Statements

	Batipart Immo Long Terme, Luxemburg (Batipart Group)	Independent Director
<b>Dr. Frank Pörschke</b>	<b>Hamburg, Germany</b>	<b>CEO, P3 Logistic Parks s.r.o. (GIC group), Czech Republik</b>
	Aug. Prien Bauunternehmung (GmbH & Co. KG)	Member of the Supervisory Board
<b>Elisabeth Stheeman</b>	<b>Walton-On-Thames (Surrey), United Kingdom</b>	<b>Supervisory Board member in various companies</b>
Until Aug 31, 2022	Aareal Bank AG	Member of the Supervisory Board
	Edinburgh Investment Trust PLC, UK	Chair of the Board of Directors (non-executive)
Since Dec 8, 2022	W. P. Carey Inc.	Member of the Board of Directors (non-executive)
<b>Marianne Voigt</b>	<b>Berlin, Germany</b>	<b>Managing Director, bettermarks GmbH</b>
Left alstria's supervisory board on Feb 28, 2022		
	BDO AG Wirtschaftsprüfungs- gesellschaft	Member of the Supervisory Board
	DISQ Deutsches Institut für Service- Qualität GmbH & Co. KG	Member of the Advisory Board
<b>Karl Wambach</b>	<b>Berlin, Germany</b>	<b>Managing Director, Brookfield Deutschland</b>
Joined alstria's Supervisory Board on March 1, 2022		
<b>Becky Worthington</b>	<b>Berkshire, United Kingdom</b>	<b>Chief Financial Officer, Canary Wharf Group</b>
Joined alstria's Supervisory Board on March 1, 2022		

Hamburg, February 27, 2023

**alstria office REIT-AG**

The Management Board

**Olivier Elamine**

CEO

## C. RESPONSIBILITY STATEMENT

To the best of our knowledge, I confirm that, in accordance with the applicable reporting principles, the Consolidated Financial Statements for 2022 give a true and fair view of the Group's assets, liabilities, financial position and profit or loss, and that the Group Management Report 2022, which has been combined with the Management Report for alstria office REIT-AG, includes a fair review of the business's development and performance and the Group's position, together with a description of the principal opportunities and risks associated with the Group's expected development.

Hamburg, February 27, 2023

**alstria office REIT-AG**

The Management Board

**Olivier Elamine**

CEO

## D. INDEPENDENT AUDITOR'S REPORT

To alstria office REIT-AG, Hamburg

### I. REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

#### 1. OPINIONS

We have audited the consolidated financial statements of alstria office REIT-AG, Hamburg/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at December 31, 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the parent and the group of alstria office REIT-AG, Hamburg/Germany, for the financial year from January 1 to December 31, 2022. In accordance with German legal requirements, we have not audited the content of the consolidated corporate governance statement pursuant to Section 315d German Commercial Code (HGB), which is combined with the corporate governance statement pursuant to Section 289f HGB and included in section "IX.1 Consolidated corporate governance statement of the Group and alstria AG pursuant to Sections 289f and 315d HGB" referenced in the combined management report, of the sustainability report referenced in section "VI. Sustainability Report" of the combined management report, of the core components of alstria's sustainability strategy presented in this section and of the executive directors' statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included in section "V.1.2 Internal control system" of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2022 and of its financial performance for the financial year from January 1 to December 31, 2022, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the consolidated corporate governance statement, which is combined with the corporate governance statement, of the

## Independent Auditor's Report

sustainability report, of section “VI. Sustainability report” and of the executive directors’ statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included in section V.1.2.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

### 2. BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

### 3. KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the measurement of investment properties, which we have determined to be a key audit matter in the course of our audit:

Our presentation of this key audit matter has been structured as follows:

- a) description (including reference to corresponding information in the consolidated financial statements and in the combined management report)
- b) auditor’s response

### Measurement of investment properties

a) Investment property of EUR 4,606.8 million is disclosed in the consolidated financial statements of alstria office REIT-AG as at 31 December 2022. The share of this item in the balance sheet total amounts to a total of 89.2% and thus has a material influence on the Group's assets and liabilities. alstria office REIT-AG measures the investment property at fair value. In the financial year 2022, a total loss from measurement at fair value of EUR 173.8 million was recognized in the consolidated statement of profit and loss. For the first time, the investment property was measured at fair values in accordance with the discounted cash flow method. The measurement date was December 31, 2022. The fair values were determined by the accredited, external expert Savills Advisory Services Germany GmbH & Co. KG, Frankfurt am Main/Germany. Next to the actual data provided by the Parent, which include, for example, the lettable area, vacancy, scheduled maintenance or modernization measures and the actual rent, further measurement-related assumptions are taken into account in determining the fair values of the properties. These assumptions are subject to significant estimation uncertainties and judgment.

Even minor changes in the assumptions relevant for the measurement can lead to material changes in the fair values resulting from the computation. The main measurement assumptions for the measurement of investment properties are current and future market rents as well as capitalization and discount rates. Against this backdrop, and due to the complexity of the valuation model, this subject was of particular importance within the context of our audit.

The disclosures of the executive directors regarding the measurement of investment properties are included in sections 2.4.2 and 2.4.3 of the notes to the consolidated financial statements.

b) As part of our audit, we gained an understanding of the process for measuring property assets, examined the internal control system that was in place to assess the fair values determined by the external expert and performed a test of the design and implementation, and operating effectiveness of implemented controls relevant for the audit. We made a critical assessment of the competence, capabilities and objectivity of the external expert. Together with our own internal real estate valuation experts, we examined the conformity of the valuation technique applied with IAS 40, in conjunction with IFRS 13, and made sample on-site visits, held critical discussions with the external expert and checked the calculation logic supporting the values that had been determined in the expert report. We checked the input parameters used in the measurement process by reference to underlying contractual data or - to the extent that they were based on assumptions and estimates - assessed their appropriateness with regard to the methods, assumptions and data used by the Parent, also based on available market data.



## Independent Auditor's Report

In addition, we audited the completeness and accuracy of the disclosures made in the notes to the consolidated financial statements in accordance with IAS 40 and IFRS 13.

### 4. OTHER INFORMATION

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the consolidated corporate governance statement pursuant to Section 315d HGB, which is combined with the corporate governance statement pursuant to Section 289f HGB and included in section "IX.1 Consolidated corporate governance statement of the Group and alstria AG pursuant to Sections 289f and 315d HGB" referenced in the combined management report,
- the separate sustainability report referenced in section "VI. Sustainability Report" of the combined management report,
- section "VI: Sustainability report" of the combined management report,
- the executive directors' statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included in section "V.1.2 Internal control system" of the combined management report,
- the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG)
- the executive directors' confirmation regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 HGB and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the combined management report and not our auditor's report thereon, not the declaration of the executive board regarding the compliance with the requirements under Sections 11 to 15 German REIT Act and regarding the composition of income previously taxed and not previously taxed pursuant to Section 19 (3) in conjunction with Section 19a German REIT Act ("REIT declaration") and not our auditor's memorandum pursuant to Section 1 (4) German REIT Act ("auditor's memorandum").

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement pursuant to Section 161 AktG concerning the German Corporate Governance Code, which is part of the consolidated corporate governance statement combined with the corporate governance statement, as well as for the remuneration report pursuant to Sec. 162 AktG. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

## Independent Auditor's Report

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### **5. RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COM-BINED MANAGEMENT REPORT**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

### **6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

## Independent Auditor's Report

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

## Independent Auditor's Report

We communicate with those charged with governance 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 provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

## II. OTHER LEGAL AND REGULATORY REQUIREMENTS

### **Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB**

#### **Audit Opinion**

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 8F1E736662DD3A9CED029A0C49DFC3315264E9C0E763D4BDCA487B84A775A462, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

### **Basis for the Audit Opinion**

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

### **Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### **Group Auditor's Responsibilities for the Audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

## Independent Auditor's Report

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

### **Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as Group auditor by the general meeting on June 10, 2022. We were engaged by the supervisory board on June 13, 2022. We have been the group auditor of alstria office REIT-AG, Hamburg/Germany, since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### III. OTHER MATTER - USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audit-ed combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format - including the versions to be submitted for inclusion in the Company Register - are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

### IV. GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Annika Deutsch.

Hamburg, February 27, 2023

**Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

**Annika Deutsch**  
Wirtschaftsprüferin  
[German Public Auditor]

**Maximilian Freiherr v. Perger**  
Wirtschaftsprüfer  
[German Public Auditor]



## **E. REPORT OF THE SUPERVISORY BOARD**

**Dear shareholders,**

In this report, we explain the Supervisory Board's monitoring of and consultation with the Management Board, the key issues discussed by the full Supervisory Board and its committees and the audit of the annual and consolidated financial statements for the reviewed year 2022.

### **I. FOCUS OF THE DISCUSSION**

The main topics discussed by the Supervisory Board and its committees in the 2022 financial year were the acquisition by Alexandrite Lake Lux Holdings S.à r.l. (Bidder), a company indirectly controlled by Brookfield, of more than 95% of alstria's shares (Takeover), the development of the Company's real estate portfolio and the review of the Company's capital structure. Further main topics have been the adjustment of the Company's corporate governance structure to the new post Takeover shareholding structure, such as the changes in the Supervisory Board's composition and the adjustment of the Management Board's remuneration system.

### **II. MONITORING AND ADVISING THE COMPANY'S MANAGEMENT**

In the 2022 reporting year, we performed the duties incumbent on us under the law and under the articles of association, we advised the Company's Management Board, and we monitored its management. Based on the Management Board's reports, we thoroughly discussed business development as well as decisions and events of importance to the group. The Supervisory Board was intensively involved in the Company's fundamental decisions. The Management and Supervisory Boards discussed in detail all measures that required approval. To the extent provided by law, by the articles of association, or by the rules of procedure, the Supervisory Board voted based on thorough examination and consultation.

At Supervisory Board and committee meetings, the Management Board regularly informed the Supervisory Board, in a timely and comprehensive manner, about the Company's business development, financial situation, planning, important business transactions, risk situation, risk management and compliance. The Supervisory Board also met regularly without the Management Board. The Management Board informed the Supervisory Board between meetings about the development of the real estate portfolio, rental activities and important events. The chairmen of the Supervisory and Management Boards held regular informative and advisory meetings.

### III. BOARD MEMBERS

After the change of control occurred in the course of the Takeover in January 2022, the members of the Supervisory Board Dr Johannes Conradi (chair), Richard Mully (deputy chair), Benoît Hérault and Marianne Voigt resigned from their offices effective end of February 28, 2022. The resignations were made in accordance with the provisions of the investment agreement with the bidder in the context of the Takeover. As successors, in the first place the court appointed, and later the 2022 annual general meeting elected, Brad Hyler, Jan Sucharda, Becky Worthington and Karl Wambach to the Supervisory Board.

Following the changes in the Supervisory Board's composition, the number of permanent committees has been reduced from four to two (Audit Committee and Nomination and Remuneration Committee) in order to reduce complexity. The matters which had formerly been discussed in the terminated committees are now being included in the agenda of the Supervisory Board in plenary session. On March 21, 2022 a Special Committee Finance has been set up in order to approve of financing instruments.

In the year 2022, the Supervisory Board and its committees comprised the following members:

Supervisory Board member	Audit Committee	Nomination & Remuneration Committee	Finance & Investment Committee <sup>1)</sup>	ESG Committee <sup>1)</sup>	Special Committee Finance <sup>2)</sup>
Brad Hyler <sup>3)</sup> (chair)	Member	Chair	-	-	Chair
Jan Sucharda <sup>3)</sup> (deputy chair)	-	Member	-	-	Member
Dr Frank Pörschke	Member	-	Member	-	-
Elisabeth Stheeman	-	Member	Member	-	-
Karl Wambach <sup>3)</sup>	-	-	-	-	-
Becky Worthington <sup>3)</sup>	Chair	-	-	-	Member
Dr Johannes Conradi (chair) <sup>4)</sup>	-	Chair	-	Chair	-
Richard Mully (deputy chair) <sup>4)</sup>	-	-	Chair	Member	-
Benoît Hérault <sup>4)</sup>	Member	Member	-	-	-
Marianne Voigt <sup>4)</sup>	Chair	-	-	Member	-

<sup>1)</sup> Until March 21, 2022

<sup>2)</sup> From March 21 to December 31, 2022

<sup>3)</sup> Since March 1, 2022

<sup>4)</sup> Until February 28, 2022

In December 2022, the Supervisory Board last updated the profile for the Supervisory Board with concrete objectives regarding the composition of the board, including the competencies represented on the board and its diversity (Profile for the Supervisory Board), as presented in the Company's Corporate Governance Statement on pages 175 to 192 of the annual report and reviewed its implementation status. Currently, the composition of the Supervisory Board meets these objectives. The Profile for the Supervisory Board is complete.

The Company has set up an onboarding process and supports new Supervisory Board members' inauguration by familiarizing them with the people involved, the rules and the regulations of the Company and the Supervisory Board's working methods. In 2022, the Company completed an

## Report of the Supervisory Board

onboarding process for four new Supervisory Board members. In addition, the Company supports Supervisory Board members' training measures with regular internal training courses, especially with regular updates on the legal framework. In the 2022 financial year, these training sessions were part of the onboarding process for the new Supervisory Board members which also included property tours. No conflicts of interest occurred in the past financial year for members of the Supervisory or Management Boards. All Supervisory Board members are independent from the Company and its Management Board. All Supervisory Board members are independent from the controlling shareholder except for Brad Hyler, Jan Sucharda and Karl Wambach.

### IV. MEETINGS OF THE SUPERVISORY BOARD

The full Supervisory Board held five meetings in the 2022 financial year. Based on detailed documents, we also made eight decisions via circular resolution. In the 2023 financial year, one additional meeting of the full Supervisory Board and one circular resolution have taken place before this report's completion. In the reporting year, the Supervisory Board held physical meetings while offering the possibility for guests to join via video conference.

At its meetings the Supervisory Board discussed the Company's financial results (the interim quarterly and half-year financial reports and the annual and consolidated financial statements) as well as the Company's situation, development, course of business and market situation with the Management Board. Committee chairs reported on the committees' work.

In February 2022, the Supervisory Board, via electronic communication, decided on the Corporate Governance Statement which is submitted jointly with the Management Board as well as on the remuneration report for financial year 2021. At the meeting in February 2022, the Supervisory Board addressed the annual and consolidated financial statements as of December 31, 2021, and the consolidated management report and discussed these reports with the auditor. The Supervisory Board approved the annual financial statements for alstria office REIT-AG and its consolidated financial statements as of December 31, 2021 and agreed with the Management Board's proposal to appropriate the annual net profit for the 2021 financial year. The Supervisory Board discussed with the Management Board the status of the Takeover, approved a financing agreement and discussed the variable remuneration for the Management Board members.

In March 2022, the Supervisory Board held its first meeting after the judicial appointment of the new Supervisory Board members and resolved on the new Supervisory Board set-up by appointing a chair and deputy-chair, reducing the number of permanent committees from four to two and revising the rules of procedure for Supervisory Board and the profiles for Supervisory and Management Boards. The Supervisory Board resolved on a new term of office for the CEO starting in January 2023, based on the existing management board service agreement. In April 2022, the Supervisory Board resolved on the new Management Board remuneration system 2022, reflecting the new shareholding structure,

## Report of the Supervisory Board

on the virtual format and recommendations for resolution to the annual general meeting 2022 and on a corporate governance declaration pursuant to section 161 German Stock Corporation Act (AktG).

In June 2022, the Supervisory Board resolved on further investments into the Company's real estate portfolio and on new leases. After the annual general meeting in June 2022 had approved the new Management Board Remuneration System 2022, the Supervisory Board implemented this system by updating the management board service agreements and settling the outstanding tranches of the old long term incentive plan. Furthermore, the Supervisory Board approved new financings agreements and asset disposals. Over summer the Supervisory Board resolved by way of written circular resolutions on the virtual format and recommendations for resolution of an extraordinary general meeting and approved of financing agreements.

At the meetings in autumn 2022, the Management and Supervisory Boards discussed the Company's largest properties and related development projects. The Supervisory Board resolved on the Company's budget and business plan for the 2023 financial year, the adjustment of the profile for the Supervisory Board and of the rules of procedures for the Supervisory Board, its committees and the Management Board, approved a new financing agreement and made editorial amendments to the Company's articles of association to reflect a capital increase from conditional capital: Approximately 260,000 new shares were issued to Company employees under the Company's employee participation plan. By way of electronic communication, the Supervisory Board dealt with the performance targets for the Management Board's variable remuneration elements for financial year 2023.

In February 2023, the Supervisory Board passed a resolution via electronic communication on the corporate governance statement and on the remuneration report for the 2022 financial year. At the balance sheet meeting in February 2023, the Supervisory Board dealt with the annual and consolidated financial statements as of December 31, 2022 and with the Management Board's proposal for appropriating profits for the 2022 financial year.

## Report of the Supervisory Board

### Attendance of Supervisory Board members at meetings

Supervisory Board members attended all meetings of the Supervisory Board in the 2022 financial year.

Attendance at meetings*	Total number of meetings: attended /during office term	Number of physical meetings	Number of meetings via video conference	Participation in %
<b>Full Supervisory Board</b>	<b>5</b>	<b>5</b>	<b>0</b>	
Brad Hyler (chair)	4/4			100
Jan Sucharda (deputy chair)	4/4			100
Dr Frank Pörschke	5/5			100
Elisabeth Stheeman	5/5			100
Karl Wambach	4/4			100
Becky Worthington	4/4			100
Dr Johannes Conradi	1/1			100
Richard Mully	1/1			100
Benoît Hérault	1/1			100
Marianne Voigt	1/1			100
<b>Audit Committee</b>	<b>6</b>	<b>3</b>	<b>3</b>	
Becky Worthington (chair)	4/4			100
Brad Hyler	4/4			100
Dr Frank Pörschke	6/6			100
Marianne Voigt	2/2			100
Benoît Hérault	2/2			100
<b>Nomination and Remuneration Committee</b>	<b>2</b>	<b>1</b>	<b>1</b>	
Brad Hyler (chair)	1/1			100
Jan Sucharda	1/1			100
Elisabeth Stheeman	2/2			100
Dr Johannes Conradi	1/1			100
Benoît Hérault	1/1			100
<b>Finance and Investment Committee</b>	<b>1</b>		<b>1</b>	
Richard Mully (chair)	1/1			100
Dr Frank Pörschke	1/1			100
Elisabeth Stheeman	1/1			100
<b>ESG Committee</b>	<b>1</b>	<b>1</b>		
Dr Johannes Conradi (chair)	1/1			100
Richard Mjully	1/1			100
Marianne Voigt	1/1			100
<b>Special Committee Finance</b>	<b>1</b>		<b>1</b>	
Richard Mully (chair)	1/1			100
Jan Sucharda	1/1			100
Becky Worthington	1/1			100
<b>Total</b>				<b>100</b>

\* Participation in a meeting can also be via telephone or video conference

## V. COMMITTEES OF THE SUPERVISORY BOARD

The six-member Supervisory Board established two (four at the beginning of the 2022 financial year) standing committees to support its work and staffed each of them with three members. The committees prepared some of the Supervisory Board's resolution via resolution recommendations; in some cases, decision-making powers were delegated to the committees to the extent permitted by law. Information regarding the number and format of committee meetings can be found in the table above. The main topics discussed in the Supervisory Board's committees in financial year 2022 are described below:

### 1. AUDIT COMMITTEE

At the beginning of the reporting year, the Audit Committee thoroughly dealt with the property valuation as of December 31, 2021. The Audit Committee discussed the annual financial statements, the consolidated financial statements as of December 31, 2021, and the consolidated management report as part of the audit of the financial statements. They discussed the documents with the auditors, conducted a preliminary review of the annual and consolidated financial statements and of the Management Board's proposal for the appropriation of profits and submitted corresponding resolution proposals to the full Supervisory Board. The Audit Committee dealt with the auditor's report in accordance with Section 1 para. 4 of the REIT Act, dealt with the audit quality, handled the non-auditing services provided by the auditors in the 2022 financial year and approved certain non-auditing services by the auditors for the 2023 financial year. In the summer, the Audit Committee dealt with the half-year financial report issued as of June 30, 2022 prior to publication and discussed this with the auditor. The Company's risk situation was discussed regularly. Other topics included a tender process for the audit services for the 2022 financial year, the audit of the auditor's independence and the appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, (Deloitte) as auditor. Besides the audit results, the Audit Committee discussed with the auditor the audit risk assessment, the audit strategy and audit planning. The chair of the Audit Committee discussed the progress of the audit with the auditor and reported thereon to the committee. The committee discussed with the Management Board the accounting, the accounting process, the risk management system, the material risks identified, the effectiveness of the internal control and audit system and alstria's compliance system. The Audit Committee also discussed the internal audit's results for the 2022 financial year with the external auditors from Price Waterhouse Coopers. The Management Board attended all of the meetings of the Audit Committee; however, when the Audit Committee consulted with the auditor on his reports, this was done in the absence of the Management Board. The division heads of Accounting & Reporting and Finance as well as the Compliance Officer, the auditors and the external auditors for the internal audit also participated in some of the Audit Committee's meetings.

## 2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee dealt with the adjustment of the Management Board remuneration system to the post Takeover shareholding structure. The committee also dealt with the regular issues of Management Board remuneration and, in particular, prepared the remuneration report for the 2021 financial year and deliberated on the achievement of targets for the variable remuneration for the Management Board's members, also taking into account their individual performance in each case. They also submitted corresponding resolution proposals to the full Supervisory Board. They reviewed the Management and Supervisory Board's composition and succession planning and recommended reappointing the CEO for another term of office and electing new Supervisory Board members. The profiles for the Management and the Supervisory Boards with the criteria for the composition of both bodies were further developed by the Nomination and Remuneration Committee in the reporting year and the committee recommended their adaptation to the Supervisory Board. The external remuneration experts participated in some of the Nomination and Remuneration Committee's meetings.

## 3. FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee recommended approving a financing agreement to the Supervisory Board. An external legal consultant participated in the meeting.

## 4. ESG COMMITTEE

With the Management Board and the Company's Head of Sustainability & Future Research, the ESG Committee discussed the Company's sustainability report 2020/2021.

## 5. SPECIAL COMMITTEE FINANCE

In March 2022, the Supervisory Board established the Special Committee Finance, which consisted of the Supervisory Board members Brad Hylar as chair, Jan Sucharda and Becky Worthington and which was set up until December 31, 2022. The Special Committee Finance dealt with the potential of a corporate bond and approved a financing agreement.

## VI. AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, audited the annual financial statements and the management report of alstria office REIT-AG prepared by the Management Board as well as the consolidated financial statements for the fiscal year from January 1 to December 31, 2022 including the group management report and issued an unqualified audit opinion.

The annual financial statements of alstria office REIT-AG, the consolidated financial statements and the combined management report, the Management Board's proposal for the appropriation of the net income, as well as the auditor's reports, were made available to all Supervisory Board members immediately after their preparation. The Supervisory Board comprehensively reviewed the documents prepared by the Management Board in the Audit Committee and in the plenary session. At the Audit

## Report of the Supervisory Board

Committee meeting, the auditor reported on his audit's scope, the audit risk assessment, the focal points and main results (including the audit of the internal control and risk management system). The auditor addressed the particularly important audit issues (key audit matters) and the audit procedures and was available to answer questions. The Audit Committee prepared the audit by the Supervisory Board and dealt, in particular, with the key audit matters described in the auditor's report, including the audit procedures performed. The full Supervisory Board examined the annual financial statements and consolidated financial statements prepared by the Management Board, along with the combined management report and discussed the results of the audit with the auditor. No objections were raised following the final result of the Supervisory Board's examination. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The annual financial statements are thus deemed adopted. The Supervisory Board concurred with the Management Board's proposal for appropriating net profit.

Moreover, the Management Board presented the report on relations to affiliated companies pursuant to sec. 312 AktG to the Supervisory Board. Likewise, the auditor's report prepared thereto by Deloitte was presented to the Supervisory Board. Both reports were also communicated to each member of the Supervisory Board. The audit opinion of the auditor reads as follows:

"In regards to our duty bound audit and assessment, we certify that,

1. the actual details of the report are correct,
2. in regard to the legal transactions which are listed in the report, the services of the company have not been inadequately high or the disadvantages have been compensated,
3. there are no circumstances that would justify a materially different assessment of the measures listed in the report than that made by the Management Board."

The Supervisory Board also reviewed this report by the Management Board and has affirmatively taken note of the report prepared thereto by the auditor. In accordance with the final result of its own review, the Supervisory Board approves the statement of the Management Board regarding the report pursuant to sec. 312 para. 3 AktG.

The Supervisory Board thanks the Management Board and all employees for their extraordinary performance, which made it possible for alstria to look back on a successful financial year 2022.

Hamburg, February 2023

For the Supervisory Board

**Brad Hyler**

Chair of the Supervisory Board



## F. CORPORATE GOVERNANCE STATEMENT

In this statement, the Management Board and Supervisory Board of alstria office REIT-AG (“alstria” or “Company”) report on the corporate governance at the Company pursuant to Sections 289f and 315d of the German Commercial Code (*Handelsgesetzbuch*, HGB) and as prescribed in Principle 23 of the German Corporate Governance Code (“Code”).

### I. MANAGEMENT BOARD AND SUPERVISORY BOARD

The German stock corporation is legally required to have a dual management system, which provides a strict personnel and functional separation between the Management Board as the management body, and the Supervisory Board as the monitoring and advising body. Within this dual management system, the Management Board and Supervisory Board cooperate closely and faithfully in the Company’s interest.

#### 1. MANAGEMENT BOARD

The Management Board is responsible for managing the enterprise in its own best interests. In particular, the Management Board develops the enterprise’s strategy, coordinates it with the Supervisory Board and ensures its implementation. Furthermore, the Management Board ensures an appropriate internal control and risk management system as well as the observation of legal provisions and internal guidelines and works towards their observance in the enterprise (Compliance).

The Company’s Articles of Association stipulate that alstria’s Management Board consists of one or more members. The Supervisory Board appoints the members of the Management Board and determines their number.

Management Board members are jointly responsible for the management of the Company. Fundamental matters or financially significant material matters stipulated by law, by the Articles of Association or by the rules of procedure for the Management Board, are decided by the Management Board as a whole. Resolutions of the Management Board are passed by a simple majority, whereby a unanimous vote shall generally be sought.

Significant business transactions stipulated in the rules of procedure for the Management Board require the approval of the Supervisory Board. The Supervisory Board’s approval is required, for example, for the acquisition or disposal of real estate property and for the conclusion of new financing agreements with a consideration or volume of more than EUR 30 million, or for modernization measures not included in the budget approved by the Supervisory Board and exceeding a total annual amount of EUR 2 million. Furthermore, transactions with related parties pursuant to Section 111 b para.1 of the German Stock Corporation Act (*Aktiengesetz*, AktG) require the approval of the Supervisory Board.

The Management Board provides the Supervisory Board regularly and promptly with comprehensive information on all issues relevant to the Company and the Group relating to questions of the strategy, the development of the business and financial position of the Company, planning, material business

## Corporate Governance Statement

transactions as well as on the risk position, risk management and compliance of the Company. At least once a year, the Management Board reports on the planned business policy and on other fundamental issues of corporate planning for the Company and the Group. At least quarterly, the Management Board reports on the state of business, in particular sales revenues and income, material accounting indicators, REIT and EPRA indicators and the development of the net assets, financial position and results of operations. The work of the Management Board, the reporting and information obligations to the Supervisory Board and the transactions requiring Supervisory Board approval are detailed in the rules of procedure for the Management Board.

In financial year 2022, the Management Board of alstria office REIT-AG was composed of the following members:

<b>Member</b>		<b>Term of office (in years)</b>	<b>Appointed until</b>
Olivier Elamine	Chief Executive Officer	16	31.12.2027
Alexander Dexne	Chief Financial Officer	15	31.12.2022

Alexander Dexne's appointment as member of the Management Board ended at the close of December 31, 2022.

The Management Board's members are committed to the Company's interest and do not pursue personal interests in their decisions or take advantage of business opportunities to which the Company is entitled. They must immediately disclose any conflicts of interest to the Chair of the Supervisory Board. In particular, a member of the Management Board shall not directly compete with the Company through private real estate investments; real estate transactions between the Company and a member of the Management Board are forbidden. Major business transactions between the Company on the one hand and a Management Board member, related parties, companies or associations within the meaning of Section 111a AktG on the other hand, require the Supervisory Board's approval. All such transactions must be concluded under customary commercial conditions. A Management Board's member requires the Supervisory Board's approval to conduct secondary activities, particularly memberships in supervisory boards of companies not affiliated with the Group.

The members of alstria's Management Board had no conflicts of interest in the reporting period. There were also no agreements or transactions between the Company and members of the Management Board and related parties. With the approval of the Supervisory Board, Management Board members sit on boards of companies outside the Group. A list of the memberships of the Management Board members in supervisory boards of listed companies or companies with comparable requirements pursuant to Section 285 No. 10 HGB can be found on page 152 of the Company's Annual Report.

The compensation of the members of the Management Board is presented in the Remuneration Report on pages 193 to 214 of the Company's Annual Report. The Remuneration Report, together with the other documents required by Section 289 f HGB, is also available on the Company's website at [www.alstria.com](http://www.alstria.com) → Company → Corporate Governance → Remuneration.

## 2. PROFILE FOR THE MANAGEMENT BOARD

The Supervisory Board appoints and dismisses the members of the Management Board and, with the support of its Nomination and Remuneration Committee and the Management Board, ensures long-term succession planning. The Supervisory Board strives for a Management Board composition that ensures that all the knowledge, skills and experience necessary to best manage the Company are available on the Management Board. Therefore, with due consideration of alstria's specific situation, on March 21, 2022 the Supervisory Board last established this profile of skills and expertise and diversity concept with targets for the composition of the Management Board (**Profile for the Management Board**), pursuant to Section 289 f HGB, Section 76 para. 3 AktG and to the German Corporate Governance Code.

The Company's Articles of Association provide that the Management Board shall consist of one or more members. The Supervisory Board decides on the exact number of Management Board members, the Management Board's individual staffing and the Management Board's chairman. Acting members of the Management Board will only be reappointed more than one year before the end of their term of office and their current appointment terminated at the same time, if there are special circumstances.

### 2.1. Requirements for all management board members

All Management Board members shall have the personal qualification for being a member on the Company's Management Board and shall each meet the legal as well as the following requirements:

- a managerial mindset,
- integrity,
- a capacity for interaction and teamwork,
- leadership skills and persuasive power,
- communication skills,
- an ability to balance risk appetite and risk avoidance,
- relevant education and sufficient professional experience and
- an age of up to 65 years, as a general rule.

### 2.2. Requirements for the entire Management Board

Viewed as a whole, the members of the Management Board shall have all knowledge, skills and experience needed. In particular, at all times at least one Management Board member shall have due / be duly:

- expertise regarding real estate management (ideally in the management of office properties, acquired in a comparable company);
- knowledge of the German real estate market;
- skills in the sectors real estate transactions, asset management/letting, project development, real estate valuation and all other relevant business divisions;

## Corporate Governance Statement

- experience in defining, setting and executing corporate strategy and an ability to implement profound change and ensure good communication;
- familiarity with the requirements concerning corporate governance and investor communication, gained within a listed company (ideally with a comparable market capitalization);
- experience in leadership and corporate management (ideally acquired in a comparable company) and
- experience in corporate finance and capital markets (ideally acquired in a comparable company).

The composition of the Management Board shall also reflect internationality in terms of diverse cultural backgrounds and international experience of the Management Board members.

### 2.3. Diversity

- The members of the Management Board shall complement one another in terms of their backgrounds, professional experience and expertise in order to let the leadership benefit from diverse sources of experience, skills and points of view on corporate challenges.
- In the recruitment process, the candidates are treated neutrally in terms of sex and age and will be assessed according to their qualifications.

### 2.4. Status of implementation

In its current composition, the Management Board meets all the requirements of the Profile for the Management Board.

### 3. SUPERVISORY BOARD

The Supervisory Board supervises and advises the Management Board in the management of the enterprise. Supervision and advice also include sustainability issues, in particular. The Supervisory Board reviews the annual and consolidated financial statements along with the combined management report of alstria, adopts the annual financial statements and approves the consolidated financial statements and the combined management report. It examines the proposal for the profit appropriation and, with the Management Board, submits it to the Annual General Meeting for resolution. On the substantiated recommendation of the Audit Committee, the Supervisory Board proposes the auditors for election by the Annual General Meeting. After the corresponding resolution is passed by the Annual General Meeting, the Audit Committee awards the contract to the auditors and monitors the audit of the financial statements together with the independence and quality of the auditors. Details of the activities of the Supervisory Board in the reporting year are contained in the report by the Supervisory Board on pages 167 to 174 of the Company's Annual Report.

In accordance with the Company's articles of association, the Supervisory Board consist of six members, which are generally elected by the Annual General Meeting. The Company's Supervisory Board is composed exclusively of shareholder representatives.

The Supervisory Board elects a Chair and a Deputy Chair from among its members. The Chair of the Supervisory Board coordinates the Supervisory Board's activities, chairs its meetings and represents its interests externally. The Chair maintains regular contact with the Management Board and discusses strategy, planning, business development, the risk situation, risk management and corporate compliance with it. The Management Board immediately informs the Chair of important events that are of material significance for assessing the situation as well as for development and management. If necessary, the Chair then informs the Supervisory Board and, when appropriate, convenes a Supervisory Board meeting.

Supervisory Board resolutions are adopted through a majority of votes by the Supervisory Board members as specified in the Articles of Association, unless otherwise required by law. Resolutions are generally passed at ordinary or extraordinary meetings. Supervisory Board members may attend Supervisory Board meetings in person or via telephone, videoconference, or similar audiovisual means. The Supervisory Board also meets regularly without the Management Board. Supervisory Board resolutions may also be adopted outside of meetings by means of written, telephonic or electronic communication if the Chair permits it for an individual case.

All Supervisory Board members are committed to the Company's interests and do not pursue personal interests in their decisions or take advantage of business opportunities to which the Company is entitled. Conflicts of interest must be disclosed to the Chair of the Supervisory Board without delay. In the case of resolutions for which a conflict of interest exists, the Supervisory Board member concerned abstains from voting. Members of the Supervisory Board shall not directly compete with the Company through private real estate investments; real estate transactions between the Company and members of the Supervisory Board are forbidden. Significant transactions between the Company on

the one hand and members of the Supervisory Board, related parties, companies or associations within the meaning of Section 111a AktG on the other hand require the approval of the Supervisory Board. In the reporting period, there were no conflicts of interest involving members of alstria's Supervisory Board and there were also no agreements on transactions between the Company on the one hand and members of the Supervisory Board and related parties on the other.

Supervisory Board members ensure that they have sufficient time to perform their duties. The members of the Supervisory Board observe the overboarding rules as defined in the Code. The Supervisory Board regularly assesses the effectiveness of the work of the full Supervisory Board and its committees. The last self-assessment has been conducted with very positive results in the 2021 financial year by means of online questionnaires.

More detailed information on the individual members of the Supervisory Board can be found on the Company's website, which contains the member's curricula vitae and an overview of their main activities in addition to their Supervisory Board mandate. A list of the memberships of the Supervisory Board members on supervisory boards or similar supervisory bodies of non-Group companies in accordance with Section 285 no. 10 of the HGB can also be found in the annual report on pages 153 to 154 of the Company's Annual Report. The rules of procedure for the Supervisory Board can also be viewed on the Company's website.

The compensation paid to the individual Supervisory Board members is presented in the Remuneration Report on pages 210 to 212 of the Company's Annual Report. The Remuneration Report, together with the other documents required by Sec. 289 f of the HGB, is also available on the Company's website at [www.alstria.com](http://www.alstria.com) → Company → Corporate Governance → Remuneration.

#### 4. SUPERVISORY BOARD COMMITTEES

To manage its tasks efficiently, the Supervisory Board has currently two standing committees from among its members: an Audit Committee and a Nomination and Remuneration Committee. Both committees have their own rules of procedure, which further regulate the committee's affairs, tasks and decision-making powers, where appropriate.

The Supervisory Board reports on the activities of its committees' work during the 2022 financial year in its report to the Annual General Meeting on pages 172 to 173 of the Company's Annual Report.

##### 4.1. Audit Committee

The Audit Committee deals with the Company's accounting and accounting process, risk management, internal control and audit system and compliance. In addition, the Audit Committee deals with the audit of the financial statements, in particular the selection, independence and qualification of the auditors and the additional services provided by the auditors, the issuing of the corresponding audit engagement, the determination of focal points of the audit, the fee agreement and the assessment of the audit's quality. From January 1 to February 28, 2022, the Audit Committee consisted of Marianne Voigt as Chair as well as Benoît Hérault and Dr. Frank Pörschke as additional members. From

March 21, 2022, the Audit Committee consisted of Becky Worthington as Chair as well as Brad Hyler and Dr. Frank Pörschke as additional members.

### 4.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with the preparation of the resolutions of the full Supervisory Board on the appointment and dismissal of Management Board members (including the preparation of the Profile for the Management Board), on the Management Board's compensation system and the total compensation of individual Management Board members, on the target figures for the proportion of women on the Management Board and Supervisory Board, and on the rules of procedure for the Management Board. The Nomination and Remuneration Committee deals with ongoing succession planning for the Management Board and decides on the conclusion, amendment, extension and termination of Management Board employment contracts, on the content of contracts (with the exception of compensation), and on the approval of certain other activities of Management Board members. Finally, the Nomination and Remuneration Committee prepares the Supervisory Board's resolution on election proposals to the Annual General Meeting for suitable Supervisory Board members (including the Profile for the Supervisory Board) and on determining the compensation for the Supervisory Board, and it deals with any insider information that falls within the Supervisory Board's remit. From January 1 to February 28, 2022 the Nomination and Remuneration Committee comprised Dr. Johannes Conradi as Chair as well as Benoît Héroult and Elisabeth Stheeman as further members. From March 21, 2022 the Nomination and Remuneration Committee comprised Brad Hyler as Chair as well as Elisabeth Stheeman and Jan Sucharda as further members.

### 4.3. Further Committees

As a result of the changes in the composition of the Supervisory Board following the takeover of the Company by Alexandrite Lake Lux Holdings S.à r.l., the Supervisory Board reduced the number of its standing committees from March 21, 2022 in order to reduce complexity. Consequently, the Finance and Investment Committee, having dealt in particular with the approval of the Supervisory Board regarding financing agreements and acquisitions or disposals of real estate properties with a volume between EUR 30 million EUR 100 million as well as the ESG Committee, having dealt with environmental social governance issues, were terminated. The issues previously dealt with in the terminated committees are since then dealt with by the full Supervisory Board. The Finance and Investment Committee comprised Richard Mully as Chair as well as Dr. Frank Pörschke and Elisabeth Stheeman as further members and the ESG Committee comprised Dr. Johannes Conradi as Chair as well as Richard Mully and Marianne Voigt as further members.

From March 21 to December 31, 2022, the Supervisory Board had a Special Committee Finance which was authorized to deal with approvals regarding the issuance of a corporate bond and the conclusion of a financing agreement. The Special Committee comprised Brad Hyler as Chair as well as Jan Sucharda and Becky Worthington as further members.

## 5. PROFILE FOR THE SUPERVISORY BOARD

alstria office REIT-AG's Supervisory Board shall ensure proper consultation with and control of the Management Board. Therefore, Supervisory Board members shall have the knowledge, skills and experience necessary to properly fulfil their duties and complement one another. For this reason, on December 5, 2022 the Supervisory Board has last established this profile of skills and expertise and diversity concept with targets for the composition of the Supervisory Board ("**Profile for the Supervisory Board**") according to Sec. 289 f HGB and the Code. Thereby, the Supervisory Board has especially considered alstria's specific situation and shareholder structure.

### 5.1. General profile of qualification

- Managerial or operational experience
- Availability and willingness to dedicate sufficient time
- Discretion and integrity
- Capacity for interaction and teamwork
- Leadership skills and persuasive power
- Age of up to 70 years, as a rule

### 5.2. Qualification and diversity

- The members of the Supervisory Board shall complement one another in terms of background, professional experience and skills in order to provide the Supervisory Board with the most diverse sources of experience and skills possible, including such regarding sustainability issues relevant to the Company.
- Viewed as a whole, the members must be familiar with the real estate sector.
- At least two members of the Audit Committee, including the Chair, shall be financial experts: At least one member shall have gained special expertise and experience in accounting, the application of accounting principles and internal control systems (. At least one further member shall have gained special expertise and experience in the auditing of annual statements.
- The members of the Supervisory Board shall complement one another in terms of gender. At least two members shall be female. At least two members shall be male.

### 5.3. Independence

A Supervisory Board member is independent from the Company and its management as long as it has no personal or business relationships with the Company or its Management Board, which could cause a substantial and not merely temporary conflict of interest.



## Corporate Governance Statement

A Supervisory Board member is **independent from a controlling shareholder** if the Supervisory Board member or a close relative is neither a controlling shareholder, nor a member of the executive governing body of the controlling shareholder and does not have a business or personal relationship with the controlling shareholder that may cause a substantial and not merely temporary conflict of interest.

The Supervisory Board has determined the following requirements for the **independence of its members from the Company and its management**. The Supervisory Board regularly reviews at its reasonable discretion, whether its members are independent in its assessment. Thereby, the Supervisory Board particularly considers if a Supervisory Board member or one of their close relatives

- was a member of the Management Board in a Group company in the two years before its appointment;
- has, or had within the year up to his appointment, a material business relationship with the Group or a member of the Management Board (e.g., as a tenant, lender or advisor), either directly or as a shareholder, director or senior employee of a non-group entity that has such a relationship with the Group;
- is a close relative of one of the members of the Management Board of the Company;
- has been a member of the Supervisory Board for more than 12 years;

Should the Supervisory Board come to the conclusion that a Supervisory Board member is independent even though there are opposing criteria, the Supervisory Board will give reasons for this assessment in the corporate governance statement.

### *Independence in the plenum and committees:*

The Supervisory Board has determined the following requirements for the independence regarding the composition of the plenum and the committees:

- The number of members of the Supervisory Board that shall be independent from a controlling shareholder is determined taking into consideration the relative ownership of such shareholder as well as the legal requirements for independence in the committees.
- No more than two Supervisory Board members shall be former members of the Management Board.
- The **Chair of the Supervisory Board** shall be independent from the Company and its Management Board. The Chair of the **Audit Committee** shall be independent from the Company and its Management Board and from a controlling shareholder.
- The Chair of the **Nomination and Remuneration Committee** shall be independent from the Company and its Management Board.

#### 5.4. Succession planning and elections to the Supervisory Board

alstria appoints Supervisory Board members using a structured process. The Supervisory Board submits nominations to the Annual General Meeting for each vacant Supervisory Board position.

The Supervisory Board chooses the candidates whom it recommends to the Annual General Meeting for an election as follows: Whenever a Supervisory Board members' office term comes to an end, the Supervisory Board checks the composition of the Supervisory Board and whether the targets laid down in the Profile for the Supervisory Board are being met. The Supervisory Board also checks whether the targets need to be adjusted in light of alstria's situation and circumstances, which might have evolved. Given such results, the Supervisory Board assesses in the first place whether it would be appropriate to recommend to the Annual General Meeting to reappoint the Supervisory Board member whose term of office will end with the next Annual General Meeting. When doing so, the Supervisory Board takes into consideration the criteria for independence mentioned above. The Supervisory Board strives to fulfil the Profile for the Supervisory Board.

In its election proposals to the Annual General Meeting, the Supervisory Board discloses the personal and business relationships of every candidate with the Company, the Management and Supervisory Boards and any shareholders with a material interest in the Company. The election proposals go along with a curriculum vitae, providing information on each candidate's relevant knowledge, skills and professional experience and an overview of the candidate's material activities in addition to the Supervisory Board mandate.

The Annual General Meeting of shareholders elects each member of the Supervisory Board individually. Where an application is made for the appointment of a Supervisory Board member by a court, the term of that member will be limited until the next Annual General Meeting.

#### 5.5. Status of implementation

The profile of skills and expertise and diversity concept with targets for the composition of the Supervisory Board is taken into account in the election proposals to the Annual General Meeting as well as into any application to judicial appointment of Supervisory Board members, with care being taken to ensure that the profile is met for the Supervisory Board as a whole. This was most recently the case for the following personnel changes in the Supervisory Board:

Following the takeover of the Company by Alexandrite Lake Lux Holdings S.à r.l., Dr. Johannes Conradi, Benoît Héroult, Richard Mully and Marianne Voigt resigned as members of the Company's Supervisory Board with effect from February 28, 2022. At the Company's request Brad Hyler, Jan Sucharda, Karl Wambach and Becky Worthington were appointed by the Hamburg Local Court as members of the Supervisory Board of the Company with effect from March 1, 2022 and elected by the Annual General meeting on June 10, 2022 as members of the Supervisory Board until the end of the Annual General Meeting in 2023, or 2027, respectively.

The current composition of the Supervisory Board meets all the objectives set out in the Profile for the Supervisory Board. In the opinion of the Supervisory Board, all current members of the Supervisory

## Corporate Governance Statement

Board are independent from the Company and its Management Board. Furthermore, all current members of the Supervisory Board are independent from the controlling shareholder, except for Brad Hyler, Jan Sucharda and Karl Wambach, who each have a business relation with Brookfield, the controlling shareholder of alstria. Brad Hyler also belongs to the governing bodies of Brookfield.

Having held the position as CFO at various companies for many years, Becky Worthington (as Chair of the Audit Committee) has professional expertise in the fields of accounting and auditing, namely special knowledge and experience in the application of accounting principles and internal control and risk management systems as well as special knowledge and experience in the auditing of financial statements, including sustainability reporting and its audit and assurance.

Having been a CEO of several companies, Dr. Frank Pörschke has professional expertise in the field of accounting, namely special knowledge and experience in the application of accounting principles and internal control and risk management systems, including sustainability reporting.

## Corporate Governance Statement

### Status of implementation of the Profile for the Supervisory Board:

	Brad Hyler <sup>1)</sup>	Jan Sucharda	Dr. Frank Pörschke	Elisabeth Stheeman	Karl Wambach	Becky Worthington <sup>2)</sup>
<i>Year of birth</i>	1978	1960	1965	1964	1980	1971
<i>Term of office in years<sup>3)</sup></i>	1	1	2	2	1	1
<i>Appointed until</i>	2027	2027	2024	2024	2023	2023
<b>Diversity</b>						
Gender	m	m	m	f	m	f
Nationality	US-American	Canadian	German	German & British	German & American	British
<b>Independence</b>						
Term of office for more than 12 years <sup>4)</sup>	no	no	no	no	no	no
Personal relationship with Management Board <sup>5)</sup>	no	no	no	no	no	no
Material business relationship <sup>6)</sup>	no	no	no	no	no	no
Relationship with controlling shareholder <sup>7)</sup>	yes	yes	no	no	yes	no
<b>Knowledge and experience</b>						
Industry background	Real Estate	Real Estate	Real Estate	Finance	Real Estate	Real Estate
Real estate sector	X	X	X	X	X	X
Financial expert accounting	X		X	X		X
Financial expert audit						X
ESG			X	X		X

<sup>1)</sup> Chair of Supervisory Board and Nomination and Remuneration Committee

<sup>2)</sup> Chair of Audit Committee

<sup>3)</sup> until the close of the Annual General Meeting in the respective financial year

<sup>4)</sup> Relating to the Supervisory Board member and his/her close relatives

<sup>5)</sup> Former member or close relative of a member of alstria's Management Board, relating in each case to the Supervisory Board member and his/her close relatives

<sup>6)</sup> With alstria or a member of the Management Board, directly or as a shareholder or in a responsible function of a company outside the Group, currently or within the year up to his/her appointment, relating in each case to the Supervisory Board member and his/her close relatives

<sup>7)</sup> Member of the executive governing body of controlling shareholder and /or business or personal relationship with controlling shareholder, relating in each case to the Supervisory Board member and his/her close relatives

## II. WOMEN IN LEADING POSITIONS

Employees and their development within the Company are of central importance for society to achieve sustainable success. When filling management positions in the Company, the Management Board strives for a high level of diversity among employees and a high proportion of female managers. The Management Board determined a target figure of at least 30 % for the proportion of women in the first management level below the Management Board (Head of Departments) in accordance with Section 76 para. 4 AktG. This target figure will apply until December 31, 2026 and has been achieved with 33.3 % as of December 31, 2022. Due to the lack of an additional management level with decision-making competence and budget responsibility, there was no need to determine a target figure for women's participation at the second management level.

The Supervisory Board set a target figure of at least 30 % for the proportion of women on the Supervisory Board which will apply until December 31, 2024. This target was reached at 33.3 % as of December 31, 2022. The target for the proportion of women on the Management Board was set to at least 30% and will apply until December 31, 2024. This target was not reached as of December 31, 2022 as the appointments of the Company's CEO and CFO initially both ended at the close of December 31, 2022. Alexander Dexne was not available for a further term of office as CFO. The Supervisory Board extended the appointment of Olivier Elamine as the Company's CEO until December 31, 2027. New appointments of external candidates on the positions of the Company's CEO and CFO were not intended.

## III. GERMAN CORPORATE GOVERNANCE CODE

The recommendations and suggestions of the Government Commission, as appointed by the German Federal Ministry of Justice, contain internationally and nationally accepted standards of good and responsible corporate governance. Our declarations of compliance with the recommendations of the German Corporate Governance Code pursuant to Section 161 AktG are published on the Company's website ([www.alstria.com](http://www.alstria.com)). alstria complied and complies with the recommendations of the Code with the few exceptions stated in the declaration of compliance.

These exceptions and the reasons for the Company's nonconformity are set out in the declaration of compliance, as last issued by the Management Board and the Supervisory Board on April 24, 2022:

### **Declaration of compliance dated April 24, 2022**

“Since its last Corporate Governance Declaration on April 2, 2022, alstria office REIT-AG has complied with the recommendations of the ‘Government Commission German Corporate Governance Code’ in the version which entered into force on March 20, 2020 (“GCGC”) apart from the exceptions stated below. alstria intends to continue to comply with the GCGC recommendations to the same extent.

### ***Management Board Remuneration System 2022***

In April 2022, the newly composed supervisory board adjusted the management board remuneration system to the framework conditions resulting from the successful takeover of the Company by Brookfield. As the new majority shareholder Brookfield now controls more than 90% of the Company's shares, the share price is no longer a suitable performance indicator. The supervisory board decided to introduce a new remuneration system for the management board members ("**Management Board Remuneration System 2022**") which better reflects this new situation and no longer complies with all recommendations by the GCGC. It shall be presented to the annual general meeting 2022 for approval and enter into force as per January 1, 2022.

#### ***Non financial performance criteria, G. 1 GCGC***

According to the recommendations in G. 1 GCGC, the remuneration system for the members of the management board shall define the non-financial performance criteria relevant for the granting of variable remuneration components. The Management Board Remuneration System 2022 no longer contains ESG targets for the short term incentive (STI) in order to reduce complexity of the remuneration system and simplify performance measurement. The supervisory board is convinced that alstria's management board team is a front runner in terms of sustainable real estate management even without non financial performance criteria embedded in the remuneration system.

#### ***Setting and change of performance targets, G. 7 and 8 GCGC***

Pursuant to no. G.7 GCGC, the supervisory board shall establish performance criteria for each management board member for the forthcoming financial year and pursuant to G.8 GCGC subsequent changes to the target values or comparison parameters shall be excluded. The supervisory board is in agreement that it will determine the performance targets for all management board members and all variable remuneration elements before the start of each respective financial year. However, due to the implementation of the Management Board Remuneration System 2022 in the course of financial year 2022, this was not possible for financial year 2022. The supervisory board will set these targets after the approval of the Management Board Remuneration System 2022 by the annual general meeting.

#### ***Share based remuneration and deferral, G. 10 GCGC***

Pursuant to G.10 GCGC, the management board members' variable remuneration shall be predominantly invested in company shares or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to management board members only after a period of four years. As the share price performance is no longer a suitable indicator for management board performance, the Management Board Remuneration System 2022 does no longer provide for a share based variable remuneration or Share Ownership Guidelines. Furthermore, the Management Board Remuneration System 2022

shortens the deferral from 4 to 2 years in order to meet the statutory provisions and fully align management board remuneration with the overall employee remuneration scheme.”

#### IV. CORPORATE MANAGEMENT PRACTICES

To achieve a value-oriented and trust-building corporate management, alstria applies management practices that go beyond the legal requirements.

##### 1. CORPORATE GOVERNANCE

In managing the Company, the Management Board and Supervisory Board of alstria are aware of their responsibility towards the shareholders, employees, tenants and business partners of alstria. Good corporate governance strengthens the trust of our stakeholders and is therefore the basis for our decision-making and control processes. It stands for a responsible, value and long-term success-driven governance and control of the Company, a targeted and efficient cooperation between the Management Board and the Supervisory Board, respect for the interests of our shareholders and employees, transparency and responsibility in all entrepreneurial decisions as well as an appropriate risk management.

alstria has implemented large parts of the recommendations and suggestions of the Code and thus goes beyond the legal requirements. At least once a year and whenever necessary, a corporate governance officer in the Company reports to the Management Board and the Supervisory Board any changes to the Code. alstria thus ensures that these principles are observed throughout the Company.

##### 2. INTEGRITY AND COMPLIANCE

Behavior with integrity is one of alstria’s most important principles. The trust of shareholders, tenants, employees and business partners depends crucially on the conduct of each individual. The Company’s Management Board has therefore implemented a compliance management system geared towards the risk situation of the Company, to ensure compliance with legal requirements and internal guidelines, and it also sets standards for fair treatment of business partners, competitors and employees.

A code of conduct for employees sets our principles of conduct, provides guidance in conflict situations (e.g. a conflict of interest) and thus serves as a model and orientation for correct behavior for all employees of the Company. The code of conduct is published on the alstria website. The Compliance Officer is responsible for communicating these values to the employees by in-house training for all employees and by answering questions on the code of conduct’s implementation of the as well as internal guidelines. Compliance with the code of conduct is monitored by colleagues, superiors and the Compliance Officer, as well as by regular reviews by an auditor. Employees are given the opportunity to report violations within the Company via various reporting channels. alstria has also set up a whistleblower portal where employees and third parties can anonymously report violations of the code of conduct or the Company’s internal guidelines. In addition, the Management Board regularly discusses the Company’s compliance with the Audit Committee of the Supervisory Board. Violations of the code of conduct will not be tolerated and will be fully investigated and

sanctioned. These may include disciplinary measures up to and including termination of employment, the assertion of a claim for damages and criminal charges.

Integrity is also an essential condition for building trusting partnerships and cooperation with our business partners. For this reason, alstria has introduced a code of conduct for its service providers, craftsmen, suppliers and business partners, which describes fundamental legal and ethical requirements. This code of conduct for service providers is published on the website of alstria and defines the Company's expectations of integrity and compliant behavior of its business partners.

### 3. COMMUNICATION AND TRANSPARENCY

Transparent corporate governance and good communication with the shareholders and the public help to strengthen the confidence of investors and the public in alstria's work.

#### 3.1. Relationship to the shareholders

alstria respects the rights of its shareholders and guarantees to the best of its ability to exercise these rights within the legal and statutory framework. These rights include, in particular, the free acquisition and free sale of shares, participation in the Annual General Meeting, adequate satisfaction of the need for information and adequately distributed voting rights per share (one share - one vote). Shareholders have the option of exercising their voting rights at the Annual General Meeting in person or through a proxy of their choice or a company-appointed proxy that is bound by instructions. The invitation to the Annual General Meeting explains how instructions for exercising voting rights can be issued. The convening notice and the documents to be made available for inspection in accordance with the statutory provisions will be published on alstria's website together with the agenda and the additional documents pursuant to Section 124a AktG. The Chair of the Annual General Meeting aims to hold the Annual General Meeting within a time window of no more than four to six hours. Following the Annual General Meeting, the voting results will be announced on alstria's website.

#### 3.2. Communication with the public

When sharing information with persons outside the Company, the Management Board follows the principles of transparency, promptitude, comprehensibility and equal treatment of shareholders. alstria informs its shareholders and the interested public about the Company's situation, significant business events, and changes in the business outlook and risk situation in particular through financial reports, analyst and press conferences, press and ad-hoc announcements and the Annual General Meeting. The alstria website provides comprehensive information about the Company, its shares and other financial instruments and the share price development, as well as notifications of directors' dealings in accordance with Article 19 of the Market Abuse Regulation (Regulation (EC) No. 596/2014 of the European Parliament and the Council) (Directors' Dealings). Furthermore, alstria publishes a financial calendar in its financial reports and on its website, listing all dates of importance to shareholders. The notices and information are additionally published in English.



### 3.3. Financial reporting

alstria regularly informs shareholders and third parties during each financial year by means of the consolidated financial statements and the group management report, as well as by interim financial information. The accounting of the alstria Group is based on International Financial Reporting Standards (IFRS) as applied in the European Union. For corporate law purposes (calculation of dividends, creditor protection), financial statements for alstria office REIT-AG are prepared in accordance with the national commercial law (HGB).

The Annual General Meeting appoints an independent auditor for alstria office REIT-AG and the Group as well as for the audit review of the interim financial reports. Following the election by the Annual General Meeting, the Audit Committee of the Supervisory Board awards the mandate for the audit of the financial statements and agrees on the fee with the auditor. It is agreed with the auditors that the auditors will inform the Audit Committee without delay of all findings and events of significance for their duties which come to their attention during the performance of the audit. In the event that the auditor, during the performance of the audit, discovers facts that indicate that the declaration of compliance with the German Corporate Governance Code issued by the Management Board and Supervisory Board in accordance with Section 161 AktG is incorrect, an obligation to provide information and disclosure in the audit report is agreed upon.

The auditor participates in the deliberations of the Audit Committee and the full Supervisory Board to discuss the financial statements of alstria office REIT-AG and the consolidated financial statements of the Group. The auditor also participates in the meeting of the Audit Committee to discuss the half-year financial report. In the meetings, the auditor presents the main results of the respective audit. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed to audit the annual financial statements of alstria office REIT-AG and of the Group for the 2022 financial year and for further interim financial reports until the next ordinary general meeting in 2023. WPin/StBin Annika Deutsch is the auditor responsible for auditing the financial statements of alstria office REIT-AG and the Group.

#### 4. SUSTAINABILITY

Sustainability is part of alstria's corporate DNA. This includes all actions alstria takes to promote and protect the environmental, social and economic interests of its stakeholders in the long term.

As a commercial organization, alstria's main objective is to increase the value of the Company on a sustainable basis and to generate the best possible return on its capital in the long-term. Before making any decisions, the Company weighs the risk-benefit of all three areas and adapts its actions to what it feels is the most viable course of action in each case. The result of this approach is that alstria might not always make decisions that maximize its short-term profit, but strives to follow the path that will produce the best long-term prospects for the Company.

alstria's sustainability approach and performance in the three sustainability areas, as well as its future goals, are described in detail in the Company's annual sustainability report, which is available on alstria's website.

February 2022

**The Management Board**

**The Supervisory Board**

## G. REMUNERATION REPORT

The remuneration report of alstria office REIT-AG (**alstria**) explains the main elements of the remuneration of the Company's Management Board and Supervisory Board members. It describes the amount and structure of the remuneration. The Management Board and the Supervisory Board have jointly created this remuneration report and ensured that it corresponds with the legal requirements of section 162 German Stock Corporation Act (**AktG**). The remuneration report was audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft in accordance with the requirements of section 162 (3) AktG.

The note of the audit of this remuneration report (<http://www.alstria.com/auditreportremunerationreport2022>), the current remuneration system for the Management Board (<https://alstria.com/remuneration-system-management-board-2022>) and the Supervisory Board (<https://alstria.com/remuneration-system-supervisory-board-2021>) as well as this remuneration report (<https://alstria.com/remuneration-report-2022.pdf>) are published on the website of the Company.

The remuneration of the Management Board for the financial year 2022 was based on the revised remuneration system 2022, which was put to vote at the annual general meeting of shareholders on June 10, 2022 and approved by 99.5% of votes cast (**Management Board Remuneration System 2022**). The remuneration report 2021 was approved by 99.8% of votes cast. Given the high approval at the annual general meeting, we do not see reason for changes to the remuneration report and remuneration system. We will continue the high level of disclosure already established in the remuneration report 2021.

### 1. VIEW ON THE FINANCIAL YEAR 2022

- Russian attack on Ukraine: burden for the German economy
- Letting markets still difficult
- Sharp rise in interest rates slows down transaction activities
- Continuous investment in the existing portfolio
- Takeover by Brookfield and changes in the Supervisory Board
- Introduction of Management Board Remuneration System 2022 with premature termination and payout of LTIPs

The fiscal year 2022 was dominated by the consequences of the Russian attack on Ukraine, which led to a slowdown of economic growth, increased inflation and a sharp rise in interest rates. The commercial letting market continued to be difficult given the uncertainties in the economic environment. Despite the weak commercial leasing market, alstria achieved a leasing performance (in terms of new lettings, lease renewals and option drawings) of 107,300 sqm.

## Remuneration Report

In 2022, alstria invested a total of EUR 113 million in the existing portfolio. The lion's share of this sum (EUR 87 million) was spent on development investments, which significantly improved the quality of the space in order to achieve higher rents for new leases. Development investments maintained on a high level in 2022, because alstria still sees the best return opportunities in these properties. The current development portfolio comprises 21 projects with a total lettable area of 377,100 sqm.

alstria's investment decisions are based on the knowledge of the local markets, individual consideration of the respective building in terms of location, size and quality compared to direct competitor properties, as well as long-term value enhancement potential.

alstria's strategy is to build what it considers to be a lucrative portfolio size in the respective locations (concentration on "Big 7" office markets in Germany), but also sell mature or non-core assets to optimize its capital allocation. In this context, five assets for a total consideration of EUR 188 million were sold in the course of the year. The sales proceeds were mainly used to finance the development measures in the existing portfolio.

The financial year 2022 was also characterized by the changes resulting from the takeover of more than 95% of the shares in alstria by Brookfield (**Takeover**) which occurred in January 2022. These changes affected the composition of the Supervisory Board, in which alstria's major shareholder Brookfield is now represented through Brad Hyler, Jan Sucharda and Karl Wambach.

In this context, the remuneration system for the Management Board members was adjusted to allow for a continued pay-for-performance connection. At the time the Management Board remuneration system 2021 was resolved, alstria had a very diverse shareholder structure which made the share price one of the key indicators to measure the shareholder value and, hence, the performance of the Management Board members by using alstria's share price performance in the Long-Term Incentive (LTI). After the Takeover, alstria's share price had become severely restricted by the high level of the shareholding of alstria's major shareholder and the relatively low number of other shareholders. As a consequence, the share price was considered no longer a suitable indicator for the performance of the Management Board members. In order to further allow for a significant pay-for-performance connection regarding the Management Board on the one hand, and to also ensure remuneration alignment throughout the organization on the other hand, the LTI under the Management Board Remuneration System 2022 was designed to follow the structure of the long-term incentive scheme for alstria's eligible employees as described below.

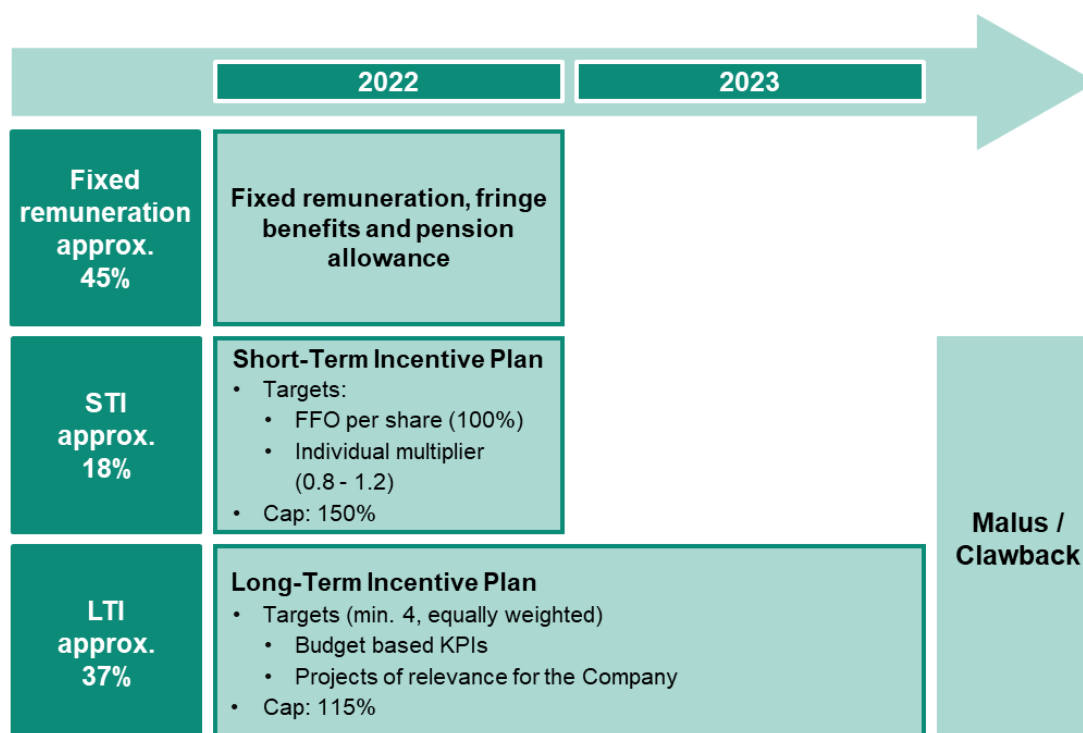
As the share price was no longer considered a suitable indicator for Management Board performance, the Management Board Remuneration System 2022 also provided to terminate the LTI tranches with performance periods reaching beyond 2022. Therefore, the LTI tranches 2019 - 2023, 2020 - 2024 and 2021 - 2025 were terminated early and paid out in 2022.

## Remuneration Report

The main changes in the Management Board Remuneration System 2022 are summarized in the following figure:

Significant changes in the Management Board Remuneration System 2022	
<b>Performance targets</b>	<ul style="list-style-type: none"> <li>• Focus on internal targets (FFO per share in the STI, operating KPIs in the LTI)</li> <li>• Cancellation of ESG performance targets in the STI</li> </ul>
<b>Long-Term Incentive Plan (LTI)</b>	<ul style="list-style-type: none"> <li>• Performance Share Plan transformed into Performance Cash Plan</li> <li>• Reduction of performance period</li> <li>• Reduction of payout opportunity</li> </ul>
<b>Share orientation</b>	<ul style="list-style-type: none"> <li>• Cancellation of share-based performance targets in the LTI</li> <li>• Removal of share ownership guidelines due to the changes in ownership structure of alstria</li> </ul>

The revised Management Board Remuneration System 2022 continues to be performance-based and geared towards promoting sustainable company performance. It is systematically depicted in the diagram below and its main features are described in the following.



## 2. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS

### 2.1. Remuneration Governance

The Supervisory Board is responsible for determining, implementing and reviewing the remuneration of the Management Board. The nomination and remuneration committee formed from among the members of the Supervisory Board discusses and reviews the remuneration system for the Management Board at regular intervals and whenever necessary and prepares resolutions on changes. Therefore, changes or relevant updates for the remuneration system will generally be prepared by the nomination and remuneration committee. However, the whole Supervisory Board is responsible for the final decision. The remuneration system will be submitted to the annual general meeting of shareholders for approval in the event of significant changes, but at least every four years.

Total remuneration of the individual Management Board members is determined by the Supervisory Board and covers all activities within the alstria Group. Criteria for the appropriateness of the remuneration include the duties of the individual Management Board member, the personal performance, the economic situation, the success and future prospects of alstria, as well as the customary nature of the remuneration, taking into account the competitive environment and the remuneration structure otherwise applicable in alstria.

To assess the appropriateness of the total remuneration of the members of the Management Board compared to other companies, the Supervisory Board regularly conducts a remuneration benchmark using a suitable peer group of comparable companies, e.g. relevant competitors in the Real Estate business. When the Supervisory Board revised the remuneration system for the Management Board in financial years 2020/2021, this peer group comprised the following companies of the EPRA Germany Index (ADO Properties, Aroundtown, Deutsche Euroshop, Deutsche Wohnen, Grand City Properties, Hamborner REIT, LEG Immobilien, TAG Immobilien, TLG Immobilien, Vonovia), and, in addition, for the European perspective, the companies of the EPRA Developed Europe Office Index. In order to reflect national market practice and company size, MDAX companies were also considered.

In order to assess the customary nature of remuneration within alstria, the ratio of Management Board remuneration to the remuneration of senior management reporting directly to the Management Board and of all employees is taken into account. Thereby, alstria regularly compares the remuneration levels (fixed salary, bonus, long-term incentive, excluding pension and healthcare) and reviews and publishes the CEO pay ratio, which shows the CEO target remuneration in relation to the median target remuneration of all employees and managers. The table below shows the respective compensations as well as the development of the CEO pay ratio since 2020.

## Remuneration Report

### CEO pay ratio

	2020	2021	2022
CEO <sup>1)</sup>	1,127,000 €	1,267,000 €	1,259,000 €
Employees + managers <sup>2)</sup>	73,928 €	77,412 €	77,000 €
	15.2 : 1	16.4 : 1	16.4 : 1

1) Calculated as the CEO target all-in compensation without insurance and pension benefits in relation to the median all-in compensation of all employees and managers. The numbers differ from the published numbers in the social data part of the ESG report due to different calculation bases.

2) Median target compensation of employees and managers of alstria was considered, therefore deviating from the average compensation awarded and due in the comparative presentation.

A lack of independence and conflicts of interest of members of the Supervisory Board and its nomination and remuneration committee may prevent independent advice and supervision when determining the remuneration of the Management Board. The Supervisory Board considers its members and the members of its nomination and remuneration committee as independent from the Company and its Management Board. The Supervisory Board considers its members Dr Frank Pörschke, Elisabeth Stheeman and Rebecca Worthington as independent from the controlling shareholder. Furthermore, the members of the Supervisory Board and the nomination and remuneration committee are required by law, the German Corporate Governance Code in its current version as of April 28, 2022 (GCGC) and the internal rules of procedure for the Supervisory Board to disclose immediately any conflicts of interest they may have. In such cases, the Supervisory Board takes appropriate measures to take account of the conflict of interest. For example, the members concerned do not participate in discussions and resolutions.

The remuneration in the financial year 2022 is fully in line with the Management Board Remuneration System 2022. The details of the application in the financial year are presented hereafter.

## Remuneration Report

### 2.2. Management Board Remuneration System

The following table summarizes the essential remuneration components and further contractual provisions of the Management Board Remuneration System 2022, which are described in more detail below, and compares them to the previous remuneration system. Main changes compared to the previous system are highlighted by underlining.

Remuneration system for the Management Board		
New remuneration system (applied for the financial year 2022)	Remuneration element	Previous remuneration system (applied for the financial year 2021)
<b>Fixed remuneration</b>		
<ul style="list-style-type: none"> <li>Annual base salary paid in twelve monthly installments</li> </ul>	<b>Annual base salary</b>	<ul style="list-style-type: none"> <li>Annual base salary paid in twelve monthly installments</li> </ul>
<ul style="list-style-type: none"> <li>Use of company cars and insurance premiums</li> </ul>	<b>Fringe benefits</b>	<ul style="list-style-type: none"> <li>Use of company cars and insurance premiums</li> </ul>
<ul style="list-style-type: none"> <li>Monthly grants of cash for private pension purposes</li> </ul>	<b>Pension allowance</b>	<ul style="list-style-type: none"> <li>Monthly grants of cash for private pension purposes</li> </ul>
<b>Variable remuneration</b>		
<ul style="list-style-type: none"> <li>Target bonus model</li> <li>Performance period: 1 year</li> <li>Target: <ul style="list-style-type: none"> <li>FFO per share (100%)</li> </ul> </li> <li>Individual multiplier (0.8 - 1.2)</li> <li>Cap: 150%</li> <li>Payout in cash</li> </ul>	<b>Short-Term Incentive Plan</b>	<ul style="list-style-type: none"> <li>Target bonus model</li> <li>Performance period: 1 year</li> <li>Targets: <ul style="list-style-type: none"> <li>FFO per share (80%)</li> <li>ESG targets (20%)</li> </ul> </li> <li>Individual multiplier (0.8 - 1.2)</li> <li>Cap: 150%</li> <li>Payout in cash</li> </ul>
<ul style="list-style-type: none"> <li><u>Long-Term target bonus</u></li> <li>Performance period: <u>2 years</u></li> <li>Targets: <ul style="list-style-type: none"> <li><u>At least 4 targets (equally weighted), including Budget based KPIs or Company relevant projects</u></li> </ul> </li> <li>Cap: <u>115%</u></li> <li>Payout in <u>cash</u></li> </ul>	<b>Long-Term Incentive Plan</b>	<ul style="list-style-type: none"> <li>Stock award plan</li> <li>Performance period: 4 years</li> <li>Targets: <ul style="list-style-type: none"> <li>Absolute TSR (25%; target achievement 0 - 150%)</li> <li>Relative TSR (75%; target achievement 0 - 150%) compared to FTSE EPRA/NAREIT developed Europe Index</li> </ul> </li> <li>Cap: 250%</li> <li>Payout in shares</li> </ul>
<b>Other contract and system components</b>		
<ul style="list-style-type: none"> <li>CEO: EUR 2,600,000 p.a.</li> <li>CFO: EUR 2,100,000 p.a.</li> </ul>	<b>Maximum remuneration</b>	<ul style="list-style-type: none"> <li>CEO: EUR 2,600,000 p.a.</li> <li>CFO: EUR 2,100,000 p.a.</li> </ul>
<ul style="list-style-type: none"> <li>Reduction of variable remuneration which has not been paid out and reclaim of variable remuneration which has been paid out in cases of compliance violations and/or incorrect consolidated financial statements</li> </ul>	<b>Malus &amp; Clawback</b>	<ul style="list-style-type: none"> <li>Reduction of variable remuneration which has not been paid out and reclaim of variable remuneration which has been paid out in cases of compliance violations and/or incorrect consolidated financial statements</li> </ul>
-	<b>Share Ownership Guidelines</b>	<ul style="list-style-type: none"> <li>Management Board members are obliged to hold shares amounting to three times annual gross base salary</li> </ul>
<ul style="list-style-type: none"> <li>Management Board members are considered not responsible for a withdrawal for up to 12 months after a change of control</li> </ul>	<b>Termination in case of change of control</b>	<ul style="list-style-type: none"> <li>Management Board members are considered not responsible for a withdrawal for up to 12 months after a change of control</li> </ul>
<ul style="list-style-type: none"> <li>Comprehensive post-contractual non-competition clause for a period of six months after termination of the service agreement, irrespective of the reason for termination</li> <li>Compensation in the amount of 100% of the last annual base salary for the duration of the non-competition clause</li> </ul>	<b>Post-Contractual Non-Compete Obligation</b>	<ul style="list-style-type: none"> <li>Comprehensive post-contractual non-competition clause for a period of six months after termination of the service agreement, irrespective of the reason for termination</li> <li>Compensation in the amount of 100% of the last annual base salary for the duration of the non-competition clause</li> </ul>



### 2.2.1. Target Remuneration and Remuneration Structure

The target remuneration of the Management Board members for the financial years 2022 and 2021, which is contractually defined as payable upon 100% target achievement, and the resulting remuneration structure are presented below. The target remuneration has not been increased in the last year, therefore the structure of the total target compensation remains nearly identical for both members of the Management Board.

	Olivier Elamine (CEO)			Alexander Dexne (CFO)		
	2022		2021	2022		2021
	in T€	in %	in T€	in T€	in %	in T€
Annual base salary	500	37	500	400	36	400
Fringe benefits	19	2	28	28	3	33
Company car	9	-	17	19	-	24
Insurances	10	-	11	9	-	9
Pension allowance	88	6	88	73	7	73
Short-Term Incentive	250	18	250	200	18	200
STI 2021	-	-	250	-	-	200
STI 2022	250	-	-	200	-	-
Long-Term Incentive	500	37	500	400	36	400
LTI 2021-2025	-	-	500	-	-	400
LTI 2022-2023	500	-	-	400	-	-
<b>Total target remuneration</b>	<b>1,357</b>	<b>100</b>	<b>1,366</b>	<b>1,101</b>	<b>100</b>	<b>1,106</b>

The sum of the fixed and variable remuneration elements constitutes the total target remuneration in the event of 100% target achievement by a Management Board member. The focus on the long-term and sustainable development of alstria pursuant to section 87 (1) sentence 2 AktG is ensured by the higher weighting of the Long-Term Incentive Plan compared to the Short-Term Incentive Plan. The share of the Short-Term Incentive Plan in the variable remuneration amounts to around 33%, whereas the share of the Long-Term Incentive Plan accounts for around 67% of the variable remuneration.

### 2.2.2. Fixed Remuneration

#### Annual Base Salary

The annual base salary is paid in twelve equal monthly installments at the end of each month. If the service contract begins or ends during a financial year, the annual base salary for that financial year is payable on a *pro rata temporis* basis.

#### Fringe Benefits

Members of the Management Board also receive fringe benefits; these mainly consist of insurance premiums and the private use of company cars. As a remuneration component, these ancillary benefits are taxable. In principle, all Management Board members are equally entitled to them, while the amount of use varies depending on their personal situations. The fringe benefits are included in the maximum remuneration and therefore capped.

Furthermore, the company has taken out a D&O insurance (Directors & Officers Liability Insurance) for the benefit of the members of the Management Board with a deductible of 10% of the damage up to the amount of one and a half times the annual fixed remuneration of the respective Management Board member.

### *Pension Allowance*

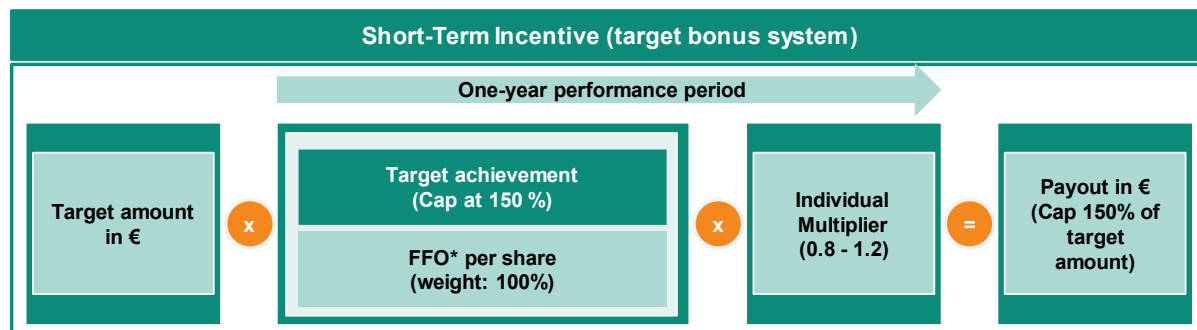
In addition, the Company grants the members of the Management Board monthly cash payments for pension purposes in form of a pension allowance. These pension benefits amount to approximately 18% of the members' annual fixed salaries.

### **2.2.3. Variable Remuneration**

#### *Short-Term Incentive (STI)*

As a short-term performance-based remuneration component, the STI is linked to the development of the quantitative performance target Funds from Operations (FFO) per share. It is designed as a target bonus system. A possible STI payout amount is calculated as the overall target achievement times the individual target amount as indicated in the respective service contract; it is capped at 150% of the individual target amount (cap) and is paid out in cash. In addition to the performance target, an individual multiplier ranging between 0.8 to 1.2 is applied to determine the final payout.

The STI functions as follows:



\* Funds From Operations.

#### ***Performance target***

The STI performance target is the Funds From Operations per share. FFO are a key metric of alstria's strategy since they define the cash flow from operations. FFO per share is a non-GAAP metric which is frequently used for real estate companies in lieu of earnings per share. alstria annually publishes its FFO and FFO per share as well as a detailed reconciliation with its IFRS accounts.

The impact that acquisitions or disposals and changes to alstria's share capital have on the FFO per share for a financial year, will be disregarded by the Supervisory Board to guarantee a fair and well-balanced incentive.

## Remuneration Report

The payout amount of the STI depends on the degree of target achievement for the FFO per share. The ratio of the FFO per share actually achieved during the financial year is measured against the budgeted FFO per share. Target achievement can range between 0% and 150%. For a payout to occur, at least 70% of the performance target value must be achieved (threshold). If the actually achieved FFO per share is equal to the budgeted FFO per share the target achievement will be 100%. A maximum of 130% of the performance target value can be achieved (cap) and results in a target achievement of 150%.

The values of FFO per share set for the financial year 2022 as well as the actually achieved value and the resulting overall target achievement are shown in the following table:

<b>STI 2022</b>	<b>FFO per share <sup>1)</sup></b>
Threshold	0.42 €
Target value	0.59 €
Maximum	0.77 €
Actual value <sup>2)</sup>	0.62 €
<b>Target achievement <sup>2)</sup></b>	<b>108%</b>

1) Before minorities.

2) Preliminary numbers at the time of the preparation of this report.

### **Multiplier**

The preliminary payout value achieved is then multiplied with an individual multiplier ranging between 0.8 and 1.2. This enables the Supervisory Board to take into account the personal performance of the individual Management Board member in addition to the achievement of financial performance.

The Supervisory Board set the individual modifier for the financial year 2022 on 1.0 for both Olivier Elamine and Alexander Dexne. Thus, the Supervisory Board takes into account the excellent operational performance in financial year 2022 in difficult market conditions and against the background of the Takeover.

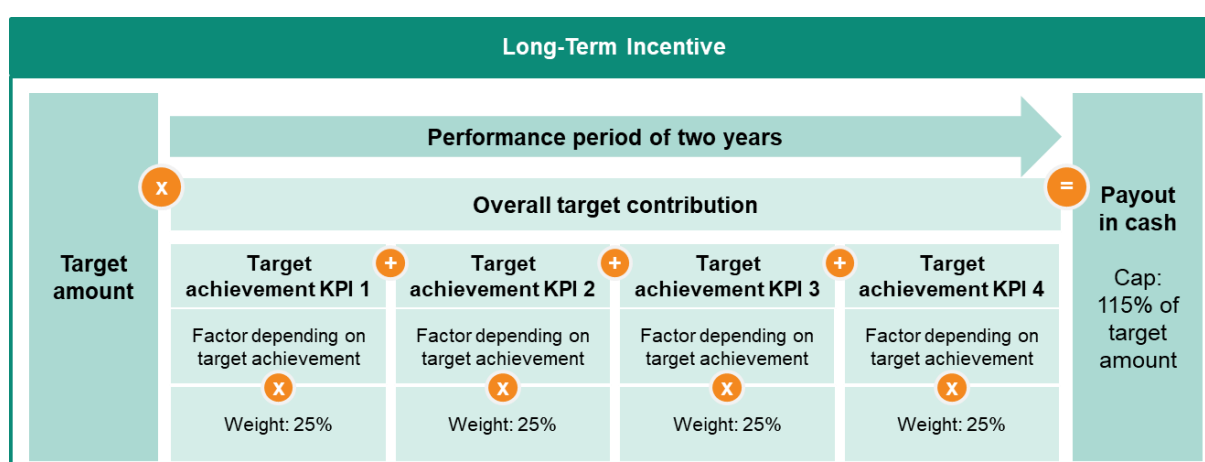
The target achievement of the individual performance criterium as well as the resulting overall target achievement after application of the individual modifier is shown in total below:

<b>STI Target achievement 2022</b>	<b>Target achievement FFO per share</b>	<b>Multiplier</b>	<b>Total target achievement</b>
Olivier Elamine	108%	1.0	<b>108%</b>
Alexander Dexne	108%	1.0	<b>108%</b>

### Long-Term Incentive 2022 - 2023

The Long Term Incentive Plan is constructed as an incentive scheme to reward general performance and overall achievement of alstria and is issued in annual tranches with a performance period of two years. The Supervisory Board sets at least 4 Key Performance Indicators (KPI), the achievement of which during the performance period will determine the final payout amount of the LTI. LTI KPIs correspond to either an explicit quantifiable target in the multi-year business plan or the achievement of a project of relevance within the respective performance period.

The following picture shows how the LTI functions:



For the period 2022-2023, the LTI KPIs are defined as follows:

LTI 2022 - 2023 – KPIs	
Income Management	• Value of new leases, option and lease renewal to be achieved over the period
Capital structure	• Value of debt to be financed over the period
Capital recycling	• Value of assets to be sold over the period
Capital growth	• Number of development projects to be delivered (at a given cost) during the period

After the end of the performance period, the performance achieved for each LTI KPI is determined by dividing the actually achieved KPIs by the KPI target value. The resulting performance achievement of each KPI is then multiplied with a factor in accordance with the following rule:

- If the performance achievement is lower than 90%, the factor is zero.
- If the performance achievement lies between 90% and 110%, then the factor increases linearly between 0.85 and 1.15
- If the performance achievement is higher than 110%, the factor is 1.15.

The respective target achievements resulting from the multiplication of performance achievement and factor are then multiplied with the respective weighting of the KPI to determine each KPI

## Remuneration Report

contribution to the final payout amount of the respective tranche. The final payout amount is the sum of each individual LTI KPI contribution multiplied with the target value of each LTI granted.

The LTI will be paid out no later than in the month following the adoption of the financial statements of the performance period and is capped at 115% of the individually granted target amount.

The payment is made *pro rata temporis*, taking into account the number of active months of the respective Management Board member in the performance period.

The initially granted LTI 2022 - 2026 under the previous remuneration system 2021 was transferred to the LTI under the new Management Board Remuneration System 2022. The target value for the LTI 2022 - 2023 is reported in the table displaying target remuneration.

### *LTI 2018 - 2022 and terminated Long-Term Incentive Tranches*

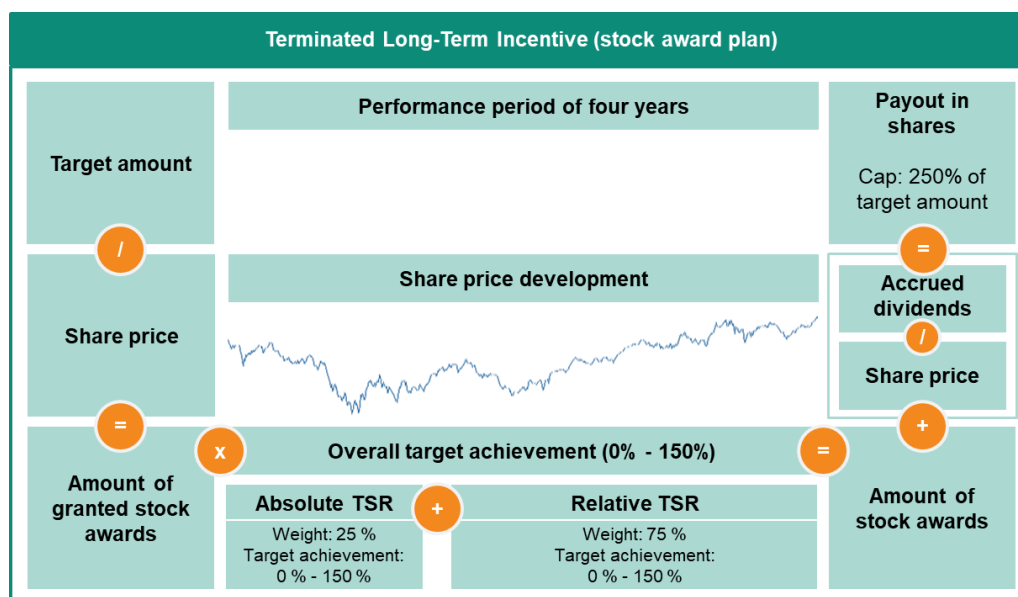
As the LTI 2018 - 2022 was paid out in the financial year 2022, its functioning and the determination of the target achievement are explained in the following. The performance period of the LTI 2018 - 2022 ended regularly on March 4, 2022.

Furthermore, given the Takeover by Brookfield, alstria's share price performance was no longer conclusive, leaving the calculation of the remaining LTI plans, which were granted before the financial year 2022 and the regular performance periods of which had not yet come to an end (i.e. LTI 2019 - 2023, LTI 2020 - 2024, LTI 2021 - 2025, together the "**Terminated LTI Tranches**"), without functioning. Against this background the introduction of the new Management Board Remuneration System 2022 also provided that the performance periods of those Terminated LTI Tranches were ended early. The termination was made with effect as of February 3, 2022 (the last day of the acceptance period of the Takeover offer) and paid out in cash after the annual general meeting of shareholders 2022 had approved the new Management Board Remuneration System 2022.

The LTI 2018 - 2022 as well as the Terminated LTI Tranches consisted of so-called virtual stock awards, which were converted into alstria shares after a four-year performance period. In each financial year, the members of the Management Board were granted a long-term variable remuneration element with a target amount determined in the service contract. The number of stock awards granted was based on the target amount divided by the arithmetic mean of the alstria share price during the 60 trading days prior to the grant date. The number of stock awards granted was then adjusted depending on the performance of alstria's share during the performance period both in absolute and relative terms compared to a peer group. As shown in the figure below, the performance targets implemented in the LTI were the absolute TSR with a weighting of 25% as well as the relative TSR with a weighting of 75%. The overall target achievement was capped at 150%, the payout of the Long-Term Incentive was capped at 250% of the target amount.

## Remuneration Report

The following picture shows how the LTI for the Terminated LTI Tranches functioned:



The following table provides an overview of the target achievement resulting for the LTI 2018 - 2022, which ended regularly and was paid out in 2022:

### LTI Tranche 2018 - 2022

	alstria office REIT-AG	FTSE EPRA/NAREIT developed Europe Index
<b>Absolute TSR p.a.</b>	<b>14.13%</b>	-
<b>Target achievement absolute TSR</b>	<b>150%</b>	
Development 2018 - 2022	69.59%	26.07%
Outperformance		43.52%
<b>Target achievement relative TSR</b>	<b>144%</b>	
<b>Overall target achievement</b>	<b>145%</b>	
<b>LTI Target value (in T€)</b>		
Olivier Elamine		440
Alexander Dexe		360

In addition, the target achievement resulting from the Terminated LTI Tranches is presented in the table below. As the Terminated LTI Tranches were terminated early with effect of February 3, 2022, share price development up until that point was used for the calculation of the target achievement. These tranches were also paid out in 2022.

Terminated LTI Tranches	LTI Tranche 2019 - 2023		LTI Tranche 2020 - 2024		LTI Tranche 2021 - 2025	
	alstria office REIT-AG	FTSE EPRA/NAREIT developed Europe Index	alstria office REIT-AG	FTSE EPRA/NAREIT developed Europe Index	alstria office REIT-AG	FTSE EPRA/NAREIT developed Europe Index
<b>Absolute TSR p.a.</b>	<b>19.86%</b>	-	<b>10.42%</b>	-	<b>46.04%</b>	-
<b>Target achievement absolute TSR</b>	<b>150%</b>		<b>150%</b>		<b>150%</b>	
Development	69.75%	28.93%	21.00%	4.19%	42.01%	19.24%
Outperformance		40.82%		16.81%		22.77%
<b>Target achievement relative TSR</b>	<b>141%</b>		<b>117%</b>		<b>123%</b>	
<b>Overall target achievement</b>	<b>143%</b>		<b>125%</b>		<b>130%</b>	
<b>LTI Target value (in T€)</b>						
Olivier Elamine		440		440		500
Alexander Dexe		360		360		400

### 2.2.4. Malus & Clawback

As a rule, all variable remuneration components of the Management Board members are only paid out after the end of the regular performance period. In the event that a Management Board member deliberately commits a material breach of

- a material duty of care within the meaning of section 93 German Stock Corporation Act (AktG) or
- a material duty under the service contract,

the Supervisory Board may at its reasonable discretion (section 315 of the German Civil Code (Bürgerliches Gesetzbuch, "BGB")) reduce the unpaid variable remuneration in the performance period of which the breach occurred in part or in full ("**Malus**") or reclaim parts or all of the gross amount of any variable remuneration already paid out ("**Clawback**").

Notwithstanding the above, Management Board members must repay any variable remuneration already paid out if and to the extent that

- it turns out after the payment that the audited and approved consolidated financial statement on which the calculation of the payment amount was based was incorrect and must therefore be publicly restated according to legal requirements and the relevant accounting standards, and
- based on the restated, audited consolidated financial statement and the relevant remuneration system, a lower or no payment amount would have been owed from the variable remuneration.

In the financial year 2022 no Malus or Clawback regulations were applied.

### 2.2.5. Remuneration Related Legal Provisions

Explanations of the post-contractual non-competition obligations agreed on with the members of the Management Board, the provisions in the event of premature contract termination, and the information required under section 162 (2) AktG on possible third-party benefits are provided below.

#### *Third-Party Benefits*

The Members of the Management Board were not awarded any third-party benefits in the financial year 2022 for their activities as a Management Board member of alstria.

### *Contract Termination Provisions*

In the event of resignation from office by the member of the Management Board or a withdrawal of the appointment as member of the Management Board pursuant to section 84 paragraph 3 AktG, the service contract ends after the expiration of the notice period of section 622 BGB. The right of alstria and the Management Board member to terminate the service contract for good cause ("*wichtiger Grund*") pursuant to section 626 paragraph 1 BGB remains unaffected.

In case of an early termination of the service contract by mutual agreement, the Management Board member will receive the remuneration for the rest of the term of the service contract, but no more than the value of two years' full remuneration in any case calculated on the basis of the total remuneration for the foregoing full financial year (severance payment). The same shall apply in case of a withdrawal of the appointment according to section 84 paragraph 3 AktG, (but not in case of resignation by the Management Board member), if the withdrawal of appointment occurred for reasons the Management Board member is not responsible for.

Any withdrawal of the appointment occurring within a period of up to twelve months following a change of control, shall be considered as a withdrawal the Management Board member is not responsible for, unless the withdrawal is for good cause ("*wichtiger Grund*" pursuant to section 626 paragraph 1 BGB).

In case within a period of up to twelve months after a change of control the position as member of the Management Board is materially negatively impacted (e.g., by a material reduction of his responsibilities), the Management Board member has the right to resign from office and to terminate the service contract with a notice period of three months to the end of a month. In this case, the Management Board member will receive the severance payment.

A change of control occurs if (i) a third party acquires at least 30% of the voting rights in alstria pursuant to sections 29, 30 German Takeover Law (*WpÜG*) or (ii) alstria as a dependent entity, concludes a corporate agreement within the meaning of section 291 et seq. AktG or (iii) alstria is merged with a non-affiliated entity pursuant to section 2 et seq. of the German Reorganization Act (*UmwG*), unless the enterprise value of the other entity is, at the time the merger decision is made by the transferring company, less than 20% of alstria's enterprise value.

In the event of a contract termination, the STI shall be forfeited in case the contract is terminated by alstria for good cause or the Management Board member has terminated the service relationship without notice and without good cause ("*wichtiger Grund*"). In any other cases, the STI shall remain unaffected.



## Remuneration Report

If a Management Board member retires from service with alstria for reasons of reaching the retirement age, invalidity, occupational disability, early retirement, or death the payment for the LTI is made *pro rata temporis*, taking into account the number of active months of the respective Management Board member in the performance period. If the service contract with alstria is terminated by alstria for good cause (“*wichtiger Grund*”) subject to section 626 BGB, the LTI forfeits. The same applies in the event that the Management Board member has resigned from office without good cause.

In the financial year 2022 no change-of-control provisions were applied with regards to the possibility of an early termination of the service agreements of the Management Board members. Due to the change of control, the LTI tranches 2019 - 2023, 2020 - 2024 and 2021 - 2025 were terminated early.

### *Post-Contractual Non-Compete Obligation*

Post-contractual non-compete-obligations are agreed on with the Management Board members. For the duration of six months after the termination of the service contract (for whatever reason), the Management Board member may not exercise any professional activity for an enterprise which is in direct or indirect competition to alstria. The Management Board member also undertakes, for the duration of six months, not to set up or to acquire or to participate in such a company directly or indirectly. alstria may waive the post-contractual non-compete-obligation at any time, and with the expiration of a period of notice of six months.

For the duration of the post-contractual non-compete-obligation, alstria shall pay to the Management Board member a remuneration amounting to 100% of his last base salary. Payment of this remuneration is due at the end of each month. Remuneration from any professional activity which is not in competition to alstria shall be set off against accordingly. Furthermore, any severance payment to a Management Board member will be offset against any payments according to the post-contractual non-compete-obligation as far as the severance payment is due for the duration of the post-contractual non-compete-obligation.

### 3. INDIVIDUALIZED DISCLOSURE OF THE REMUNERATION OF THE MANAGEMENT BOARD

The following table shows on an individual basis the remuneration awarded and due in accordance with section 162 AktG for the members of the Management Board. Furthermore, the compliance with the maximum remuneration according to section 87a AktG is reported.

The service contract of Alexander Dexne has regularly been terminated at the end of the financial year 2022. Since then, he is subject to the post-contractual non-compete obligation under the terms described in this remuneration report. He does not receive any severance payments. The STI 2022 and the LTI 2022 - 2023 will not be terminated early but will be settled after the regular end of the performance periods.

#### 3.1. Remuneration Awarded and Due

As part of the individualized disclosure of the remuneration awarded and due to the members of the Management Board for the financial year 2022, the following specific remuneration elements are reported:

- The base salary as well as the fringe benefits and the pension allowance that were paid in the financial year 2022
- The STI 2022 assessing performance in 2022 that will be paid out in the financial year 2023
- The LTI tranche 2018 - 2022, as the performance period ended in 2022 and it was paid out in financial year 2022
- The LTI tranches 2019 - 2023, 2020 - 2024 and 2021 - 2025 that were terminated prematurely and paid out in the financial year 2022.

In order to allow for a transparent disclosure, the respective remuneration amounts for the financial year 2021 are included as additional information.

#### Remuneration awarded and due

	Olivier Elamine (CEO)			Alexander Dexne (CFO)		
	2022		2021	2022		2021
	in T€	in %	in T€	in T€	in %	in T€
Annual base salary	500	26	500	400	26	400
Fringe benefits	19	1	28	28	1	33
Company car	9	-	17	19	-	24
Insurances	10	-	11	9	-	9
Pension allowance	88	5	88	73	5	73
Short-Term variable remuneration	269	14	266	215	14	213
STI 2021	-	-	266	-	-	213
STI 2022 <sup>1)</sup>	269	-	-	215	-	-
Long-Term variable remuneration	1,040	54	936	851	54	765
LTI 2017-2021	-	-	936	-	-	765
LTI 2018-2022	1,040	-	-	851	-	-
<b>Total remuneration</b>	<b>1,916</b>	<b>100</b>	<b>1,818</b>	<b>1,567</b>	<b>100</b>	<b>1,484</b>
Terminated Long-Term variable remuneration	2,595	-	-	2,106	-	-
LTI 2019-2023	1,034	-	-	846	-	-
LTI 2020-2024	650	-	-	532	-	-
LTI 2021-2025	911	-	-	729	-	-
<b>Total remuneration incl. terminated LTIs</b>	<b>4,511</b>	<b>-</b>	<b>1,818</b>	<b>3,673</b>	<b>-</b>	<b>1,484</b>

1) Preliminary numbers at the time of the preparation of this report.

### 3.2. Maximum Remuneration according to section 87a AktG

Pursuant to section 87a paragraph 1 sentence 2 number 1 AktG, the Supervisory Board is required to set a maximum remuneration for all remuneration elements, comprising base salary, fringe benefits, pension allowance and short-term variable as well as long-term variable remuneration.

For the CEO, the maximum remuneration that can be paid in relation to any given year is EUR 2,600,000. For the CFO and potential future Ordinary Management Board members, maximum remuneration that can be paid in relation to any given year is set at EUR 2,100,000. Extraordinary performance is required to actually achieve these maximum amounts.

The total of all payments resulting from commitments for the 2022 financial year can only be determined after the expiry of the two-year performance period of the Long-Term Incentive. However, in compliance with the maximum remuneration pursuant to section 87a paragraph 1 sentence 2 number 1 AktG it can already be ensured today, that even in the event of a payout of the Long-Term Incentive amounting to 115% of the target amount (cap) the total of all remuneration components would be below the maximum remuneration. A detailed report on compliance with the maximum remuneration of the remuneration granted for the financial year 2022 will be provided in the remuneration report for the corresponding year after the end of the performance period of the LTI tranche 2022-2023.

Given the premature termination of the LTI tranche 2021 - 2025 and the respective payout in the financial year 2022, compliance with the maximum remuneration for the financial year 2021 can now be assessed. It can be confirmed that the maximum remuneration in accordance with §87a AktG for CEO and CFO for the financial year 2021 was not exceeded.

Regarding the financial year 2018 as well as the financial years 2019 and 2020 (LTI tranche 2018 - 2022 ended regularly and was paid out in 2022, LTI tranches 2019 - 2023 and 2020 - 2024 were terminated early and paid out in 2022), no compliance with maximum remuneration can be determined as no maximum remuneration had been set at the time of grant. However, it can be noted that the remuneration paid for those financial years does also lie within the currently defined maximum remuneration according to § 87a AktG.

## 4. REMUNERATION OF THE SUPERVISORY BOARD MEMBERS

The remuneration system of the Supervisory Board as well as the individual remuneration awarded and due to the members of the Supervisory Board in the financial year 2022 are shown below.

### 4.1. Remuneration system for the Supervisory Board Members

#### 4.1.1. Remuneration governance

After the end of the fiscal year, the members of the Supervisory Board receive remuneration for that fiscal year, which is determined by resolution of the annual general meeting. The remuneration for the members of the Supervisory Board was last confirmed by the annual general meeting of shareholders in 2021 by 99.7% of votes cast (**Supervisory Board Remuneration System 2021**). The determination shall apply until the annual general meeting decides otherwise. At least every four years or in case of a change, the remuneration system of the members of the Supervisory Board is resubmitted to the annual general meeting of shareholders for resolution. In the event that the annual general meeting of shareholders does not approve a remuneration system put to the vote, a revised remuneration system shall be presented at the latest at the following annual general meeting of shareholders.

#### 4.1.2. Remuneration system

The remuneration of the Supervisory Board members is not performance-related. It consists of a fixed remuneration and a likewise fixed remuneration for committee work. The company reimburses the expenses of the members of the Supervisory Board. The company has, at its own expense, taken out an appropriate liability insurance (D&O insurance) for the benefit of the members of the Supervisory Board to cover the risks arising from the performance of their duties (Art. 13 par. 2 of the Articles of Association).

Members of the Supervisory Board each receive an annual fixed remuneration of EUR 50,000. The chair of the Supervisory Board receives an additional annual amount of EUR 100,000 (factor 3); the deputy chair receives an additional amount of EUR 25,000 (factor 1.5).

Membership in the audit committee entitles a member to an additional remuneration of EUR 10,000, while the chair of the audit committee receives EUR 20,000 per year (factor 2). Membership in the nomination and remuneration committee entitles a member to an additional annual remuneration of EUR 7,500 while the chair of this committee is compensated with additional EUR 15,000 per year (factor 2). The same applies to the finance and investment committee, which was dissolved effective March 21, 2022. Membership in temporary committees does not entitle a member to additional remuneration.

Members who belong to the Supervisory Board respectively one of its committees for only part of a year receive a *pro rata temporis* remuneration. Variable remuneration elements do not exist and no attendance fees are paid.

## Remuneration Report

The following table shows the remuneration structure for the supervisory board.

Remuneration element	Remuneration of the Supervisory Board
Annual fixed remuneration	Chair: EUR 150,000 Deputy Chair: EUR 75,000 Supervisory Board Member: EUR 50,000
Committee remuneration	Audit Committee: EUR 10,000 / EUR 20,000 (Chair) Nomination and Remuneration Committee: EUR 7,500 / EUR 15,000 (Chair) Finance and Investment Committee: EUR 7,500 / EUR 15,000 (Chair) <sup>1)</sup>

1) The Finance and Investment Committee was dissolved effective March 21, 2022.

### 4.2. Individualized Disclosure of the Remuneration of the Supervisory Board

Following the Takeover of Brookfield, the Supervisory Board members Dr. Johannes Conradi, Marianne Voigt, Benoît Héroult and Richard Mully terminated their Supervisory Board membership as per February 28, 2022. Brad Hyler, Jan Sucharda, Karl Wambach and Rebecca Worthington have been appointed as members of the Supervisory Board of the Company by court order in accordance with section 104 AktG with effect from March 1, 2022. They were subsequently elected and confirmed by the annual general meeting 2022.

The remuneration awarded and due to the current and former members of the Supervisory Board in the 2022 financial year is presented in the following. A distinction is made between fixed remuneration and committee remuneration.

Supervisory Board Remuneration	2022					2021				
	Fixed remuneration		Committee remuneration		Total remuneration	Fixed remuneration		Committee remuneration		Total remuneration
	in T€	in %	in T€	in %	in T€	in T€	in %	in T€	in %	in T€
Brad Hyler (Chair) <sup>1)</sup>	- <sup>2)</sup>	-	- <sup>2)</sup>	-	-	-	-	-	-	-
Jan Sucharda (Deputy Chair) <sup>1)</sup>	- <sup>2)</sup>	-	- <sup>2)</sup>	-	-	-	-	-	-	-
Karl Wambach <sup>1)</sup>	- <sup>3)</sup>	-	- <sup>3)</sup>	-	-	-	-	-	-	-
Rebecca Worthington <sup>1)</sup>	41.9	73	15.7	27	57.6	-	-	-	-	-
Dr. Frank Pörschke	50.0	81	11.6	19	61.6	32.9	74	11.5	26	44.4
Elisabeth Steeman	50.0	85	9.1	15	59.1	32.9	77	9.9	23	42.8
Dr. Johannes Conradi <sup>4)</sup>	24.2	91	2.4	9	26.7	150.0	91	15.0	9	165.0
Richard Mully <sup>4)</sup>	12.1	83	2.4	17	14.5	75.0	83	15.0	17	90.0
Marianne Voigt <sup>4)</sup>	8.1	71	3.2	29	11.3	50.0	71	20.0	29	70.0
Benoît Héroult <sup>4)</sup>	8.1	74	2.8	26	10.9	50.0	74	17.5	26	67.5
<b>Sum</b>	<b>194.5</b>	<b>-</b>	<b>47.4</b>	<b>-</b>	<b>241.8</b>	<b>390.8</b>	<b>-</b>	<b>88.9</b>	<b>-</b>	<b>479.7</b>

1) Elected by court order with effect from March 1, 2022 and elected by the annual general meeting 2022.

2) The supervisory board member waived the payment of the fixed annual remuneration for the membership in the Company's supervisory board and its committees. alstria paid taxes.

3) The supervisory board member waived the payment of the fixed annual remuneration for the membership in the Company's supervisory board and its committees.

4) Resigned their membership early in course of the execution of the takeover offer with effect from February 28, 2022.

## Remuneration Report

In order to allow for more comprehensibility of the committee compensation above, the following table gives an overview over the committee work of the current and former Supervisory Board members for the year 2022.

	2022					
	Committee work <sup>3)</sup>					
	Audit Committee		Nomination and Remuneration Committee		Finance and Investment Committee <sup>4)</sup>	
	Membership	Duration of membership	Membership	Duration of membership	Membership	Duration of membership
Brad Hyler (Chair) <sup>1)</sup>	M	21.03. - 31.12.2022	C	21.03. - 31.12.2022	-	-
Jan Sucharda (Deputy Chair) <sup>1)</sup>	-	-	M	21.03. - 31.12.2022	-	-
Karl Wambach <sup>1)</sup>	-	-	-	-	-	-
Rebecca Worthington <sup>1)</sup>	C	21.03. - 31.12.2022	-	-	-	-
Dr. Frank Pörschke	M	01.01. - 31.12.2022	-	-	M	01.01. - 21.03.2022
Elisabeth Stheeman	-	-	M	01.01. - 31.12.2022	M	01.01. - 21.03.2022
Dr. Johannes Conradi <sup>2)</sup>	-	-	C	01.01. - 28.02.2022	-	-
Richard Mully <sup>2)</sup>	-	-	-	-	C	01.01. - 28.02.2022
Marianne Voigt <sup>2)</sup>	C	01.01. - 28.02.2022	-	-	-	-
Benoît Hérault <sup>2)</sup>	M	01.01. - 28.02.2022	M	01.01. - 28.02.2022	-	-

1) Elected by court order with effect from March 1, 2022 and elected by the annual general meeting 2022.

2) Resigned their membership early in course of the execution of the takeover offer with effect from February 28, 2022.

3) M = Member, C = Chair.

4) Until March 21, 2022.

## 5. COMPARATIVE PRESENTATION OF REMUNERATION AND COMPANY PERFORMANCE

In addition to the individualized disclosure of the remuneration of the Management Board and Supervisory Board, section 162 (1) sentence 2 of the German Stock Corporation Act (AktG) also requires a comparative presentation thereof with the remuneration of the workforce as well as the Company's performance. The following table therefore compares the remuneration awarded and due to members of the Management and Supervisory Board with the average employee remuneration and the key financial figures revenues and FFO per share, which were selected on the basis of their central management function for the Company.

## Remuneration Report

### Comparative presentation

	2022	2021	Development 2022/2021	Development 2021/2020
	in T€	in T€	in %	in %
<b>Management Board</b>				
Olivier Elamine	4,511	1,818	148	-15
Alexander Dexne	3,673	1,484	148	-16
<b>Supervisory Board</b>				
Brad Hyler (Chair) <sup>1)</sup>	-	-	-	-
Jan Sucharda (Deputy Chair) <sup>1)</sup>	-	-	-	-
Karl Wambach <sup>1)</sup>	-	-	-	-
Rebecca Worthington <sup>1)</sup>	58	-	-	-
Dr. Frank Pörschke	62	44	39	-
Elisabeth Stheeman	59	43	38	-
Dr. Johannes Conradi <sup>2)</sup>	27	165	-84	0
Richard Mully <sup>2)</sup>	15	90	-84	0
Marianne Voigt <sup>2)</sup>	11	70	-84	0
Benoît Hérault <sup>2)</sup>	11	68	-84	0
<b>Employees</b>				
Average remuneration	95	96	-1	8
<b>Company performance</b>				
Revenues	182,819	183,670	0	4
FFO per share (in EUR) <sup>3)</sup>	0.62	0.67	-7	8

1) Elected by court order with effect from March 1, 2022 and elected by the annual general meeting 2022.

2) Resigned their membership early in course of the execution of the takeover offer with effect from February 28, 2022.

3) Before minorities.

For the average employee remuneration, all employees of alstria are considered, with the exception of trainees, interns, working students and marginally employed employees. In addition, employees who were not employed for the entire year under review or who were absent for more than two months during the year under review are also not included. The remuneration stated comprises the base salary and the bonus (each extrapolated to full-time equivalents) for the year in question, the long-term variable remuneration amount paid out during the year in question as well as contributions to the pension scheme. Furthermore, fringe benefits such as payments for a job ticket or allowances for a company car are also taken into account. The remuneration stated does not include the profit the employees made from a disposal of the shares, which they received in the 2022 financial year as long-term incentive, to the Takeover bidder at a disposal price equal to the offer price paid in the course of the Takeover. In the investment agreement made in the context of the Takeover, the bidder had agreed with the Company to acquire the employees' shares which were to be granted in the 2022 and the 2023 financial years at the offer price. If this disposal profit was added to the average employee remuneration in 2022, the average employee remuneration would be EUR 115k and would have increased by 20% compared to the 2021 financial year.

## Remuneration Report

Looking at the remuneration development from 2021 to 2022, it shall be pointed out that the increase in remuneration for the Supervisory Board members Dr Pörschke and Ms. Stheeman arises from their election in the annual general meeting 2021 and therefore the pro-rated remuneration for the financial year 2021. With regard to the Management Board members, it shall further be noted that the significant increase of 148% results from the implementation of the new Management Board Remuneration System 2022 as approved by the Annual General Meeting in 2022 and the corresponding early termination of the LTI tranches in financial year 2022 that are reported as part of the remuneration awarded and due. The adjusted development, not taking into account the early terminated LTI tranches, would be at 5% for Mr. Elamine and 6% for Mr. Dexne. This development, in turn, is due to the slightly higher payout of the LTI tranche 2018 - 2022 in comparison to the LTI tranche 2017 - 2021 as the relevant share price development of alstria was slightly better.

Looking at the corporate development in the reporting period, revenues were EUR 182.8 million (compared to EUR 183.7 million in 2021). The decline of 0.5% is primarily the result of the scheduled expiry of rental agreements and transaction-related changes in revenue, which were largely offset by an increase in revenue from new leases, indexations and proceeds from leases of the properties acquired in fiscal 2021. The FFO (before minorities) amounted to EUR 110.9 million (prior year: EUR 118.7 million). The decline in FFO was due to higher financing costs, which are a reflection of the higher indebtedness of the Company. In addition, alstria recorded an increase in personnel expenses mainly related to the transaction with Brookfield in 2022. The FFO per share (before minorities) declined from EUR 0.67 to EUR 0.62 per share.

Hamburg, February 2023

**alstria office REIT-AG**

The Supervisory Board

Brad Hyler  
Chairman of the Supervisory Board

The Management Board

Olivier Elamine  
CEO



## H. REIT DISCLOSURES

### I. REIT DECLARATION

#### Statement of the management board

In relation to the financial statements according to Section 264 of the German Commercial Code (*Handelsgesetzbuch*, HGB) and the IFRS consolidated financial statements according to Section 315e HGB as per December 31, 2022, the Management Board of alstria office REIT-AG (alstria or the company) issues the following declaration regarding compliance with the requirements of Sections 11 to 15 of the REIT Act (German Real Estate Investment Trust Act) and regarding how the composition of income subject to and not subject to income tax is calculated for the purposes of Section 19 paragraph 3 REIT Act, in conjunction with Section 19a REIT Act:

1. As per balance sheet date, to our knowledge, 4.89 % of alstria's shares were free float according to Section 11 paragraph 1 REIT Act. This was communicated in writing to the German Federal Financial Supervisory Authority (BaFin) on January 9, 2023. This is a deviation from the regulation of Section 11 (1) of the REIT Act, according to which at least 15% of the shares in a REIT stock corporation must be in free float. As of the previous year's reporting date, 46.69% of the shares were still in free float.
2. Alexandrite Lake Lux Holdings S.à rl, Luxembourg, Grand Duchy of Luxembourg, directly held 148,688,601 or 83.40 % of alstria's shares as of the balance sheet date. Additionally, Lapis Luxembourg Holdings S.à r.l., Luxembourg, Luxembourg, was reported to directly hold 18.213.868 or 10,23 % of alstria's shares. This is a deviation from the regulation of Section 11, Paragraph 4 of the REIT Act, which means that no investor should directly hold 10% or more of the shares in the company . Apart from the two named companies, according to our knowledge, no investor directly owns 10% or more of the shares in our company or shares to such an extent that he has 10% or more of the voting rights. The criterion for the maximum voting rights participation pursuant to Section 11 (4) of the REIT Act was not met for the first time as of December 31, 2021.
3. In relation to the sum of the assets pursuant to the consolidated statements less the distribution obligation and the reserves pursuant to Section 12 paragraph 2 REIT Act
  - a) As per the balance sheet date, the immovable assets amounted to EUR 4,652,475 k, which equals 90.10 % of the assets; therefore, at least 75 % of the assets are immovable assets.
  - b) The assets belonging to the property of REIT service companies as per balance sheet date which were included in the consolidated statements amount to a maximum of 20 %, namely EUR 615 k and therefore 0.01 %.
4. In relation to the sum of the entire sales revenue plus the other earnings from immovable assets pursuant to the IFRS consolidated financial statements (Section 12 paragraph 3 and 4 REIT Act)

## REIT Disclosures

- a) For the financial year 2022, the entire sales revenues plus other earnings from immovable assets amounted to EUR 49.3 million. This equals 100 % of total revenues plus other earnings from immovable assets;
  - b) The sum of the sales revenue plus the other earnings from immovable assets of the REIT service companies amounted to EUR 93 k in the financial year 2022. This equals 0.19 % of the Group's total revenue plus other earnings from immovable assets.
5. In financial year 2022, a dividend payment of EUR 756,640 k for the prior financial year was distributed to the shareholders. Financial year 2021 resulted in a net loss amounting to EUR 30,910 k, according to commercial law.
  6. alstria office REIT-AG's dividend is not derived from already taxed parts of the annual profit.
  7. Since 2018, the Group has realised 13.31 % of the average portfolio of its immovable assets and therefore did not trade with real estate, according to Section 14 REIT Act.
  8. On the balance sheet date, the Group's equity was EUR 2,571.4 million, as shown in the IFRS Consolidated Financial Statements. This equals 55.27 % of the value of the immovable assets shown in the consolidated financial statements, in accordance with Section 12 paragraph 1 REIT Act (Section 15 REIT Act).

Hamburg, February 27, 2023

**alstria office REIT-AG**

**Olivier Elamine**

CEO

## II. REIT MEMORANDUM

### Auditor's memorandum according Section 1 (4) REIT Act

To alstria office REIT-AG, Hamburg

As the auditor of the annual financial statements and the consolidated financial statements of alstria office REIT-AG, Hamburg/Germany, for the financial year from January 1 to December 31, 2022, we have audited the disclosures on compliance with the requirements conferred by Sections 11 to 15 German REIT Act and on the income composition with regard to previously taxed and not previously taxed income according to Section 19 (3) in conjunction with Section 19a German REIT Act as of December 31, 2022 contained in the attached declaration of the executive board (hereafter referred to as "REIT declaration"). The Company's executive board is responsible for the disclosures contained in the REIT declaration. Our responsibility is to express an opinion on these disclosures based on our audit.

We conducted our audit in accordance with Auditing Practice Statement IDW AuPS 9.950.2 promulgated by the Institute of Public Auditors in Germany (IDW): Specifics Regarding the Audit of a German REIT Stock Corporation in Accordance with Section 1 (4) German REIT Act, of a German pre-REIT Stock Corporation in Accordance with Section 2 Sentence 3 German REIT Act and Regarding the Audit in Accordance with Section 21 (3) Sentence 3 German REIT Act. Therefore, we have planned and performed our audit procedures on the disclosures in the REIT declaration so as to obtain reasonable assurance on whether the disclosures on the free float ratio and the maximum shareholding per shareholder according to Section 11 (1) and (4) German REIT Act correspond to the notifications according to Section 11 (5) German REIT Act as of December 31, 2022 and whether the disclosures on compliance with the requirements under Sections 12 to 15 German REIT Act and the composition of income with regard to previously taxed and not previously taxed income according to Section 19a German REIT Act are correct. Gaining a comprehensive understanding or performing a comprehensive audit of the tax assessments of the relevant companies was not included in the scope of the audit. As part of our audit, we compared the disclosures on the free float ratio and the maximum shareholding per shareholder according to Section 11 (1) and (4) German REIT Act contained in the REIT declaration with the notifications in accordance with Section 11 (5) German REIT Act as of December 31, 2022 and squared the disclosures on Sections 12 to 15 German REIT Act contained in the REIT declaration with the corresponding disclosures in the annual financial statements and the consolidated financial statements. In addition, we audited the adjustments made to the valuation of immovable assets held as investment concerning their compliance with the requirements under Section 12 (1) German REIT Act. We believe that our audit provides a reasonable basis for our opinion.

## REIT Disclosures

In our opinion, on the basis of the knowledge obtained in the audit, the disclosures on the free float ratio and the maximum shareholding per shareholder according to Section 11 (1) and (4) German REIT Act contained in the REIT declaration correspond to the notifications according to Section 11 (5) German REIT Act as of December 31, 2022 and the disclosures on compliance with the requirements under Sections 12 to 15 German REIT Act and the income composition with regard to previously taxed and not previously taxed income pursuant to Section 19a German REIT Act are correct.

This memorandum is solely provided for submission to the tax authorities of the city of Hamburg/Germany as part of the tax declaration according to Section 21 (2) German REIT Act and must not be used for other purposes.

Hamburg, February 27, 2023

### **Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

**Annika Deutsch**  
Wirtschaftsprüferin  
[German Public Auditor]

**Maximilian Freiherr v. Perger**  
Wirtschaftsprüfer  
[German Public Auditor]

## I. FINANCIAL CALENDAR/IMPRINT

### I. FINANCIAL CALENDAR

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Events 2023	
May 2	Publication of Q1 Interim report
May 4	Annual General Meeting
August 8	Publication of Q2 Half-year interim report
November 7	Publication of Q3 Interim report Publication of sustainability report

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### II. CONTACT/IMPRINT

alstria office REIT-AG is a member of DIRK (Deutscher Investor Relations Verband, the German Investor Relations Association).

Other reports issued by alstria office REIT-AG are posted on the Company's website.

#### Forward-looking statements

This annual report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based not occur, or if risks should arise the actual results could differ materially from the results currently expected.

#### Note

This report is published in German (original version) and English (non-binding translation).

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