

# 2023

# ANNUAL

# REPORT

IFRS financial statements



# KEY FIGURES

## FIVE-YEAR OVERVIEW

Revenues and earnings	2023	2022	2021	2020	2019
Revenues (EUR k)	192,026	182,819	183,670	177,063	187,467
Net rental income (EUR k)	163,936	158,946	163,271	154,823	162,904
Consolidated profit for the period (EUR k)	-653,374	-74,614	209,678	168,489	581,221
FFO (EUR k) <sup>1)</sup>	87,972	106,562	116,455	108,673	112,572
Earnings per share (EUR) <sup>1)</sup>	-3.66	-0.42	1.18	0.95	3.27
FFO per share (EUR) <sup>1)</sup>	0.49	0.60	0.65	0.61	0.63

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

Balance sheet	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Investment property (EUR k)	3,971,253	4,606,848	4,775,801	4,556,181	4,438,597
Total assets (EUR k)	4,237,518	5,163,774	5,234,372	5,090,249	5,029,328
Equity (EUR k)	1,617,547	2,571,400	3,367,083	3,252,442	3,175,555
Liabilities (EUR k)	2,619,971	2,592,374	1,867,290	1,837,806	1,853,773
Net asset value (NAV) per share (EUR)	9.06	14.42	18.91	18.29	17.88
Net loan-to-value (Net LTV, %)	58.3	43.7	28.8	27.0	27.1

G-REIT figures	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
G-REIT equity ratio (%)	43.0	55.3	69.1	71.1	70.9
Revenues including other income from investment properties (%)	100	100	100	100	100

EPRA figures <sup>1)</sup>	2023	2022	2021	2020	2019
EPRA earnings per share (EUR)	0.51	0.63	0.55	0.61	0.61
EPRA cost ratio A (%) <sup>2)</sup>	23.6	32.1	25.0	26.6	26.1
EPRA cost ratio B (%) <sup>3)</sup>	18.3	27.0	21.1	22.1	21.7

	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
EPRA NRV per share (EUR)	10.87	16.40	20.86	20.13	19.67
EPRA NTA per share (EUR)	9.10	14.47	18.97	18.34	17.91
EPRA NDV per share (EUR)	10.32	15.69	18.82	17.95	17.61
EPRA net initial yield (%)	4.2	3.5	2.9	3.3	3.3
EPRA 'topped-up' net initial yield (%)	4.4	3.7	3.4	3.7	3.8
EPRA vacancy rate (%)	8.0	7.2	6.9	7.6	8.1

<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.

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## 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, 2023, the alstria group consisted of the parent company alstria and 36 direct and indirect subsidiaries (hereinafter “alstria” or the “Group”). Operational decisions are made in the parent company. As of December 31, 2023, alstria’s real estate portfolio comprised 106 buildings, with a lettable area of 1.4 million m<sup>2</sup> and a total value of EUR 4.0 billion. The properties are predominantly located in the major German office markets of Hamburg, Düsseldorf, Frankfurt, Stuttgart and Berlin, which alstria defines as its core markets and in which alstria is represented by local and operating offices. As a fully integrated and long-term oriented company, alstria’s 189 employees actively manage the buildings over their entire life cycle.

In 2022, alstria was taken over by Brookfield Corporation, Toronto/Canada, via its subsidiary Alexandrite Lake Lux Holdings S.á r.l., Luxembourg, Grand Duchy of Luxembourg (hereinafter “Alexandrite” or “Acquirer”). According to the most recently published voting rights notification, Brookfield directly and indirectly held 95.4% of the shares of alstria office REIT-AG at the end of 2023, whereby no Brookfield subsidiary exceeded a voting interest of 10%.

The year 2023 was again characterized by the implementation of the investment agreement concluded between alstria and Brookfield at the end of 2021. In particular, this included the new capital structure published in the ad hoc announcement of April 8, 2022 as a key milestone. This includes return of capital in the amount of EUR 1 billion and the related take-up of additional debt capital in the amount of EUR 850 million were completed as planned in the financial year 2023.

The Group’s business strategy and the growth of the company imply that 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.

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 forecast published by alstria at the beginning of 2023 was exceeded in the financial year 2023. The Group's revenues amounted to EUR 192 million (forecast: EUR 190 million) and FFO reached almost EUR 88 million in the reporting year (forecast: EUR 79 million). The FFO forecast was already raised from EUR 79 million to EUR 84 million during the course of the year. The improved earnings performance compared to the forecast was due in particular to a more favorable development of property operating costs, as well as higher than expected income from cash deposits.

The company also monitors the development of net LTV\*\*, the REIT equity ratio\*\*\*, net debt\*\*\*\* to EBITDA and cash and cash equivalents, although these are not the most important performance indicators for the Group's internal management. As per December 31, 2023, the net LTV ratio was 58.3%, compared to 43.7% at the end of the 2022 financial year. The significant increase in the LTV ratio was a result of the company's higher debt and the market-related devaluation of the property portfolio. The REIT equity ratio amounted to 43.0% as at the reporting date, compared to 55.3% in the previous year. The statutory minimum ratio is 45% and must be restored by December 31, 2025 in order to maintain the company's REIT status. The net debt to EBITDA ratio was 16.6 as at December 31, 2023, compared to 14.5 as at December 31, 2022.

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\* For further details, please refer to page 15f.

\*\* Net debt at the fair value of immovable assets (less shares in joint ventures)

\*\*\* Ratio of equity to the book value of immovable assets. Minimum requirement in accordance with the G-REIT Act: 45%.

\*\*\*\* Total liabilities less cash and cash equivalents and current financial assets.

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

### 3. ECONOMY AND OFFICE MARKETS

#### 3.1. Economic development\*

With a decline in GDP of -0.3%, the German economy stagnated in the past financial year. This was due on the one hand to the considerable loss of purchasing power among consumers as a result of the massive rise in energy and food prices, and on the other hand to the weak global economic development as a result of the ongoing geopolitical crises. The rise in interest rates as a result of monetary policy tightening also contributed to the weak economic development. Current leading indicators suggest that the economic weakness is likely to persist throughout the winter and a recovery is not expected until spring 2024. The cautious optimism is based in particular on the expected slowdown in inflation and rising real wages. The average annual inflation rate for 2023 was 5.9%.

#### 3.2. Office markets\*\*

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

The persistently weak economic development and the economic uncertainty of many corporations had a direct impact on demand for office space, which in the seven major office markets ("Big 7" cities: Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart) was 31% below the previous year's level at just under 2.4 million square meters. The vacancy rate rose to 6.1% over the course of the year (previous year: 5.1%), while prime rents again increased slightly and average rents showed a regionally differentiated trend. Average rents per square meter developed as follows compared to the previous year: Hamburg: EUR 20.60/m<sup>2</sup> (-2%), Düsseldorf: EUR 21.30 (+8%), Frankfurt: EUR 22.90 (-4%), Stuttgart: EUR 17.30 (-5%), Berlin: EUR 29.20 (-3%), Cologne: EUR 19.60 (+5), Munich: EUR 24.70 (-1%).

##### 3.2.2. Transactions

The weak economic development combined with the sharp rise in interest rates brought the transaction market for German commercial real estate to a virtual standstill. In 2023, the transaction volume in the "Big 7" cities amounted to EUR 7.9 billion. The individual markets developed as follows: Hamburg: EUR 1.3 billion (-71%), Düsseldorf: EUR 0.6 billion (-78%), Frankfurt: EUR 0.7 billion (-84%), Stuttgart: EUR 0.5 billion (-55%), Berlin: EUR 2.7 billion (-65%), Cologne: EUR 0.8 billion (-33%), Munich: EUR 1.4 bn (-66%). The year-on-year decline in the "Big 7" was therefore 69%.

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\* Source: BMWK- The economic situation in Germany in January 2024.

\*\* Source: Top 7 locations market report Q1-4 2023, German Property Partners. Other sources were used in the previous year, meaning that the market data in the 2022 annual report is only partially comparable.



## 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 2023, 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 13,100 m<sup>2</sup> and an average market value of EUR 37.6 million.

Key metrics	Dec. 31, 2023	Dec. 31, 2022
Number of properties	106	108
Market value (EUR bn) <sup>1)</sup>	4.0	4.7
Annual contractual rent (EUR m)	199.6	199.7
Valuation yield (% , contractual rent / market value)	5.0	4.3
Lettable area (m <sup>2</sup> )	1.394.000	1,398,000
EPRA vacancy rate (%)	8.0	7.2
WAULT (weighted average unexpired lease term in years)	5.3	5.5
Average value per m <sup>2</sup> (EUR)	2.860	3,329
Average rent/m <sup>2</sup> (EUR / month) <sup>3)</sup>	14.61	14.06

<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, 2023	Dec. 31, 2022	Change (pp)
Hamburg	33	35	-2
Düsseldorf	26	25	1
Frankfurt	23	22	1
Stuttgart	9	9	-
Berlin	9	9	-

## 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, 2023:

alstria's main tenants (% of annual rent)	Dec. 31, 2023	Dec. 31, 2022	Change (pp)
City of Hamburg	13	13	0
Bundesanstalt für Immobilienaufgaben	5	5	0
Mercedes-Benz AG	4	6	-2
City of Frankfurt	3	3	0
GMG Generalmietgesellschaft	3	3	0
HOCHTIEF Aktiengesellschaft	2	2	0
Commerzbank Aktiengesellschaft	2	2	0
Hamburger Hochbahn AG	2	2	0
Deutsche Post Immobilien	2	2	0
City of Berlin	2	1	1

Letting metrics <sup>1)</sup> (m <sup>2</sup> )	2023	2022	Change
New leases	23,400	43,700	-20,300
Renewals of leases	110,000	63,600	46,400
<b>Total</b>	<b>133,400</b>	<b>107,300</b>	<b>26,100</b>

<sup>1)</sup> Total leasing volume including option drawings of existing tenants.

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, 2023	Dec. 31, 2022	Change (pp)
2024	8.1	10.6	-2.5
2025	14.2	13.7	0.5
2026	19.0	20.4	-1.4

## 4.3. Capital expenditure into the existing portfolio

In 2023, EUR 129 million was invested in the existing portfolio. The largest part of this amount, EUR 65 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 2023, because alstria still sees the best return opportunities here. The current development portfolio comprises 20 projects with a total lettable area of 154,300 m<sup>2</sup>.

## Combined Management Report

Project	Lettable area (m <sup>2</sup> )	Status	Estimated completion
Gustav-Nachtigal-Str. 4, Wiesbaden	800	Under construction	Q2 2024
Carl-Reiss-Platz 1, Mannheim	8,000	Under construction	Q1 2024
Carl-Reiss-Platz 2,3,4, Mannheim <sup>1)</sup>	4,400	Under construction	Q2 2024
Gartenstr. 2, Düsseldorf	5,000	Under construction	Q4 2024
Handwerkstr. 4/Breitwiesenstr. 27, Stuttgart	6,200	Under construction	Q1 2024
Adlerstr. 63, Düsseldorf	2,700	Under construction	Q1 2024
Corneliusstr. 36, Düsseldorf	3,100	Under construction	Q1 2024
Uhlandstr. 85, Berlin	11,200	Under construction	Q2 2024
Friedrich-Scholl-Platz 1 (Teil A), Karlsruhe	5,800	Under construction	Q4 2024
Friedrich-List-Str. 20, Essen	8,600	Under construction	Q1 2024
Platz der Einheit 1, Frankfurt	28,700	Under construction	Q4 2024
Epplestr. 225 (building 2), Stuttgart	11,500	Under construction	Q2 2024
Epplestr. 225 (building 6), Stuttgart	11,500	Under construction	Q2 2024
Epplestr. 225 (building 10), Stuttgart	9,900	Under construction	Q4 2024
Epplestr. 225 (building 20 & 21), Stuttgart	4,000	Under construction	Q4 2024
Epplestr. 225 (building 1), Stuttgart	4,800	Planning	n/a
Hanauer Landstr. 161-173, Frankfurt	14,100	Planning	n/a
Maxstr. 3a, Berlin	4,400	Planning	n/a
Ivo-Beucker-Str. 43, Düsseldorf	7,300	Planning	n/a
Lehrter Str. 17, Berlin	2,300	Planning	n/a
<b>Gesamt</b>	<b>154,300</b>		

<sup>1)</sup> Residential building.

### 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. As the transaction market for office properties came to a virtual standstill in 2023, alstria's disposal volume of only EUR k 3,200 was also significantly below the previous year's level of EUR k 116,020. The purchase agreement for the building at Amsinckstr. 34, Hamburg, was signed in 2022 and the transfer of benefits and burden took place on March 31, 2023. As in 2022, alstria did not acquire any new properties in the 2023 financial year.

## Disposals

Asset	City	Disposal price (EUR k)	Gain to book value (EUR k) <sup>1), 2)</sup>	Signing SPA	Transfer of benefits and burdens
Amsinckstr. 34	Hamburg	26,550	573	Dec. 12, 2022	Mar. 31, 2023
Mergenthalerallee 45-47	Eschborn	3,200	300	Mar. 28, 2023	Apr. 30, 2023
<b>Total Disposals</b>		<b>29,750</b>	<b>873</b>		

<sup>1)</sup> Deviation from the item "Net result from the disposal of investment property" in the income statement. This item only includes contracts that have an impact on the 2023 financial year, as well as their incidental selling costs and capitalizations made during the year up to the time of disposal.

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

### 4.5. Portfolio valuation

alstria's entire real estate portfolio was valued by an external appraiser (Savills Advisory Services Germany GmbH & Co. KG) at fair value as per December 31, 2023 in accordance with the requirements of IAS 40 in conjunction with IFRS 13. For the portfolio as a whole, the 2023 valuation resulted in a write-down totaling EUR 769.5 million (previous year: write-down of EUR 179.6 million (after deduction of investments and transactions)). Based on the established market value as per December 31, 2023, this results in an average value of EUR 2,860 per sqm and a yield, based on the ratio of contractual rent to market value, of 5.0 % for the portfolio as a whole.

## II. FINANCIAL ANALYSIS

### 1. EARNINGS POSITION

EUR k	2023	2022
Revenues	192,026	182,819
Net rental income	163,936	153,004
Administrative and personnel expenses	-20,126	-25,706
Other operating result	20,135	13,219
<b>Operating income</b>	<b>163,946</b>	<b>140,517</b>
Net result from fair value adjustments to investment property	-769,541	-179,581
Net result from disposal of investment property	81	2,896
<b>Net operating result</b>	<b>-605,514</b>	<b>-36,168</b>

\*The previous year's figures were partially adjusted as part of an adjustment of the accounting to the Brookfield Group guidelines. See "Changes in accounting policies" in section B.VI.2.2.1 of the notes to the consolidated financial statements.

#### 1.1. Net operating result

alstria closed the 2023 financial year with a net operating result (before financing costs and taxes) of EUR -605,514 k, compared to EUR -36,168 k for 2022.

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 192,026 k (2022: EUR 182,819 k). This corresponds to an increase of 5.0 % or EUR 9.207 k, which is attributable in particular to additional revenue from the indexation of existing rental agreements and the signing of new leases. The increase in rental income was partially offset by the planned expiry of rental agreements. Overall, revenue was higher than the forecast of EUR 190 million published at the beginning of the year, in particular due to higher-than-planned rent adjustments.

### 1.3. Real estate operating expenses

Real estate operating expenses consist of recoverable and non-recoverable operating costs, and they amounted to EUR 66,257 k (2022: EUR 67,985 k). The expense ratio of non-recoverable operating costs decreased from 16.6% in 2022 to 15.4% in 2023. This was primarily due to higher revenues, but also to lower real estate operating expenses compared to the previous year. Thus, the Group's net rental income increased by EUR 10,932 k to EUR 163,936 k (2022: EUR 153,004).

### 1.4. Administrative and personnel expenses

Administrative expenses remained largely stable in 2023 compared to the previous year and amounted to EUR 9,241 k (2022: EUR 9,647 k). Personnel expenses amounted to EUR 10,884 k in the 2023 financial year, a year-on-year decrease of EUR 5,175 k (2022: EUR 16,059 k). The decrease in personnel expenses was mainly due to the share-based remuneration incurred in 2022 in connection with the takeover of the majority shareholding by Brookfield. The sum of administrative and personnel expenses thus corresponds to around 10.5% of revenue and 0.5% of the fair value of the portfolio (2022: 14.1% and 0.6%).

### 1.5. Other operating result

In the 2023 financial year, other operating income amounted to EUR 20,135 k (2022: EUR 13,219 k). This is due in particular to an increase in other operating income from EUR 16,219 k in 2022 to EUR 20,983 k in 2023. This is due to the valuation of the limited partner contributions of non-controlling shareholders relates to alstria office Prime Portfolio GmbH & Co. KG. The valuation result was mainly attributable to the devaluation of the properties held by this company for investment purposes.

Other operating expenses amounted to EUR 848 thousand and compare with EUR 3,000 k in the 2022 financial year.

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

The net result reported in the 2023 financial year from the fair value adjustments of investment properties amounted to EUR -769,541 k (2022: EUR -179,581 k). Different changes in value were recorded at the level of the individual properties. At EUR 22,890 k, markups in value were very low and were solely attributable to investments made in the financial year. The substantial devaluation across almost the entire property portfolio as per December 31, 2023 reflected in particular the rise in interest rates over the course of 2023. The property portfolio was valued by an external appraiser (Savills Immobilien Beratungs-GmbH, Frankfurt) on the basis of a cash flow discounting model. In this context, the lower property values were in particular a result of higher discount rates.

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

As a result of the low volume of property sales in the 2023 financial year the transaction result was only marginal at EUR 81 k (2022: EUR 2,896 k).

### 1.8. Net financial result

EUR k	2023	2022
Interest expenses, corporate bonds	-16,677	-21,916
Interest expenses bank loans	-57,138	-8,351
Interest result Schuldschein	-1,419	-1,968
Interest result from derivatives	9,385	-843
Other interest expenses	-76	-15
<b>Financial expenses</b>	<b>-65,925</b>	<b>-33,093</b>
Income from financial instruments	19,552	4,062
Other financial expenses	-1,005	-8,025
<b>Net financial result</b>	<b>-47,378</b>	<b>-37,056</b>

Financial expenses increased by EUR 32,832 k to EUR 65,925 k, mainly due to the take-up of additional loans and the increase in refinancing costs. The additional loans were used to repay an maturing bond, a maturing Schuldschein and to partially finance a special dividend. Income from financial instruments and other interest income includes interest-like income of EUR 6,380 k resulting from income in connection with the repurchase of own bonds below their issue value. alstria acquired own bonds with a nominal value of EUR 22,000 k for EUR 15,620 k in the 2023 financial year. For details on the new loans, refer to the 'Noncurrent and current financial liabilities' section starting on page 18.

### 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 17 k (2022: EUR - 782 k).

### 1.10. Consolidated profit

The consolidated profit for the financial year 2023 amounted to EUR -653,374 k (2022: EUR -74,614 k) and was therefore EUR 578,760 k lower than in the previous year. The main driver of this development is the result from the net result from fair value adjustments to investment property, which amounted to EUR -769,541 k in the financial year, compared to EUR -179,581 k in the previous year. Basic earnings per share for the 2023 financial year amounted to EUR -3.66 (2022: EUR -0.42).

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)

FFO after minority interests amounted to EUR 87,972 k (2022: EUR 106,562 k) and was therefore above the forecast of EUR 79 million published at the beginning of 2023. This was due to costs developing below plan, which is why the FFO forecast was raised to EUR 84 million already during the course of the year. This trend also continued over the rest of 2023. However, due to the significant increase in financing costs, FFO for the 2023 financial year of EUR 87,972 k was well below the previous year's figure of EUR 106,526 k. The FFO margin (Revenues/FFO) fell accordingly to 45.8% in 2023 (2022: 58.3%).

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) related to non-cash administrative expenses (EUR 1,557 k), non-recurring other operating income (EUR 19,112 k), non-recurring other operating expenses (EUR 1,246 k), the non-cash valuation result (EUR 769,541 k) and income not attributable to the operating business in the net financial result (EUR 6,380 k). This income was related to the acquisition of own bonds on the capital market and represents the difference between the purchase price and the nominal value of the acquired bonds. The adjustments in other operating income relate to the valuation of the minority interests in alstria office Prime Portfolio GmbH & Co. KG.

## Combined Management Report

EUR k <sup>1)</sup>	IFRS P&L	Adjustments	FFO 2023	FFO <sup>2)</sup> 2022
Revenues	192,026	-	192,026	182,819
Revenues from service charge income	38,167	-	38,167	38,170
Real estate operating expenses	-66,257	-	-66,257	-62,043
<b>Net rental income</b>	<b>163,936</b>	<b>-</b>	<b>163,936</b>	<b>158,946</b>
Administrative expenses	-9,241	1,557	-7,684	-9,477
Personnel expenses	-10,885	520	-10,364	-22,027
Other operating income	20,983	-19,112	1,872	14,353
Other operating expenses	-848	-1,246	-2,094	-351
Net result from fair value adjustments to investment property	-769,541	769,541	-	-
Net result from the disposal of investment property	81	-81	-	-
<b>Net operating result</b>	<b>-605,514</b>	<b>751,179</b>	<b>145,665</b>	<b>141,444</b>
Net financial result <sup>2)</sup>	-47,378	-6,380	-53,758	-29,754
Share of the result of companies accounted for at equity	17	-	17	-782
Net result from the valuation of derivative financial instruments	-721	721	-	-
<b>Pretax income</b>	<b>-653,596</b>	<b>745,521</b>	<b>91,924</b>	<b>110,908</b>
Income tax expenses	222	-222	-	-
<b>Consolidated profit</b>	<b>-653,374</b>	<b>745,299</b>	<b>91,924</b>	<b>110,908</b>
Minority interests	-	-3,953	-3,953	-4,346
<b>Consolidated profit / FFO (after minorities)<sup>3)</sup></b>	<b>-653,374</b>	<b>741,346</b>	<b>87,972</b>	<b>106,562</b>
<b>Number of outstanding shares (k)</b>			<b>178,562</b>	<b>178,291</b>
<b>FFO per share (EUR)</b>			<b>0.49</b>	<b>0.60</b>

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

<sup>2)</sup> The calculation of the FFO for 2022 was adopted unchanged and not subsequently adjusted to the Brookfield Group reporting standards. For the reconciliation of the income statement to the new standard, see "Changes in accounting policies" in section B.VI.2.2.1 of the notes to the consolidated financial statements.

<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, 2023 was EUR 3,971,253 k, compared to EUR 4,606,848 k at the beginning of 2023. The decline is mainly due to the decrease in the value of investment properties. This was partially offset by investments in the existing portfolio during the year, which had a positive effect on the value of the properties.

EUR k	
<b>Investment property as of December 31, 2022</b>	<b>4,606,848</b>
Investments	137,338
Acquisitions	-
Acquisition costs	-
Disposals	-3,392
Transfer to assets held for sale	-
Transfer to property, plant, and equipment (owner-occupied properties)	-
Transfer from property, plant, and equipment (owner-occupied properties)	-
Net loss / gain from fair value adjustments to investment property	-769,541
<b>Investment property as of December 31, 2023</b>	<b>3,971,253</b>
Carrying amount of owner-occupied properties	16,774
Carrying amount of the forest	2,834
Fair value of assets held for sale	-
Interests in joint ventures	-
<b>Carrying amount of immovable assets</b>	<b>3,990,861</b>

### 2.2. Cash and cash equivalents

Cash and cash equivalents decreased significantly in the reporting period by EUR 248,691 k from EUR 364,973 k to EUR 116,282 k. A positive cash flow of EUR 89,084 k was generated from operating activities. Financing activities resulted in net cash outflows of EUR 228,242 k, which were primarily related to the payment of dividends amounting to EUR 262,469 k (of which special dividend: EUR 251,772 k). In addition, bonds and promissory notes in the amount of EUR 377,620 k were repaid and new loans in the amount of EUR 430,937 k were taken out. Investing activities resulted in cash outflows of EUR 109,533 k, mainly due to investments in the existing portfolio.

## 2.3. Equity

	Dec. 31, 2023	Dec. 31, 2022	Change
Equity (EUR k)	1,617,547	2,571,400	-37.1%
Number of outstanding shares (k)	178,562	178,291	0.2%
Net asset value per share (EUR)	9.06	14.42	-37.2%
Equity ratio (%)	38.2	49.8	-11.6pp
G-REIT equity ratio (%)	43.0	55.3	-12.3pp

Compared to December 31, 2022, equity as per December 31, 2023 decreased significantly by EUR 953,853 k to EUR 1,617,547 k. This was due in particular to the impairment of the real estate portfolio and the net loss for the year resulting from the negative valuation result of EUR 653,374 k as well as the dividend payments of EUR 262,469 k. Finally, equity as per December 31, 2023 was burdened by a negative hedging valuation reserve in the amount of EUR 39,071 k.

## 2.4. Limited partnership capital non controlling interests

Liabilities due to minority interests represent the limited-partner capital of non controlling 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. Due to the negative valuation effect of the real estate portfolio, this balance sheet item fell to EUR 98,297 k (2022: EUR 120,959 k).

## 2.5. Non current 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 2023, alstria concluded new loan agreements with a volume of EUR 388,000 k and increased an existing loan by a total of EUR 42,937 k. A capital market bond with a volume of EUR 325,000 k and a promissory note in the amount of EUR 37,000 k were repaid in the reporting period. After the balance sheet date, a further loan in the amount of EUR 120 million with a maturity of five years was signed to refinance existing financial liabilities.

## Combined Management Report

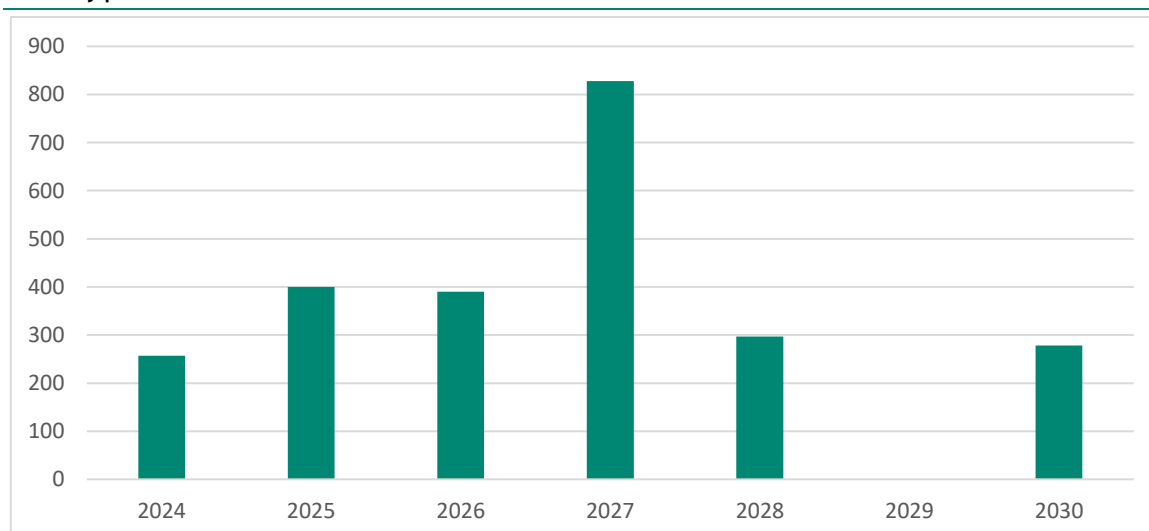
The loan facilities in place as of December 31, 2023 are in the following table.

Liabilities	Maturity	Principal amount drawn as of Dec. 31, 2023 (EUR k)	LTV <sup>1)</sup> as of Dec. 31, 2023 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 31, 2022 (EUR k)
Loan #1 <sup>2)</sup>	Jun 28, 2024	150,000	66.1	70.0	150,000
Loan #2 <sup>3)</sup>	Mar 29, 2030	90,000	n/a	-	47,063
Loan #3	Sep 29, 2028	97,000	60.2	65.0	97,000
Loan #4 <sup>4)</sup>	Sep 30, 2027	500,000	73.9	75.0	500,000
Loan #5 <sup>5)</sup>	Aug 29, 2024	107,000	n/a	-	107,000
Loan #6 <sup>6)</sup>	Apr 26, 2030	188,000	64.3	65.0	-
Loan #7	Jun 30, 2028	100,000	66.0	70.0	-
Loan #8	Aug 31, 2028	100,000	64.6	65.0	-
<b>Total secured loans</b>		<b>1,332,000</b>	<b>n/a</b>		<b>901,063</b>
Bond #2	Apr 12, 2023	-	-	-	325,000
Bond #3	Nov 15, 2027	328,000	-	-	350,000
Bond #4	Sep 26, 2025	400,000	-	-	400,000
Bond #5	Jun 23, 2026	350,000	-	-	350,000
Schuldschein 10y/fixed	May 06, 2026	40,000	-	-	40,000
Schuldschein 7y/fixed	May 06, 2023	-	-	-	37,000
Revolving credit line <sup>7)</sup>	Apr 29, 2026	-	-	-	-
<b>Total unsecured loans</b>		<b>1,118,000</b>			<b>1,502,000</b>
<b>Total</b>		<b>2,450,000</b>	<b>61.3</b>		<b>2,403,063</b>
<b>Net LTV</b>			<b>58.3</b>		

<sup>1)</sup> Calculation based on the market values (as per December 31, 2023) of the properties serving as collateral in relation to the loan amount drawn down.

<sup>2)</sup> Agreement of a revolving credit line of EUR 200 million on April 29, 2022. <sup>8)</sup>

### 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, 2023, their holdings were as follows:

Product	Strike p.a. (%)	Start of Hedging	Maturity	Counterpart	Dec. 31, 2023		Dec. 31, 2022	
					Notional	Fair value	Notional	Fair value
					(EUR k)	(EUR k)	(TEUR)	(TEUR)
Swap	1.7500	Sep 30, 2022	Sep 30, 2027	Societe Generale	500,000	10.714	500,000	29,812
Swap	1.9240	Sep 30, 2022	Sep 30, 2028	UniCredit Bank AG	60,000	1.039	60,000	3,606
Swap	1.9240	Sep 30, 2022	Sep 30, 2028	UniCredit Bank AG	22,450	389	22,450	1,348
Cap	3.5000	Jun 30, 2023	Apr 26, 2030	Societe Generale	70,500	1.191	-	-
Swap	3.2300	Jun 30, 2023	Mar 29, 2030	Morgan Stanley Europe SE	67,500	-3.561	-	-
Cap	3.5000	Jun 30, 2023	Mar 29, 2030	Societe Generale	22,500	372	-	-
Swap	3.1350	Jun 30, 2023	Apr 26, 2032	LB Hessen-Thüringen	70,500	-3.362	-	-
Cap	3.5000	Jun 30, 2023	Apr 26, 2030	Societe Generale	47,000	795	-	-
Swap	3.0000	Jun 30, 2023	Jun 30, 2028	LB Baden Württemberg	50,000	-1.256	-	-
Cap	3.5000	Jun 30, 2023	Jun 30, 2028	Societe Generale	35,000	323	-	-
Swap	2.9740	Dec 29, 2023	Aug 29, 2027	Societe Generale	107,000	-2.367	-	-
Cap	3.5000 - 2.5000	Nov 01, 2023	Aug 31, 2028	Morgan Stanley Europe SE	40,000	663	-	-
Cap	3.5000 - 2.5000	Nov 01, 2023	Aug 31, 2028	Morgan Stanley Europe SE	10,000	165	-	-
Swap	4.0330 - 2.5000	Nov 01, 2023	Aug 31, 2028	Hamburg Commercial Bank AG	50,000	-1.912	-	-
<b>Total</b>					<b>1,152,450</b>	<b>3,193</b>	<b>582,450</b>	<b>34,767</b>

Cash cost of debt	Dec. 31, 2023			Dec. 31, 2022		
	Nominal amount (EUR k)	Ø cost of debt (%)	Ø maturity (years)	Nominal amount (EUR k)	Ø cost of debt (%)	Ø maturity (years)
Bank debt	1,332,000	3.8	3.9	901,063	3.2	3.9
Bonds	1,078,000	1.1	2.7	1,425,000	1.4	2.9
Schuldschein	40,000	2.8	2.4	77,000	2.5	2.0
<b>Total</b>	<b>2,450,000</b>	<b>2.6</b>	<b>3.3</b>	<b>2,403,063</b>	<b>2.1</b>	<b>3.2</b>

The derivative financial instruments held by alstria are exclusively interest rate swaps and caps. Derivative financial instruments that are not designated for a cash flow hedge relationship were not held as of the balance sheet date, nor during the year. No netting agreements with counterparties (master agreements) were agreed. The change in value of the derivatives is reflected in various balance sheet items.

## 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%

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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.

## Combined Management Report

EUR k	Dec 31, 2023
Consolidated Net Financial Indebtedness as of the reporting date	2,323,102
Net Financial Indebtedness incurred since the reporting date	-
<b>Sum Consolidated Net Financial Indebtedness (I)</b>	<b>2,323,102</b>
Total Assets as of the reporting date (less cash)	4,121,236
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>4,121,236</b>
<b>Ratio of the Consolidated Net Financial Indebtedness over Total Assets (max. 60 %) (I/II)</b>	<b>56 %</b>

EUR k	Dec 31, 2023
Secured Consolidated Net Financial Indebtedness as of the reporting date	1,258,464
Secured Net Financial Indebtedness incurred since the reporting date	-
<b>Sum Secured Consolidated Net Financial Indebtedness (I)</b>	<b>1,258,464</b>
Total Assets as of the reporting date (less cash attributable to secured debt)	4,174,526
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>4,174,526</b>
<b>Ratio of the Secured Consolidated Net Financial Indebtedness over Total Assets (max. 45%) (I/II)</b>	<b>30 %</b>

EUR k	Dec 31, 2023
Value of Unencumbered Real Estate Property	1,998,860
Value of all other assets	200,154
<b>Unencumbered Assets as of the reporting date</b>	<b>2,199,014</b>
Net Unencumbered Assets recorded since the reporting date	-
<b>Sum Unencumbered Assets</b>	<b>2,199,014</b>
Unsecured Consolidated Net Financial Indebtedness as of the reporting date	1,064,638
Net Unsecured Financial Indebtedness incurred since the reporting date	-
<b>Sum Unsecured Consolidated Net Financial Indebtedness</b>	<b>1,064,638</b>
<b>Ratio of Unencumbered Assets over Unsecured Consolidated Net Financial Indebtedness (min. 150%)</b>	<b>207 %</b>

## Combined Management Report

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 2023
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>-606,218</b>
Net profit / loss from fair value adjustments to investment property	769,541
Net profit / loss from fair value adjustments to financial derivatives	721
Profit / loss from the disposal of investment property	-81
Other adjustments <sup>1)</sup>	18,280
Fair value and other adjustments in joint venture	-
<b>Consolidated Adjusted EBITDA</b>	<b>145,683</b>
Cash interest and other financing charges	-68,010
One-off financing charges	15,231
<b>Net Cash Interest</b>	<b>-52,779</b>
<b>Consolidated Coverage Ratio (min. 1.80 to 1.00)</b>	<b>2.8</b>

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

In the 2023 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 to EUR 319,190 k as per December 31, 2023 (December 31, 2022: EUR 429,960 k). Of this amount, EUR 261,777 k represented current loan liabilities (December 31, 2022: EUR 372,142 k) and EUR 21 k represented limited partner contributions from non-controlling interests (December 31, 2022: EUR 21 k). Current liabilities also include trade payables in the amount of EUR 4,717 k (December 31, 2022: EUR 3,581 k). Other current liabilities in the amount of EUR 44,744 k (December 31, 2022: EUR 51,224 k) primarily include provisions for outstanding invoices in the amount of EUR 26,638 k (December 31, 2022: EUR 28,490 k) and rent deposits received in the amount of EUR 8,007 k (December 31, 2022: EUR 8,043 k).

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

Despite the weak macroeconomic development, persistent inflation and a significant rise in interest rates, alstria's earnings position developed above plan in the 2023 financial year. Revenues and earnings reflected the high quality of the real estate portfolio and the efficient corporate structure. The financial position and net assets were adversely affected by a market-related devaluation of the real estate portfolio, reflecting in particular the environment of rising interest rates and the resulting pressure on commercial real estate prices. The liquidity position was sufficient at all times during the 2023 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

Economic conditions are expected to improve only slowly in 2024. The latest leading indicators suggest that companies are somewhat more optimistic about the future and private households also appear to be somewhat more optimistic in the wake of falling inflation rates and rising real incomes. Nevertheless, the risks regarding the expected economic recovery remain high in view of the weak global economy, the ongoing geopolitical crises and the resulting possible spikes in commodity prices. The uncertainties regarding the structure of public budgets also constitute a burden for the economic outlook.

#### 2. DEVELOPMENT OF THE REAL ESTATE MARKET: OUTLOOK FOR 2024

It is to be expected that the continued slowdown in economic growth will continue to have a dampening effect on the commercial real estate market in 2024. The letting market in 2023 is likely to remain at the same level as in 2023. The transaction market, on the other hand, is likely to remain challenging, as the price expectations of buyers and sellers are often still too far apart given the rise in interest rates. It is therefore to be expected that a liquid transaction market will not emerge until the second half of 2024 at the earliest. The rise in interest rates will lead to considerable uncertainty and volatility in real estate pricing.

#### 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 195 million in 2024 despite the expected subdued



macroeconomic development. By contrast, FFO is expected to fall to EUR 71 million. This development reflects in particular the higher financing costs as a result of higher interest rates combined with a higher level of debt.

#### IV. REPORT REGARDING ALSTRIA AG

##### 1. EARNINGS POSITION

The following table shows the key operating figures of the audited income statements for the 2023 and 2022 financial years:

in EUR k	2023	% of oper. perf.	2022	% of oper. perf.	Change
Total operating performance	163,129	100.0	156,846	100.0	6,283
Other operating income	27,583	16.9	129,880	82.8	-102,297
Cost of purchased services	-32,358	-19.8	-32,075	-20.4	-283
Personnel expenses	-22,212	-13.6	-23,745	-15.1	1,533
Depreciation	-61,571	-37.7	-47,305	-30.2	-14,266
Other operating expenses	-42,110	-25.8	-42,142	-26.9	32
financial result	-229,751	-140.8	-110,906	-70.7	-118,845
<b>Net result of the year</b>	<b>197,289</b>	<b>-120.9</b>	<b>30,553</b>	<b>19.5</b>	<b>227,842</b>

##### 1.1. Business development

The net result for the 2023 financial decreased by EUR 227,842 k to EUR -197,289 k (compared with EUR 30,553 k in 2022). As the Company has been exempt from income taxes since its conversion into a REIT structure, no tax expenses arose in 2023.

The decline in the annual result compared to the previous year is mainly due to the lower net financial result (EUR -118,845 k), the lower other operating income (EUR -102,297 k) as well as the increase of EUR 14,266 k in depreciation.

In contrast, personnel expenses fell by EUR 1,533 k, while revenues increased by EUR 6,283 k.

##### 1.2. Total operating performance

Total operating performance rose in the past financial year due to the increase in rental income and an increase in income from real estate-related services passed on to subsidiaries. Revenue amounted to EUR 163,998 k in the 2023 financial year. Together with the changes in inventories of EUR -868 k, this resulted in total operating performance of EUR 163,129 k (previous year: EUR 156,846 k).

The increase in income is mainly the result of rent increases due to indexation and new lettings.

### 1.3. Other operating income

Other operating income decreased by EUR 102,298 k to EUR 27,582 k compared to the previous year. While the absorption by the company of six subsidiaries that held properties led to gains of EUR 59,836 k in the previous year, the merger of two general partners did not contribute to earnings in the reporting period. Furthermore, the sale of an asset in the financial year resulted in book gains of EUR 13,319 k, which was EUR 44,117 k less than the sale of three assets (EUR 37,335 k) and shares in subsidiaries (EUR 20,101 k) in the previous year. Finally, income grants, due to the granting of subsidies, fell by EUR 5,556 k as a result of the lower number of projects affected in the reporting year.

In contrast, income increased by EUR 8,633 k, in particular as a result of the costs of special requests being passed on to a tenant.

### 1.4. Purchased services

The cost of purchased services remained almost constant with an increase of EUR 283 k and stayed in line with expectations.

### 1.5. Depreciation and amortization

Depreciation and amortization increased by EUR 14,266 k to EUR 61,571 k compared to the previous year, mainly due to the impairment of 4 properties, because of their reduced fair value.

### 1.6. Other operating expenses

Other operating expenses decreased only insignificantly by EUR 32 thousand, with one-off losses from asset disposals in the previous year being offset by the expenses for special requests of tenants in the financial year.

### 1.7. Financial result

in EUR k	2023	2022	Change (%)
Interest expenses, corporate bonds	-14,383	-19,351	-26
Transaction costs	-4,598	-16,430	-72
Interest result "Schuldschein" ("senior unsecured debt")	-1,396	-1,931	-28
Interest expenses from bank loans	-47,167	-7,092	565
Interest result from financial derivatives	8,174	-972	-941
Other interest expenses	-207	-2,854	-93
<b>Financial expenses</b>	<b>-59,577</b>	<b>-48,630</b>	<b>23</b>
Income from participating interests	18	0	-
Income from loans to affiliates	3,491	3,364	4
Other interests and similar income	17,008	4,046	320
Write down on financial assets	-190,691	-69,686	174
<b>Net financial result</b>	<b>-229,751</b>	<b>-110,906</b>	<b>107</b>

## Combined Management Report

The net financial result fell by EUR 118,845 k to EUR -229,751 k compared to the previous period, primarily due to the increase in write-downs on financial assets due to lower market values (EUR 121,005 k). In addition, total interest expenses rose by EUR 10,947 k to EUR 59,577 k compared to the 2022 financial year, primarily due to the increase in interest expenses from loans (EUR 40,075 k) as a result of the rise in interest rates. This is offset by the decrease in transaction costs (EUR 11,832 k), an improved interest result from derivatives (EUR 9,146 k), which is also due to the increase in interest rates, and the decrease in other interest expenses (EUR 2,647 k). Finally, other interest income increased (EUR 12,962 thousand). This includes income of EUR 6,380 k from the repurchase of shares in a corporate bond; the remaining growth is based on the increase in market interest rates.

## 2. FINANCIAL AND ASSET POSITION

On the balance sheet date, alstria owned 82 real estate properties (in 2022: 83). The following table illustrates alstria's changes in investment property in 2023:

	in EUR m
<b>Land and Buildings on December 31, 2022</b>	<b>1.659,04</b>
Investments	17,44
Adjustments	114,62
Disposals	-13,26
Appreciations on market value	0,00
Nonscheduled depreciation	-14,11
Ordinary depreciation	-43,64
<b>Land and Buildings as of December 31, 2023</b>	<b>1.720,08</b>

### 2.1. Land, land rights and buildings

The land, land rights and buildings item increased by EUR 61.1 million compared to the previous year's reporting date. In the reporting period, EUR 17.4 million was invested in existing properties and assets under construction amounting to EUR 114.62 million were completed. One asset with a carrying amount totaling EUR 13.3 million was sold in the reporting year.

Four properties were written down by a total of EUR 14.1 million due to permanent impairment.

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

Asset	City	Sales price (EUR k)	Signing SPA	Transfer of benefits and burdens
Amsinckstr. 34	Hamburg	26.550	12.12.2022	31.03.2023
<b>Gesamt</b>		<b>26.550</b>		

## 2.2. Prepayments and constructions in progress

Prepayments and constructions in progress decreased by EUR 44,517 k to EUR 123,479 k compared to the previous year. EUR 73,153 k was invested in refurbishment projects in the reporting year. A further EUR 114,617 k was reclassified to land, land rights and buildings following the completion of the projects.

## 2.3. Financial assets

Financial assets decreased by EUR 253,462 k to EUR 478,681 k compared to the previous year's reporting date. The decrease is primarily due to the write-down of a subsidiary's investment at fair value by EUR 190,594 k and the withdrawal of EUR 33,067 k from this subsidiary. In addition, loans from affiliated companies were reduced by a net repayment totaling EUR 29,769 k in the reporting year.

## 2.4. The cash position

The cash position decreased by EUR 229,993 k to EUR 105,390 k in the financial year. The cash outflows are mainly due to the distributions made in the reporting year (EUR 262,469 k), investments in fixed assets (EUR 90,713 k) and loan repayments (net EUR 144.635 k).

Cash inflows resulted primarily from the net profit for the year, which amounted to EUR 54,972 k less non-cash valuation losses from financial assets and write-downs, the payments of profit distributions by a subsidiary (EUR 170,908 k) and finally the repayment of loans by subsidiaries (EUR 29,769 k).

## 2.5. Equity

The equity and liabilities side of the balance sheet shows equity of EUR 133,827 k. As at the balance sheet date, the equity ratio was 5.4%. This corresponds to a reduction of 13.8 percentage points compared to 19.2% in the previous year. The decrease in equity of EUR 459,218 k is due to the distribution of the dividend for the 2022 financial year of EUR 262,469 k and the net loss for the year of EUR 197,290 k.

In contrast, a capital increase in the course of the conversion of convertible profit participation rights increased equity slightly (EUR 540 thousand).

## 2.6. Provisions

Provisions decreased by EUR 3,562 k to EUR 33,953 k compared to the previous year's reporting date. The decrease is mainly due to the reduction in provisions for outstanding invoices of EUR -5,581 k, which is offset by an increase in provisions for the share-based payment system. (EUR 2,543 k).

## 2.7. Liabilities

Liabilities decreased by EUR 144,915 k compared to the previous year's reporting date. A corporate bond of EUR 325,000 k was repaid on its maturity date of 12 April 2023, and the company itself also acquired shares in a corporate bond it had issued in the total amount of EUR 22,000 k. Finally, the tranche of a promissory bill was repaid in the amount of EUR 37,000 k.

On the other hand, the company took out further loans secured by land charges in the amount of EUR 242,937 k.

## 3. ADDITIONAL DISCLOSURE REGARDING ALSTRIA AG

### 3.1. Employees

As of December 31, 2022, alstria AG had 181 employees (December 31, 2022: 178). The annual average number of employees was 175 (previous year: 173). These figures exclude the Management Board.

### 3.2. Outlook for alstria AG

The company is managed at Group level, so the planning is also based on Group key figures. The result for the year is EUR -197.3 million. After adjusting for non-forecastable earnings components such as depreciation of financial assets (EUR +190.7 million) and impairment losses on property, plant and equipment (EUR +14.2 million), the result is EUR -7.6 million. A similar business performance is expected for the coming 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.

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 Real Estate Operations, Development, and IT
Operational risks	Legal
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

A risk (or an opportunity) is defined as the occurrence of future uncertainties that could result in either a negative (or a positive) variance from the business plan.

Risks (and opportunities) under risk management are measured on a net basis by taking into account any existing management and mitigation measures. The time periods and measurement categories used are closely linked to the short-term and medium-term business planning of the Group and its entrepreneurial targets.

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.

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### 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

### Classification according to likelihood

Probability/likelihood of occurrence	Description
1 to 15%	very unlikely
16 to 30%	unlikely
31 to 50%	possible
51 to 70%	likely
71 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 2023, in principle the Company's risk-management system was not subject to any significant changes compared to the previous year.



## 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)
- 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 (CMS) 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.

Managers responsible for risks and Opportunities are designated at appropriate hierarchy levels to manage and monitor identified risks and opportunities according to their relevance. These are essentially the risk owners (department heads responsible for risk; see section V.1.1.1 Structure of the risk management). They are responsible for formally determining a set of appropriate risk and opportunity management strategies (in the case of risks: avoidance, mitigation, control, transfer or acceptance). Working closely with corporate functions and individual managers responsible for measures, the risk owner and opportunity owner are also responsible for defining and monitoring the measures aimed at implementing the management and control strategy. The active and specific management and monitoring of risks and opportunities are critical to the success of our system.

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 the process and recommends corrective measures. 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.

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\* This section is an unaudited statement.

### 1.3. Compliance Management System\*

alstria has implemented a group-wide compliance management system to manage compliance-related risks systematically and sustainably. alstria sought advice from law firms specializing in such issues when implementing, reviewing, and assessing the appropriateness and effectiveness of its CMS.

The management board of alstria bears the corporate responsibility for compliance with all relevant laws and internal guidelines and decides on the CMS and possible changes or additions. He is supported by the Compliance Officer, who reports directly to the Management Board. If there are any suspicions against a member of the Management Board, the Compliance Officer reports directly to the Chairman of the Supervisory Board. The Compliance Officer reports to the Supervisory Board at least once a year.

We continually develop the essential elements of our CMS to prevent, detect and respond to compliance-related incidents. Compliance is monitored through regular internal audits carried out by an auditing firm (most recently in the 2023 financial year).

As part of the CMS, compliance risks are regularly identified based on the compliance goals. In the case of incidents, the risk analysis can also be repeated after a shorter period of time to check whether changes to the CMS after an incident have had the desired effect. In addition, a process for systematic risk identification and reporting has been implemented, in which the identified compliance risks are analysed as part of risk management with regard to the probability of occurrence and possible consequences (e.g. amount of damage and reputational consequences).

### 1.4. 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.

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\*This section is an unaudited statement.

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.

Since the 2023 financial year, the key items on the Group’s balance sheet and profit and loss statement, including accounting-related controls, have also been included in a control concept in accordance with the Sarbanes-Oxley Act of 2002 (SOX).

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.

### **1.5. 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.

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The individual risks described relate to the planning period from 2024 to 2026.

Corporate risks				
	Likelihood	Risk impact	Risk level	Change since prior year
<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>				
Property transactions	likely	very high	H	increased
Refurbishment project risks	Possible	very high	H	unchanged
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
<b>Compliance risks</b>				
Risks resulting from not complying with G-REIT legislation	likely	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>				
Breaches of covenants	likely	very high	M	increased
Refinancing on unfavorable terms	possible	very high	H	unchanged
Valuation risks	possible	very high	H	unchanged
Interest rate risks	possible	high	M	unchanged
Tax risks	unlikely	high	M	unchanged
Liquidity risks	unlikely	high	M	increased
Counterparty risks	very unlikely	high	L	unchanged

### 1.5.1. Impact of Ukrainian/middle east war and other geopolitical risks

There are considerable uncertainties regarding the global economic and geopolitical outlook, which deteriorated significantly in the past two years due to multiple headwinds, all of which may continue to intensify. First and foremost, Russia's invasion of Ukraine, as well as the conflict in the middle east and their political and economic consequences, such as sanctions and countermeasure or supply chain disruption, result in far-reaching risks. These conflicts can continue to 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. These conflicts 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 would have a significant impact on the market environment. It would hinder the normalization of high inflation rates, 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 a further monetary tightening.

Continued tighter 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 foreign exchange risks, 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 tensions in the Middle East, the Baltics, Eastern Europe, the Western Balkans, China, Taiwan, and Iran). As a result, the predictability of economic development has deteriorated significantly.

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

### 1.5.2. 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 Austria's business development, although Austria'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 and the other geopolitical risks (see explanations in Section V.1.5.1.). A further escalation of the war and the tensions in the Near East would significantly worsen global growth prospects. A significant risk to Austria's letting potential and cost structure comes from continued existing supply chain bottlenecks.

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 continued high level of inflation could lead to serious distortions in global currency, capital, and foreign exchange markets if central banks return to the tightening cycle. Since the fiscal and monetary policy scope for action had already been largely exhausted and was further restricted by the latest requirements for the federal budget through the ruling of the Federal Constitutional Court<sup>\*</sup>, the economic effects could be significantly more serious than in the 2022 and 2023 financial years.

In Germany, too, there have already been bankruptcies among real estate developers, which could make refinancing in the office real estate sector less attractive for banks.

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 caused by the conflict in the Middle East as well as other international areas of tension, namely Israel/Gaza, the civil war in Yemen, which most recently led to the blockade of the Red Sea, 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.

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<sup>\*</sup> In its ruling of November 15, 2023 (ref. 2 BvF 1/22), the Federal Constitutional Court (BVerfG) declared the Second Supplementary Budget Act 2021 to be null and void. This affects funds amounting to up to 60 billion euros from the Climate and Transformation Fund (CTF). The CTF finances numerous measures to combat the climate crisis.

### *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).

#### **1.5.3. 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.

### *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.

A key value driver for the group is the refurbishment and repositioning of office properties held. Significant investments are planned for the development projects designated for this purpose. A significant proportion of these financial resources are to be generated from the sale of real estate. If it is not possible to sell properties, the development projects may not be able to be carried out as planned. This in turn would have consequences for the rentability of the buildings to be developed. The lack of leases could result in significant losses of rental revenues. Even though two properties were sold at the beginning of the financial year, one of which was reported as property held for sale as of the previous year's reporting date, the market for commercial real estate transactions in Germany has almost come to a standstill. These developments have significantly increased both the impact and the likelihood of the risks relating to property transactions.

The risks associated with property transactions are now classified as high (H), after being assessed as low (L) on the previous year's reporting date.

### *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 geopolitical tensions described in the market environment risks section, 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 by alstria for the three financial years after the reporting period has increased compared to the previous years' long-term average. Even if some easing should be expected due to the sharp decline in the initiation of project developments in the German real estate market, the risk resulting from refurbishment projects is still 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 previous reporting period 2022 and most companies had employees moving back from home office to office space, the volume of new leases for office and commercial space only slowly picked up 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 remained 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. Now that the impact of the COVID-19 pandemic on the economic situation of many market participants has now been overcome, the situation remained tense for some market participants due to the recessionary market environment. This poses a risk that alstria's tenants could also have difficulties 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 2023. The uncertainties described above due to the war in Ukraine, high inflation and increased interest rates on the economic situation of market participants and thus also of alstria's tenants have not yet been reflected in a significantly increased default on receivables. 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. After the takeover by Brookfield (see Section I.1.) employee motivation could be impaired 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 Acquirer states that employees are critical to alstria's success and they will therefore support alstria in attracting, developing, and retaining talent and maintaining a collaborative work environment. The Acquirer 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 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).

#### **1.5.4. 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 has to 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 has to consist of real estate, and at least 75% of gross income has to 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 may not be less than 45% of the fair value of its investment properties in accordance with 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.

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.

As of the balance sheet date, the REIT equity ratio of the alstria Group was 43.0 %, after being 55.3 % at the end of the 2022 financial year. As of the end of the 2023 financial year, alstria did not comply with the minimum equity ratio in accordance with Section 15 of the REIT Act for the first time. The REIT Law provides that if the conditions set out in Section 15 are not complied with in three consecutive business years, the tax exemption lapses on expiry of the third business year.

As a result of the takeover by Brookfield (see Section I.1.) 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 4.63 % and was therefore below the minimum free float rate for the second reporting date in a row.

If the free float is not restored by 31/12/2024 the company will lose the REIT status in application of the REIT Law.

alstria constantly monitors compliance with all of the REIT criteria described, which the company could influence. The violation of the two criteria, falling below the minimum free float quota and falling below the REIT-EK quota, can be remedied by the expiry of the deadlines prescribed by the law. However, the remaining deadlines for this have now shortened, as the criterion of falling below the minimum free float ratio can only be met within one year from the balance sheet date. The free float risk is also largely outside of the sphere of influence of the company as it is mainly driven by shareholders behavior.

Another regulation of the REIT Act that could have a negative impact on alstria's financial position results from the obligation to distribute at least 90% of the company's annual profit under local GAAP in accordance with Section 13 (1) REIT Act. The risk relating to this requirement reflects the case, that the alstria office REIT-AG has a local GAAP gain, but not enough cash to pay for the minimum distribution as required by REIT-law.

This could be the case if there are high non-cash profits, for example in the revaluation of a large subsidiary, such as that of alstria office Prime Portfolio GmbH & Co. KG, whose shares were significantly devalued in the reporting period, so that for the coming years there is a high non-cash recovery potential, with the resulting obligation to pay dividends in the amount of the REIT specifications.

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, as it was in the previous year.

### *Risks resulting from fraud or non compliance*

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:** 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 due to events such as fire, storms, and other unforeseen incidents. For the fiscal year 2022, the cost of this insurance was EUR 3.4 m, covering assets valued at EUR 5,864.9 m.

**Transition risks: policy and legal risks:** 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 factors into 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).
- Prioritizing the development of existing assets over ground-up developments. 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., embodied carbon).

**Market and reputational risks:** The growing awareness of climate change, coupled with the increase in environmental taxes like carbon taxes, is increasingly influencing tenant preferences for energy efficient office spaces. Failing to meet this emerging demand could result in our assets becoming less attractive, thereby affecting their rental value. alstria's control process includes:

- Piloting new technologies in alstria's corporate offices first to prevent complications and reputational risks when rolling them out across our portfolio.
- 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.

**Systemic risks:** alstria faces significant indirect risks from climate change; events occurring far away can still impact its operations by affecting tenant economic stability. Key systemic risks—like climate refugees, political instability, and disruptions in global supply chains—are expected to affect alstria more imminently and often than direct risks.

Alstria addresses these risks as follows:

- Annual preparation and analysis of a carbon accounting report, including a balance sheet and profit-loss statement, to detail alstria's building portfolio's impact on climate change. This report quantifies the company's operations' unpaid environmental impact, using EU ETS carbon pricing for calculations.
- Facilitating shareholder investments in specific alstria projects through the green dividend. Though these investments may not directly enhance alstria's risk/return metrics, they aim to bolster shareholders' portfolio resilience by mitigating systemic climate risk in the real estate sector and beyond.

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.

### 1.5.5. Financial risks

#### *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.

The impact of a breach of covenants could be significant, as this would result in a restriction on the Group's cash and cash equivalents (so-called cash trap). At the same time, due to the high devaluations of the Group's investment properties, the LTV has increased significantly, as a result of which breaches of covenants of loan agreements have become more likely (see Section 2.7 "Compliance with and calculation of the Covenants").

Overall, the risk from a breach of covenants is classified as high (H) as of December 31, 2023, after being assessed as a medium risk (M) as of the previous year's reporting date.

#### *Refinancing risks*

The main financial instruments currently used by the Group are mortgage-backed bank loans and fixed rate bonds. 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. alstria's Net LTV amounted to 58.4% at the end of the reporting period, compared to 43.7% at the previous year's reporting date. alstria's creditworthiness was rated BB+ by the rating agency Standard & Poor's as of the balance sheet date and up to the date of publication of this combined management report, whereas it was still rated BBB - ("Investment Grade") as of the previous year's reporting date. 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 18).

The change in the capital structure triggered by the change of control in January 2022 (see Section I.1.) was implemented by the end of the reporting period. Alstria has thus shown that financing is feasible in the current situation. On the other hand, planned financing of around EUR 1,047 million is pending within the three-year risk assessment period.

Therefore, the refinancing risk as of the balance sheet date is still classified as high risk (H), as was the case on the previous year's reporting date.

### *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, was taken into account by devaluing the property portfolio by EUR 769.5 million. In addition, ceteris paribus higher nominal rental income would be expected in return, so that valuation pressure appears to be manageable, at least in terms of model theory. Historically, real estate has been inflation-proof in practice.

Since the increase in the rate of inflation and interest rates has developed more dynamically than ever before in the last year and a half neither the further development nor the subsequent effects on valuations can be fully predicted. This is also reflected in a transaction market for office properties that has almost come to a standstill. Therefore, as in the previous year, the risk of unexpected devaluations on the balance sheet date is classified as high (H).

### *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 includes the use of classic interest rate swaps and 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. If the interest rate is higher than planned at the time of refinancing, this could have a significant impact on the Group's financing costs. Even with inflation currently weakening, situations could potentially arise in the future that would result in further interest rate increases by the European Central Bank. The risk that the new loans trigger higher interest charges than planned is still classified as a medium risk (M) as of the balance sheet date.

### *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.

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 Acquirer has guaranteed the company that it will refrain from transferring a harmful number of shares. In addition, the Acquirer 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 implemented 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 expire within the next three years. Due to the high volume of regular refinancing requirements and a lower inventory of cash and cash equivalents of EUR 116 million as of the balance sheet date (December 31, 2022: EUR 365 million) compared to the previous year, the liquidity risk from the obligation to repay loans is now considered a medium risk (M) while last year it was rated as low (L).

### *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.

### **1.6. 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.

alstria's risk environment was affected in the previous year by the consequences of the Russian war of aggression on Ukraine. The war in Ukraine triggered a sharp rise in inflation rates via energy prices and, in response, interest rates. This had affected the refinancing and valuation risks in particular. Furthermore, questions arose regarding the assessment of certain financial risks and risks arising from violations of the REIT Act through the takeover (see I.1.).

These developments resulted in an overall moderate increase in risks in 2022.

There were no developments in the 2023 financial year that led to a fundamentally new assessment of the risk situation or brought with them new risk areas. The developments manifested themselves, on the one hand, because inflation initially remained at a high level and led to further interest rate increases. At the end of the year, however, there was a plateau. The central banks of the USA and the Eurozone recently refrained from further interest rate increases. This resulted in the risk situation settling at the relatively high level of the previous year. With regard to the valuation risk, the market parameters led to a more significant devaluation of the alstria real estate portfolio in the 2023 financial year. This means that the valuation risks of the previous year materialized. This development, which is not entirely unexpected, takes pressure off the forecast for the further development of real estate values. At the same time, however, the indicators are still too inconsistent to forecast whether the assessment has already bottomed out or not. This risk is therefore classified as material, unchanged from the previous year. Even if no fundamentally new risk areas were identified, the risk of an illiquid transaction market for real estate came into focus, as the investments in the real estate portfolio are to be generated from the funds from the sale of investment properties. If this is not possible due to the illiquid transaction market for real estate, there could be a negative impact on rental income if the properties cannot be let or cannot be let at the planned rental prices due to a development and renovation backlog.

As a result for the 2023 financial year, compared to 2022, there were small percentage changes 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 17.3% (December 31, 2022: 14.5%) of all identified risks, whereas medium risks accounted for 30.9% (December 31, 2022: 30.9%). 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 perspective, consistent monitoring of the liquidity situation, the long-term refinancing position with a balanced maturity profile of the loans and the equity ratio, which is still 38% after the devaluation, provide a scope that limits the risk that could arise if real estate valuations come under further pressure, for example as a result of interest rate increases driven by inflation.

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 150.2 million as of the balance sheet date, compared to EUR 89.4.1 million as per December 31, 2022.

The increase is essentially due to the possible payment obligations for noncompliance with the minimum distribution ratio as described in section 1.3.5 “Risks from violations of the REIT law”.

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 redevelopment**

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 5.3 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. alstria decision not to participate in new construction, but focus solely on refurbishing existing real estate, offers the opportunity to achieve greater flexibility in the market for rental space and disposal of investment properties due to the increased focus of regulators, investors and tenants on sustainability aspects associated with the needs to improve existing stock, and increased concerns around embodied carbon.

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.

## VI. SUSTAINABILITY REPORT\*

In November 2023, alstria published its annual sustainability report for the financial year 2022. 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 2022/23.

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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, 2023, alstria's share capital amounted to EUR 178,561,572.00, divided into 178,561,572 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. The shares held by the majority shareholder Brookfield were pledged as part of a financing agreement and are subject to the usual associated restrictions on the transfer of shares. Similarly, 29,630 shares for which a call option exists in favour of Brookfield are subject to a transfer restriction. 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 Corporation, Toronto, Canada held 95.39% of the voting rights in the Company as of December 19, 2023. In each case, 9.27% of the voting rights in the Company are held directly by Alexandrite Lake Lux Holdings I S.à r.l., Alexandrite Lake Lux Holdings II S.à r.l., Alexandrite Lake Lux Holdings III S.à r.l., Alexandrite Lake Lux Holdings IV S.à r.l., Alexandrite Lake Lux Holdings V S.à r.l., Alexandrite Lake Lux Holdings VI S.à r.l., Alexandrite Lake Lux Holdings VII S.à r.l., Alexandrite Lake Lux Holdings VIII S.à r.l. and Alexandrite Lake Lux Holdings IX S.à r.l. as well as 9.99% held directly by Lapis Luxembourg Holdings S.à r.l. and less than 3% were held by Lapis Luxembourg Holdings S.à r.l. A further 0.02% of the voting rights are held by Lapis Luxembourg Holdings S.à r.l. via an instrument pursuant to Section 38 para. 1 no. 1 WpHG (call option). As of the balance sheet date December 31, 2023, alstria was not aware of any other shareholders whose 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**

The appointment and dismissal of members of the Management Board are governed by Sections 84 and 85 AktG. In accordance with Section 7 para. 1 of the Company's Articles of Association, alstria's Management Board consists of one or more members. The number of members of the Management Board is determined by the Supervisory Board in accordance with Section 7 para. 2 of the Articles of Association. 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 require a resolution by the General Meeting of shareholders in accordance with Section 179 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 resolutions passed by the Annual General Meeting on May 4, 2023 and the Supervisory Board on July 19, 2023: In Section 9 para. 1, the number of members of the Supervisory Board was changed from six to four. Furthermore, Section 5, paras. 1, 2 and 8 of the Articles of Association were formally adapted to a capital increase executed from the Company's Conditional Capital III 2020.

## **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 1729,700.00 by issuing up to 729,700 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 May 4, 2023, 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 May 3, 2028. 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).

By resolution of the Annual General Meeting on May 4, 2023, the Management Board is authorised to use shares acquired on the basis of this or previously granted authorisations - in addition to sale via the stock exchange or by offer with subscription rights to all shareholders - excluding shareholders' subscription rights as follows:

- They may be sold in return for cash, provided that the sale price is not significantly lower than the market price of the Company's shares at the time of sale. The Management Board may only make use of this authorisation in such a manner that the sum of the (i) shares sold in accordance with this authorisation, (ii) shares issued using the authorised capital (article 5 paragraph 3, 4 and 4a of the Articles of Association) and (iii) conversion and option rights for shares granted upon issuance of debentures with conversion or option rights or conversion obligations - in each case with the exclusion of the shareholders' subscription rights - does not exceed 10 % of the share capital at the time the resolution on the sale of the shares is passed.
- They may be sold and transferred in return for contributions in kind, in particular also in the context of mergers or the acquisition of companies, business units, shareholdings, or other assets. A sale and transfer, as used here, shall also include the granting of conversion or subscription
- rights as well as purchase options and the lending of shares in the context of a securities lending transaction.
- They may be used in order to satisfy the rights of holders of debentures with conversion or option rights or conversion obligations issued by the Company or by its subsidiaries.
- They may be offered for acquisition and transferred to individuals employed by the Company or a subsidiary of the Company.
- They may be used for distributions in kind to the shareholders, also a so-called scrip dividend, meaning the shareholders' right to choose shares of the Company instead of a cash dividend.
- They can be redeemed.

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

Financing agreements of alstria AG and its group companies contain clauses common to such contracts regarding a change of control. In particular, the agreements entitle the lenders to request repayment of the utilizations or an obligation by alstria to repay the utilizations in the event that any person, company, or a group of persons should acquire, directly or indirectly, at least or more than 50% of the voting rights, capital shares or otherwise 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 2,362 million on the balance sheet date. In addition, a loan agreement of alstria for EUR 90 million contains an obligation to repay the utilization if, following a change in the legal form of alstria AG, another person or group of persons (other than Brookfield Corporation or a company controlled by it) holds more than 25% of the voting rights if the lender can no longer fulfil the requirements of regulatory or statutory provisions.

Hedging agreements concluded in connection with these financing agreements grant the contractual partner a right of termination if the underlying financing agreement is repaid prematurely.

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

The employment contract with the CEO provides for a right of termination for the CEO in the event of a change of control that significantly changes the position of the Management Board member (e.g. by significantly reducing his responsibilities). A change of control is deemed to have occurred if (i) a third party acquires at least 30% of the voting rights in the Company pursuant to Sections 29,30 German Takeover Law (*WpÜG*) or (ii) alstria, as a dependent entity, concludes an intercompany agreement within the meaning of Sections 291 et seq. AktG or (iii) is merged into another company pursuant to Sections 2 et seq. 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. If this right of termination is exercised, the member of the Management Board is entitled to receive a maximum of two years' full remuneration. In addition to the basic remuneration, the short-term incentive and the long-term incentive are also included in the calculation of the annual remuneration, whereby the total remuneration for the previous full financial year is taken into account in each case. The same applies in the event that the appointment of a member of the Management Board is revoked in connection with a change of control.

With employees, no compensation agreements 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, 2023, alstria had 189 employees (compared to 181 on December 31, 2022). The annual average number of employees was 185 (compared to 177 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, 2023 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

In the absence of balance sheet profit, the Management Board, in agreement with the Supervisory Board, do not intends to propose to the Annual General Meeting the payment of a dividend. In the event that there are significant changes in the company's available liquidity in the further course of the 2024 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 is subject to the approval of the General Meeting.

Hamburg, March 1, 2024

**alstria office REIT-AG**

The Management Board

**Olivier Elamine**

CEO



## DETAIL INDEX CONSOLIDATED FINANCIAL STATEMENTS

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## B. CONSOLIDATED FINANCIAL STATEMENTS

### I. CONSOLIDATED INCOME STATEMENT

For the period from January 1 to December 31, 2023

EUR k	Notes	2023	2022* adjusted
Revenues	5.1	192,026	182,819
Revenues from service charge income	5.1	38,167	38,170
Real estate operating expenses	5.2	-66,257	-67,985
<b>Net rental income</b>		<b>163,936</b>	<b>153,004</b>
Administrative expenses	5.3	-9,241	-9,647
Personnel expenses	5.4	-10,884	-16,059
Other operating income	5.5	20,983	16,219
Other operating expenses	5.6	-848	-3,000
Net result from fair value adjustments to investment property	6.1	-769,541	-179,581
Net result from the disposal of investment property	5.7	81	2,896
<b>Net operating result</b>		<b>-605,514</b>	<b>-36,168</b>
Net financial result	5.8	-47,378	-37,056
Share of the result of companies accounted for at equity	2.3.3	17	-782
Net result from the adjustment of investment property		-721	-499
<b>Pretax result</b>		<b>-653,596</b>	<b>-74,505</b>
Income tax expenses	5.9	222	-109
<b>Consolidated profit</b>		<b>-653,374</b>	<b>-74,614</b>
Attributable to:			
Shareholders of alstria office REIT-AG		-653,374	-74,614
<b>Earnings per share in EUR</b>			
Basic earnings per share	10	-3.66	-0.42
Diluted earnings per share	10	-3.66	-0.42

\* adjusted, see Section "Disclosure of changes in accounting policy" in Note 2.2.

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1 to December 31, 2023

EUR k	Notes	2023	2022
<b>Consolidated profit for the period</b>		<b>-653,374</b>	<b>-74,614</b>
<b>Other comprehensive income for the period (items that can be reclassified to net income):</b>			
Market valuation cash flow hedges	6.5	-39,071	32,663
<b>Total comprehensive income for the period</b>		<b>-39,071</b>	<b>32,663</b>
		<b>-692,445</b>	<b>-41,951</b>
<b>Total comprehensive income attributable to</b>			
Shareholders of alstria office REIT-AG		<b>-692,445</b>	<b>-41,951</b>

## Consolidated Financial Statements

### III. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2023

ASSETS			
EUR k	Notes	Dec. 31, 2023	Dec. 31, 2022
<b>Noncurrent assets</b>			
Investment property	6.1	3,971,253	4,606,848
Equity-accounted investments	6.2	0	101
Property, plant, and equipment	6.3	21,395	20,247
Intangible assets	6.3	635	504
Financial assets	6.4	95,350	94,891
Derivatives	6.5	6,587	34,767
<b>Total noncurrent assets</b>		<b>4,095,220</b>	<b>4,757,358</b>
<b>Current assets</b>			
Trade receivables	6.6	10,814	8,166
Income tax receivables		113	1,343
Other receivables	6.6	5,735	5,384
Derivatives	6.5	9,354	
Cash and cash equivalents	6.7	116,282	364,973
thereof restricted		8,031	8,761
Assets held for sale	6.8	0	26,550
<b>Total current assets</b>		<b>142,298</b>	<b>406,416</b>
<b>Total assets</b>		<b>4,237,518</b>	<b>5,163,774</b>

## Consolidated Financial Statements

EUR k	Notes	EQUITY AND LIABILITIES	
		Dec. 31, 2023	Dec. 31, 2022
<b>Equity</b>	7.1		
Share capital		178,562	178,291
Capital surplus		245,961	507,640
Hedging reserve	6.5	-6,408	32,663
Retained earnings		1,195,947	1,849,321
Revaluation surplus		3,485	3,485
<b>Total equity</b>		<b>1,617,547</b>	<b>2,571,400</b>
<b>Noncurrent liabilities</b>			
Limited partnership capital noncontrolling interests	7.2	98,297	120,959
Long-term loans and bonds, net of current portion	7.3	2,177,607	2,026,290
Other provisions	7.4	1,672	1,802
Other liabilities	7.5	13,203	13,363
Derivatives		10,001	0
<b>Total noncurrent liabilities</b>		<b>2,300,780</b>	<b>2,162,414</b>
<b>Current liabilities</b>			
Limited partnership capital noncontrolling interests	7.2	21	21
Short-term loans	7.3	261,777	372,142
Trade payables	7.5	4,717	3,581
Profit participation rights	5.4; 13.2	0	279
Derivatives		2,747	0
Income tax liabilities	7.6	2,177	2,188
Other provisions	7.4	3,008	525
Other current liabilities	7.5	44,744	51,224
<b>Total current liabilities</b>		<b>319,191</b>	<b>429,960</b>
<b>Total liabilities</b>		<b>2,619,971</b>	<b>2,592,374</b>
<b>Total equity and liabilities</b>		<b>4,237,518</b>	<b>5,163,774</b>

## Consolidated Financial Statements

### IV. CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ending December 31, 2023

EUR k	Notes	2023	2022
<b>1. Cash flows from operating activities</b>			
<b>Consolidated profit or loss for the period</b>		<b>-653,374</b>	<b>-74,614</b>
Interest income	5.8	-19,552	-4,062
Interest expense	5.8	66,929	41,118
Result from income taxes	5.9	-222	109
Unrealized valuation movements		751,439	174,535
Other noncash income (-)/expenses (+)	8.3	6,210	6,678
Gain (-)/loss (+) on disposal of investment properties	5.7	-81	-2,896
Depreciation and impairment of fixed assets (+)	6.3	1,557	965
Increase (-)/decrease (+) in trade receivables and other assets not attributed to investing or financing activities		-3,584	-5,958
Increase (+)/decrease (-) in trade payables and other liabilities not attributed to investing or financing activities		-7,497	-15,122
<b>Cash generated from operations</b>		<b>141,825</b>	<b>120,753</b>
Interest received		13,386	3,115
Interest paid		-66,349	-34,343
Income taxes paid		222	-2,446
<b>Net cash generated from operating activities</b>		<b>89,084</b>	<b>87,079</b>
<b>2. Cash flows from investing activities</b>			
Acquisition of investment properties		-137,357	-114,886
Proceeds from the sale of investment properties		29,750	161,570
Payment of transaction cost in relation to the sale of investment properties		-22	-882
Proceeds from the equity release of interests in joint ventures		118	0
Acquisition of other property, plant, and equipment		-1,559	-703
Payments for investment in financial assets	6.4	-463	-149
<b>Net cash used in/ generated from investing activities</b>		<b>-109,533</b>	<b>44,950</b>

## Consolidated Financial Statements

EUR k	Notes	2023	2022
<b>3. Cash flows from financing activities</b>			
Cash received from cash equity contributions	7.1	271	258
Payments for the acquisition of shares in limited partnerships of minority interests		0	-1
Distributions on limited partnerships of minority shareholders		-3,851	-3,810
Proceeds from the issue of bonds and borrowings		430,937	760,000
Payments of transaction costs for taking out loans		-6,677	-8,019
Payments for the redemption portion of leasing obligations		-728	-457
Payments of dividends	11	-262,469	-756,640
Payments due to the redemption of bonds and borrowings		-377,620	-69,483
Payments for the acquisition of financial derivatives	6.5	-8,105	-2,588
<b>Net cash used in financing activities</b>		<b>-228,242</b>	<b>-80,740</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)		-248,691	51,289
Cash and cash equivalents at the beginning of the period		364,973	313,684
<b>Cash and cash equivalents at the end of the period</b>			
<i>thereof restricted: EUR 8.031 k; previous year: EUR 8,761 k</i>	6.7	<b>116,282</b>	<b>364,973</b>

## Consolidated Financial Statements

### V. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from January 1 to December 31, 2023

EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Retained earnings	Revaluation surplus	Total equity
<b>As of Dec. 31, 2022</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>
<b>Changes in the financial year 2023</b>							
Consolidated profit		0	0	0	-653,374	0	-653,374
Other comprehensive income		0	0	-39,071	0	0	-39,071
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-39,071</b>	<b>-653,374</b>	<b>0</b>	<b>-692,445</b>
Payments of dividends	11	0	-262,469	0	0	0	-262,469
Share-based Remuneration	5.4; 13.2	0	520	0	0	0	520
Conversion of convertible participation rights	13.2	271	270	0	0	0	541
<b>As of Dec. 31, 2023</b>	<b>7.1</b>	<b>178,562</b>	<b>245,961</b>	<b>-6,408</b>	<b>1,195,947</b>	<b>3,485</b>	<b>1,617,547</b>

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>



## VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL BASICS

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.

Following the successful takeover of the company by Alexandrite Lake Lux Holding S.a r.l, it was included in the consolidated financial statements of Alexandrite's ultimate parent company, Brookfield Corporation, Toronto, Canada (hereinafter "Brookfield"), for the first time on January 11, 2022. Brookfield Corporation 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, 2023, 95.37% of the shares in the company were allocated to Brookfield through its subsidiaries, 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.

In addition, the company following internal reorganization within the Brookfield Group the company is consolidated since January 1, 2023 within the financial statements of Brookfield Property Partners LP, Hamilton, Bermuda (BPY). BPY is listed in both the United States (Nasdaq) and Canada (Toronto). BPY consolidated financial statements are published on the company website at <https://bpy.brookfield.com/>.

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 March 1, 2024.

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, 2023.

## 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

#### 2.1.1. 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, 2023:

EU Endorsement	Standard/interpretation	Content
Nov. 19, 2021	IFRS 17	New standard "Insurance contracts"
Sept. 8, 2022	Amendments to IFRS 17	Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information
March 2, 2022	Amendments to IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
March 2, 2022	Amendments to IAS 8	Definition of Accounting Estimates
Aug. 11, 2022	Amendments to IAS 12	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Nov. 08, 2023	Amendments to IAS 12	Income Taxes: International Tax Reform – Pillar Two Model Rules: Exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

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.

### 2.1.2. 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
Nov. 20, 2023	Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	Jan. 1, 2024
Dec. 19, 2023	Amendments to IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent	Jan. 1, 2024
Not yet endorsed	Amendments to IAS 7	Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7). Qualitative and quantitative information about supplier finance arrangements	Jan. 1, 2024
Not yet endorsed	Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.	Jan. 1, 2025

No significant impact on financial reporting is expected from the other new standards and amendments to the existing standards listed above. The changes to IAS 1 for loans with an extension option could only result in changes with regard to the presentation of the maturity of loans. If the requirements for exercising the extension are met on the balance sheet date, the end of the term is postponed to the possible end of the term after exercising this option. alstria reports a loan of EUR 107,000 k as current because the end of the term is within 12 months of the balance sheet date. Due to the extension option described, this loan would have to be reported as a noncurrent loan under the new regulations.

The Group did not adopt any new or amended standards or interpretations early in the 2023 financial year.

## 2.2. Changes in accounting policies

### 2.2.1. Corporate information

After the takeover by Brookfield, the company was included in the consolidated financial statements of Brookfield Corporation for the first time on January 11, 2022. Brookfield prepares IFRS consolidated financial statements as of December 31st as the balance sheet date.

To implement the Brookfield Group guidelines, reconciliations were to be made for certain items in the income statement. With effect from January 1, 2023, alstria has therefore adjusted its accounting policies to harmonize the presentation with the parent group. The effects are explained below.

### 2.2.2. Real estate operating expenses

Certain costs incurred from the management of an investment property were previously treated as personnel expenses or administrative expenses. They are now reported under property operating costs. This increases transparency with regard to the more accurate consideration of the cost type.

### 2.2.3. Net Result from fair value adjustments on investment property

Certain costs incurred as part of development projects in existing properties were previously shown directly in the expense type in which they were incurred. Effective January 1, 2023, they are to be capitalized as construction activities in accordance with Brookfield corporate policies. This relates to the proportion of real estate operating expenses, personnel expenses and administrative expenses that were paid for investments in development projects. They will be capitalized first. The capitalized costs can impact the net result from fair value adjustments on investment property as a result of the fair value measurement as of the reporting date.

The effects of these changes on the income statement are shown in the following tables.

The changes in accounting methods described do not have any impact on the balance sheet and thus the equity of the alstria Group as the consolidated result for the period remains unchanged.

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The following overview shows the adjustments resulting from the change in accounting policy for 2023:

	Current	Adjustments	Previous accounting policy
	2023	2023	2023
	EUR k	EUR k	EUR k
Net rental revenues	192,026	0	192,026
Service charge income	38,167	0	38,167
Real estate operating costs	-66,257	4,003	-62,254
<b>Net Rental Income</b>	<b>163,936</b>	<b>4,003</b>	<b>167,939</b>
Administrative expenses	-9,241	-1,079	-10,320
Personnel expenses	-10,884	-11,164	-22,049
Other operating income	20,983	0	20,983
Other operating expenses	-848	0	-848
Net result from fair value adjustments on investment property	-769,541	8,240	-761,301
Result on disposal of investment property	81	0	81
<b>Net Operating Result</b>	<b>-605,514</b>	<b>0</b>	<b>-605,514</b>
Net financial result	-47,378	0	-47,378
Share of the result of joint ventures and equity-accounted investments	17	0	17
Net result from fair value adjustments on financial derivatives	-721	0	-721
<b>Pre-Tax Income (EBT)</b>	<b>-653,596</b>	<b>0</b>	<b>-653,596</b>
Income tax result	222	0	222
<b>Consolidated profit for the period</b>	<b>-653,374</b>	<b>0</b>	<b>-653,374</b>

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The following overview shows the reported prior-year figures as they would appear if the current accounting policies had already been applied in the prior-year's reporting period:

	As stated prior year	Adjustments	Current accounting policy
	2022	2022	2022
	EUR k	EUR k	EUR k
Net rental revenues	182,819	0	182,819
Service charge income	38,170	0	38,170
Real estate operating costs	-62,043	-5,942	-67,985
<b>Net Rental Income</b>	<b>158,946</b>	<b>-5,942</b>	<b>153,004</b>
Administrative expenses	-10,441	794	-9,647
Personnel expenses	-26,994	10,935	-16,059
Other operating income	16,219	0	16,219
Other operating expenses	-3,000	0	-3,000
Net result from fair value adjustments on investment property	-173,794	-5,787	-179,581
Gain/Loss on disposal of investment property	2,896	0	2,896
<b>Net Operating Result</b>	<b>-36,168</b>	<b>0</b>	<b>-36,168</b>
Net financial result	-37,056	0	-37,056
Share of the result of joint ventures and equity-accounted investments	-783	0	-783
Net result from fair value adjustments on financial derivatives	-499	0	-499
<b>Pre-Tax Income (EBT)</b>	<b>-74,505</b>	<b>0</b>	<b>-74,505</b>
Income tax result	-109	0	-109
<b>Consolidated profit for the period</b>	<b>-74,614</b>	<b>0</b>	<b>-74,614</b>

### 2.3. Basis of consolidation

#### 2.3.1. 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.

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.



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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.

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.

### **2.3.2. Fully consolidated subsidiaries**

The Group of consolidated companies, including alstria office REIT-AG, comprised 41 companies in the financial year (2022: 44). As of the balance sheet date, 37 companies (prior-year balance sheet date: 38 companies) existed. In addition one joint venture and one noncontrolling interest have been accounted for using the equity method, with these companies being liquidated or sold during the financial year.

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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 (formerly: alstria Bamlerstraße GP GmbH)	Hamburg	100.0	1	Service company General partner
3	alstria Englische Planke GP GmbH <sup>1)</sup>	Hamburg	100.0	1	General partner
4	alstria Mannheim/Wiesbaden GP GmbH <sup>1)</sup>	Hamburg	100.0	1	General partner
5	alstria Portfolio 4 GP GmbH (formerly alstria Gänsemarkt Drehbahn GP GmbH)	Hamburg	100.0	1	General partner
6	alstria Prime Portfolio 3 GP GmbH & Co. KG <sup>2)</sup>	Hamburg	100.0	1	Own property
7	alstria Prime Portfolio 4 GP GmbH & Co. KG <sup>2)</sup>	Hamburg	100.0	1	Own property
8	alstria Prime Portfolio 5 GP GmbH & Co. KG <sup>2)</sup>	Hamburg	100.0	1	Own property
9	alstria Portfolio 1 GP GmbH	Hamburg	100.0	1	General partner
10	alstria Portfolio 3 GP GmbH	Hamburg	100.0	1	General partner
11	alstria Prime Portfolio 2 GP GmbH	Hamburg	100.0	1	General partner
12	alstria Prime Portfolio GP GmbH	Hamburg	100.0	1	General partner
13	alstria solutions GmbH	Hamburg	100.0	1	Service company
14	alstria Prime Portfolio 5 GP GmbH (formerly alstria Steinstraße 5 GP GmbH)	Hamburg	100.0	1	General partner
15	beehive GmbH & Co. KG <sup>3)</sup>	Hamburg	100.0	1	Service company
16	First Pine GmbH & Co. KG <sup>3)</sup>	Hamburg	100.0	1	Own property
17	alstria office Prime Portfolio GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	1	Intermediate holding
18	alstria office PP Holding I GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	17	Intermediate holding
19	alstria office Kampstraße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	18	Own property
20	alstria office Berliner Straße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	18	Own property
21	alstria office Hanns-Klemm-Straße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	18	Own property
22	alstria office Maarweg GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	18	Own property
23	alstria office Heerdter Lohweg GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	18	Own property
24	alstria office Solmsstraße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	18	Own property
25	alstria office PP Holding II GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	17	Intermediate holding
26	alstria office Wilhelminenstraße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
27	alstria office Hauptstraße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
28	alstria office Mergenthaler Allee GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
29	alstria office Am Hauptbahnhof GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
30	alstria office Kastor GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
31	alstria office Heidenkampsweg GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
32	alstria office An den Dominikanern GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
33	alstria office Carl-Schurz-Straße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
34	alstria office Pempelfurtstraße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
35	alstria office Frauenstraße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
36	alstria office Olof-Palme-Straße GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
37	alstria office Region Nord GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property

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No.	Company	Headquarters	Equity interest(%)	Held by No.	Business activity
38	alstria office Region Süd GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
39	alstria office Region Mitte GmbH & Co. KG <sup>3)</sup>	Hamburg	89.0	25	Own property
40	alstria office PP Holding III GmbH & Co. KG <sup>1); 3)</sup>	Hamburg	89.0	17	Intermediate holding
41	alstria office Vaihinger Straße GmbH & Co. KG <sup>1); 3)</sup>	Hamburg	89.0	40	Own property

<sup>1)</sup> Terminated by accretion or merger with its shareholder in the 2023 financial year.

<sup>2)</sup> Founded in fiscal year 2023.

<sup>3)</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.

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, 14 domestic subsidiaries, and 21 domestic second-tier subsidiaries. Four subsidiaries (No. 3, 4, 40 and 41 of the table) were terminated as a result of mergers. Three companies (No. 6-8 of the table) were newly founded.

The reporting date for the consolidated financial statements is the same as the reporting date for the alstria office REIT-AG and consolidated subsidiaries.

There were no further changes to the consolidated group in the 2023 financial year in comparison to the consolidated financial statements as of December 31, 2022. All of the Group's companies are land or property management companies, holding companies, or general partner companies.

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

As of the balance sheet date, the group no longer holds any shares in joint ventures and associated companies. The shareholding in an associated company, which was devalued to zero euros in the 2022 financial year due to its business situation, was sold in the reporting period for a symbolic purchase price of one euro. As of the previous year's reporting date, there was also an interest in a joint venture that was liquidated in the 2023 financial year. The book value of the associated company was EUR 0 as of the previous year's reporting date, and that of the joint venture was EUR 101 k. Accounting was carried out using the equity method. The book value as of the previous year's reporting date of EUR 101 thousand related to the joint venture.

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

in %	Principal activity	Place of incorporation and business	Proportion of ownership, interest, and voting rights held by the Group	
			Dec. 31, 2023	Dec. 31, 2022
Name of joint venture				
Kaisergalerie General Partner GmbH i.L	n/a	Hamburg, Germany	n/a	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.

### 2.4. 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.

#### 2.4.1. 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.

#### 2.4.2. 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 and negative fair values of derivatives (see Note 6.5);
- expected credit loss (see Note 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 long term compensation granted to Management Board (see Note 13.1) and ACES granted to employees (so called alstria Collective Employee Scheme shares see Note 13.2).

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, 2023	Dec. 31, 2022
Investment property and properties held for sale, without prepayments made	3,971,253	4,633,398
Positive fair values of derivatives	15,941	34,767
Expected credit loss	636	1,469
Limited partnership capital of noncontrolling interests	98,318	120,980
Other current provisions	3,008	525
thereof ACES and longterm compensation board	2,543	0
Other noncurrent provisions	1,672	1,802
thereof ACES and longterm compensation board	1,672	1,802
Negative fair values of derivatives	12,748	0

## 2.5. 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.

### 2.5.1. 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.

### 2.5.2. 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.

When determining the fair value, climate-related risks are indirectly taken into account on a property-specific basis through appropriate deductions for the expected cash inflows and surcharges for future investment expenditure.

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.

### 2.5.3. 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.

The valuation of the investment property at market value as of December 31, 2023 was carried out, as in the previous year, by external real estate experts using internationally customary, IFRS-compliant valuation methods. The properties were valued using the DCF method (discounted cash flow method). An accredited, external, and independent expert performed the fair value measurements (Savills Advisory Services Germany GmbH & Co. KG, Frankfurt am Main, Germany).



### 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);
- new 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 to 10 years for each potential new lease;
- rent-free periods from 4 to 10 months' rent;
- a vacancy period of between 2 and 72 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.

The valuation method described also applies 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.

#### **2.5.4. 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.

#### **2.5.5. 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.

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.

### **2.5.6. 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.

### 2.5.7. 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.

#### **2.5.8. 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.

#### **2.5.9. 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.

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.

#### **2.5.10. 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.

#### **2.5.11. 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.

## 2.5.12. 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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**

#### 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.

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.

### 2.5.13. 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.

### **2.5.14. 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.

### **2.5.15. 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.

### **2.5.16. Share-based payments**

The share-based compensation included equity-based compensation plans, which were last settled using equity instruments in the reporting period.

Equity-settled share-based payments to employees and others providing similar services were measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments was expensed on a straightline basis over the vesting period and was based on the Group’s expectations with regard to the equity instruments, which were most likely assessed as vesting. At each reporting date, the Group had to review its estimates regarding the number of equity instruments that would vest. The effects of the changes to the original estimates, if any, were to be recognized in profit or loss. The recognition was carried out in such a way that the total expense reflected the change in estimates and, if necessary, led to a corresponding adjustment to the reserve for employee benefits offset by equity instruments.

There were no share-based payments compensated by equity instruments to parties who are not employees or who do not provide comparable services.

### 2.5.17. 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 230,193 k (2022: EUR 220,989 k), of which EUR 26,794 k (2022: EUR 27,887 k) are related to leases to the Group's largest customer with a share of more than 10% of revenues.

No other single customer has contributed 10 % or more to the consolidated revenues in the 2022 or 2023 financial years.

## 5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 5.1. Revenues

EUR k	2023	2022
Revenues from investment properties	192,026	182,819
Revenues from service charge income	38,167	38,170
<b>Revenues</b>	<b>230,193</b>	<b>220,989</b>

Revenues from investment properties mainly comprised rental income. The rental income includes effects totaling EUR 3,411 k (2022: EUR 2,983 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 3,427 k (2022: EUR 3,196 k).

Rental income from property leases contains variable rental income amounting to EUR 5,080 k (2022: EUR 4,593 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	2023	2022 adjusted <sup>1)</sup>
Operating costs that can be charged to tenants	36,600	37,546
Personnel expenses for real estate management	8,705	8,791
Maintenance and refurbishment	8,312	7,183
Ongoing repairs	4,728	4,724
Vacancy costs	4,472	5,732
Legal and advisory fees	1,253	983
Real estate-related administrative costs	839	656
Property management	379	367
Electricity costs	368	436
Rent expenses	151	126
Insurance expenses	41	475
Other expenses	409	966
<b>Total</b>	<b>66,257</b>	<b>67,985</b>

<sup>1)</sup> See note 2.2.3

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### 5.3. Administrative expenses

EUR k	2023	2022 adjusted <sup>1)</sup>
Legal and consulting fees	3,095	3,841
Depreciation	1,557	964
Communication and marketing	939	796
IT maintenance	745	858
Audit fee (audit and audit-related services)	684	541
Leasing payments and rents	564	453
Insurance expenses	478	519
Travel expenses	427	331
Office area costs	373	368
Recruitment	298	389
Training & workshops	207	140
Contributions	181	206
Office equipment	159	106
Supervisory Board compensation	110	491
Other	502	438
Reclassified to real estate operating expenses <sup>1)</sup>	-839	-656
Reclassified to Net result from fair value adjustments on investment property <sup>1)</sup>	-239	-138
<b>Total</b>	<b>9,241</b>	<b>9,647</b>

<sup>1)</sup> See note 2.2.3

The reclassifications to real estate operating expenses and Net result from fair value adjustments on investment properties relate to the effects of the changes in accounting methods (see note 2.2.3).

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	2023	2022 adjusted <sup>1)</sup>
Salaries and wages	6,094	6,847
Social insurance contribution	986	913
Bonuses	1,541	1,235
Expenses for long term compensation	1,856	6,526
<i>thereof long-term compensation components (previous year also share-based compensation from stock options) of the Management Board</i>	325	2,544
<i>thereof relating to the convertible profit participation certificates and other long term compensation</i>	1,531	3,982
Amounts for Management Board retirement provisions and disability	88	161
Other	319	377
<b>Total</b>	<b>10,884</b>	<b>16,059</b>

<sup>1)</sup> See note 2.2.3

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Personnel expenses decreased by EUR 5,175 k or 32.2 %. This decline is mainly due to one-off effects in the previous year from the restructuring of compensation components as a result of the takeover by Brookfield as well as severance payments for employees who left, also in the previous year.

The change in the reporting of parts of personnel expenses described in note 2.2.3 has resulted in EUR 11,164 k (2022: EUR 10,935 k) no longer being reported under personnel expenses. Overall, the expenses for remuneration for employees and the Management Board in the financial year amounted to EUR 22,049 k (2022: EUR 26,994 k).

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 2021 financial 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. This right was exercised for the last time in the reporting period, as there were no convertible profit participation rights outstanding as of the balance sheet date (see note 13.2).

The employer's contribution to statutory pension insurance, included in wages and salaries, amounts to EUR 1.053 k for the 2023 financial year (2022: EUR 974 k).

On average, the Group employed 184 employees in 2023 (2022: 177).

### 5.5. Other operating income

EUR k	2023	2022
Revaluation of the limited partnership capital noncontrolling interests	18,811	541
Compensation payments and other recharges	497	8,170
Indemnity payments received	343	1,324
Income from the reversal of accrued liabilities	289	7
Income from the reversal of EWB	83	0
Health insurance reimbursement	51	45
Property management services	21	93
Proceeds from forest management	16	68
KfW loan grant for green investments	0	4,242
Guarantee builder	0	1,000
Other	872	729
<b>Total</b>	<b>20,983</b>	<b>16,219</b>

The Revaluation of the limited partnership capital noncontrolling interests concerns alstria office Prime Portfolio GmbH & Co. KG, in which the non-controlling partners have an interest. The valuation was essentially impacted due to the devaluation of the investment properties held by this company.

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.

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### 5.6. Other operating expenses

EUR k	2023	2022
Impairment on trade receivables	637	1,469
VAT payments made for previous years	118	345
Legal and advisory fees	49	1,066
Settlement agreements	0	28
Other operating expenses	44	92
<b>Total</b>	<b>848</b>	<b>3,000</b>

Legal and advisory fees for the previous year mainly relate to consulting services in connection with the Brookfield's takeover bid (see Note 1). The higher Impairment on trade receivables in the 2022 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	2023	2022
Proceeds from the disposal of investment property - transferred to buyer	29,750	161,280
Carrying amount of investment property disposed of - transferred to buyer	-29,648	-158,075
Costs in relation to the sale of investment properties - transferred to buyer	-21	-611
<b>Gain on disposal of investment property - transferred to buyer</b>	<b>81</b>	<b>2,594</b>
Agreed selling price of held-for-sale investment properties	0	26,550
Carrying amount of investment property at the time of reclassification to held-for-sale	0	-25,977
Costs in relation to the sale of investment properties - held for sale	0	-271
<b>Valuation result of held-for-sale investment properties</b>	<b>0</b>	<b>302</b>
<b>Gain on disposal of investment property</b>	<b>81</b>	<b>2,896</b>

In the 2023 financial year, no properties were sold at a sales price below their book value. In the 2022 financial year, the sale of properties that were sold below their book value resulted in a loss of EUR 303 k).

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### 5.8. Net financial result

The financial result breaks down as follows:

EUR k	2023	2022
Interest income	9,850	834
Interest like income	9,702	3,228
<b>Income from financial instruments and other interest income</b>	<b>19,552</b>	<b>4,062</b>
Interest expenses, bank loans	-57,138	-8,351
Interest expenses, corporate bonds	-16,677	-21,916
Interest result "Schuldschein"	-1,419	-1,968
Interest result derivatives	9,385	-843
Other interest expenses	-76	-15
<b>Financial expenses</b>	<b>-65,925</b>	<b>-33,093</b>
Bank loan charges	0	-3,800
Commitment fees	-700	-2,959
Agency fees financial derivatives	0	-158
Financial expenses lease liability IFRS 16	-105	-87
Miscellaneous other expenses from financial instruments	-200	-1,021
<b>Other financial expenses</b>	<b>-1,005</b>	<b>-8,025</b>
<b>Net financial result</b>	<b>-47,378</b>	<b>-37,056</b>

The increase in interest income essentially results from higher loans and higher interest rates compared to the previous year. Negative interest income was included in the amount of EUR 3 k and in the previous year in the amount of EUR 102 k. Interest-like income includes EUR 6,380 k in income from the repurchase of own corporate bonds below their issue value. alstria acquired its own corporate bonds with a nominal value of EUR 22,000 k for EUR 15,620 k.

The increase in interest expense on bank loans is due to new bank loans to the taking out of new bank loans and the refinancing of a corporate bond when interest rates increased (see Notes 7.3).

The positive interest result from derivative financial instruments reflects the increase in interest rates over the course of the 2023 financial year, which leads to compensation payments for the interest rate swaps and caps entered into to secure the variable loan interest rates. Further details and explanations on derivatives are presented in Note 6.5.

Overall, financial expenses increase by EUR 32,832 from EUR 33,093 k to EUR 65,925 k, as both the volume of financing and interest rates have increased.

The previous year's bank loan charges of EUR 3,800 k related to a payment obligation in the event that an existing loan could not have been further syndicated by the lending bank by the end of the third quarter of the 2023 financial year.

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 5,916 k (interest expenses, 2022: EUR 3,794 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.

### 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.

On August 4, 2023, the government in Canada, where the ultimate parent company Brookfield Corporation is based, circulated a proposed law that would transform the Pillar 2 rules into Canadian national law from January 1, 2024. The law had not come into force at the time of publication. In Germany, the regulations were transformed into national law with the approval of the Bundesrat on December 15, 2023.

alstria is currently examining the impact of the legislation in collaboration with Brookfield on the Pillar 2 rules on the company's future profitability.

## 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	2023	2022
<b>Investment property as of December 31</b>	<b>4,606,848</b>	<b>4,775,801</b>
Investments (Capital expenditure)	137,338	113,147
Acquisitions	0	0
Acquisition costs	0	0
Recognition of a right-of-use asset according to IFRS 16	0	504
Disposals	-3,392	-83,910
Transfer to assets held for sale	0	-24,900
Transfer to property, plant, and equipment (owner-occupied properties)	0	0
Net loss / gain from fair value adjustments to investment property	-769,541	-173,794
<b>Investment property as of December 31</b>	<b>3,971,253</b>	<b>4,606,848</b>

In the 2023 financial year, a property was sold and transferred to the buyer. In addition, the property held for sale as of the previous year's reporting date was transferred to the buyer 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 2022, transferred in 2023	0	0	1	26,550
Contract signed and transferred in 2023	0	0	1	3,200
Contract signed in 2023, transferred 2024	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>29,750</b>

Capital expenditure (EUR 137,338 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 4,276 k (December 31, 2022: EUR 4.991 k).



Borrowing costs that would have had to be capitalized as construction costs were not incurred during the reporting period (2022: 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 2.5.

The item “net result from fair value adjustments on investment property” on the income statement in the amount of EUR 770,201 k (2022: EUR 207,879 k) is attributable to a change in unrealized losses.

The total of the increases in value amounted to EUR 660 k (2022: EUR 34,085 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).

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

EUR k, unless stated otherwise						
Portfolio	Fair value on Dec. 31, 2023	Valuation technique	Unobservable inputs	Range Min. Max.		Weighted average
German offices	3,971,253	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	8.95	28.53	15.77
Number of properties:			Discount Rate	3.50%	7.50%	5.00%
106			Exit Cap Rate	4.00%	7.50%	5.35%
<b>0 ≤ WAULT ≤ 5 Years</b>						
German offices	2,518,853	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	9.20	28.53	15.75
Number of properties:			Discount Rate	3.55%	7.50%	5.22%
79			Exit Cap Rate	4.00%	7.50%	5.23%
<b>5 &lt; WAULT ≤ 10 Years</b>						
German offices	776,100	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	8.95	23.93	14.66
Number of properties:			Discount Rate	4.00%	7.50%	5.46%
18			Exit Cap Rate	4.30%	7.50%	5.72%
<b>WAULT &gt; 10 Years</b>						
German offices	676,300	DCF	Estimated rental value (EUR/m <sup>2</sup> /mo.)	11.21	23.89	17.99
Number of properties:			Discount Rate	3.50%	4.25%	3.64%
9			Exit Cap Rate	4.25%	6.50%	5.47%

#### 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.

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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, 2023	Dec. 31, 2022
-1.00 %	4.340	-
-0.50 %	4.151	4,819
-0.25 %	4.059	4,712
0.00 %	3.971	4,607
0.25 %	3.885	4,506
0.50 %	3.801	4,407
1.00	3.639	-

### 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, 2023 are as follows:

EUR k	Dec. 31, 2023	Dec. 31, 2022
Within 1 year	191.251	193.053
After 1 year but not longer than 5 years	485.180	522.533
Longer than 5 years	372.789	388.970
<b>Total</b>	<b>1,049,220</b>	<b>1,104.556</b>

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

- EUR 230,193 k (2022: EUR 220,989 k) in revenues from investment properties, of which EUR 302 k is related to subleases of rights-of-use assets;
- EUR 56,243 k (2022: EUR 52,806 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 10,014 k (2022: EUR 9,237 k) in operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period under review.

Investment properties, held-for-sale properties, and own used properties amounting to EUR 1,985.1 m (December 31, 2022: EUR 1,613.5 m) served as collateral for bank loans.

## 6.2. Equity-accounted investment

As of the balance sheet date, the group holds no investments in associated companies or joint venture. As of the previous year's reporting date, there was also an interest in a joint venture that was liquidated in the 2023 financial year and in an associated company that was sold in that year. The book value of the associated company was EUR 0 as of the previous year's reporting date, and that of the joint venture was EUR 101 k. Accounting was carried out using the equity method. 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 502 k and EUR 133 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 area in Stuttgart was accounted for as owner-occupied area until the property was sold in the previous year. After the sale of the property, the area accounted for as owner-occupied land and buildings under property, plant and equipment in accordance with IAS 16 was disposed in the previous financial year 2022 in the amount of EUR 2,243 k.

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, 2023	1,266	2,026	17,954	2,683	1,544	25,473
Additions	0	168	816	151	963	2,098
Disposals	0	0	0	0	0	0
As of December 31, 2023	1,266	2,194	18,770	2,834	2,507	27,571
<b>Accumulated amortization, depreciation, and write-downs</b>						
As of January 1, 2023	1,251	1,288	1,661	0	1,026	5,226
Additions	12	184	335	0	419	951
Disposals	0	0	0	0	0	0
As of December 31, 2023	1,263	1,472	1,996	0	1,445	6,177
<b>Net book values as of December 31, 2023</b>	<b>3</b>	<b>722</b>	<b>16,774</b>	<b>2,834</b>	<b>1,062</b>	<b>21,395</b>

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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	0	-840	-2,243	0	0	-3,083
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>

Two of the owner occupied 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 2021 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, 2022	Repayments	Investment in financial assets	Valuation	Dec. 31, 2023
Noncurrent financial assets	94,891	0	463	-4	95,350

The financial assets of EUR 95,350 k (December 31, 2022: EUR 94,891 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 269 k is attributable to a below -3 % share in a stock corporation on which alstria cannot exert any significant influence. A further EUR 649 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 investments in this company in the amount of EUR 463 k. In addition, there were write-offs of -EUR 4 k.

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

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.

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### 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, 2023		Dec. 31, 2022	
					Notional (EUR k)	Fair value (EUR k)	Notional (EUR k)	Fair value (EUR k)
Swap	3.1350	30.06.2023	26.04.2030	Landesbank Hessen-Thüringen Girozentrale	70,500	-3,362	n/a	n/a
Cap	3.5000	30.06.2023	26.04.2030	Societe Generale	70,500	1,191	n/a	n/a
Swap	4.0330 - 2.5000	01.11.2023	31.08.2028	Hamburg Commercial Bank AG	50,000	-1,912	n/a	n/a
Swap w/ Floor	3.0000	30.06.2023	30.06.2028	Landesbank Baden-Württemberg	50,000	-1,256	n/a	n/a
Swap	3.2300	30.06.2023	29.03.2030	Morgan Stanley Europe SE	67,500	-3,561	n/a	n/a
Cap	3.5000 - 2.5000	01.11.2023	31.08.2028	Morgan Stanley Europe SE	10,000	165	n/a	n/a
Cap	3.5000 - 2.5000	01.11.2023	31.08.2028	Morgan Stanley Europe SE	40,000	663	n/a	n/a
Swap	1.7500	30.09.2022	30.09.2027	Societe Generale	500,000	10,714	500,000	29,813
Cap	3.5000	30.06.2023	29.03.2030	Societe Generale	22,500	372	n/a	n/a
Cap	3.5000	30.06.2023	30.06.2028	Societe Generale	35,000	323	n/a	n/a
Cap	3.5000	30.06.2023	26.04.2030	Societe Generale	47,000	795	n/a	n/a
Swap	2.9740	29.12.2023	29.08.2027	Societe Generale	107,000	-2,367	n/a	n/a
Swap	1.9240	30.09.2022	30.09.2028	UniCredit Bank AG	60,000	1,039	60,000	3,606
Swap	1.9240	30.09.2022	30.09.2028	UniCredit Bank AG	22,450	389	22,450	1,348
<b>Financial derivatives - cash flow hedges</b>					<b>1,152,450</b>	<b>3,193</b>	<b>582,450</b>	<b>34,767</b>

The derivative financial instruments held by alstria are exclusively interest rate swaps and caps.

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.

Offsetting agreements with counterparties (so-called master agreements) were not agreed.

The change in value of the derivatives is taken into account in different balance sheet items.

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The following table shows the change in financial derivatives since December 31, 2022:

EUR k	Cash flow hedge reserve	Financial assets		Financial liabilities		Total
		Non-current	Current	Non-current	Current	
<b>Hedging instruments as at January 1, 2023</b>	<b>32,663</b>	<b>34,767</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,767</b>
Effective change in fair values cash flow hedges	-39,086	-23,326	-2,093	-10,920	-2,747	-39,086
Ineffective change in fair values cash flow hedges	0	807	-1,827	314	0	-706
Net result from fair value changes in financial derivatives not qualifying for cash flow hedging	0	0	0	0	0	0
Reclassification of cumulated loss from equity to income statement	15	0	0	0	0	0
Reclassification due to change of residual term	0	-13,134	13,134	0	0	
Changes in accrued interests concerning financial derivatives	0	113	0	0	0	113
Acquisitions	0	9,450	367	0	0	9,818
Disposals	0	-2,090	-227	605	0	-1,713
<b>Hedging instruments as at December 31, 2023</b>	<b>-6,408</b>	<b>6,587</b>	<b>9,354</b>	<b>-10,001</b>	<b>-2,747</b>	<b>3,193</b>

The notional amount of the financial derivatives effective at the end of the reporting period is EUR 1,152,450 k (December 31, 2022: EUR 34,767 k). This includes cash flow hedges and derivatives not qualifying for cash flow hedging.

Since all derivatives are designated for a cash flow hedging relationship, the nominal value of the non-designated derivatives is zero euros (December 31, 2022: EUR 0).

A decrease in the fair values of derivatives of an amount of EUR 39,086 k that are effective in a cash flow hedge was recognised in the equity in the hedging reserve in 2023 (2023: increase of EUR 32,663 k). An amount of EUR 15 k (2022: EUR 0 k) was reclassified from the reserve for cash flow hedging to the income statement; these are amounts that relate to terminated derivatives and are amortized over the remaining term of the underlying loan.

The ineffective portion that arises from cash flow hedges amounted to a fair value loss of EUR 721 k (2022: loss of EUR 499 k) and is recognised in profit or loss.

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

## 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, 2023	Dec. 31, 2022
Net rent receivables	10,001	5,865
Service charge receivables	813	2,301
<b>Trade receivables</b>	<b>10,814</b>	<b>8,166</b>
<b>Other receivables</b>		
Creditors with debit balance	693	412
Maintenance reserves	392	320
Interest receivables	148	318
Cash in transit	323	246
Receivables against employees	1	123
Receivables and other assets	194	33
<b>Financial assets</b>	<b>1,751</b>	<b>1,452</b>
VAT receivables	1,975	1,925
Deductible capital gains taxes	1,029	1,029
Capitalized transaction costs on outstanding loan facility	600	634
Prepayments made	380	344
<b>Non-financial assets</b>	<b>3,984</b>	<b>3,932</b>
<b>Other receivables</b>	<b>5,735</b>	<b>5,384</b>

The increase of Trade receivables from EUR 8,166 by EUR 2,648 to EUR 10,814 is based on an increase in Net rent receivables due to a one-off rent receivable for special services provided to a tenant. The reduction in service charge receivables is essentially due to the increased rental advance payments received as a result of the increase in energy prices in the previous year.

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.

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.



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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 31.12.2023</b>	22.83%	45.58%	90.47%	100.00%
<b>Default rate as of 31.12.2022</b>	16.40%	63.46%	99.96%	100.00%

Trade receivables from tenants of alstria as of December 31, 2023 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	1,790	-409		1,381
31-90 days overdue	548	-249		299
91-180 days overdue	134	-121		13
More than 180 days overdue	182	-182		0
<b>Total other tenants</b>	<b>2,654</b>	<b>-961</b>		<b>1,693</b>
Key tenants	9,150	-	-29	9,121
<b>Total</b>	<b>11,804</b>	<b>-961</b>	<b>-29</b>	<b>10,814</b>

Trade receivables from tenants of alstria as of December 31, 2022 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	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>

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The allowance for trade receivables developed as follows:

EUR k	2023	2022
As of January 1	829	826
Additions	636	1,469
Net revaluation of allowances	-475	-1,466
As of December 31	990	829

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, 2023	Dec. 31, 2022
Bank balances	116,282	364,973

Current accounts held with banks attract variable interest rates for on-call balances. As of the reporting date, EUR 8,031 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. Restrictions on cash amounts as of the previous year's reporting date to EUR 8,761 k.

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 6,647 k in rent deposits received from tenants (December 31, 2022: EUR 8,043 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

As of the balance sheet date, the Group did not hold any properties held for sale.

The property held for sale reported in the previous year was transferred to the buyer as planned in the 2023 financial year.

The prior year's 'gain on disposal of investment property' was 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, 2023	Dec. 31, 2022
Ordinary shares of EUR 1 each	178,562	178,291

The conversion of profit participation rights (Note 13.2) in the second quarter of 2023 resulted in the issuance of 270,300 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 270,300.00 as compared with December 31, 2022, and as of December 31, 2023, it is represented by 178,561,572 no-par value bearer shares.

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

Number of shares	2023	2022
Shares outstanding on January 1	178,291,272	178,032,997
Conversion of convertible participation rights	270,300	258,275
As of December 31	178,561,572	178,291,272

As a result of the takeover bid by Brookfield (see Note 1), 95.37% of the shares in the company were attributable to Brookfield as of the balance sheet date.

#### *Capital reserve*

The capital reserve changed as follows during the financial year:

EUR k	2023	2022
As of January 1	507,640	1,261,630
Payment of dividends	-262,469	-756,640
Share-based remuneration	520	2,392
Conversion of convertible participation rights	270	258
As of December 31	245,961	507,640

The share premium resulting from the conversion of 270,300 profit-participation rights resulted in an increase in capital reserves of EUR 270 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, 2023	Dec. 31, 2022
Hedging reserve	-6,408	32,663

For further details on the change in hedging reserve please refer to Note 6.5.

### *Treasury shares*

As of December 31, 2023, the Company held no treasury shares.

By resolution of the Annual General Meeting held on May 4, 2023, 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 May 3, 2028. There is no intention to make use of this authorization at present.

### *Retained earnings*

Retained earnings as of December 31, 2023, totaled EUR 1,195,947 k (December 31, 2022: profit carried forward of EUR 1,849,321 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 2023. The reduction in retained earnings results from the consolidated annual result for the 2023 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, 2023, the conditional capital amounted to EUR 17,479 k. This was divided into Conditional Capital I 2020 (EUR 16,750 k) and Conditional Capital III 2020 (EUR 730 k).

In the year under review, Conditional Capital III 2020 was used in the amount of EUR 270 k.

### 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 to 2023 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 18.811 k (2022: gain of EUR 541 k). The fair value of the limited partnerships of noncontrolling interests reported as of the balance sheet date amounted to EUR 98.318 k (2022: EUR 120,980 k), whereby EUR 98,297 k are to be classified as long term and EUR 21 k as short term liabilities.

### 7.3. Financial liabilities

EUR k	Noncurrent	Current			Total Dec. 31, 2023
		Loan	Accrued interest	Total current	
<b>Loans</b>					
Corporate bonds	1,073,345	0	3,898	3,898	1,077,243
Mortgage loans	1,064,299	256,517	644	257,161	1,321,460
Schuldschein	39,963	0	718	718	40,681
<b>Total</b>	<b>2,177,607</b>	<b>256,517</b>	<b>5,260</b>	<b>261,777</b>	<b>2,439,384</b>

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>2,026,290</b>	<b>361,796</b>	<b>10,346</b>	<b>372,142</b>	<b>2,398,432</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.

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As of December 31, 2023, 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 2,450,000 k (December 31, 2022: EUR 2,403,063 k). The carrying amount of EUR 2,439,384 k (EUR 2,177,607 k, noncurrent, and EUR 261,777 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, 2022	Payments of the period	Reclassification noncurrent/ current	Changes in fair value	December 31, 2023
Long-term loans and bonds, net of current portion	2,026,290	408,937	-257,000	-620	2,177,607
Short-term loans	372,142	-362,000	257,000	-5,365	261,777
<b>Total</b>	<b>2,398,432</b>	<b>46,937</b>	<b>0</b>	<b>-5,985</b>	<b>2,439,384</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.

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

Liabilities	Start	Maturity	Notional in EUR k	Coupon in %	Utilized at 31.12.2023 in EUR k	Book value as of 31.12.2023 in EUR k	OMV as at 31.12.2023 in EUR k	Accrued interest at 31.12.2023 in EUR k
Mortgage loan #1	II 2016/ IV 2022	28.06.2024	150,000	3M-EURIBOR	150,000	149,578	149,750	59
Mortgage loan #2	II 2016/ II 2023	31.03.2030	90,000	3M-EURIBOR	90,000	89,265	89,019	38
Mortgage loan #3	III 2018/ III 2022	29.09.2028	97,000	3M-EURIBOR	97,000	96,775	94,336	40
Mortgage loan #4	III 2022	30.09.2027	500,000	3M-EURIBOR	500,000	495,444	495,639	226
Mortgage loan #5	III 2022	29.08.2024	107,000	3M-EURIBOR	107,000	106,673	106,824	46
Mortgage loan #6	III 2023	26.04.2030	188,000	3M-EURIBOR	188,000	185,183	186,423	82
Mortgage loan #7	III 2023	30.06.2028	100,000	3M-EURIBOR	100,000	99,365	99,409	47
Mortgage loan #8	IV 2023	31.08.2028	100,000	3M-EURIBOR	100,000	98,267	100,000	101
<b>Total secured</b>			<b>1,332,000</b>		<b>1,332,000</b>	<b>1,320,550</b>	<b>1,321,400</b>	<b>639</b>
Bond III	IV 2017	15.11.2027	350,000	1.5000	328,000	326,314	245,574	335
Bond IV	III 2019	26.09.2025	400,000	0.5000	400,000	397,926	343,080	500
Bond V	II 2020	23.06.2026	350,000	1.5000	350,000	349,105	279,528	3,067
Schuldschein 10y/fix	II 2016	06.05.2026	40,000	2.7500	40,000	39,963	39,148	718
<b>Total unsecured</b>			<b>1,140,000</b>		<b>1,118,000</b>	<b>1,113,308</b>	<b>907,329</b>	<b>4,621</b>
<b>Total</b>			<b>2,472,000</b>		<b>2,450,000</b>	<b>2,433,858</b>	<b>2,228,729</b>	<b>5,260</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 110,000 k were repaid before the end of their term, so that the Schuldschein had a notional value of EUR 40,000 k at the end of the reporting period. The fair value (hierarchy Level 2) amounted to EUR 39,148 k as of the balance sheet date.



**Further details regarding the loan liabilities**

The current portion of the loans relates to planned repayments (EUR 257,000 k), effective interest accruals to be deducted (EUR-749 k), bank account overdrafts (EUR 267 k) and interest accruals for the loans. The latter amounted to EUR 5,260 k as of the balance sheet date (December 31, 2022: EUR 10,346 k) and is to be paid in the course of the next twelve months.

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.

As of December 31, 2023, the loans, the bond and the promissory note (Schuldschein) were reduced by accrued transaction costs of EUR 16,143 k (December 31, 2022: EUR 14,978 k).

The average debt maturity slightly increased slightly from 3.2 years as of December 31, 2022, to 3.3 years as of December 31, 2023. The Group's average interest rate increased from 2.1 % at the previous balance sheet date to 2.6 % as of December 31, 2023.

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, 2023, 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, 2023	Dec. 31, 2022
Up to 1 year	256,251	0
More than 1 year	1,064,299	893,094
<b>Total</b>	<b>1,320,550</b>	<b>893,094</b>

The following loans are secured by land charges:

EUR k	Dec. 31, 2023	Dec. 31, 2022
Financial liabilities secured by land charges	1,332,000	901,063
<i>thereof on investment property</i>	<i>1,321,994</i>	<i>890,962</i>
<i>thereof on own used property</i>	<i>10,006</i>	<i>10,101</i>

#### 7.4. Other provisions

EUR k	Due		Total Dec. 31, 2023	Due		Total Dec. 31, 2022
	up to 1 year	in more than 1 year		up to 1 year	in more than 1 year	
<b>Other provisions</b>						
Provision ACES and other long term incentives	2,543	1,672	4,215	0	1,802	1,802
Other	465	0	465	525	0	525
<b>Total</b>	<b>3,008</b>	<b>1,672</b>	<b>4,680</b>	<b>525</b>	<b>1,802</b>	<b>2,327</b>

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

EUR k	Dec. 31, 2022	Consumption	Resolution	Additions	Dec. 31, 2023
<b>Development of other provisions</b>					
Provision ACES and other long term incentives	1,802	0	-131	2,543	4,215
Other	525	-13	-48	0	465
<b>Total</b>	<b>2,327</b>	<b>-13</b>	<b>-179</b>	<b>2,543</b>	<b>4,680</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.

Other provisions are mainly related to litigation expenses.

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### 7.5. Trade payables and other liabilities

EUR k	Due		Total Dec. 31, 2023	Due		Total Dec. 31, 2022
	up to 1 year	in more than 1 year		up to 1 year	in more than 1 year	
<b>Trade payables</b>	<b>4,717</b>	<b>0</b>	<b>4,717</b>	<b>3,581</b>	<b>0</b>	<b>3,581</b>
<b>Other current liabilities</b>						
Accruals for outstanding invoices	24,132	0	24,132	28,490	0	28,490
Rent and security deposits received	6,647	8,438	15,085	8,043	8,050	16,093
IFRS 16 lease liabilities	680	4,765	5,444	393	5,314	5,707
Market flex premium	3,800	0	3,800	3,800	0	3,800
Salary obligations	2,467	0	2,467	2,358	0	2,358
Accruals for tax consulting	790	0	790	919	0	919
Cash compensation	735	0	735	961	0	961
Customers with credit balances	486	0	486	874	0	874
Auditing costs	343	0	343	359	0	359
Vacation provisions	329	0	329	241	0	241
Supervisory Board compensation	110	0	110	491	0	491
Interests for tax provisions	0	0	0	0	0	0
Miscellaneous liabilities	68	0	68	165	0	165
<b>Financial liabilities</b>	<b>40,587</b>	<b>13,203</b>	<b>53,790</b>	<b>47,094</b>	<b>13,364</b>	<b>60,458</b>
Value-added tax liabilities	2,299	0	2,299	2,072	0	2,072
Advance rent payments received	1,535	0	1,535	1,820	0	1,820
Income tax and social security contributions	323	0	323	238	0	238
<b>Non-financial liabilities</b>	<b>4,157</b>	<b>0</b>	<b>4,157</b>	<b>4,130</b>	<b>0</b>	<b>4,130</b>
<b>Total other liabilities</b>	<b>44,744</b>	<b>13,203</b>	<b>57,947</b>	<b>51,224</b>	<b>13,364</b>	<b>64,588</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 2023 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 8,941 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 735 k, including interest.

### 7.6. Income tax liabilities

The recognition of income tax liabilities as of December 31, 2023, 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	2023	2022
Short-term benefits	992	1,427
Long Term Incentiv Plan (LTIP)	500	900
Postemployment benefits	88	162
<b>Total</b>	<b>1,580</b>	<b>2,489</b>

On the reporting date, liabilities for the compensation of the Management Board members amounted to EUR 250 k (2022: EUR 450 k).

The LTIP granted to the Management Board represent the long-term, key figure-based remuneration for the Management Board. The actual compensation to be achieved after the end of the term depends on the performance of these key figures. Further details on the LTIP can be found in Section 13.1 and in the remuneration report.

**Supervisory Board** Pursuant to the Articles of Association, Supervisory Board members' fixed annual payments amounted to EUR 110 k (2022: EUR 491 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 94,391 k (2022: EUR 103,819k). The increase results from a higher level of ongoing development projects at the end of the reporting period.

As of December 31, 2023, rental agreements for the car parking spaces and administrative premises were subject to a minimum lease term. Future financial obligations of EUR 6,475 k arose from other leasing agreements. Of these, EUR 774 k in obligations has a residual maturity of up to 1 year; EUR 1,553 k in obligations has a remaining maturity of 1 to 5 years; and the remaining EUR 4,148 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.

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.

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The net cash generated from operating activities for the 2023 financial year amounted to EUR 89,084 k, which is above the level of previous year's operating cash flow (EUR 87,079 k). The increase results from a lower increase in working capital and higher sales revenue compared to the previous period. The net cash generated from operating activities includes other noncash income and expenses totaling EUR 6,210 k. These essentially relate to allocation to provisions and other liabilities. Cash outflows for leases amounted to EUR 833 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 137,357 k while the inflow of cash from property disposals amounted to EUR 29,750 k.

The cash flows from financing activities includes cash inflows from taking out a bank loans in the amount of EUR 430,937 k. Cash outflows resulted mainly from the repayment of loans in the amount of EUR 377,469 k and the dividend distribution in an amount of EUR 262,469 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 2023 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 2023 financial year:

in EUR k	Revenues/ Expenses (net) (-)	Receivables/ liabilities (-)
	2023	Dec. 31, 2023
Interest Corporate Bonds	-1.549	-862
Accounting & Reporting services	100	0
Containerlease	-44	0
Letting	15	2

These are transactions with the parent company of the Group.

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

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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 2023 financial year. As of December 31, 2023, this relate to the following corporate bonds:

Bond	ISIN	Shares	Notional value of shares
			EUR k
Bond III	XS1717584913	87,500,000	87,500
Bond IV	XS52053346297	100,000,000	100,000
Bond V	XS2191013171	55,900,000	55,900
		<b>243,400,000</b>	<b>243,400</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.



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

Earnings per share	2023	2022
Profit attributable to the shareholders (EUR k)	-653.374	-74.614
Average number of shares outstanding (thousands)	178.466	178.098
Basic earnings per share (EUR)	-3,66	-0,42

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

alstria office REIT-AG is authorized to issue up to EUR 17,479 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	2023	2022
Dividends on ordinary shares <sup>1)</sup> not recognized as a liability as of December 31	262,469	756,640
Dividend per share	1.47	4.25

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

At the Annual General Meeting held on May 4, 2023, alstria office REIT-AG resolved to distribute dividends totaling EUR 10,697 k (EUR 0.06 per outstanding share). The dividends were distributed on May 9, 2023. At the Extraordinary General Meeting on December 1, 2023, a further dividend payment of EUR 251,772 k (EUR 1.41 per outstanding share) was resolved, which was paid on December 6, 2023. Overall, this represents a dividend payment of EUR 262,469 k (EUR 1.41 per outstanding share). By comparison, the dividends paid out in 2022 totaled EUR 756,640 k (EUR 4.25 per outstanding share).

The Management Board, in agreement with the Supervisory Board, intends to propose to the Annual General Meeting to forego the distribution of a dividend for the 2023 financial year in the absence of a retained profit for alstria office REIT-AG. In the event that there are significant changes in the company's available liquidity in the further course of the 2024 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, 2023, the Company had an average of 185 employees (January 1 to December 31, 2022: 177 employees on average). The average was calculated based on the total number of employees at the end of each quarter. On December 31, 2023, 189 people were employed at alstria, excluding the Management Board members (December 31, 2022: 181 employees).

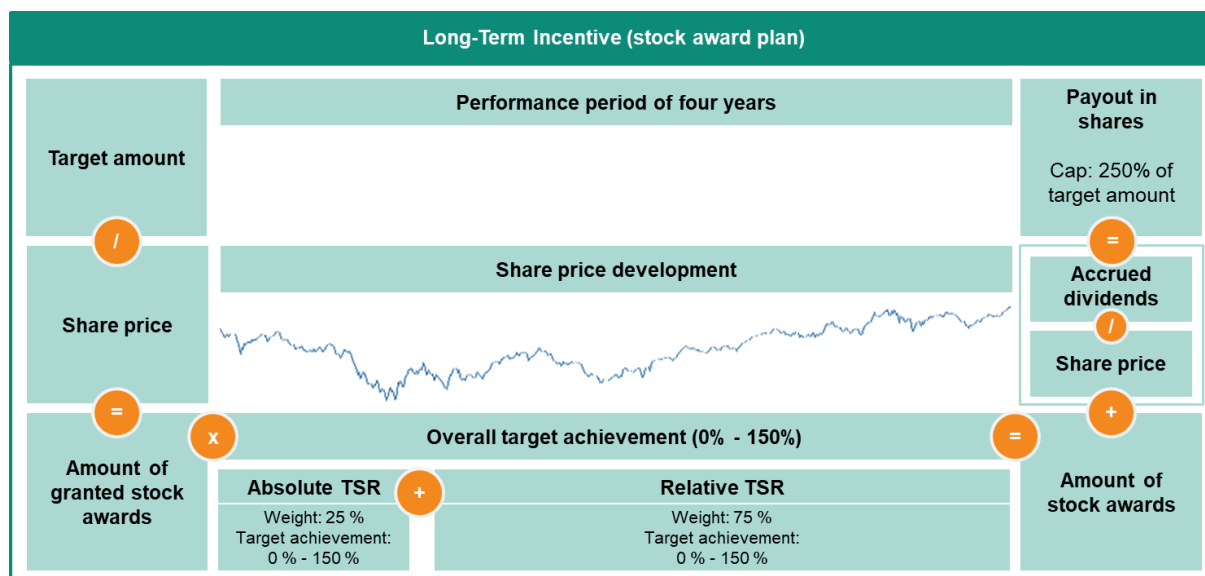
Employees	Average 2023	December 31, 2023	Average 2022	December 31, 2022
Real estate management and development	117	121	106	109
Finance and legal	37	37	39	37
Other occupations	31	31	32	35
<b>Total</b>	<b>185</b>	<b>189</b>	<b>177</b>	<b>181</b>

## 13. LONG-TERM REMUNERATION

### 13.1. Long-term remuneration components for the Management Board

The share-based payment entitlements issued to the Management Board in previous years, so-called stock awards, were 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) consisted of so-called virtual stock awards, which are converted into alstria shares after a four-year performance period. Up to and including the 2021 financial year, the members of the Board of Management were allocated a long-term variable remuneration element in each financial year, the target amount of which was set in the service contract. The number of stock awards to be 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 (so called Absolute and Relative TSR or Total Shareholder Return). Payout of the Long-Term Incentive was 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.

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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

Since all of the remaining 234,620 Stock Awards were converted in the 2022 financial year, there were no longer any effects from the Stock Awards program described for the reporting period. In 2022, the LTIP generated remuneration expenses amounting to EUR 2,095 k. The background for the conversion of all stock awards at the same time was the low remaining market capitalization of freely tradable alstria shares after the takeover by Brookfield. As a result, the development of the alstria share price was no longer meaningful, so that the calculation of the LTI based on the development of the share price had lost its function as part of the Management Board remuneration system 2018/2021. Against this background, the performance periods of all outstanding LTI tranches granted to the 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 adjusted with effect February 3, 2022 terminated 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.

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. The following table shows the development of the certificates granted to the members of the Management Board, each with a nominal value of EUR 1.00.

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Number certificates	2023	2022 <sup>1)</sup>	2022 <sup>1)</sup>	Total
	Olivier Elamine	Olivier Elamine	Alexander Dexne	
Certificates granted as at Jan. 1	500,000	500,000	400,000	1,400,000
As of Dec. 31, 2023	500,000	500,000	400,000	1,400,000
Time pro rata as of Dec. 31, 2023	49.9%	100.0%	50.0% <sup>2)</sup>	n/a
Degree of target achievement as of Dec. 31, 2023	100%	75%	75%	n/a
<b>Provision made as of Dec. 31, 2023 in EUR</b>	<b>249,315</b>	<b>375,000</b>	<b>150,000</b>	<b>774,315</b>

<sup>1)</sup> Year of issue, values in the table refer to 2023

<sup>2)</sup> Proportionate consideration until the board member leaves office.

The provisions for long-term remuneration components of the Management Board amount to EUR 774 k as of December 31, 2023 (December 31, 2022: EUR 449 k). The expenses from these remuneration components amounted to EUR 325 k in the 2023 financial year after EUR 449 k in the 2022 financial year.

### 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 were not considered employees of the Company for the purposes of this convertible profit participation rights program, which has now ended in the reporting period. 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 because of the takeover by Brookfield, the convertible profit participatory rights program was also discontinued and replaced by a new employee participation program (see below).

The main terms of the convertible profit participatory rights program can be summarized as follows:

The nominal amount of each certificate is EUR 1.00, which is payable upon issuance.

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

The maximum term of each certificate was 5 years.

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During its term, each certificate entitled 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 was reduced pro rata temporis.

Each certificate 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 had 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 2023 financial year.

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

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 were automatically be affected once the barrier had been reached. The model considered the terms and conditions upon which the instruments were granted.

The following share-based payment agreements under the employee profit participation program still existed during this year:

Number of certificates	
Grant date of tranche	May 7, 2021
January 1, 2023	279,050
Expired due to termination of employment	-8,750
Converted	-270,300
<b>December 31, 2023</b>	<b>0</b>

For the conversion of 270,300 of the 2021 convertible profit participation right certificates, the relevant XETRA share price on the conversion date was EUR 5.8900 per share.

Total expenses relating to convertible profit participation rights amounted to EUR 520 k in 2023 (see Note 5.4).

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The following table lists the inputs used to determine the fair value of the options for conversion:

Grant date of tranche	May 7, 2021
Dividend yield (%)	3.67
Risk-free interest rate (%)	-0.69
Expected volatility (%)	26.00
Expected life of option (years)	2.00
Exercise share price (EUR)	2.00
Labor turnover rate (%)	5.40
Stock price as of valuation date (EUR)	14.44
Estimated fair value of one option for conversion on the grant date	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.

Employees also receive certificates (so-called ACES) as part of the “alstria Collective Employee Scheme”. The ACES have a term of two years and their performance 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 underlying key figures. The following table shows the development of the ACES granted to employees with a nominal value of EUR 1.00 each:

Number ACES	Granted 2023	Granted 2022 <sup>1)</sup>	Total
As of Dec. 31, 2022	0	2,752,583	2,752,583
ACES granted during reporting period	2,641,070	0	2,641,070
Changes	212,681	-230,264	-17,583
As of Dec. 31, 2023	2,853,751	2,522,319	5,376,070
Time pro rata as of Dec. 31, 2023	49.9%	100.0%	n/a
Degree of target achievement as of Dec. 31, 2023	100%	80%	n/a
<b>Provision made as of Dec. 31, 2023 in EUR</b>	<b>1,422,966</b>	<b>2,017,855</b>	<b>3,440,821</b>

<sup>1)</sup> Year of issue, values in the table refer to 2023

The provisions for long-term remuneration components for employees (ACES) amounted to EUR 3,441 k as of December 31, 2023 (December 31, 2022: EUR 1,374 k). The expenses from these remuneration components amounted to EUR 1,531 k in the first half of the financial year after EUR 1,374 k in the 2022 financial year.

## 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- ("outlook stable"), the lowest notch within the investment grade rating. Even though there was subsequently a change from "outlook stable" to "outlook negative" on May 9, 2023 and a downgrade to BB+ ("issuer rating") on October 20, 2023, the rating of the bonds was confirmed as BBB-. This means that the conditions for bondholders to demand a repayment of the corporate bonds before the end of their term are no longer met. 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.

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.



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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.

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, 2023 (EUR k)	LTV <sup>1)</sup> as of Dec. 31, 2023 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 31, 2022 (EUR k)
Loan #1 <sup>2)</sup>	Jun 28, 2024	150,000	66.1	70.0	150,000
Loan #2 <sup>3)</sup>	Mar 29, 2030	90,000	n/a	-	47,063
Loan #3	Sep 29, 2028	97,000	60.2	65.0	97,000
Loan #4 <sup>4)</sup>	Sep 30, 2027	500,000	73.9	75.0	500,000
Loan #5 <sup>5)</sup>	Aug 29, 2024	107,000	n/a	-	107,000
Loan #6 <sup>6)</sup>	Apr 26, 2030	188,000	64.3	65.0	-
Loan #7	Jun 30, 2028	100,000	66.0	70.0	-
Loan #8	Aug 31, 2028	100,000	64.6		-
<b>Total secured loans</b>		<b>1,332,000</b>	<b>n/a</b>		<b>901,063</b>
Bond #2	Apr 12, 2023	-	-	-	325,000
Bond #3	Nov 15, 2027	328,000	-	-	350,000
Bond #4	Sep 26, 2025	400,000	-	-	400,000
Bond #5	Jun 23, 2026	350,000	-	-	350,000
Schuldschein 10y/fixed	May 06, 2026	40,000	-	-	40,000
Schuldschein 7y/fixed	May 06, 2023	-	-	-	37,000
Revolving credit line <sup>7)</sup>	Apr 29, 2026	-	-	-	-
<b>Total unsecured loans</b>		<b>1,118,000</b>		<b>-</b>	<b>1,502,000</b>
<b>Total</b>		<b>2,450,000</b>	<b>61.3</b>	<b>-</b>	<b>2,403,063</b>
<b>Net LTV</b>			<b>58.3</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> Agreement of a revolving credit line of EUR 200 million on April 29, 2022.

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Apart from the risks mentioned above, the Group is not exposed to any commodity or currency risks.

### 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, 2023</b>						
<i>Variable interest</i>						
Mortgage bank loans	257,000	0	0	500,000	575,000	1,332,000
<b>Total</b>	<b>257,000</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>575,000</b>	<b>1,332,000</b>

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	318,613
<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>

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, 2023.

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	2023	2022
+ 100 bps	13,820	3,186
- 50 bps	-6,910	-1,593

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	2023	2022
+ 100 bps	38,324	22,802
- 50 bps	-18,963	-11,926

**Effects on the income statement and correspondingly on equity**

**Financial derivatives without cash flow hedge accounting**

As all derivatives were designated in a cash flow hedge relationship at the end of the reporting period and the previous period, there are no effects from interest rate changes in the 3-month EURIBOR for this category.

**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, 2023.

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, 2023</b>							
Loans	257,000	0	0	500,000	297,000	278,000	1,332,000
Corporate bond	0	400,000	350,000	328,000	0	0	1,078,000
Interest	61,955	51,892	45,981	38,629	18,158	11,289	227,904
Schuldschein	0	0	40,000	0	0	0	40,000
Trade payables	4,717	0	0	0	0	0	4,717
Other liabilities	44,744	2,355	2,159	1,904	1,885	4,899	57,946
	<b>368,416</b>	<b>454,247</b>	<b>438,140</b>	<b>868,533</b>	<b>317,043</b>	<b>294,188</b>	<b>2,740,567</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, 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	64,587
	<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>

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 1,985,100 k (December 31, 2022: EUR 1,630,488 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, 2022 and December 31, 2023.

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

%	2023	2022	G-REIT covenant
Equity ratio according to G-REIT law	42.99	55.27	> 45
Immovable assets	94.18	90.10	> 75
Revenues gained from immovable assets	100.00	100.00	> 75
Income gained from disposal of immovable assets	13.09	13.31	< 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, 2023	Carrying amount	Nonfinancial assets	Financial assets				
			At amortized costs	Fair value through p/l	Derivatives	Total	Fair value
Financial assets	95,350	0	94,432	918	0	95,350	95,350
Derivatives	6,587	0	0	-721	7,309	6,587	6,587
<b>Total long-term</b>	<b>101,937</b>	<b>0</b>	<b>94,432</b>	<b>197</b>	<b>7,309</b>	<b>101,937</b>	<b>101,937</b>
Trade receivables	10,814	0	10,814	0	0	10,814	10,814
Tax receivables	113	113	0	0	0	0	0
Receivables and other assets	5,735	3,984	1,751	0	0	1,751	1,751
Derivate	9,354	0	0	0	9,354	9,354	9,354
Cash and cash equivalents	116,282	0	116,282	0	0	116,282	116,282
<b>Total short-term</b>	<b>142,298</b>	<b>4,097</b>	<b>128,847</b>	<b>0</b>	<b>9,354</b>	<b>138,201</b>	<b>138,201</b>
<b>Total</b>	<b>244,235</b>	<b>4,097</b>	<b>223,279</b>	<b>197</b>	<b>16,663</b>	<b>240,138</b>	<b>240,138</b>

Liabilities as per balance sheet (EUR k) as of Dec. 31, 2023	Carrying amount	Nonfinancial liabilities	Financial liabilities			
			At amortized costs	Derivatives	Total	Fair value
Ltd. equity of noncontrolling interests	98,297	0	98,297	0	98,297	98,297
Long-term loans	2,177,607	0	2,177,607	0	2,177,607	1,972,155
Other liabilities	13,203	0	13,203	0	13,203	13,203
Derivatives	10,001	0	0	10,001	10,001	10,001
<b>Total long-term</b>	<b>2,299,108</b>	<b>0</b>	<b>2,289,107</b>	<b>10,001</b>	<b>2,299,108</b>	<b>2,093,656</b>
Ltd. equity of noncontrolling interests	21	0	21	0	21	21
Short-term loans	261,777	0	261,777	0	261,777	256,575
Trade payables	4,717	0	4,717	0	4,717	4,717
Derivatives	2,747	0	0	2,747	2,747	2,747
Tax liabilities	2,177	2,177	0	0	0	0
Other liabilities	44,744	4,157	40,586	0	40,586	40,586
<b>Total short-term</b>	<b>316,183</b>	<b>6,334</b>	<b>307,101</b>	<b>2,747</b>	<b>309,848</b>	<b>304,646</b>
<b>Total</b>	<b>2,615,291</b>	<b>6,334</b>	<b>2,596,208</b>	<b>12,748</b>	<b>2,608,956</b>	<b>2,398,303</b>

## Consolidated Financial Statements

Assets as per balance sheet (EUR k) as of Dec. 31, 2022	Carrying amount	Nonfinancial assets	Financial assets				Fair value
			At amortized costs	Fair value through p/l	Derivatives	Total	
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	Non-financial liabilities	Financial liabilities			Fair value
			At amortized costs	Total		
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>

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 preparation of these consolidated financial statements, shares in outstanding corporate bonds were made to the following extent:

Bond	ISIN	Shares acquired after December 31, 2023	Notional value of shares EUR k
Bond III	XS1717584913	16,600,000	16,600
Bond IV	XS52053346297	16,200,000	16,200
Bond V	XS2191013171	12,300,000	12,300
		<b>45,100,000</b>	<b>45,100</b>

In addition, in February 2024, EUR 111,720 k of a loan agreed with DZ HYP AG on December 22, 2023 for a total of EUR 120,000 k was paid out to the company. The loan has a term until December 28, 2029 and has a float rate interest rate based on the 3-month EURIBOR.

## 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 2.3.2.



## 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, 2024	External portfolio valuation as per December 31, 2023 determines value of around EUR 4 bn
Oct 13, 2023	alstria office REIT-AG intends to return EUR 250 m of capital by end of 2023 via special dividend and increases the FFO guidance for financial year 2023
Jan 10, 2023	Portfolio valuation as per December 31, 2022 of EUR 4.6 bn

### 17.2. Directors' dealings

The following transaction regarding the shares of the Company (ISIN DE000AOLD2U1) has 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
Olivier Elamine	CEO	Buy	Outside a trading venue	Dec 18, 2023 UTC - 5	2.3625	70,000.88

Aggregated information:  
Average weighted share price: EUR 2.3625; aggregated volume: EUR 70,000.88

### 17.3. Voting right notifications

Below is information according to Section 160 para. 1 No. 8 German Stock Corporation Act (AktG): The Company received one notification pursuant to Section 33 para. 1 WpHG and published it pursuant to Section 40 para. 1 WpHG:

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
Brookfield Corporation, Toronto, Canada	95.39 <sup>2)</sup>	170,291,615	Dec 19, 2023	Yes	Lapis Luxembourg Holdings S.à r.l., (10.01%) <sup>2)</sup> Alexandrite Lake Lux Holdings I S.à r.l. (9.27%) Alexandrite Lake Lux Holdings II S.à r.l. (9.27%) Alexandrite Lake Lux Holdings III S.à r.l. (9.27%) Alexandrite Lake Lux Holdings IV S.à r.l. (9.27%) Alexandrite Lake Lux Holdings V S.à r.l. (9.27%) Alexandrite Lake Lux Holdings VI S.à r.l. (9.27%) Alexandrite Lake Lux Holdings VII S.à r.l. (9.27%) Alexandrite Lake Lux Holdings VIII S.à r.l. (9.27%) Alexandrite Lake Lux Holdings IX S.à r.l. (9.27%)

<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 0.02 % voting rights attached to financial instruments pursuant to Sec. 38 para. 1 No. 1 WpHG (corresponds to 29,630 voting rights).

During the reporting period the Company did neither receive any notifications on no longer existing shareholdings nor notifications pursuant to Section 20 para. 1 and 4 AktG or pursuant to Section 33 para. 2 WpHG.

### 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 May 4, 2023, the General Meeting elected Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Dammtorstraße 12, Hamburg auditor of the separate and consolidated financial statements for the 2023 financial year. The fees totaled EUR 687 k in 2023. They were structured as follows:

Auditors' fees in EUR k	2023	2022
Audit services	589	456
<i>thereof from previous year</i>	26	0
Other confirmation services	98	85
Tax advisory services	0	0
Other services	0	0
<b>Total</b>	<b>687</b>	<b>541</b>

The non-audit services in the 2023 business year essentially relate to the review of the sustainability report, the review of quarterly reports and audit related advisory.

The non-audit services in the 2022 business year, essentially relate to the review of quarterly reports and audit related advisory.

Annika Deutsch is the auditor directly responsible for the audit 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 Management Board was:

Name	Place of residence	Profession
	External Mandate	Function
<b>Olivier Elamine</b>	<b>Hamburg, Germany</b>	<b>CEO of the Company</b>
	Urban Campus Group SAS	Member of the Advisory Board

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 four members who are elected at the General Meeting of the shareholders. The Articles of Association were changed in the reporting period so that the Supervisory Board now consists of only four members instead of the previous six.

During the 2023 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:

Name	Place of residence	Profession
Information on alstria mandate	External Mandate	Function
<b>Brad Hyler</b> Chair	<b>London, United Kingdom</b>	<b>Managing Partner, Brookfield Asset Management, United Kingdom</b>
	Edyn Apart Hotels (Brookfield Group), United Kingdom	Member of the Board of Directors (non-executive)
	Experimental Group (Brookfield Group), France	Member of the Board of Directors (non-executive)
	Temprano Capital (Brookfield Group), Spain	Chair of the Board of Directors (non-executive)
<b>Jan Sucharda</b> Vice-Chair	<b>Toronto, Canada</b>	<b>Managing Partner, Brookfield Property Group, Canada</b>
	Brookfield India Real Estate Trust (Brookfield Group), India	Director (non-executive)
	Canary Wharf Group Investment Holdings plc, United Kingdom	Director (non-executive)
<b>Richard Powers</b> Joined alstria's supervisory board on May 4, 2023	<b>London, United Kingdom</b>	<b>Managing Partner, Brookfield Asset Management, United Kingdom</b>
<b>Becky Worthington</b>	<b>Berkshire, United Kingdom</b>	<b>Chief Financial Officer, Canary Wharf Group, United Kingdom</b>

## Consolidated Financial Statements

Name Information on alstria mandate	Place of residence External Mandate	Profession Function
<b>Dr Frank Pörschke</b> Left alstria's supervisory board on May 31, 2023	<b>Hamburg, Germany</b>	<b>CEO, P3 Logistic Parks s.r.o. (GIC                      group), Czech Republik</b>
	Aug. Prien Bauunternehmung (GmbH & Co. KG), Germany	Member of the Supervisory Board
<b>Elisabeth Stheeman</b> Left alstria's supervisory board on May 31, 2023	<b>Walton-On-Thames (Surrey),                      United Kingdom</b>	<b>Supervisory Board member in                      various companies</b>
	Edinburgh Investment Trust PLC, United Kindom	Chair of the Board of Directors (non-executive)
	W. P. Carey Inc., United States of America	Member of the Board of Directors (non-executive)
<b>Karl Wambach</b> Left alstria's supervisory board on May 4, 2023	<b>Berlin, Germany</b>	<b>Managing Director, Brookfield                      Germany</b>

Hamburg, March 1, 2024

**alstria office REIT-AG**

The Management Board

**Olivier Elamine**

CEO

## C. RESPONSIBILITY STATEMENT

To the best of my knowledge, I confirm that, in accordance with the applicable reporting principles, the Consolidated Financial Statements for 2023 give a true and fair view of the Group's assets, liabilities, financial position and profit or loss, and that the Group Management Report 2023, 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, March 1, 2024

**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 statement of financial position as at December 31, 2023, the consolidated income statement, the consolidated statement of 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, 2023, 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, 2023. In accordance with German legal requirements, we have not audited the content of the combined corporate governance statement referenced in the section "VIII.1 Consolidated corporate governance statement of the Group and alstria AG pursuant to Sections 289f and 315d German Commercial Code (HGB)" referenced in the combined management report, of the sustainability report referenced in the section "VI. Sustainability Report" of the combined management report, of the core components of alstria's sustainability strategy presented in this section, of the section "V.1.2 Internal control system" of the combined management report, including the executive directors' statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included therein, and of the section "V.1.3 Compliance management 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 International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (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, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023, 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

## Independent Auditor's Report

the combined management report does not cover the contents of the combined corporate governance statement, of the sustainability report and of the section "VI. Sustainability report" referred to above. Furthermore, our audit opinion on the combined management report does not cover the contents of the section "V.1.2 Internal control system" and the executive directors' statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included therein, and of the section "V.1.3 Compliance management system".

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, 2023. 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 mEUR 3,971.3 is disclosed in the consolidated financial statements of alstria office REIT-AG as at December 31, 2023. The share of this item in total assets amounts to a total of 93.7% and thus has a material influence on the Group's assets and liabilities. alstria office REIT-AG measures the investment properties at fair value. In the financial year 2023, a total loss from measurement at fair value of mEUR 769.5 was recognized in the consolidated income statement. The investment properties were measured at fair values in accordance with the discounted cash flow method. The measurement date was December 31, 2023. The fair values were determined by the accredited external expert Savills Advisory Services Germany GmbH & Co. KG, Frankfurt am Main/Germany. Apart from 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 matter was of particular importance within the context of our audit.

The disclosures of the executive directors with respect to the measurement of investment properties are included in sections 2.5 and 6.1 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 to the audit. We critically assessed the competence, capabilities and objectivity of the external expert. Together with our own internal real estate valuation experts, we examined the conformity of the measurement technique applied in accordance 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 squared the input parameters used in the measurement process with 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 referenced in the section "VIII.1 Consolidated corporate governance statement of the Group and alstria AG pursuant to Sections 289f and 315d German Commercial Code (HGB)" of the combined management report,
- the separate sustainability report referenced in the section "VI. Sustainability report" of the combined management report,
- section "VI: Sustainability report" of the combined management report,
- section "V.1.2 Internal control system" of the combined management report, including the executive directors' statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included therein,
- section "V.1.3 Compliance management system" in 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 independent auditor's report thereon, not the declaration of the executive board regarding compliance with the requirements under Sections 11 to 15 German REIT Act and regarding the income composition with regard to previously taxed and not previously taxed income 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.

## Independent Auditor's Report

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.

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.
- evaluate 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

36ebd98317f74eb40e4962f73ba948d87d375a9497ce1007f0257af02d07017c, 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, 2023 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 requirements of the IDW Quality Management Standards.

### **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 reporting 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 reporting 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 May 4, 2023. We were engaged by the supervisory board on June 1 and 2, 2023. We have been the group auditor of alstria office REIT-AG, Hamburg/Germany, without interruption 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 audited 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, March 1, 2024

**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 consultation with and monitoring of 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 2023.

### **I. FOCUS OF THE DISCUSSION**

The main topics discussed by the Supervisory Board and its committees in the 2023 financial year were the development of the Company's real estate portfolio and financing structure. Further topics have been the adjustment of the Company's corporate governance structure to the new shareholding structure after the acquisition of more than 95% of alstria's shares by companies indirectly controlled by Brookfield (Takeover) as well as the Company's REIT-status. The size and composition of the Supervisory Board have been adjusted and a new remuneration system for the Supervisory Board members has been established in financial year 2023.

### **II. MONITORING AND ADVISING THE COMPANY'S MANAGEMENT**

In the 2023 reporting year, we performed the duties incumbent on us under the law and 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, the articles of association, or 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 important events. The chairmen of the Supervisory and Management Boards held regular informative and advisory meetings.

### III. BOARD MEMBERS

On May 4, 2023, the Company's annual general meeting elected Richard Powers as new member of the Supervisory Board as successor of Karl Wambach, whose term of office came to an end. In the context of the reduction of the Supervisory Board's size from six to four members, Dr Frank Pörschke and Elisabeth Stheeman resigned from their offices as members of the Supervisory Board effective May 31, 2023.

Following the changes in the Supervisory Board's composition, the number of permanent committees has been reduced from two to the legal minimum of one (Audit Committee) in order to further reduce complexity. The matters which had formerly been discussed in the terminated Nomination and Remuneration Committee are now being included in the agenda of the Supervisory Board in plenary session.

In the year 2023, the Supervisory Board and its committees comprised the following members:

Supervisory Board member	Audit Committee	Nomination & Remuneration Committee <sup>1)</sup>
Brad Hyler (chair)	Member	Chair
Jan Sucharda (deputy chair)	Member <sup>2)</sup>	Member
Richard Powers <sup>3)</sup>	Member <sup>2)</sup>	-
Becky Worthington	Chair	-
Dr Frank Pörschke <sup>4)</sup>	Member	-
Elisabeth Stheeman <sup>4)</sup>	-	Member
Karl Wambach <sup>5)</sup>	-	-

<sup>1)</sup> Until 19. Juli 2023

<sup>2)</sup> From 1. Juni 2023

<sup>3)</sup> From 4. Mai 2023

<sup>4)</sup> Until 31. Mai 2023

<sup>5)</sup> Until 4. Mai 2023

In July 2023, the Supervisory Board last updated the profile for the Supervisory Board with concrete objectives regarding the composition of the Supervisory 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 177 to 193 of the annual report and reviewed its implementation status in February 2024. 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 2023, the Company completed an onboarding process for one new Supervisory Board member. In addition, the Company supports Supervisory Board members' training measures with regular internal training, especially with regular updates on the legal framework. In the 2023 financial year, these training sessions included the onboarding process for the new Supervisory Board member, a corporate governance update and a property tour. All Supervisory Board members are independent from the Company and its Management

Board. The chair of the audit committee Becky Worthington is also independent from the controlling shareholder. The members of the Supervisory Board Brad Hyler (chair), Jan Sucharda (deputy chair) and Richard Powers represent the controlling shareholder. Beyond this no conflicts of interest occurred in the past financial year for members of the Supervisory or Management Boards.

#### **IV. MEETINGS OF THE SUPERVISORY BOARD**

The full Supervisory Board held six meetings in the 2023 financial year. Based on detailed documents, we also made seven decisions via circular resolution. In the 2024 financial year, two additional meetings 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 four physical meetings while offering the possibility for guests to join via video conference, two meetings were held as video conferences.

At its ordinary 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 as well as compliance with the Management Board. Committee chairs reported on the committees' work.

In February 2023, the Supervisory Board decided on the Corporate Governance Statement which is submitted jointly with the Management Board as well as on the remuneration report for financial year 2022. At the meeting in February 2023, the Supervisory Board addressed the annual and consolidated financial statements as of December 31, 2022, the consolidated management report as well as alstria office REIT-AG's report on relations with affiliated parties pursuant to section 312 German Stock Corporation Act (AktG) 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, 2022 and the Management Board's recommendation for the appropriation of the net profit for the 2022 financial year, approved alstria's report on relations with affiliated parties for financial year 2022 and agreed with the results of the audit of such report. The Supervisory Board also resolved on the variable remuneration for the Management Board members.

In March and April 2023 the Supervisory Board prepared the Company's annual general meeting, approved a financing agreement and resolved on the annual corporate governance declaration pursuant to section 161 AktG. In its meeting after the Company's annual general meeting in May 2023 and by circular resolution in July 2023, the Supervisory Board adjusted the Company's corporate governance to the reduced size of four Supervisory Board members. In this context, the composition of the audit committee was adjusted. It is still chaired by Becky Worthington as independent Supervisory Board member and composed of all four Supervisory Board members. The Supervisory Board further resolved on new leases and made editorial amendments to the Company's articles of association to reflect a capital increase from conditional capital: Approximately 270,000 new shares were issued to Company employees under the Company's employee participation plan.

## Report of the Supervisory Board

At the meetings in autumn and winter 2023, 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 2024 financial year and approved new financing agreements. The supervisory board further prepared the Company's extraordinary general meeting in December 2023 and reviewed the appropriateness of the proposed further dividend payment for financial year 2022 in light of the current market conditions and the expected year-end valuation of the Company's portfolio. Furthermore, the Supervisory Board dealt with the performance targets for the Management Board's variable remuneration elements for financial year 2024.

In February 2024, the Supervisory Board passed a resolution on the corporate governance statement and on the remuneration report for the 2023 financial year. At the balance sheet meeting in February 2024, the Supervisory Board dealt with the annual and consolidated financial statements as of December 31, 2023 and with the Management Board's report on relations with affiliated parties pursuant to section 312 AktG for financial year 2023.

### Attendance of Supervisory Board members at meetings

The supervisory Board members attended all meetings of the Supervisory Board in the 2023 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>6</b>	<b>4</b>	<b>2</b>	
Brad Hyler (chair)	6/6			100
Jan Sucharda (deputy chair)	6/6			100
Richard Powers	5/5			100
Becky Worthington	6/6			100
Dr. Frank Pörschke	2/2			100
Elisabeth Stheeman	2/2			100
Karl Wambach	1/1			100
<b>Audit Committee</b>	<b>6</b>	<b>3</b>	<b>3</b>	
Becky Worthington (chair)	6/6			100
Brad Hyler	6/6			100
Richard Powers	3/3			100
Jan Sucharda	6/6			100
Dr Frank Pörschke	3/3			100
<b>Nomination and Remuneration Committee</b>	<b>1</b>		<b>1</b>	
Brad Hyler (chair)	1/1			100
Jan Sucharda	1/1			100
Elisabeth Stheeman	1/1			100
<b>Total</b>				<b>100</b>

\* Attendance can also be via telephone or video conference

### V. COMMITTEES OF THE SUPERVISORY BOARD

At the beginning of financial year 2023, the six-member Supervisory Board had two standing committees to support its work and staffed each of them with three members. After the reduction of the Supervisory Board's size from six to four members took effect in summer 2023, the Supervisory Board reduced the number of standing committees to one (Audit Committee) and staffed it with all four Supervisory Board members. The committees prepared some of the Supervisory Board's resolution via resolution recommendations; in some cases, decision-making powers had been delegated to the committees to the extent permitted by law. No further committees have been established in the financial year 2023. 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 2023 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, 2022. The Audit Committee discussed the annual financial statements, the consolidated financial statements as of December 31, 2022, and the consolidated management report as part of the audit of the financial statements. It 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 report on relations with affiliated parties of alstria office REIT-AG and 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 2023 financial year and approved certain non-auditing services by the auditors for the 2024 financial year. In summer 2023, the Audit Committee dealt with the half-year financial report issued as of June 30, 2023 prior to publication and discussed this with the auditor.

The Company's risk situation was discussed regularly. Other topics included the results of the EMIR (European Market Infrastructure Regulation) audit for financial year 2022 conducted by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg (Deloitte). The Audit Committee also dealt with the auditor's independence and the appointment of Deloitte as auditor for the 2023 financial reports. 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 and the effectiveness of the internal control and audit system. The Audit Committee also discussed the internal audit's results for the 2023 financial year with the external auditors from PricewaterhouseCoopers.

The Management Board attended all of the Audit Committee's meetings; 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, the auditors and the external auditors for the internal audit and the EMIR audit also participated in some of the Audit Committee's meetings.

### **2. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee dealt with the Management Board remuneration and, in particular, prepared the remuneration report for the 2022 financial year and, in the absence of the Management Board, deliberated on the achievement of targets for the variable remuneration for the Management Board's members, also taking into account their individual performance. It also submitted corresponding resolution proposals to the full Supervisory Board. It deliberated the very good results of the employee satisfaction survey for financial year 2022 and prepared the Supervisory Board elections. In the context of the slimming of the Supervisory Board, the Nomination and Remuneration Committee was dissolved effective July 2023.

## **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, 2023 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, 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 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 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 for the financial year 2023, along with the combined management report and discussed the results of the audit. 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.

Moreover, the Management Board presented its report on relations to affiliated companies pursuant to section 312 AktG to the Supervisory Board. Likewise, the auditor's report prepared thereto by

## Report of the Supervisory Board

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:

“Following our audit and judgment performed in keeping our professional duties, we confirm that

1. the facts in the report are stated accurately,
2. the consideration given by the Company for the legal transactions set out in the report was not excessive or disadvantages have been compensated,
3. no circumstances regarding the measures set out in the report give rise to an opinion materially different from that of the executive board.”

The Supervisory Board also reviewed the report by the Management Board on relations to affiliated companies 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 sections 312 para. 3 AktG.

The Supervisory Board thanks its former members Dr Frank Pörschke, Elisabeth Steeman and Karl Wambach, whose office terms ended in financial year 2023, for their valuable contribution to the Supervisory Board’s work. And the Supervisory Board also thanks the Management Board and all employees for their dedicated performance in financial year 2023.

London, March 2024

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 Principle 23 of the German Corporate Governance Code (“Code”).

### I. MANAGEMENT BOARD AND SUPERVISORY BOARD

German stock corporations are required by law to have a dual management system (two-tier board), which provides a strict separation of personnel and functions between the Management Board as the management body, and the Supervisory Board as the monitoring and advising body. Within this dual management system, Management Board and Supervisory Board cooperate closely and faithfully in the Company’s interests.

#### 1. MANAGEMENT BOARD

The Management Board is responsible for managing the enterprise in the best interests of the enterprise. In particular, the Management Board develops the enterprise’s strategic direction, 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 specified 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 the conclusion of new financing agreements with a consideration or volume of more than EUR 30 million, or modernization measures that are not included in the budget approved by the Supervisory Board and exceed a total annual amount of EUR 2 million. Furthermore, transactions with related parties pursuant to Section 111 a para.1 of the German Stock Corporation Act (*Aktiengesetz*, AktG) require the approval of the Supervisory Board.

The Management Board regularly and promptly provides the Supervisory Board with comprehensive information on all issues relevant to the Company and the Group relating to the strategy, development

## Corporate Governance Statement

of the business and financial position of the Company, planning, material business transactions as well as on the risk situation, 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 course of business, in particular revenues and income, material accounting indicators, the 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 governed by rules of procedure for the Management Board.

In financial year 2023, the Management Board of alstria office REIT-AG consisted of one member:

Member		Term of office (in years)	Appointed until
Olivier Elamine	Chief Executive Officer	17	31.12.2027

Management 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. The rules of procedure for the Management Board stipulate that conflicts of interest must immediately be disclosed to the Chair of the Supervisory Board. A member of the Management Board shall also 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 prohibited. Significant transactions between the Company on the one hand and a Management Board member or related parties 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 member requires the Supervisory Board's approval to conduct secondary activities, particularly memberships in supervisory boards of companies outside the Group. In the reporting period, there were no conflicts of interest involving the CEO that were not reported to the Supervisory Board. There were also no agreements or transactions between the Company on the one hand and the CEO or parties related to him pursuant to Section 111a AktG on the other hand. With the approval of the Supervisory Board, the CEO holds a mandate in the board of a company outside the Group. A list of the CEO's memberships in supervisory boards of listed companies or companies with comparable requirements pursuant to Section 285 No. 10 HGB can be found on page 156 of the Company's Annual Report.

The compensation of the Company's CEO is presented in the Remuneration Report on pages 194 to 217 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 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 July 19, 2023 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;
- 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 advises and supervises the Management Board in the management of the enterprise. Advice and supervision also include sustainability issues. 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 170 to 176 of the Company's Annual Report.

The number of statutory members of the Supervisory Board was reduced from six to four in the 2023 financial year by resolution of the Annual General Meeting on May 4, 2023. The Company's Supervisory Board is composed exclusively of shareholder representatives, which are generally elected by the Annual General Meeting.

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 the interests of the Supervisory Board externally. The Chair maintains regular contact with the Management Board and discusses the enterprise's strategy, business development, the risk situation, risk management and compliance. 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

## Corporate Governance Statement

management. If necessary, the Chair then informs the Supervisory Board and, when appropriate, convenes a Supervisory Board meeting.

Supervisory Board resolutions are adopted by a majority of votes of 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 participate in meetings of the Supervisory Board in person or via telephone, video conference, 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 (including e-mail and video conference) if the Chair so determines in individual cases.

All Supervisory Board members are obliged to act in 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. The rules of procedure for the Supervisory Board stipulate that 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 also not directly compete with the Company through private real estate investments; real estate transactions between the Company and members of the Supervisory Board are prohibited. Significant transactions between the Company on the one hand and members of the Supervisory Board or related parties 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 that were not disclosed and there were also no such agreements on transactions between the Company on the one hand and members of the Supervisory Board and related parties on the other.

Each member of the Supervisory Board ensures that it has sufficient time available to fulfill its duties. The members of the Supervisory Board observe the overboarding rules as defined in the Code. The Supervisory Board regularly assesses how effectively the full Supervisory Board and its committees fulfill their duties. The last self-assessment has been conducted by means of online questionnaires in the 2021 financial year with very positive results.

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 156 to 157 of the Company's Annual Report. The rules of procedure for the Supervisory Board can also be viewed on the Company's website under [www.alstria.com](http://www.alstria.com) → Company → Corporate Governance.

The compensation paid to the individual Supervisory Board members is presented in the Remuneration Report on pages 211 to 215 of the Company's Annual Report. The Remuneration Report, together with the other documents required by Section 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

During the reporting period, the Supervisory Board initially had two standing committees from among its members: an Audit Committee and a Nomination and Remuneration Committee. As a result of the reduction in the number of Supervisory Board members from six to four, the Nomination and Remuneration Committee was dissolved with effect from July 19, 2023 for reasons of efficiency.

The Supervisory Board reports on the activities of its committees' work during the 2023 financial year in its report to the Annual General Meeting on pages 174 to 175 of the Company's Annual Report.

##### 4.1. Audit Committee

The Audit Committee has its own rules of procedure, in which its matters, tasks and decision-making powers are regulated in more detail. It 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 May 31, 2023, the Audit Committee consisted of Becky Worthington (Chair) as well as Brad Hyler and Dr. Frank Pörschke. From June 1, 2023, the Audit Committee consisted of Becky Worthington (Chair), Brad Hyler, Jan Sucharda and Richard Powers.

##### 4.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee, which was dissolved with effect from July 19, 2023, was responsible for 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 also used to deal with the succession planning for the Management Board and decide 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 was responsible for preparing 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 the determination of the compensation for the Supervisory Board, and it was responsible for dealing with any insider information that fall within the Supervisory Board's remit. These issues are now dealt with by the full

Supervisory Board. From January 1 until its dissolution on July 19, 2023 the Nomination and Remuneration Committee comprised Brad Hyler (Chair) as well as Elisabeth Stheeman and Jan Sucharda, whereby Elisabeth Stheeman had already resigned from the Supervisory Board with effect from May 31, 2023.

### 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 July 19, 2023 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 provisions in Section 289 f HGB and in 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 one member shall be female. At least one member 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.

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 regarding the composition of the plenum and the Audit Committee:

- 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.

### 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:

The terms of office of the Supervisory Board members Karl Wambach and Rebecca Worthington expired at the end of the Company's Annual General Meeting on May 4, 2023. Rebecca Worthington and Richard Powers were elected to the Supervisory Board by the Annual General Meeting for a (further) term of office of five years. The Annual General Meeting also reduced the statutory number of members of the Supervisory Board from six to four. As part of this reduction in the size of the Supervisory Board, Supervisory Board members Dr Frank Pörschke and Elisabeth Stheeman each resigned from office with effect from May 31, 2023.

The current composition of the Supervisory Board fulfills 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 Board are independent from the Company and its Management Board. Furthermore, the Chair of the Audit Committee, Rebecca Worthington, is independent from the controlling shareholder. Brad Hyler, Jan Sucharda and Richard Powers each have a business relation with group companies of Brookfield, the controlling shareholder of alstria. Brad Hyler and Richard Powers also belong 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.

With many years of experience as a director on several boards of Brookfield's property portfolio companies, Brad Hyler 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. Through his work as Chairman of the Company's Supervisory Board, Brad Hyler has also gained experience in sustainability reporting and its audit and assurance.

## Corporate Governance Statement

### Status of implementation of the Profile for the Supervisory Board:

	Brad Hyler <sup>1)</sup>	Jan Sucharda	Richard Powers	Becky Worthington <sup>2)</sup>
<i>Year of birth</i>	1978	1960	1963	1971
<i>Term of office in years<sup>3)</sup></i>	2	2	1	2
<i>Appointed until</i>	2027	2027	2028	2028
<b>Diversity</b>				
Gender	m	m	m	f
Nationality	US-American	Canadian	British & US-American	British
<b>Independence</b>				
Term of office for more than 12 years <sup>4)</sup>	no	no	no	no
Personal relationship with Management Board <sup>5)</sup>	no	no	no	no
Material business relationship <sup>6)</sup>	no	no	no	no
Relationship with controlling shareholder <sup>7)</sup>	yes	yes	yes	no
<b>Knowledge and experience</b>				
Industry background	Real Estate	Real Estate	Real Estate	Real Estate
Real estate sector	X	X	X	X
Financial expert accounting	X			X
Financial expert audit				X
ESG				X

<sup>1)</sup> Chair of Supervisory Board and until July 19, 2023 Chair of the 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 41.67 % as of December 31, 2023. 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 had initially set a target figure of at least 30 % for the proportion of women on the Supervisory Board. In light of the reduction of the Supervisory Board from 6 to 4 members, this target was adjusted to 25% and applies until December 31, 2027. The target was reached at 25 % as of December 31, 2023. In view of the fact that Olivier Elamine has been appointed as CEO of the Company until December 31, 2027 and there are no plans to re-fill the position of CFO, the target figure for the proportion of women on the Management Board has been set at a minimum of 0%. This target will apply until December 31, 2027 and was reached as of December 31, 2023.

### 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 February 27, 2024:

#### **Declaration of compliance dated February 27, 2024**

“Since its last Corporate Governance Declaration on March 15, 2023, 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 June 27, 2022 (“**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***

Following the takeover of the Company by Alexandrite Lake Lux Holdings S.à r.l., a company controlled by Brookfield Corporation (former Brookfield Asset Management) (“**Brookfield**”), the Supervisory Board had adjusted the remuneration system for the members of the Management Board (“**Management Board Remuneration System 2022**”). The annual general meeting on June 10, 2022 approved the Management Board Remuneration System 2022 with a majority of 99.55%.

#### ***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 does no longer contain ESG targets for the variable remuneration. The Supervisory Board is convinced that alstria’s Management Board is a front runner in terms of sustainable real estate management even without non-financial performance criteria embedded in the remuneration system.

#### ***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 following the takeover of the Company, 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 of the long-term variable remuneration from 4 to 2 years in order to meet the statutory provisions and fully align management board remuneration with the overall employee remuneration scheme.

#### ***Candidate proposals by nomination committee, D. 4 GCGC***

Pursuant to D. 4 GCGC, the Supervisory Board shall form a nomination committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the general meeting.

The selection of candidates for the election of Supervisory Board members at the 2023 Annual General Meeting was made directly by the full Supervisory Board. For cost and efficiency reasons, the Management Board and Supervisory Board proposed to the Annual General Meeting that the number of Supervisory Board members be reduced from six to four. In this context, two Supervisory Board members resigned from office with effect from May 31, 2023. As the full Supervisory Board was already intensively involved in its future composition in this context, candidates were also selected in plenary

sessions. As part of the reduction in the size of the Supervisory Board, the Nomination and Remuneration Committee, was terminated with effect from July 19, 2023 for reasons of efficiency.

### ***Supervisory Board Remuneration System 2023, G. 17 GCGC***

According to the recommendations in G. 17 GCGC, the remuneration of the supervisory board members shall take into account, in an appropriate manner, the higher time commitment of the chair and the deputy chair of the supervisory board as well as of the chairs and the members of committees.

In accordance with the resolution of the Annual General Meeting on May 4, 2023, only the chair of the Audit Committee is to be remunerated, in particular to reflect the demands of this activity on the Supervisory Board. The further members of the Supervisory Board shall receive no remuneration; the reimbursement of expenses shall remain unaffected.

The granting of fixed (and not variable) remuneration exclusively to the chair of the audit committee ensures that in particular the chair of the audit committee of the Supervisory Board can exercise the supervisory and advisory function independently. In addition, the non-granting of remuneration ensures that all members of the Supervisory Board will be able to carry out their activities independently of the short-term success of alstria. In this way, the Supervisory Board can concentrate primarily on its activities with regard to the long-term development of alstria.

The level of remuneration for the chair of the audit committee reflects the function and the area of responsibility and is appropriate to the situation of alstria. In particular, the greater amount of time required to be spent by the chair of the audit committee and the higher technical skills they need to possess are adequately taken into account.”

## **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, e.g. of the code of conduct or the Company's internal guidelines. In addition, the Management Board regularly discusses the Company's compliance with 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. After holding some General Meetings virtually and others in person in the recent years, the Company is currently planning to hold the Annual General Meeting 2024 in person. The convening notice and the documents to be made available for inspection for the Annual General Meetings 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 if and as long as it does not consist of all members of the entire Supervisory Board 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 2023 financial year and for further interim financial reports until the next ordinary general meeting in 2024. 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 2024

**The Management Board**

**The Supervisory Board**

## G. REMUNERATION REPORT

The remuneration report of alstria office REIT-AG (**alstria** or **Company**) for financial year 2023 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 paragraph 3 AktG.

The audit note for this remuneration report (<https://www.alstria.com/audit-report-remuneration-report-2023>), the current remuneration systems for the Management Board (<https://alstria.com/remuneration-system-management-board-2022>) and the Supervisory Board (<https://alstria.com/remuneration-system-supervisory-board-2023>) as well as this remuneration report (<https://alstria.com/remuneration-report-2023.pdf>) are published on the Company's website.

The remuneration of the Management Board for the financial year 2023 was based on the remuneration system 2022, which was put to vote at the annual general meeting of shareholders on June 10, 2022 and approved by 99.6% of votes cast (**Management Board Remuneration System 2022**). The remuneration report 2022 was approved by 99.9% of votes cast and the revised remuneration system for our Supervisory Board (**Supervisory Board Remuneration System 2023**) was approved by 99.9% of the votes cast by our annual general meeting of shareholders on May 4, 2023. Given the high approval, we do not see reason for changes to the remuneration report and remuneration systems. We will continue the high level of disclosure already established in the remuneration reports 2021 and 2022.

### 1. VIEW ON THE FINANCIAL YEAR 2023

The relevant remuneration KPIs were influenced in 2023 mainly by the following effects:

- German economy stagnated in 2023 (GDP -0.3%)
- Annual inflation rate (CPI) for 2023 was 5.9%
- Difficult, but stable letting markets
- Sharp rise in interest rates brought transaction market to a standstill
- Continuous investment in the existing portfolio
- Revenues and FFO per share above plan in 2023
- Downsizing of supervisory board from 6 to 4 members and implementation of new Supervisory Board Remuneration System 2023

## Remuneration Report

With a decline in GDP of -0.3%, the German economy stagnated in 2023. This was due on the one hand to the considerable loss of purchasing power among consumers as a result of the massive rise in energy and food prices, and on the other hand to the weak global economic development as a result of the ongoing geopolitical crises. The rise in interest rates as a result of monetary policy tightening also contributed to the weak economic development. The average annual inflation rate (CPI) was 5.9% in 2023. Despite the weak commercial leasing market, alstria's letting performance was stable compared to the prior year, with 106,800 sqm in terms of new lettings, lease renewals and option drawings.

The weak economic development and the sharp rise in interest rates led to a virtual standstill in the commercial transaction market and put real estate prices under pressure. The valuation of alstria's real estate portfolio by Savills Advisory Services Germany GmbH & Co. KG resulted in a write-down of EUR 769.5 million to a total valuation of EUR 4.0 billion (previous year: write-down of EUR 173.8 million) as per December 31, 2023. The new portfolio value represents an average value of EUR 2,860 per sqm and a yield of 5.0 % for the portfolio, based on the ratio of contractual rent to market value.

In 2023, alstria invested a total of EUR 129 million in the existing portfolio. Half of this sum (EUR 65 million) was spent on development investments, which significantly improved the quality of the space in order to achieve higher rents for new leases. The current development portfolio comprises 20 projects with a total lettable area of 154,300 sqm.

The revenue and FFO forecast published by alstria at the beginning of 2023 was exceeded in the financial year 2023. The Group's revenues amounted to EUR k 192,026 (forecast: EUR 189 million) and FFO after minorities reached EUR k 87,972 in the reporting year (forecast: EUR 79 million, adjusted to EUR 84 million in October 2023). This translates into FFO per share of EUR 0.49 (forecast: EUR 0.44).

The financial year 2023 was also still 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 Richard Powers. In financial year 2023, the size of the supervisory board had been reduced from six to four members and the number of permanent committees has been reduced from two to one, being the audit committee. In this context, the Company implemented the new Supervisory Board Remuneration System 2023.

In financial year 2022, the Management Board Remuneration System 2022 had been implemented to allow for a continued pay-for-performance connection. 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. The new long-term incentive (LTI) under the Management Board Remuneration System 2022 also ensures remuneration alignment throughout the organization as it was designed to follow the structure of the long-term incentive scheme for alstria's eligible employees as described below. 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.

## 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 Supervisory Board discusses and reviews the remuneration system for the Management Board at regular intervals and whenever necessary and resolves on changes. 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 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 compensation as well as the development of the CEO pay ratio since 2021.

## Remuneration Report

### CEO pay ratio

	2021	2022	2023
CEO <sup>1)</sup>	1,267,000 €	1,259,000 €	1,261,000 €
Employees + managers <sup>2)</sup>	77,412 €	77,000 €	77,864 €
	16,4 : 1	16,4 : 1	16,2 : 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.

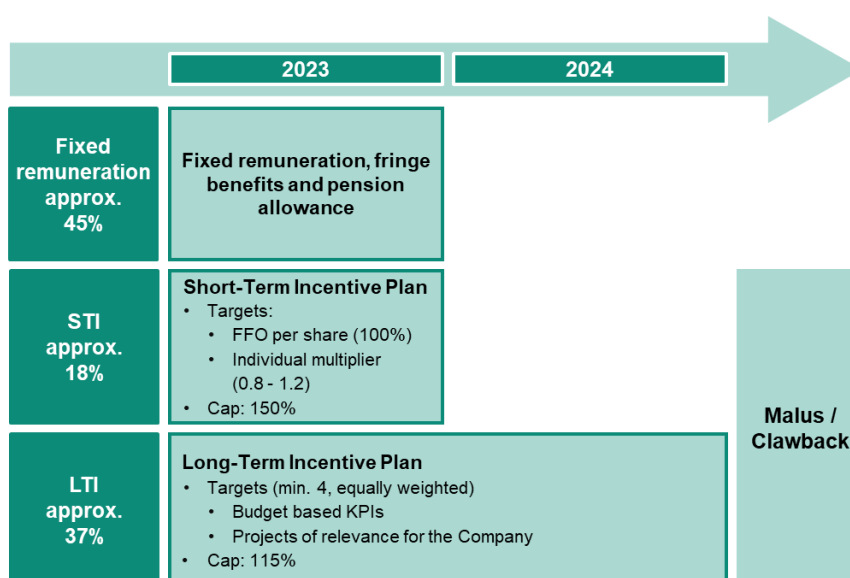
2) Median target compensation of employees and managers of alstria was considered, therefore deviating from the average compensation awarded and due in the comparative presentation.

A lack of independence and conflicts of interest of members of the Supervisory Board may prevent independent advice and supervision when determining the remuneration of the Management Board. The Supervisory Board considers all its members as independent from the Company and its Management Board and its member Rebecca Worthington as also independent from the controlling shareholder. Furthermore, the members of the Supervisory Board 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 2023 is fully in line with the Management Board Remuneration System 2022. The details of the application in the financial year 2023 are presented hereafter.

### 2.2. Management Board Remuneration System

Management Board remuneration is granted in line with the Management Board Remuneration System 2022, which is systematically depicted in the diagram below.



## Remuneration Report

The main essential remuneration components and further contractual provisions of the Management Board Remuneration System 2022 are described in more detail below.

Fixed remuneration	Annual base salary	• Annual base salary paid in twelve monthly installments	
	Pension allowance	• Monthly grants of cash for private pension purposes	
	Fringe benefits	• Use of company cars and insurance premiums	
Variable remuneration	Short-Term Incentive Plan	Type of plan	• Target bonus
		Performance period	• 1 year
		Targets	• 100% FFO per share (0% -150%) • Individual multiplier (0.8-1.2)
		Payout	• Payout 0% - 150% of target amount in cash
	Long-Term Incentive Plan	Type of plan	• Long term target bonus
		Performance period	• 2 years
		Targets	• Budget based KPIs or projects of relevance for the Company (0-115%)
		Payout	• Payout 0% - 115% of target amount in cash
Malus & Clawback	• 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		
Termination in case of change of control	• Management Board members are considered not to be responsible for a withdrawal after a change of control for up to 12 months after a change of control		
Share Ownership Guidelines	• None		
Maximum Remuneration	• Maximum remuneration p.a. for the CEO is EUR 2,600,000 and for the CFO EUR 2,100,000.		
Post-Contractual Non-Compete Obligation	• Comprehensive post-contractual non-competition clause for a period of six months after termination of the service agreement, irrespective of the reason for termination. • Compensation in the amount of 100% of the last annual base salary for the duration of the non-competition clause.		

### 2.2.1. Target Remuneration and Remuneration Structure

The target remuneration of the Management Board members for the financial years 2023 and 2022, which is contractually defined as payable upon 100% target achievement, and the resulting remuneration structure are presented below. The term of office of CFO Alexander Dexne ended on December 31, 2022. The target remuneration for the Management Board has not been increased in the last year, therefore the structure of the total target compensation remains nearly identical for the CEO Olivier Elamine.

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-

## Remuneration Report

term and sustainable development of alstria pursuant to section 87 paragraph 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.

### Target remuneration

	Olivier Elamine (CEO)			Alexander Dexne (CFO)		
	2023		2022	2023		2022
	in T€	in % <sup>1)</sup>	in T€	in T€	in %	in T€
Annual base salary	500	37	500	-	-	400
Fringe benefits	23	3	19	-	-	28
Company car	11	-	9	-	-	19
Insurances	12	-	10	-	-	9
Pension allowance	88	6	88	-	-	73
Short-Term Incentive	250	18	250	-	-	200
STI 2022	-	-	250	-	-	200
STI 2023	250	-	-	-	-	-
Long-Term Incentive	500	37	500	-	-	400
LTI 2022-2023	-	-	500	-	-	400
LTI 2023-2024	500	-	-	-	-	-
<b>Total target remuneration</b>	<b>1,361</b>	<b>100</b>	<b>1,357</b>	<b>-</b>	<b>-</b>	<b>1,101</b>

<sup>1)</sup> Numbers commercially rounded.

## 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

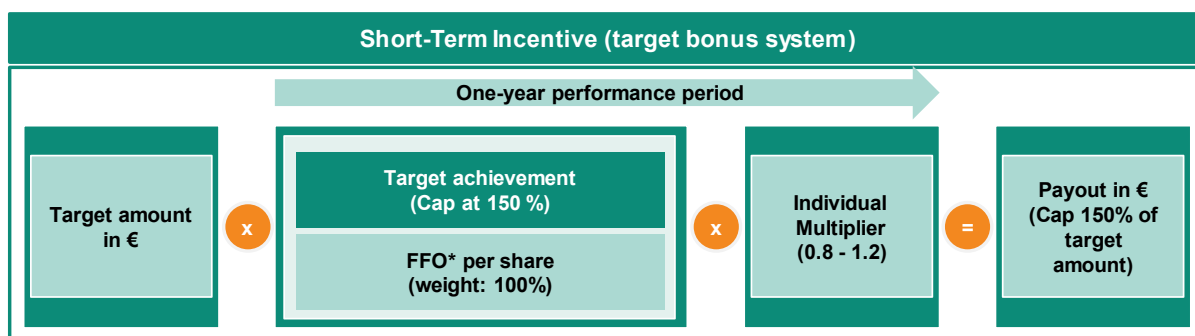
In addition, the Company grants the members of the Management Board monthly payments for pension purposes in form of a pension allowance. These pension benefits amount to approximately 18% of the members' annual fixed salaries.

### 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.

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%.



## Remuneration Report

The values of FFO per share set for the financial year 2023 as well as the actually achieved value and the resulting overall target achievement are shown in the following table:

STI 2023	FFO per share <sup>1)</sup>
Threshold	0.32 €
Target value	0.46 €
Maximum	0.60 €
Actual value <sup>2)</sup>	0.51 €
<b>Target achievement <sup>2)</sup></b>	<b>119%</b>

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

<sup>2)</sup> Unaudited 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 and its responsibilities withing alstria in addition to the achievement of financial performance. When determining the multiplier, the Supervisory Board will take into account extraordinary events or developments as well as unexpected significant fluctuation in financial measures.

The performance target (FFO per share) for the STI 2023 has been overachieved. The Supervisory Board has set the individual modifier for the financial year 2023 on 1.0 for Olivier Elamine. With this multiplier, the Supervisor Board recognizes the good performance in the reporting year in challenging market conditions.

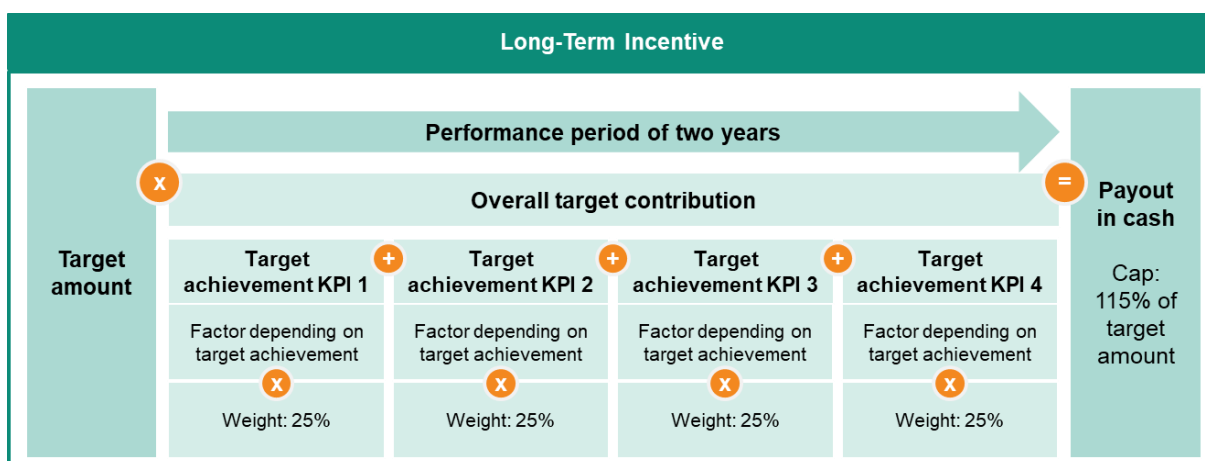
The target achievement of the individual performance criterium as well as the resulting overall target achievement after application of the individual modifier is shown in total below:

STI 2023	Target achievement FFO per share	Multiplier	Total target achievement	Target amount STI 2023 (in T€)	Payout STI 2023 (in T€)
Olivier Elamine	119%	1.0	119%	250	296

**Long-Term Incentive (LTI)**

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:



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 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.

## Remuneration Report

### LTI 2022 - 2023 and LTI 2023 - 2024

For the periods 2022-2023 and 2023-2024, the LTI KPIs are defined as follows:

LTI 2022 - 2023 – KPIs	
Income management	• Total annualized rental income of new leases signed, leases renewed or options taken by tenants over the period
Capital recycling	• Value of assets to be sold over the period
Capital structure	• Value of debt to be financed over the period
Capital growth	• Number of development projects to be delivered (at a given cost) during the period

LTI 2023 - 2024 – KPIs	
Income management	• Total annualized rental income of new leases signed, leases renewed or options taken by tenants over the period
Capital recycling	• Value of assets to be sold over the period
Cost control	• Cumulative SG&A over the period
Capital growth	• Number of development projects to be delivered (at a given cost) during the period

The target values for the KTI 2022 - 2023 and for the LTI 2023 - 2024 are reported in the table displaying target remuneration.

The LTI 2022 - 2023 assesses performance in financial years 2022 and 2023. The following table provides an overview of the target achievement resulting for the LTI 2022 - 2023, which will be paid out in early 2024:

LTI Tranche 2022 - 2023		KPI target achievement	KPI multiplier	KPI contribution
<b>Income management</b>	Total annualized rental income of new leases signed, leases renewed or options taken by tenants over the period	0.9119	<b>0.8678</b>	<b>0.2170</b>
<b>Capital recycling</b>	Value of assets to be sold over the period	0.1910	<b>0.0000</b>	<b>0.0000</b>
<b>Capital structure</b>	Value of debt to be financed over the period	1.1000 (capped)	<b>1.1500</b>	<b>0.2875</b>
<b>Capital growth</b>	number of development projects to be delivered (at a given cost) during the period	1.0530	<b>1.0795</b>	<b>0.2699</b>
<b>Overall target achievement</b>				<b>0.7744</b>

	LTI target value (in T€)	Presence factor	LTI vesting value (in T€)
Olivier Elamine	500	1	<b>387.200</b>
Alexander Dexne	400	0.5	<b>154.880</b>

### ***LTI 2018 - 2022 and terminated Long-Term Incentive Tranches***

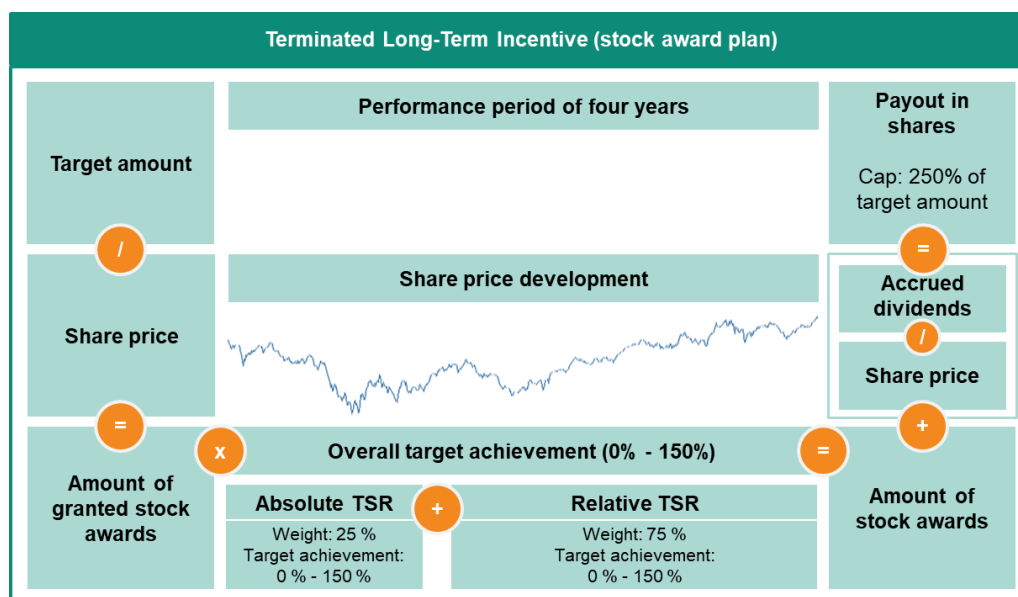
As the LTI 2018 - 2022 was paid out in the financial year 2022, its functioning and the determination of the target achievement are explained in the following. The performance period of the LTI 2018 - 2022 ended regularly on March 4, 2022.

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.

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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>	14.13%	-
<b>Target achievement absolute TSR</b>	150%	
Development 2018 - 2022	69.59%	26.07%
Outperformance	43.52%	
<b>Target achievement relative TSR</b>	144%	
<b>Overall target achievement</b>	145%	
<b>LTI Target value (in T€)</b>		
Olivier Elamine	440	
Alexander Dexne	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>	19.86%	-	10.42%	-	46.04%	-
<b>Target achievement absolute TSR</b>	150%		150%		150%	
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>	141%		117%		123%	
<b>Overall target achievement</b>	143%		125%		130%	
<b>LTI Target value (in T€)</b>						
Olivier Elamine	440		440		500	
Alexander Dexne	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 2023 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 paragraph 2 AktG on possible third-party benefits are provided below.

#### *Third-Party Benefits*

The member of the Management Board has not been awarded any third-party benefits in the financial year 2023 for his 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

## Remuneration Report

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.

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 2023 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.

### *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.

For the first six months of financial year 2023, alstria's former CFO Alexander Dexne was subject to a post-contractual non-compete obligation and alstria paid him the contractually agreed compensation amounting to 100% of his last base salary.



## Remuneration Report

### 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. For the first six months of financial year 2023, he was subject to the post-contractual non-compete obligation under the terms described in this remuneration report. He did not receive any severance payments. The STI 2022 was regularly paid out to him in 2023 and the LTI 2022 - 2023 has not be terminated early but settled after the regular end of the performance period.

#### 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 2023, 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 2023 as well as the remuneration for the post-contractual non-compete-obligation
- The STI 2023 assessing performance in 2023 that will be paid out in the financial year 2024
- The LTI 2022-2023 assessing performance in financial years 2022 and 2023 that will be paid out in the financial year 2024

In order to allow for a transparent disclosure, the respective remuneration amounts for the financial year 2022 are included as additional information.

#### Remuneration awarded and due

	Olivier Elamine (CEO)			Alexander Dexne (CFO)		
	2023		2022	2023		2022
	in T€	in %	in T€	in T€	in %	in T€
Annual base salary	500	39	500	200	56	400
Fringe benefits	23	2	19	-	-	28
Company car	11	-	9	-	-	19
Insurances	12	-	10	-	-	9
Pension allowance	88	7	88	-	-	73
Short-Term variable remuneration	296	23	269	-	-	215
STI 2022	-	-	269	-	-	215
STI 2023 <sup>1)</sup>	296	-	-	-	-	-
Long-Term variable remuneration	387	30	1,040	155	44	851
LTI 2018-2022	-	-	1,040	-	-	851
LTI 2022-2023 <sup>1)</sup>	387	-	-	155	-	-
<b>Total remuneration</b>	<b>1,294</b>	<b>100</b>	<b>1,916</b>	<b>355</b>	<b>100</b>	<b>1,567</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>1,294</b>	<b>-</b>	<b>4,511</b>	<b>355</b>	<b>-</b>	<b>3,673</b>

<sup>1)</sup> Unaudited 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 a 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 remuneration paid for financial year 2022 to the CEO (EURk 1,916) and to the former CFO (EURk 1,567) was below the respective maximum remuneration pursuant to section 87a paragraph 1 sentence 2 number 1 AktG. The payments made in financial year 2022 for the prematurely terminated long term variable remuneration for financial years 2019, 2020 and 2021 (LTI 2019- 2023, LTI 2020-2024 and LTI 2021-2025) have not been made for financial year 2022 and thus, may not be taken into account for the calculation of the maximum remuneration for financial year 2022.

The total of all payments resulting from commitments for the 2023 financial year can only be determined after the expiry of the two-year performance period of the Long-Term Incentive and the calculation of target achievement based on the audited financial report for 2024. 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 2023 - 2024 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 2023 will be provided in the remuneration report for the corresponding year after the end of the performance period of the LTI tranche 2023-2024.

### 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 2023 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 adjusted by the annual general meeting of shareholders on May 4, 2023 (AGM 2023) by 99.9% of votes cast (**Supervisory Board Remuneration System 2023**). 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, see section 113 paragraph 3 AktG. 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.

The remuneration in the financial year 2023 is fully in line with the applicable supervisory board remuneration systems. The Supervisory Board Remuneration System 2021 (as defined below) applied from January 1 until the Company's AGM 2023 and the Supervisory Board Remuneration System 2023 applied for the time after the AGM 2023 and December 31, 2023. The details of the application in the financial year are presented hereafter.

##### 4.1.2. Supervisory Board Remuneration System 2023

Some members of the Supervisory Board had waived their Supervisory Board remuneration. The Company wished to take this development into account. Therefore, remuneration is now granted only to the chair of the audit committee of the Supervisory Board, in particular to reflect the demands of this activity on the Supervisory Board. The chair of the audit committee receives a remuneration of EUR 70,000.00 p.a., which is fixed and not performance related. Members who chair the audit committee for only part of a year receive remuneration pro rata temporis. The further members of the Supervisory Board receive no remuneration. The Company reimburses the expenses of the members of the Supervisory Board and 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 paragraph 2 of the Articles of Association). No further remuneration is granted. Variable remuneration elements do not exist and no attendance fees are being paid. The granting of fixed (and not variable) remuneration exclusively to the chair of the audit committee ensures that in particular the chair of the audit committee of the supervisory board can exercise the supervisory and advisory function independently. In addition, the non-granting of remuneration or granting of fixed remuneration ensures that all members of the Supervisory Board will be able to carry out their activities independently of the short-term success of alstria. In this

way, the Supervisory Board can concentrate primarily on its activities with regard to the long-term development of alstria.

### 4.1.3. Supervisory Board Remuneration System 2021

Until the annual general meeting on May 4, 2023, the remuneration for the members of the Supervisory Board was granted in line with the old supervisory board remuneration system as last confirmed by the annual general meeting of shareholders in 2021 by 99.7 % of votes cast (**Supervisory Board Remuneration System 2021**). The remuneration granted in line with the Supervisory Board Remuneration System 2021 was not performance-related. It consisted of a fixed remuneration and a likewise fixed remuneration for committee work. The Company reimbursed the expenses of the members of the Supervisory Board. The Company had, 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 paragraph 2 of the Articles of Association). Members of the Supervisory Board each received an annual fixed remuneration of EUR 50,000. The chair of the Supervisory Board received an additional annual amount of EUR 100,000 (factor 3); the deputy chair received an additional amount of EUR 25,000 (factor 1.5).

Membership in the audit committee entitled a member to an additional remuneration of EUR 10,000, while the chair of the audit committee received EUR 20,000 per year (factor 2). Membership in the nomination and remuneration committee entitled a member to an additional annual remuneration of EUR 7,500 while the chair of this committee was compensated with additional EUR 15,000 per year (factor 2). The same applied to the finance and investment committee, which was dissolved effective March 21, 2022. Membership in temporary committees did not entitle a member to additional remuneration.

Members who belonged to the Supervisory Board respectively one of its committees for only part of a year received a *pro rata temporis* remuneration. Variable remuneration elements did not exist and no attendance fees have been paid.

## Remuneration Report

### 4.1.4. Significant changes compared to the remuneration system 2021

The following table shows the remuneration structure for the Supervisory Board in financial year 2023. Changes between the Supervisory Board Remuneration System 2021 and the Supervisory Board Remuneration System 2023 are marked in underlined lettering.

Remuneration system for the Supervisory Board		
Supervisory Board Remuneration System 2023 (applied since AGM 2023)	Remuneration element	Supervisory Board Remuneration System 2021 (applied until AGM 2023)
<b>Fixed remuneration</b>		
• <u>none</u>	<b>Annual fixed remuneration</b>	• Chair: EUR 150,000 • Deputy Chair: EUR 75,000 • Supervisory Board Member: EUR 50,000
• <u>Audit Committee: EUR 70,000 (Chair)</u>	<b>Committee remuneration</b>	• 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)
<b>Variable remuneration</b>		
• none		• none
<b>Other components</b>		
• Reimbursement of expenses (in particular travel, accommodation, meal and subsistence and telecommunication costs)	<b>Expenses</b>	• Reimbursement of expenses (in particular travel, accommodation, meal and subsistence and telecommunication costs)
• The Company may, at its own expense, take out appropriate liability insurance for the benefit of the supervisory board members to cover the risks arising from the performance of their duties (D&O insurance).	<b>D&amp;O insurance</b>	• The Company may, at its own expense, take out appropriate liability insurance for the benefit of the supervisory board members to cover the risks arising from the performance of their duties (D&O insurance).

According to the Supervisory Board Remuneration System 2021, all supervisory board members received fixed remuneration, with the amount being dependent on the tasks assumed by each member within the supervisory board and its committees. The Supervisory Board Remuneration System 2023, by contrast, only provides for an annual fixed remuneration for the chair of the audit committee. The further members of the Supervisory Board receive no remuneration; the reimbursement of expenses remains unaffected.

Increased qualification requirements are placed on the members of the audit committee. According to the Profile for the Supervisory Board, at least two members of the audit committee, including the chair, should be financial experts. At least one member should have acquired particular skills and experience in accounting, in applying accounting principles and internal controls. At least one further member should have acquired particular skills and experience in audit. In addition, the Profile for the Supervisory Board provides that the chair of the audit committee should be independent from the Company and its Management Board and from any controlling shareholder.

The increased requirements in terms of qualification and independence are of particular importance for the Company especially due to the scope and significance of the audit committees' work, and in particular apply to the chair of the audit committee. According to the rules of procedure for the

## Remuneration Report

Supervisory Board, the audit committee in particular deals with the audit of the annual financial statements and intra-year financial information, accounting and the accounting process, risk management, the internal control and audit system as well as compliance.

Compared to the other members of the Supervisory Board and the audit committee, the chair has a higher workload, needs to spend more time and has greater responsibility. Therefore, the chair of the audit committee receives annual remuneration for this work. In addition, the remuneration for the work of the chair of the audit committee is to ensure that the Company will be able, also in future, to fill this position with competent persons.

Moreover, the Supervisory Board Remuneration System 2023 ultimately reflects the payment of the remuneration to the members of the Supervisory Board and its committees in office in the 2022 financial year. In fact, under release agreements with the Company, three Supervisory Board members waived the fixed remuneration to which they were entitled under the Supervisory Board Remuneration System 2021 for financial year 2022.

The provisions on the reimbursement of expenses remain unchanged compared to the Supervisory Board Remuneration System 2021.

The remuneration system for the members of the Supervisory Board 2023 does not provide for any obligation of the Supervisory Board members to acquire shares in alstria. No corresponding voluntary self-commitments have been declared.

## Remuneration Report

### 4.2. Individualized Disclosure of the Remuneration of the Supervisory Board

The composition of the Supervisory Board changed in financial year 2023: The annual general meeting on May 4, 2023 appointed Mr Richard Powers as member of the Supervisory Board of the Company. The term of office as member of the Supervisory Board of Karl Wambach terminated the same day. The annual general meeting on May 4, 2023 further resolved to downsize the Supervisory Board from six to four members. The Supervisory Board members Dr. Frank Pörschke and Elisabeth Stheeman resigned from their offices effective May 31, 2023.

The remuneration awarded and due to the current and former members of the Supervisory Board in the 2023 financial year is presented in the following. A distinction is made between fixed remuneration and committee remuneration.

Supervisory Board Remuneration	2023					2022				
	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>3)</sup>	-	- <sup>3)</sup>	-	-	- <sup>3)</sup>	-	- <sup>3)</sup>	-	-
Jan Sucharda (Deputy Chair) <sup>1)</sup>	- <sup>3)</sup>	-	- <sup>3)</sup>	-	-	- <sup>3)</sup>	-	- <sup>3)</sup>	-	-
Richard Powers <sup>2)</sup>	-	-	-	-	-	-	-	-	-	-
Rebecca Worthington <sup>1)</sup>	17,0	24	53,0	76	70,0	41,9	73	15,7	27	57,6
Dr. Frank Pörschke <sup>4)</sup>	17,0	83	3,4	17	20,4	50,0	81	11,6	19	61,6
Elisabeth Stheeman <sup>4)</sup>	17,0	87	2,5	13	19,5	50,0	85	9,1	15	59,1
Karl Wambach <sup>5)</sup>	- <sup>6)</sup>	-	- <sup>6)</sup>	-	-	- <sup>6)</sup>	-	- <sup>6)</sup>	-	-
<b>Sum</b>	<b>51,0</b>	<b>-</b>	<b>58,9</b>	<b>-</b>	<b>109,9</b>	<b>141,9</b>	<b>-</b>	<b>36,4</b>	<b>-</b>	<b>178,3</b>

<sup>1)</sup> Elected by court order with effect from March 1, 2022 and elected by the annual general meeting 2022.

<sup>2)</sup> Elected by the annual general meeting 2023.

<sup>3)</sup> The supervisory board member waived the payment of the fixed annual remuneration for the membership in the Company's supervisory board and its committees. Austria paid taxes.

<sup>4)</sup> Resigned membership in the course of the downsizing of the supervisory board from 6 to 4 members with effect from May 31, 2023.

<sup>5)</sup> Term expired on May 4, 2023.

<sup>6)</sup> The supervisory board member waived the payment of the fixed annual remuneration for the membership in the Company's supervisory board and its committees.

## Remuneration Report

### 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 paragraph 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.

	2023	Development 2023/2022	2022	Development 2022/2021	2021	Development 2021/2020	2020
	in T€	in %	in T€	in %	in T€	in %	in T€
<b>Management Board</b>							
Olivier Elamine	1,294	-71	4,511	148	1,818	-15	2,143
Alexander Dexne <sup>1)</sup>	355	-90	3,673	148	1,484	-16	1,760
<b>Supervisory Board</b>							
Brad Hyler (Chair) <sup>2)</sup>	- <sup>4)</sup>	-	- <sup>4)</sup>	-	-	-	-
Jan Sucharda (Deputy Chair) <sup>2)</sup>	- <sup>4)</sup>	-	- <sup>4)</sup>	-	-	-	-
Richard Powers <sup>3)</sup>	-	-	-	-	-	-	-
Rebecca Worthington <sup>2)</sup>	70	21	58	-	-	-	-
Dr. Frank Pörschke <sup>5)</sup>	20	-67	62	40	44	-	-
Elisabeth Stheeman <sup>5)</sup>	20	-67	59	38	43	-	-
Karl Wambach <sup>2),6)</sup>	- <sup>7)</sup>	-	- <sup>7)</sup>	-	-	-	-
<b>Employees</b>							
Average remuneration	110	-4	115	20	96	8	89
<b>Company performance</b>							
Revenues	192,026	5	182,819	0	183,670	4	177,063
FFO per share (in EUR) <sup>8)</sup>	0.51	-18	0.62	-7	0.67	8	0.62

<sup>1)</sup> Until December 31, 2022.

<sup>2)</sup> Elected by the annual general meeting 2022.

<sup>3)</sup> Elected by the annual general meeting 2023.

<sup>4)</sup> 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.

<sup>5)</sup> Resigned membership in the course of the downsizing of the supervisory board from 6 to 4 members with effect from May 31, 2023.

<sup>6)</sup> Term expired on May 4, 2023.

<sup>7)</sup> The supervisory board member waived the payment of the fixed annual remuneration for the membership in the Company's supervisory board and its committees.

<sup>8)</sup> Before minorities.

For the average employee remuneration, all employees of alstria are considered, with the exception of interns, working students, apprentices 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 also include the profit the employees made from a disposal of the shares, which they received in the 2022 and 2023 financial years 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. Without adding this disposal profit, the average employee remuneration would be (i) EUR 93k in 2023 and would have decreased by 2% compared to the 2022 financial year and (ii) EUR 95k in 2022 and would have decreased by 1% compared to the 2021 financial year.



## Remuneration Report

When looking at the remuneration development for the Management Board from 2022 to 2023, it is noticeable that the remuneration has decreased significantly. This is partly due to the fact that the term of office of the former Chief Financial Officer ended on December 31, 2022 and that there has not been a replacement. Besides this, the changes mainly result from a decrease in long-term variable remuneration. In 2022, the remuneration was impacted by 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 that are reported as part of the remuneration awarded and due in financial year 2022. The vesting values of the long-term incentive for the Management Board members for financial year 2022 (LTI 2022-2023) are below target values. The adjusted development, not taking into account the early terminated LTI tranches in financial year 2022, would show a decrease of 33% for the CEO's remuneration in the 2023 financial year (EUR 1,294k) compared to the previous year (EUR 1,916k).

The Supervisory Board remuneration is also decreasing. This was driven by the changes in the composition of the Supervisory Board over the last two years and by the introduction of the Supervisory Board Remuneration System 2023.

Looking at the corporate development in the reporting period, revenues were EUR 192 million (compared to EUR 183 million in 2022). The increase of 5% is primarily the result of revenues from the indexation of rental contracts and from new leases. The FFO per share (before minorities) amounted to EUR 0.51 (prior year: EUR 0.62). The decline in FFO per share was due to increasing financing costs.

Hamburg, February 2024

**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, 2023, 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, 4.63 % 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, 2024. 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. The criterion for the minimum free float pursuant to Section 11 (1) of the REIT Act was not met for the first time as of December 31, 2022.
2. In accordance with Section 11 paragraph 4 REIT Act, as per balance sheet date, no shareholder owned directly 10% or more of our shares or shares of such an amount, that he holds 10% or more of the voting rights.
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 3,990,861 k, which equals 94.18 % 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 944 k and therefore 0.02 %.
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)
  - a) the financial year 2023, the entire sales revenues plus other results from immovable assets amounted to EUR -539.3 million. This equals 100 % of total revenues plus other earnings from immovable assets;

## REIT Disclosures

- b) The sum of the sales revenue plus the other earnings from immovable assets of the REIT service companies amounted to EUR 15 k in the financial year 2023. This equals 0.00 % of the Group's total revenue plus other earnings from immovable assets.
- 5. In financial year 2023, a dividend payment of EUR 262,469 k for the prior financial year was distributed to the shareholders. Financial year 2022 resulted in a net gain amounting to EUR 30,554 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 2019, the Group has realised 12.53 % 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 plus the shares in subsidiaries included in the consolidated financial statements in accordance with Section 315e of the German Commercial Code (HGB) reported as debt was EUR 1,715.9 million, as shown in the IFRS Consolidated Financial Statements. This equals 42.99 % 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). For the first time, the equity ratio fell below the threshold pursuant to Section 15 REIT act.

Hamburg, March 1, 2024

**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, 2023, 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, 2023 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, 2023 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, 2023 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, 2023 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, March 1, 2024

### **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 2024

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May 28	<b>Publication of Q1</b> Interim report
June 6	<b>Annual General Meeting</b>
August 20	<b>Publication of Q2</b> Half-year interim report
November 26	<b>Publication of Q3</b> 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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# BUILDING *YOUR* FUTURE

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