



**CORESTATE**

Capital Group

**Half-Year Financial Report  
as of 30 June  
2020**

# *Company Profile*

CORESTATE Capital is a real estate investment manager and co-investor that acquires, develops and manages predominantly residential, retail and office real estate in Germany and other parts of Europe. At the end of H1-2020, the Company had more than € 28bn in assets under management.

The Company has undergone a deliberate transformation over the last few years, from a largely residential-focused investment management company to a diversified European real estate group with a wide and committed client base of institutional, semi-institutional, family offices and retail investors. We are a one-stop shop offering property management services and related investment products for our clients, covering all major real estate asset classes and investment vehicles.

We respond to market trends where we see smart investment opportunities within the real estate sector, which has expanded both the type of investment properties we manage and the cities and countries we operate in. For example, our office portfolio includes iconic buildings that appreciate in value while delivering strong returns. Alongside our portfolio diversification CORESTATE has made several corporate acquisitions that have added depth and breadth to our business model as well.

We operate from our principal offices in Germany, Switzerland, the UK and Spain employing 756 full-time equivalents across 42 offices in 7 countries. CORESTATE is listed in the Prime Standard on the Frankfurt Stock Exchange (SDAX).

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# Key Figures

	<b>01.01.2020- 30.06.2020</b>	<b>01.01.2019- 30.06.2019</b>
Aggregate Revenues & Gains (€ m) <sup>1</sup>	95,6	121,0
EBITDA (€ m)	25,9	68,9
Adjusted Net Profit (€ m) <sup>2</sup>	11,4	47,8
EBITDA Margin	27,0%	56,9%
Net Profit (€ m) <sup>3</sup>	0,4	36,9
Earnings per Share (undiluted) (€)	0,02	1,73
	<b>30.06.2020</b>	<b>30.06.2019</b>
Number of shares outstanding	21.479.643	21.174.417
Net Financial Debt Position (€ m) <sup>4</sup>	530,1	606,9
Net Financial Debt/EBITDA <sup>5</sup>	4,0x	3,3x
Assets under Management at End of Period (€ bn)	28,2	26,0
Number of Employees at End of Period (FTE)	756	690

<sup>1</sup> Aggregate revenues & gains include revenue from real estate investment management, share of profit and loss from associates and joint ventures, dividends from other alignment capital, gains/losses from fair value measurement of financial instruments related to real estate and total income from real estate operations/warehousing.

<sup>2</sup> Adjusted net profit is calculated based on the net profit for the period, net of (deferred) tax effects and depreciation mainly resulting from purchase price allocations (capitalized asset management contracts).

<sup>3</sup> Net profit post minorities.

<sup>4</sup> Adjusted for IFRS 16 financial liabilities.

<sup>5</sup> EBITDA reflects the last twelve months.

# Letter to Our Shareholders

Dear Shareholders, Ladies and Gentlemen,

The company had a quite ambitious start into 2020 as Corestate was prepared for further dynamic organic growth in 2020, but the impact of COVID-19 on the real estate market was massive and came rapidly. Parts of the transactions, especially in those markets with more ambitious risk-return profiles and in which the company was active very successfully in the past, were hit hard from the end of Q1 onwards. In risk segments core and core+, transaction environment slowed down substantially, but also showing signs of a cautious recovery yet, in value-add or opportunistic segments literally close to no deal is currently going on. Correspondingly, the respective asset classes came under pressure. Residential as well as offices with long-running rental contracts proved to be very resilient, but hotels, serviced apartments, retail and shopping centers were hit harder by the shutdown and the ensuing economic turmoil. Student homes suffered a short-lived dip. Currently, not all implications of COVID-19 on the different real estate assets can be assessed finally.



## **COVID-19 changed the market environment fast with significant impact on financial figures**

This slowdown of the real estate transaction market affected our fee performance in 2020 substantially and the impacts of the pandemic cannot yet be finally assessed. In the aftermath we've noted a reduction of our acquisition related fees and a deterioration of earnings from warehousing, alignment capital or promote based on products with higher risk-return profiles.

In parallel, the company decided to discipline its balance sheet exposure for clients and strengthen its financial position; therefore, no further warehousing was signed in the first six months. Additionally, on asset level we've noted in some of our niche products like serviced apartments, which were directly affected from the pandemic in their operations, a precautionary need for re-valuation. This had a negative impact on our earnings from alignment capital in Q2.

For the first six months of 2020, the company showed aggregated revenues and gains from € 95.6m, EBITDA of € 25.9m and an adjusted net profit of € 11.4m. At the end of June 2020, Corestate had total assets under management of roughly € 28.2bn. The core business, reflected in the real estate AuMs, grew including the assets from STAM Europe, an acquisition closed in January 2020, from € 22.8bn to € 24.9bn. This comprises also 3.1% organic AuM growth since end of 2019.

The company's mezzanine financing business HFS showed merely unchanged funds volumes of more than € 1.3bn with stable margins and a resilient performance in the crisis. The product was also in uncertain times very much sought after by developers. On the downside, funding slowed down a bit mirroring transitionally changed risk appetites from potential investors for mezzanine capital.



### Strategic repositioning and launch of a group-wide program to enhance efficiency

The changing market conditions in the company's equity and debt products driven by revised risk-return expectations prompted Corestate to accelerate a strategic shift in its product range and operational approach. Already prior to COVID-19, the company had started to move the focus step by step towards core and core+ assets and temporarily away from value-add or opportunistic. This is now taking place much faster than previously expected. One crucial element on this transition will be a comprehensive re-branding of the group due to take place in 2021.

The company also reacted to the crisis by launching a program designed to reduce costs and to increase efficiency. This program consists of numerous measures aiming at improving process effectiveness, eradicating double-functions and implementing further steps in digitalization of the company coming along with enhancing the equity raising and sales competences, especially for the DACH region.

### Higher financial leverage backed by robust financing structures

At the end of the first six months of 2020, the company's financial leverage ratio adjusted by IFRS 16 liabilities stood at 4.0x. This figure was also affected by a slight increase of the net debt position due to seasonal cash outflows driven by contractually determined personnel and minor extraordinary expenses for the changed structural setup of the company. The main financing instruments are not affected by this higher leverage as the only limitation applies to the ability to issue new debts when the leverage is above 3.5x. The company's balance sheet remains robust and the next refinancing need is no earlier than at the end of 2022. Corestate is also committed to reduce the net debt position in the next 18 to 24 months substantially. The main sources for this are beyond of cash flows from operations scheduled placements from balance sheet assets, namely from inventories, other financial instruments and short-term financial instruments. Therefore, the mid-term leverage target range of 2.0x to 3.0x remains in place.

### New Supervisory Board

The shareholders of Corestate elected during the Annual General Meeting on 5 June a new Supervisory Board with Dr. Georg Allendorf as the new Chairman of the body. The members of the body are independent according to the standards of good corporate governance, which was – apart from bringing various profiles of competency and diversity into the body – the reasons why they emerged as nominees from a structured search process.

### Guidance

On 22 April, the company had to withdraw its outlook for the FY-2020 due to the significant shifts in investment decisions, transactions and valuation approaches in our core markets driven by the COVID-19 pandemic.

Due to the continuing global uncertainties resulting from the COVID-19 pandemic, the company is not yet able to publish a detailed financial outlook for the ongoing fiscal year. Especially the risk of a second wave of infections resulting in further unpredictabilities in the market significantly hampers resilient forecasts on potential fees from transactions or income from alignment capital and warehousing. Investors currently show low risk appetite and tend to postpone investment decisions. We expect the sentiment to improve in the fourth quarter.

Corestate anticipates stable revenues from asset and property management and a steady cost base.

As soon as reliable planning is feasible, Corestate will publish a new financial outlook for 2020.

### **Capital Markets Day**

Due to the uncertainties and publicly enforced restrictions caused by COVID-19, the Capital Markets Day, originally scheduled for 10 September, will now be held on 19 November.

**Lars Schnidrig**  
Chief Executive Officer

**Nils Hübener**  
Chief Investment Officer

# The CORESTATE Share

## Share Price Development

The CORESTATE shares closed the Xetra trading in the first half of the year at € 17.96; at the end of 2019, the shares stood at € 37.50 and trading on 2 January 2020 opened at € 37.15. The period high was marked on 25 February at € 45.80, the shares showed their period low on 14 May at € 14.92. On average, nearly 200.000 Corestate shares were traded per day on the Xetra system during the first half of 2020.

The SDAX, of which CORESTATE has been a member since March 2018, closed the first half of the year at 11,535 points after showing 12,504 points at the end of 2019. The highest level was reached on 17 February at 13,088 points, with the lowest mark on 19 March at 7,841 points.

## Share Price Development till June 2020 in %



## Waiving of dividend and withdrawal of financial outlook

On 22 April, Corestate withdrew its outlook for the financial year 2020 due to the COVID-19 pandemic. In view of the significant shift in investment decisions, transactions and valuation approaches in core markets and products, the Company considered it no longer likely that it would achieve its originally planned targets for this financial year and revenues were likely to fall short of expectations, particularly in the areas of acquisition and performance-based fees as well as warehousing and alignment capital. Corestate shifted its focus from being on a sustainable growth path to preserving liquidity and further strengthening to company's balance sheet. Accordingly, the Annual General Meeting, held for the first time purely online, decided on 5 June that no dividend will be distributed for financial year 2019.

Corestate announced that the future payout ratio will also be adjusted; from 2021 on, and thus for the first time for financial year 2020, it is to be at least 30% of earnings per share (Eps). The objective is to support the reduction of the Company's net financial debt in the medium term and mitigate any cyclical or other external risks to the business model.

## New Supervisory Board

The shareholders of Corestate elected during the Annual General Meeting on 5 June a new Supervisory Board consisting of Dr. Georg Allendorf as the new Chairman of the body, Dr. Gabriele Apfelbacher, Timothy Blackwell as the new Deputy Chairman, Marc Drießen and Olaf Klinger as Chairman of the Audit Committee.

Dr. Georg Allendorf was Managing Director of DWS Real Estate, Timothy Blackwell is former Head of Real Estate Investment Management at Credit Suisse Asset Management and former Head of Europe at UBS Asset Management, Olaf Klinger currently serves as Chief Financial Officer of Symrise AG, Dr. Gabriele Apfelbacher is a capital market law expert and former partner at the law firm Cleary Gottlieb Steen & Hamilton LLP and Marc Drießen was Managing Director of Hansainvest and was member of the Management Board of HSH Real Estate and is now CEO of Bloxxter.

The structured search process was led by an established executive consultancy and driven by the clear ambition to meet the demands for good corporate governance in independence, profiles of competency and diversity. Therefore, none of the board members holds more than 10% of the company's stock, neither is one of them a government representative nor does any of them provide professional services to the company or one of its affiliates nor does any represent a customer, supplier, creditor or other entity with which the company maintains a transactional or commercial relationship. Furthermore, none of the board members is a founder or co-founder of Corestate or a former executive. None of the board members do currently serve as members of further statutory supervisory boards or comparable supervisory bodies of corporations in Germany or abroad.

These criteria are set up by leading proxy advisors, but are also mirrored in the German Corporate Governance Code and the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange. All board members meet these criteria, so all of them are considered to perform their duties in office without being influenced by aspects other than the ambition to act in Corestate's best interest and they can therefore be seen as independent. In addition, Mr. Drießen disclosed a business relation with Norbert Ketterer.

WKN / ISIN	A141J3 / LU1296758029
Ticker symbol / Reuters code	CCAP
Trading segment	Prime Standard
Stock exchange	Frankfurt
Type of stock	No-par value bearer shares
First day of trading	4 Oct 2016
Number of shares as of 30 June 2020	21,479,643
Free float as of 30 June 2020	81.4%
Share price as of 30 December 2019	€ 37.50
Share price as of 30 June 2020	€ 17.96
Change in percentage	-52.1%
Period high	€ 45.80
Period low	€ 14.92

### Financial Calendar 2020

The relevant dates for the remainder of 2020 are as follows:

Q3-2020 financial report	11 November 2020
Capital Markets Day	19 November 2020

# *Interim Group Management Report*

## *CORESTATE Capital Holding S.A., Luxembourg*

### **Preliminary Remarks**

The interim management report and condensed consolidated financial statements of Corestate Capital Holding S.A. (hereinafter "Corestate" or "the Company") cover the reporting period from 1 January 2020 until 30 June 2020, unless otherwise indicated. Information on market and product offering developments pertains to H1-2020 as well, unless otherwise indicated.

The interim condensed consolidated financial statements have been subject to a review by external auditors. Certain statements contained herein may be statements on future expectations and/or other forward-looking statements that are based on our current views and assumptions. These involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those expressed or implied in such statements. Corestate does not intend and does not undertake any obligation to revise these forward-looking statements.

### **Market Development**

The market environment for the Corestate business in the first six months of 2020 was massively impacted by the COVID-19 pandemic. In particular, portfolio transactions declined significantly, especially in assets with more ambitious risk/return profiles. Therefore, as usually in crises, demand shifted to more secure real estate investments in the core and core+ categories, while the value add and project development segments declined significantly. As a result, yields in the core segment remained at a very low level with slightly rising financing costs. Uncertainties regarding rental payments and restrictions on travel are delaying transaction processes. This also worsens the prospects for deals in the coming months. According to the European real estate market outlook by Aberdeen Standard Investments (Q2-2020), market conditions in Europe are becoming more difficult and a decline is expected. The transaction volume for 2020 as a whole is likely to be around a quarter lower than in the previous year.

### **Business and Product Offering Development**

In H1-2020, Corestate was operationally hit by the COVID-19 crisis as this pandemic brought significant parts of the real estate transaction market to a sudden halt, especially shares of the market in which Corestate was acting very profitable for clients so far. After the shutdowns are being lifted by governments in Europe, the first transactions are signed/closed now, showing a clear focus on assets with lower risk-return profiles. This forced Corestate to accelerate the shift in its product range and set-up moving towards these segments. Significant changes in the real estate transaction markets prompted Corestate to reconsider its approach towards using its balance sheet for clients. In pre-crisis times, this was an attractive instrument to demonstrate the alignment with clients' expectations and to react swiftly to opportunities in the market, but now, the focus lies on preserving liquidity and further strengthening the balance sheet. Therefore, the company has decided to start reducing, deliberately and step by step, its balance sheet exposure for client purposes in warehousing and co-investments.

At the end of June 2020, Corestate had total assets under management of € 28.2bn. Including the assets from STAM Europe, an acquisition closed in January 2020, the core business, reflected in the real estate AuMs, grew from € 22.8bn to € 24.9bn. This also comprises 3.4% organic growth since end of 2019. The sourcing pipeline remains on a high level with currently around € 4.6bn, of which around 35% in advanced contractual stage.

The following investments were made in H1 (examples):

- On 30 March, Corestate announced that the open-ended Special-AIF Corestate Residential Germany Fund II is fully invested and comprises nine new construction projects in metropolitan regions and prospering cities throughout Germany
- Corestate has acquired its first micro living properties in Gdansk and Krakow, both Poland, for Bain Capital
- Corestate started creating urgently-needed modern living space in Hanau/Rhine-Main region, with 11 buildings and 144 apartments.
- On 8 January, Corestate announced that it acquired a serviced apartment complex in Copenhagen/Denmark, its first investment in Scandinavia.

On 14 May, Corestate made public that the company now also offers consulting services for commercial real estate financing. Clients are increasingly asking for this service due to the growing complexity of lending, also driven by ever-larger regulatory requirements.

For several years now, ESG has been becoming more and more important for the company, its products and clients. Corestate announced on 2 March to continue implementing its ESG strategy by setting up its first charitable foundation with the purpose of promoting local environment and social programs.

On 15 January, the acquisition of STAM Europe, a leading French real estate asset manager, was closed. Signing of this deal took place in July 2019. As scheduled before, the company sold a logistic portfolio at the beginning of 2020. However, due to the COVID-19 pandemic, the replacement of these assets is taking longer than originally planned.

### **New Supervisory Board**

The shareholders of Corestate elected during the Annual General Meeting on 5 June a new Supervisory Board consisting of Dr. Georg Allendorf as the new Chairman of the body, Dr. Gabriele Apfelbacher, Timothy Blackwell as the new Deputy Chairman, Marc Drießen and Olaf Klinger as Chairman of the Audit Committee. The search process was driven by the ambition to commit to the principles of good corporate governance, especially in profiles of competency, independence and diversity.

### **Results of Operations**

In general, the H1-2020 figures were massively impacted by the COVID-19 pandemic, especially success-based transaction fees were hit by significant parts of the deal markets coming to a slowdown in Q2 and reviving only partially since then. The company's balance sheet exposure was deliberately used even more disciplined than before, but also impacted by smaller re-valuations on asset levels.

## Aggregate Revenues and Gains by Income Lines

Including the share of profit and loss from associates and joint ventures, dividends from other alignment capital, gains from fair value measurement of financial instruments related to real estate and net gain from selling property holding companies, the Group's aggregate revenues and gains decreased to € 95.6m (H1-2019: € 121.0m).

m€	01.01.2020- 30.06.2020	01.01.2019- 30.06.2019
Revenue from Acquisition Related Fees	12,1	15,5
Revenue from Asset and Property Management*	72,3	64,0
Income from Mezzanine Loans	4,1	10,9
Revenue from Promote Fees realised	-0,1	0,0
Net Rental Income	2,8	6,4
Revenue from Service Charges	0,0	3,6
<b>Consolidated Total Revenues of the Group</b>	<b>91,2</b>	<b>100,4</b>
Share of Profit and Loss from Associates and Joint Ventures	-3,8	7,2
Dividends from other Alignment Capital	5,8	3,5
Gains/losses from fair value measurement of financial instruments related to real estate	3,0	5,7
Net Gain from Selling Property Holding Companies	-0,5	4,2
<b>Aggregate Revenues and Gains</b>	<b>95,6</b>	<b>121,0</b>

\* Incl. € 24.9m Coupon Participation Fee (H1-2019: € 23.6m)

## Real Estate Investment Management

The real estate investment management segment generated the biggest revenues, which was € 88.4m, down from € 90.4m in H1-2019. The decrease of the acquisition related fees from € 15.5m in H1-2019 to € 12.1m in H1-2020 mirrors the slowdown in the transaction markets. Nevertheless, the company sees the first prudent steps from investors into real estate again, but with a clear focus on core, a low risk appetite and the clear tendency to shift investments if the COVID-19 situation worsens again.

Revenues from asset and property management increased from € 64.0m in H1-2019 to € 72.3m. This includes a stable coupon participation fee of € 24.9m (up from € 23.6m in last year's first six months). Corestate's private debt business continues to hold its leading market position with fully committed fund volumes of more than € 1.3bn and steady interest margins.

## Real Estate Operations and Warehousing

Total income from real estate operations and warehousing was reduced to € 2.3m (H1-2019: € 14.2m). This mainly reflects the company's changed approach to using its balance sheet for clients, even on a temporary basis, and a lack of placement opportunities during and after the shutdown as clients temporarily shift their investment focus.

## Alignment Capital Management

The changing market environment plus some re-valuations on asset levels, predominantly in the serviced apartments and in the high street segment, have left their traces in alignment capital. Total income from alignment capital was at € 4.9m (in H1-2019 at € 16.4m).

## Earnings and Adjusted Earnings

Due to the growth of the Group and the accelerated change in product offerings and set-up, total expenses (excluding financial expenses, as well as depreciation and amortization) were up to € 74.2m (H1-2019: € 67.2m). The G&A expenses went up to € 16.5m (H1-2019: € 12.1m).

As part of the structural changes in its setup and product range and the adaption to the new market reality, the company will considerably reduce costs in the upcoming months. This will lead to much more effective, digitalized and simplified structures and operations. Potential negative one-off items of in total € 5-10m in FY-2020 may be caused by this program.

The Group EBITDA came out at € 25.9m compared to € 68.9m in H1-2019.

Depreciation and amortization were characterized by the depreciation of around € 16.3m (H1-2019: € 16.8m) mainly resulting from purchase price allocations of HFS, ATOS, HL, STAM Europe and CRM (capitalized asset management contracts).

The financial result came out at € -9.2m (H1-2019: € -12.7m).

Tax income was € 63k.

The Group's net profit stood at € 0.4m (H1-2019: € 36.9m), which translates into earnings per share of € 0.02 on an undiluted basis (H1-2019: € 1.74).

Adjustments only occurred at the net profit level, comprising € -12.6m in depreciation of asset management contracts, including for the first time from the acquisition of STAM, and € 1.7m from deferred tax assets. Adjusted net profit was at € 11.4m (H1-2019: € 47.8m).

m€	01.01.2020- 30.06.2020	01.01.2019- 30.06.2019
<b>Reported Net Profit</b>	<b>0,4</b>	<b>36,9</b>
Depreciation of Asset Management Contracts	12,6	12,6
Deferred Tax Assets	-1,7	-1,7
<b>Adjusted Net Profit</b>	<b>11,4</b>	<b>47,8</b>

## Balance Sheet

As of 30 June 2020, total assets amounted to € 1,424.8m, an increase of 0.5% compared to the figure as of 31 December 2019 (€ 1,418.4m).

Total non-current assets amounted to € 1,106.9m (end of 2019: € 1,069.9m), the largest component of which is goodwill resulting mainly from the acquisitions of HFS, HL, ATOS, CRM and STAM Europe with € 606.8m (end of 2019: € 567.1m).

Total current assets were at € 317.9m versus € 348.5m as of 31 December 2019.

Total equity amounted to € 682.9m as of 30 June 2020 (end of 2019: € 676.3m). The equity ratio of Corestate was 47.9% as of 30 June 2020, compared with 47.7% at the end of 2019.

Total liabilities were merely unchanged at € 741.4m (€ 742.1m at the end of June 2019).

Total financial liabilities increased from € 575.0m as of 31 December 2019 to € 615.3m as of 30 June 2020, including € 30.0m of rental and lease liabilities according to IFRS 16, which have to be adjusted for calculating the leverage figure. Net financial debt (including cash and cash equivalents as well as restricted cash) stood at € 530.2m. Thus, the leverage ratio stood at 4.0x.

The company is committed to reduce its net debt position in the next 18 to 24 months substantially. The main sources for this are cash flows from operations and scheduled placements from balance sheet assets held as inventories, associates or JVs, other financial instruments and other short-term financial instruments. Therefore, Corestate confirms the mid-term leverage target range of 2.0x to 3.0x.

### **Material Events after the Reporting Date**

None.

### **Outlook**

On 22 April, the company had to withdraw its outlook for the FY-2020 due to the significant shifts in investment decisions, transactions and valuation approaches in our core markets driven by the COVID-19 pandemic.

Due to the continuing global uncertainties resulting from the COVID-19 pandemic, the company is not yet able to publish a detailed financial outlook for the ongoing fiscal year. Especially the risk of a second wave of infections resulting in further unpredictabilities in the market significantly hampers resilient forecasts on potential fees from transactions or income from alignment capital and warehousing. Investors currently show low risk appetite and tend to postpone investment decisions. We expect the sentiment to improve in the fourth quarter.

Corestate anticipates stable revenues from asset and property management and a steady cost base.

As soon as reliable planning is feasible, Corestate will publish a new financial outlook for 2020.

Luxembourg, 10 August 2020

*Unaudited Interim Condensed  
Consolidated Financial Statements  
for the period from  
1 January to 30 June 2020*

*CORESTATE Capital Holding S.A.,  
Luxembourg*

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION****ASSETS**

m€	30 Jun 2020	31 Dec 2019
<b>Non-Current Assets</b>		
Property, Plant and Equipment	24,9	24,2
Other Intangible Assets	104,2	109,6
Goodwill	606,8	567,1
Investment in Associates and Joint Ventures	116,3	126,5
Other Financial Instruments	182,0	172,2
Long-term Receivables	45,1	35,5
Long-term Loans to Associates	12,9	23,0
Deferred Tax Assets	14,6	11,8
<b>Total Non-Current Assets</b>	<b>1.106,9</b>	<b>1.069,9</b>
<b>Current Assets</b>		
Advance Payments	9,1	6,3
Other short-term Financial Instruments	75,5	48,9
Inventories	62,3	62,3
Receivables from Associates	17,6	31,7
Trade Receivables	28,0	48,5
Other short-term Receivables	14,0	12,9
Contract Assets	42,4	23,0
Current Income Tax Assets	2,3	2,0
Other Short-term Assets	11,3	7,0
Restricted Cash	2,5	2,6
Cash and Cash Equivalents	52,7	103,2
<b>Total Current Assets</b>	<b>317,9</b>	<b>348,5</b>
<b>TOTAL ASSETS</b>	<b>1.424,8</b>	<b>1.418,4</b>

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION EQUITY AND LIABILITIES

m€	30 Jun 2020	31 Dec 2019
<b>Equity</b>		
Share Capital	1,6	1,6
Other Reserves	677,9	563,3
Net Profit/(Loss) for the Period	0,5	108,5
Equity attributable to shareholders of parent company	680,0	673,4
Non-controlling Interests	2,9	2,9
<b>Total Equity</b>	<b>682,9</b>	<b>676,3</b>
<b>Non-Current Liabilities</b>		
Other long-term Provisions	1,8	1,3
Long-term Financial Liabilities to Banks	5,1	7,0
Other Long-term Financial Liabilities	551,3	538,1
Deferred Tax Liabilities	10,4	9,7
Other non-current Liabilities	11,4	6,4
<b>Total Non-Current Liabilities</b>	<b>580,0</b>	<b>562,5</b>
<b>Current Liabilities</b>		
Other Short-term Provisions	12,9	13,9
Short-term Financial Liabilities to Banks	47,0	47,7
Other Short-term Financial Liabilities	11,9	3,2
Short-term Liabilities to Shareholders	-	0,0
Short-term Liabilities to Associates	6,6	8,5
Trade Payables	8,8	14,3
Current Income Tax Liabilities	39,6	46,8
Other Current Liabilities	35,1	45,2
<b>Total Current Liabilities</b>	<b>161,9</b>	<b>179,5</b>
<b>SUBTOTAL LIABILITIES</b>	<b>741,9</b>	<b>742,1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1.424,8</b>	<b>1.418,4</b>

## INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

m€	01.01.2020- 30.06.2020	01.01.2019- 30.06.2019
Revenue from Acquisition Related Fees	12,1	15,5
Revenue from Asset and Property Management	72,3	64,0
Income from Mezzanine Loans	4,1	10,9
Revenue from Promote Fees realised	(0,1)	-
<i>Total Revenue from Real Estate Investment Management</i>	<i>88,4</i>	<i>90,5</i>
<i>Total Expenses from Real Estate Investment Management</i>	<i>(46,0)</i>	<i>(40,3)</i>
<b>Total Earnings from Real Estate Investment Management</b>	<b>42,5</b>	<b>50,1</b>
Share of Profit or Loss from Associates and Joint Ventures	(3,8)	7,2
Dividends from other Alignment Capital	5,8	3,5
Gains/losses from fair value measurement of financial instruments related to real estate	3,0	5,7
Expenses from Management of Associates and Joint Ventures	(8,3)	(4,6)
<b>Total Earnings from Alignment Capital Management</b>	<b>(3,3)</b>	<b>11,8</b>
Net Rental Income	2,8	6,4
Revenue from Service Charges	0,0	3,6
Net Gain from Selling Property Holding Companies/Inventories	(0,5)	4,2
<i>Total Income from Real Estate Operations/Warehousing</i>	<i>2,3</i>	<i>14,2</i>
<i>Expenses from Real Estate Operations/Warehousing</i>	<i>(3,5)</i>	<i>(10,2)</i>
<b>Total Earnings from Real Estate Operations/Warehousing</b>	<b>(1,2)</b>	<b>4,0</b>
General and Administrative Expenses	(16,5)	(12,1)
Other Income	4,5	15,1
<b>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>	<b>25,9</b>	<b>68,9</b>
Depreciation and Amortisation	(16,3)	(16,8)
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>9,6</b>	<b>52,2</b>
Financial Income	4,0	3,8
Financial Expenses	(13,2)	(16,4)
<b>Earnings before Taxes (EBT)</b>	<b>0,4</b>	<b>39,5</b>
Income Tax Expense	0,1	(2,6)
<b>Net Profit/(Loss) for the Period</b>	<b>0,4</b>	<b>36,9</b>
of which attributable to equity holders of parent company	0,5	36,9
of which attributable to non-controlling interests	(0,1)	0,0
	-	-
<b>Total Revenues <sup>1</sup></b>	<b>91,2</b>	<b>100,4</b>
<b>Total Expenses <sup>2</sup></b>	<b>(74,2)</b>	<b>(67,2)</b>

<sup>1</sup> Not including Share of Profit or Loss from Associates, Net Gain from Selling Property Holding Companies and Dividends from other Alignment Capital.

<sup>2</sup> Excluding Financial Expenses and Depreciation and Amortization.

m€	<b>01.01.2020- 30.06.2020</b>	<b>01.01.2019- 30.06.2019</b>
Earnings per Share (in €):		
Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent	0,02	1,74
Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent	0,02	1,74
<b>Net Profit/(Loss) for the Period</b>	<b>0,5</b>	<b>36,9</b>
<b>Other Comprehensive Income (in k€)</b>		
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):		
Exchange differences on translation of foreign operations	(1,7)	(1,0)
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods	(1,7)	(1,0)
<b>Other Comprehensive Income/(Loss) for the Period, Net of Tax</b>	<b>(1,7)</b>	<b>(1,0)</b>
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>(1,2)</b>	<b>35,9</b>
of which attributable to equity holders of parent company	(1,2)	35,9
of which attributable to non-controlling interests	0,1	0,0

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the Period 1 January to 30 June 2020**

m€	SHARE CAPITAL	Legal Reserve	Additional Capital Paid In	Retained Earnings	Other Re-valuations	OTHER RESERVES	NET PROFIT/ (LOSS) FOR THE PERIOD	SUBTOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF PARENT COMPANY	Non-controlling interests in Paid-In Capital and Capital Reserve	Non-controlling interests in Profit for the period	NON-CONTROLLING INTERESTS	TOTAL EQUITY
<b>Closing Balance of Capital Accounts as at 31 December 2018 (audited)</b>	<b>1,6</b>	<b>0,1</b>	<b>436,8</b>	<b>82,6</b>	<b>(3,5)</b>	<b>516,0</b>	<b>104,6</b>	<b>622,2</b>	<b>0,1</b>	<b>(1,3)</b>	<b>(1,3)</b>	<b>620,9</b>
Profit for the period	0	0	0	0	0	0	108,5	108,5	0	0,3	0,3	108,8
Other comprehensive income	0	0	0	0	0,2	0,2	0	0,2	0	0	0	0,2
Total Comprehensive Income for the Period	0	0	0	0	0,2	0,2	108,5	108,7	0	0,3	0,3	109,0
Repurchase of own shares	(0,0)	0	(6,7)	0	0	(6,7)	0	(6,7)	0	0	0	(6,7)
Equity-settled share-based payment	0,0	0	0	1,9	0,0	1,9	0	1,9	0	0	0	1,9
Dividends paid	0	0	0	(52,9)	0	(52,9)	0	(52,9)	0	0	0	(52,9)
Reclassification/others	0	0,1	0	104,7	0	104,8	(104,6)	0,2	2,6	1,3	3,9	4,1
<b>Closing Balance of Capital Accounts as at 31 December 2019 (audited)</b>	<b>1,6</b>	<b>0,2</b>	<b>430,1</b>	<b>136,4</b>	<b>(3,3)</b>	<b>563,3</b>	<b>108,5</b>	<b>673,4</b>	<b>2,6</b>	<b>0,3</b>	<b>2,9</b>	<b>676,3</b>
Profit for the period	0,0	0,0	0,0	0,0	0,0	0,0	0,5	0,5	0,0	(0,1)	(0,1)	0,4
Other comprehensive income	0,0	0,0	0,0	0,0	(1,6)	(1,6)	0,0	(1,6)	0,0	0,0	0,0	(1,6)
Total Comprehensive Income for the Period	0,0	0,0	0,0	0,0	(1,6)	(1,6)	0,5	(1,1)	0,0	(0,1)	(0,1)	(1,2)
Issue of new capital	0,0	0,0	4,0	0,0	0,0	4,0	0,0	4,0	0,0	0,0	0,0	4,0
Repurchase of own shares	0,0	0,0	6,4	0,0	0,0	6,4	0,0	6,4	0,0	0,0	0,0	6,4
Equity-settled share-based payment	0,0	0,0	1,1	0,0	0,0	1,1	0,0	1,1	0,0	0,0	0,0	1,1
Dividends paid	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Reclassification/others	0,0	0,0	0,0	107,1	(2,4)	104,7	(108,5)	(3,8)	0,3	(0,3)	0,0	(3,8)
<b>Closing Balance of Capital Accounts as at 30 June 2020 (unaudited)</b>	<b>1,6</b>	<b>0,2</b>	<b>441,6</b>	<b>243,5</b>	<b>(7,3)</b>	<b>677,9</b>	<b>0,5</b>	<b>680,0</b>	<b>2,9</b>	<b>(0,1)</b>	<b>2,9</b>	<b>682,9</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS for the Period from 1 January to 30 June 2020

m€	01.01.2020– 30.06.2020	01.01.2019– 30.06.2019
<b>Earnings before Taxes (EBT)</b>	<b>0,4</b>	<b>39,5</b>
<b>Adjustments:</b>		
Amortisation of intangible assets	15,7	13,3
Depreciation/write-ups of property, plant and equipment	0,6	2,4
Equity-settled share-based payment	1,1	0,0
Effect from valuation on derivatives	0,0	0,0
Net loss/(gain) on disposal of property, plant and equipment	0,0	(0,0)
Net loss/(gain) on disposal of intangible assets	0,0	0,1
Net loss/(gain) on disposal of Group companies	0,8	(3,3)
Financial Expenses	13,2	16,4
Financial Income	(4,0)	(3,8)
Provisions	(0,3)	(15,0)
Share of results from Associates and Joint Ventures	3,8	(7,2)
<b>Total adjustments</b>	<b>30,9</b>	<b>2,9</b>
<b>Operating cash flows before changes in working capital</b>	<b>31,3</b>	<b>42,4</b>
<b>Total changes in working capital</b>	<b>(41,9)</b>	<b>(200,3)</b>
<b>Cash flows from operations</b>	<b>(10,6)</b>	<b>(157,8)</b>
Income taxes received/(paid)	(9,6)	(6,4)
<b>Net cash flows from operating activities</b>	<b>(20,2)</b>	<b>(164,2)</b>
Acquisition of Subsidiaries (Share purchase price net of cash balance at date of acquisition)	(19,7)	0,0
In-/ Outflow for Alignment Capital Investments (Associates and Loans)	(3,9)	(10,8)
Inflow from repayment of Alignment Capital Investments (Associates and Loans)	9,2	9,1
Proceeds from disposal of property, plant and equipment	0,2	0,4
Purchase of financial instruments	(6,3)	(11,9)
Sale of financial instruments	0,0	3,2
Purchase of property, plant and equipment	(2,1)	(0,4)
Additions to intangible assets	(0,5)	(2,3)
<b>Net cash flows generated from / (used in) investing activities</b>	<b>(23,2)</b>	<b>(12,7)</b>

m€	<b>01.01.2020– 30.06.2020</b>	<b>01.01.2019– 30.06.2019</b>
Share repurchase	0,0	(6,7)
Distributions to the equity holders of parent company	0,0	(52,9)
Distributions paid to non-controlling interests	0,0	(0,2)
Repayment of lease liabilities	(2,6)	(1,6)
Proceeds from loans and borrowings	4,7	99,2
Repayment of loans and borrowings	(2,8)	(0,6)
Finance Expenses	(7,9)	(16,1)
Finance Income	1,3	3,8
<b>Net cash flows (used in) / from financing activities</b>	<b>(7,2)</b>	<b>24,7</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(50,6)</b>	<b>(152,2)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>105,8</b>	<b>196,9</b>
Net increase/ (decrease) in cash and cash equivalents	(50,6)	(152,2)
<b>Cash and cash equivalents at end of period</b>	<b>55,2</b>	<b>44,7</b>

## Selected explanatory Notes to the Interim Consolidated Financial Statements for the Period from 1 January to 30 June 2020

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## A. CORPORATE INFORMATION

### A.1 Information on the company

CORESTATE Capital Holding S.A. (hereafter "CCH SA" or "the Company") is a limited liability company (société anonyme) incorporated under Luxembourg law, with registered office at 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. The Company was registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés) under number B 199 780 on 7 September 2015.

CCH SA was established on 21 August 2015 for an unlimited period of time.

The Company applied for the admission of its shares to trading on the regulated market (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on 18 October 2017. Commencement of trading (Notierungsaufnahme) of the Shares on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurt Wertpapierbörse) took place on or about 2 November 2017.

#### ISIN/WKN/Common Code/Ticker Symbol

International Securities Identification Number (ISIN)	LU1296758029
German Securities Code (Wertpapierkennnummer, WKN)	A141J3
Common Code	129675802
Trading Symbol	CCAP

As of 19 March 2018, CCH SA has been included into the German SDAX index.

CCH SA is a real estate investment manager specializing in the creation and subsequent realization of real estate related investments in Europe for private and institutional clients. CCH SA and its subsidiaries (the Group) are active as a co-investor and asset and property manager and are focused on all aspects of residential and commercial (primarily retail and office) real estate. Geographically, the Group primarily concentrates on the German market but also is selectively active in other attractive markets in Europe. Its investment product offering covers the full range of the risk / return curve, i.e. from value-add / opportunistic to core, and, in each case, is tailor made to the specific requirements of its clients. As a key element of its business model, the Group is actively warehousing certain real estate in order to seize opportunities both in competitive situations as well as in order to establish seed portfolios for institutional products. As per 30 June 2020, the Group employs about 756 FTE real estate experts across 42 offices in 7 countries, providing direct access to local markets.

The Group focuses on three key business segments being

- Real Estate Investment Management
- Alignment Capital Management
- Real Estate Operations and Warehousing

The Interim Condensed Consolidated Financial Statements of CORESTATE Capital Holding S.A. and its subsidiaries (collectively, the Group) for the six months ended 30 June 2020 were authorized for issue in accordance with a resolution of the Management Board on 10 August 2020.

The Interim Condensed Consolidated Financial Statements of CORESTATE Capital Holding S.A. are published according to the provisions of the Luxembourg Law and the exchange rules of the Frankfurt Stock Exchange. They will be available on the Company's website and at the Company's offices at 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

## **A.2 Company's annual general meeting**

On 18 March 2020, the Company announced that in light of the pandemic spread of the Novel Coronavirus (COVID-19) and the associated extensive restrictions on travels and gatherings, the postponement of its Annual General Meeting (AGM), originally scheduled for 29 April 2020. In addition, on 20 April 2020 the Company withdraw its outlook for the financial year 2020 due to a significant shift in investment decisions and declining transaction volumes while simultaneously proposing to the AGM not to distribute any dividend for the financial year 2019 in order to strengthen the Company's liquidity.

At the Company's AGM held on 5 June 2020, the shareholders of CORESTATE Capital Holding S.A. have approved all agenda items except for the non-binding vote on a new remuneration policy. The stand-alone financial statements as at 31 December 2019, prepared in accordance with Luxembourg GAAP and the consolidated financial statements as at 31 December 2019 of CORESTATE Capital Holding S.A., prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, were approved.

The meeting acknowledged that the Company made a profit with respect to the financial year 2019 in an aggregate amount of € 80,646,721.13 and resolved to carry forward the entire profit after the adjustment of this profit to the next financial year.

Furthermore, the meeting resolved that there will be no dividend distribution to the shareholders for the financial year 2019.

## B. BASIS OF PREPARATION & CONSOLIDATION

### B.1 Basis of preparation

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020 have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at 31 December 2019.

The preparation of the Group's Interim Condensed Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected. Despite the uncertainties due to the pandemic, all major estimates, assumptions and judgements remain basically unchanged from the Group's Annual Consolidated Financial Statements as at 31 December 2019 unless otherwise indicated in this report. The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with most real estate markets experiencing significantly lower levels of transactional activity and liquidity. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short-term impacts and long-term structural changes, internal valuations conducted for interim reporting purposes are under the inclusion of the material valuation uncertainty declaration as set out in the RICS Valuation – Global Standards. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

The Interim Condensed Consolidated Financial Statements are presented in Euros, which is the presentation currency of the Group and the functional currency of the parent company. All values are rounded to the nearest million Euros (m€), except where otherwise indicated. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates, therefore some of the total sums disclosed in the accounts may not add up. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this Interim Condensed Consolidated Financial Statements, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 31 December 2019. All standards, interpretations and amendments that have become effective as of 01 January 2020 have no significant impact on the Group's financial statements. Moreover, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. As a result of a change in presentation, the financial information as of 31 December 2019 included in these interim condensed consolidated financial statements differ in certain limited aspects from the financial information as of 31 December 2019 included in the Group's Annual Consolidated Financial Statements. The change in presentation relates to the mezzanine loans and other short-term loans formerly included in the Other short-term assets that are included in Short-term financial instruments in the interim consolidated statement of financial position.

### B.2 Business combination

On 15 January 2020 Corestate closed the acquisition of STAM Europe, a leading independent real estate investment manager in Europe, by purchasing 100% of its share capital. Through this transaction Corestate expands its product range to France and logistics as an asset class. In addition, Corestate offers its clients an improved market access to France and further increases its basis of institutional investors. The table below states the fair value of identified net assets and liabilities recognized at acquisition which are considered preliminary in line with IFRS 3.45. The goodwill of € 39.7m reflects the expected synergies arising from the acquisition with regard to the market entry

into France as well as logistics as an asset class that complements the existing asset classes under management. Hence, the goodwill is fully allocated to the Real Estate Investment Management segment.

The acquisition date fair value as of 15 January 2020 of the fixed consideration amounts to € 37.9m and comprises the following elements:

- (1) Fixed amount of cash (€ 25.4m)
- (2) 337,730 shares of CORESTATE Capital Holding S.A. (€ 12.5m) – measured at XETRA stock price

Thereof, the consideration transferred (cash component of € 24.0m as well as a share component of € 10.5m which consists of € 6.5m in previously held treasury shares and € 4.0m in newly issued shares) includes an earn-out component (contingent consideration) that is capped at € 12.5m and has been estimated based on reduced transaction volumes with a value of € 6.7m which is dependent on a certain level of STAM Europe's net income for FY 2020 to 2022 that needs to exceed a hurdle rate of € 2.9m; in addition, a separate earn-out estimated at € 3.8m relates to the Monét structure. Transaction costs amounting to € 0.9m are included in the income statement within general and administrative costs.

Fair value of net assets and liabilities recognized	<b>Business Combination: STAM Europe SAS</b> € million
Acquisition date	15 January 2020
Total Cost of the combination (in €m)	48.2
thereof purchase prices (in €m)	48.2
thereof other consideration transferred	-
Number of shares acquired	-
Voting rights acquired (%)	100%
Property, plant & equipment	1.4
Intangible assets	7.8
Other financial instruments	3.8
Receivables	2.5
Other assets	2.9
Cash and cash equivalents	4.3
<b>Total assets</b>	<b>22.7</b>
Deferred tax liability	(2.2)
Current tax liabilities	(2.4)
Trade payables	(1.0)
Other (financial) liabilities	(8.6)
<b>Total liabilities</b>	<b>(14.2)</b>
<b>Fair value of net assets acquired</b>	<b>8.5</b>
<i>Non-controlling interests</i>	-
<b>Recognized Goodwill</b>	<b>39.7</b>
<b>Realized bargain purchase ("lucky buy")</b>	-
<b>Revenues generated since acquisition date</b>	1.9
<b>Profit / loss since acquisition date</b>	(0.9)

## C. SEGMENT INFORMATION

The following tables present information on the Group's operating segments for the six months ended 30 June 2020 and 2019, respectively. Operating results are monitored for the purpose of making decisions about resource allocation and performance assessment by the Executive Board.

The Group's General and Administrative Expenses, Financial Result (including Financial Income and Expenses) and Income Taxes (including Deferred and Current Taxes) are primarily managed on a Group basis and are not allocated to operating segments.

### Segment Information for the period from 1 January to 30 June 2020

m€	Real Estate Investment Management	Alignment Capital Management	Real Estate Operations/ Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
<b>Revenues:</b>							
Revenues	88,4	0	2,8	91,2	0	0	91,2
Inter-segment revenues	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>88,4</b>	<b>0</b>	<b>2,8</b>	<b>91,2</b>	<b>0</b>	<b>0</b>	<b>91,2</b>
Income/expenses							
Expenses from Real Estate Investment Management	(46,0)	0	0	(46,0)	0	0	(46,0)
Share of Profit or Loss from Associates and Joint Ventures	0	(3,8)	0	(3,8)	0	0	(3,8)
Dividends from other Alignment Capital	0	5,8	0	5,8	0	0	5,8
Gains/losses from fair value measurement of financial instruments related to real estate	0	3,0	0	3,0	0	0	3,0
Expenses from Management of Associates and Joint Ventures	0	(8,3)	0	(8,3)	0	0	(8,3)
Net Gain from Selling Property Holding Companies / Inventories	0	0	(0,5)	(0,5)	0	0	(0,5)
Expenses from Real Estate Operations	0	0	(3,5)	(3,5)	0	0	(3,5)
<b>Total earnings</b>	<b>42,5</b>	<b>(3,3)</b>	<b>(1,2)</b>	<b>37,9</b>	<b>0</b>	<b>0</b>	<b>37,9</b>
General and Administrative Expenses	0	0	0	0	(16,5)	0	(16,5)
Other income	0	0	0	0	4,5	0	4,5
Depreciation & Amortisation	(12,2)	0	0	(12,2)	(4,1)	0	(16,3)
Financial Income	0	0	0	0	4,0	0	4,0
Financial Expenses	0	0	0	0	(13,2)	0	(13,2)
Income Tax Expense	0	0	0	0	0,1	0	0,1
<b>Segment Net Profit/(Loss)</b>	<b>30,3</b>	<b>(3,3)</b>	<b>(1,2)</b>	<b>25,8</b>	<b>(25,3)</b>	<b>0</b>	<b>0,4</b>
<b>Total Assets (30 June 2020)</b>	<b>846,6</b>	<b>331,9</b>	<b>142,3</b>	<b>1.320,8</b>	<b>104,0</b>	<b>0</b>	<b>1.424,8</b>
<b>Total Liabilities (30 June 2020)</b>	<b>181,5</b>	<b>496,7</b>	<b>62,1</b>	<b>740,4</b>	<b>1,6</b>	<b>0</b>	<b>741,9</b>
Other disclosures							
<b>Investment in Associates and Joint Ventures</b>	<b>0</b>	<b>116,3</b>	<b>0</b>	<b>116,3</b>	<b>0</b>	<b>0</b>	<b>116,3</b>

## Segment Information for the period from 1 January to 30 June 2019

m€	Real Estate Investment Management	Alignment Capital Management	Real Estate Operations/ Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
<b>Revenues:</b>							
Revenues	79,6	0	20,9	100,4	0	0	100,4
Inter-segment revenues	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>79,6</b>	<b>0,0</b>	<b>20,9</b>	<b>100,4</b>	<b>0</b>	<b>0</b>	<b>100,4</b>
Income/expenses	0	0,0	0	0	0	0	0
Expenses from Real Estate Investment	(40,3)	0,0	0	(40,3)	0	0	(40,3)
Share of Profit or Loss from Associates and Joint Ventures	0	7,2	0	7,2	0	0	7,2
Dividends from other Alignment Capital	0	3,5	0	3,5	0	0	3,5
Gains/losses from fair value measurement of financial instruments related to real estate	0	5,7	0	5,7	0	0	5,7
Expenses from Management of Associates and Joint Ventures	0	(4,6)	0	(4,6)	0	0	(4,6)
Net Gain from Selling Property Holding Companies / Inventories	0	0,0	4,2	4,2	0	0	4,2
Expenses from Real Estate Operations	0	0,0	(10,2)	(10,2)	0	0	(10,2)
<b>Total earnings</b>	<b>39,2</b>	<b>11,8</b>	<b>14,9</b>	<b>65,9</b>	<b>0</b>	<b>0</b>	<b>65,9</b>
General and Administrative Expenses	0	0	0	0	(12,1)	0	(12,1)
Other income	0	0	0	0	15,1	0	15,1
Depreciation & Amortisation	(13,1)	0	0	(13,1)	(3,7)	0	(16,8)
Financial Income	0	0	0	0	3,8	0	3,8
Financial Expenses	0	0	(3,8)	(3,8)	(12,6)	0	(16,4)
Income Tax Expense	0	0	0	0	(2,6)	0	(2,6)
<b>Segment Net Profit/(Loss)</b>	<b>26,1</b>	<b>11,8</b>	<b>11,1</b>	<b>49,0</b>	<b>(12,1)</b>	<b>0</b>	<b>36,9</b>
<b>Total Assets (30 June 2019)</b>	<b>761,5</b>	<b>151,2</b>	<b>347,3</b>	<b>1.260,0</b>	<b>225,8</b>	<b>0</b>	<b>1.485,8</b>
<b>Total Liabilities (30 June 2019)</b>	<b>516,2</b>	<b>136,2</b>	<b>229,2</b>	<b>881,6</b>	<b>6,6</b>	<b>0</b>	<b>888,2</b>
Other disclosures	0	0	0	0	0	0	0
<b>Investment in Associates and Joint Ventures</b>	<b>0</b>	<b>99,7</b>	<b>0</b>	<b>99,7</b>	<b>0</b>	<b>0</b>	<b>99,7</b>

## D. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### D.1 Goodwill

m€	30 June 2020	31 Dec 2019
HFS Helvetic Financial Services AG	519,7	519,7
STAM Europe	39,7	-
ATOS Capital GmbH	21,7	21,7
HANNOVER LEASING GmbH & Co. KG	15,0	15,0
CRM Students Ltd.	10,3	10,3
GENOST Consulting GmbH	0,4	0,4
<b>Total</b>	<b>606,8</b>	<b>567,1</b>

The increase in goodwill of € 39.7m to € 606.8m (31.12.2019: € 567.1m) is driven by the acquisition of STAM that was closed on 15 January 2020.

As a result of the decline in the market capitalization of CORESTATE, the carrying amounts of all cash-generating units carrying goodwill were tested for impairment as of 30 June 2020. For this purpose, the most recent budget approved by the Supervisory Board for 2020 was used as a basis considering the latest available data. Due to the current situation, the duration and extent of the pandemic on the Group's development is difficult to forecast which results in the assumption of a non-lasting duration of the current pandemic restrictions regarding the real estate investment business as outlined in the basis of preparation. Therefore, management did not change mid- and long-term assumptions in comparison to the year-end 2019 disclosures for all cash-generating units.

As of 30 June 2020, there was no impairment requirement for any of the cash-generating units.

### D.2 Other Intangible Assets

The decrease in other intangible assets to € 104.2m (31.12.2019: € 109.5m) is primarily driven by the amortization of asset management contracts whereas the first quarter saw an offset related to the € 7.8m in newly acquired asset management contracts as part of the STAM acquisition.

m€	30 June 2020	31 Dec 2019
<b>As of 1 January</b>	<b>179,8</b>	<b>176,4</b>
Additions from business combinations	7,8	-
Additions	1,8	3,6
Disposals	(3,9)	(0,3)
<b>As of 30 June/31 December</b>	<b>185,4</b>	<b>179,8</b>
<b>As of 1 January</b>	<b>70,2</b>	<b>44,0</b>
Additions to cumulative amortization	14,9	26,3
Disposals	(3,9)	(0,1)
<b>As of 30 June/31 December</b>	<b>81,2</b>	<b>70,2</b>
<b>Total (Carrying amount)</b>	<b>104,2</b>	<b>109,5</b>

### D.3 Investments in Associates and Joint Ventures

The decrease in investments in associates and joint ventures to € 116.3m (31.12.2019: € 126.5m) in the first six months of 2020 is mostly driven by the negative valuation impacts for certain assets in the light of the pandemic. The measurement was carried out on the basis of valuations for year-end 2019 purposes that have been internally updated during the year based on internally updated assumptions and property information.

#### Movement in carrying value - period ending on 30 June 2020 (€ million)

Project	participation quote 01 Jan 2020	participation quote 30 Jun 2020	1 Jan 2020	Additions/ Transfers	Share of profit/ (Loss) for the period	Dividends and capital repayments received in cash	Disposals/ Transfers	Currency translation adjustments	30 June 2020
LIVER	34,6%	35,1%	20,8	-	(0,1)	-	-	(1,3)	19,4
ECHO	37,7%	38,2%	13,0	-	(0,8)	-	-	-	12,2
HIGHSTREET VIII	21,1%	21,6%	11,3	-	(0,4)	(0,3)	-	-	10,6
QUARTIER WEST	37,3%	31,7%	12,6	-	(0,2)	-	(2,0)	-	10,4
TABLAS	42,7%	42,7%	5,8	1,6	(0,3)	-	-	-	7,1
Tempelhof Twins	11,0%	11,0%	5,9	0,1	0,2	-	-	-	6,2
HIGHSTREET VI	10,0%	10,0%	5,0	-	(0,4)	-	-	-	4,6
HIGHSTREET PII	10,0%	10,0%	4,2	-	0,2	-	-	-	4,4
OLYMPIC	10,0%	10,5%	5,3	-	(2,1)	-	-	-	3,1
ANNAPURNA	10,3%	10,3%	3,1	-	(0,1)	(0,0)	-	-	2,9
TURICUM	5,5%	6,0%	2,7	-	(0,0)	-	-	-	2,7
PLUTOS	10,2%	10,7%	2,5	-	0,0	-	-	-	2,5
BAIN	10,0%	10,0%	0,8	1,7	-	-	-	-	2,4
POSEIDON	10,1%	10,4%	2,2	-	(0,0)	-	-	-	2,2
BOCHUM	10,1%	10,1%	1,8	-	0,0	-	-	-	1,9
CONDOR	10,0%	10,5%	1,8	0,1	(0,0)	(0,1)	-	-	1,8
PALLARS	42,4%	42,4%	1,3	0,5	(0,1)	-	-	-	1,6
CASSANDRA	10,5%	11,0%	1,3	-	(0,0)	-	-	-	1,3
ISABELA	10,5%	11,1%	0,5	-	0,6	-	-	-	1,2
ACROSS	10,0%	12,3%	1,1	-	(0,0)	-	-	-	1,1
Venloer4711	10,1%	10,1%	1,1	-	(0,2)	-	-	-	1,0
DONALD	5,1%	5,1%	0,9	-	0,0	-	-	-	0,9
KING	10,0%	10,6%	0,6	-	(0,0)	-	-	-	0,6
FLIGHT 47	24,7%	24,7%	0,4	-	(0,0)	-	-	-	0,4
ROSE	5,4%	5,4%	0,2	-	(0,0)	-	-	-	0,2
HABANA	46,5%	46,5%	0,1	-	0,0	-	-	-	0,1
VOLARE	94,9%	94,9%	0,1	-	(0,0)	-	-	-	0,1
HIGHSTREET VII	40,8%	41,1%	6,7	35,8	(0,1)	(42,4)	-	-	0,0
TURBO FRA	0,0%	sold	0,0	-	-	-	-	-	0,0
ENERGY	0,0%	Merged	0,0	-	-	-	(0,0)	-	0,0
CLG	0,0%	sold	-	-	-	-	-	-	0,0
<b>Associates, total</b>			<b>113,2</b>	<b>39,7</b>	<b>(3,8)</b>	<b>(42,8)</b>	<b>(2,0)</b>	<b>(1,3)</b>	<b>103,0</b>
Moviestar	18,0%	18,0%	10,4	-	-	-	-	-	10,4
RAW	50,0%	50,0%	2,9	-	(0,1)	-	-	-	2,7
SCORE	50,0%	50,0%	0,0	-	0,1	-	-	-	0,1
Santes Fair	50,0%	50,0%	0,0	-	-	-	-	-	0,0
Accontis Exporo	47,5%	47,5%	0,0	-	(0,0)	-	-	-	0,0
<b>Joint Venture, total</b>			<b>13,4</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,3</b>
<b>Total</b>			<b>126,5</b>	<b>39,7</b>	<b>(3,8)</b>	<b>(42,8)</b>	<b>(2,0)</b>	<b>(1,3)</b>	<b>116,3</b>

#### D.4 Other financial instruments

The other financial instruments mainly comprise minority shares in various financial instruments which are invested in real estate themselves. Main items are the following: the Stratos funds are products of HFS providing real estate debt to real estate investments, the Opportunity fund invests in mixed residential and commercial objects with a residential focus, and further HL products including HL's Private Invest fund that facilitates private investors to participate in global private equity investments.

The other financial instruments stood at € 182.0m (31.12.2019: € 172.2m) whereas movement is mainly caused by minor additions in financial instruments.

m€	30 June 2020	31 Dec 2019
Stratos Fonds	42,7	41,9
Opportunity Fond	58,4	58,1
Private Invest	11,2	12,7
Other Instruments	69,7	59,5
<b>Total</b>	<b>182,0</b>	<b>172,2</b>

#### D.5 Inventories

m€	30 Jun 2020	31 Dec 2019
Highstreet Giessen PropCo S.à r.l. (property located in Giessen)	57,6	57,6
Bego PropCo I S.L. (property located in Spain)	4,6	4,6
<b>Total (Carrying amount)</b>	<b>62,3</b>	<b>62,3</b>

Inventories comprise real estate properties which are held for warehousing purposes.

#### D.6 Other short-term financial instruments

The short-term financial instruments increased to € 75.5m (31.12.2019: € 48.9m) which is primarily determined by the change in mezzanine loans and other short-term loans (30.06.2020: € 70.3m; 31.12.2019: € 44.7m). The mezzanine loans which are used for bridging short-term financing requirements saw a notable increase to € 55.4m during the first half of 2020 (31.12.2019: € 29.0m) therefore driving the other short-term financial instruments position.

#### D.7 Contract assets

The contract assets amount to € 42.4m (31.12.2019: €23.0m). The increase in the second quarter is predominantly attributable to the increased coupon participation fee recognized through the HFS business.

## D.8 Share capital

### D.8.1 Share capital

m€	30.06.2020	31.12.2019
<b>As of 31 December 2019</b>	<b>1,6</b>	<b>1,6</b>
Issue of share capital (contribution in cash)	0,0	0,0
Repurchase of shares	0,0	(0,0)
Equity-settled share-based payments	0,0	-
<b>As of 30 June 2020</b>	<b>1,6</b>	<b>1,6</b>

The Group issued 108,725 new shares that have been transferred as part of the purchase price for STAM. Also, 174,968 treasury shares have been used as consideration for acquiring STAM. In addition, 16,501 shares were granted as part of the long-term incentive program.

In respect to changes in share capital and other reserves we refer to the interim consolidated Statement of Changes in Equity.

### D.8.2 Other Reserves

The composition and development of the other reserves is shown in the interim consolidated Statement of Changes in Equity.

In accordance with the Company's Articles of Association, every year at least 5 % of the annual net income (based on the local statutory financial statements) of the Company have to be set aside in order to build up the "legal reserve". This allocation ceases to be compulsory when the legal reserve amounts to 10 % of the issued share capital but shall again be compulsory if the reserve falls below such threshold of 10 %.

### D.8.3 Non-controlling interests

The non-controlling interests remain virtually unchanged at € 2.9m (31.12.2019: € 2.9m).

## D.9 Other short-term provisions

The other short-term provisions remained comparably unchanged at € 12.9m (31.12.2019: € 13.9m) whereas the utilization of provisions for tax law procedures and risks of € 2.7m was mitigated amongst others by additional rental guarantees of € 1.1m.

m€	01 Jan 2020	Utilization	Reversals	Transfer	Additions	30 Jun 2020
Litigation costs	3,4	(0,1)	(0,8)	0	0	2,5
Restructuring	1,3	0	0	0	0,4	1,7
Tax law procedures and risks	5,8	(2,7)	0	0	0,2	3,4
Rental Guarantees	0,0	0	0	0,4	1,1	1,5
Advisory costs	1,1	0	0	0	0	1,1
others	2,3	(1,2)	(0,0)	0	1,7	2,7
<b>Total</b>	<b>13,9</b>	<b>(4,0)</b>	<b>(0,8)</b>	<b>0,4</b>	<b>3,4</b>	<b>12,9</b>

## E. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### E.1 Revenues

Revenues from real estate investment management - including acquisition fees, asset and property management fees, and coupon participation fees – amount to € 88.4m (30.06.2019: € 90.5m) for the first six months of 2020 and therefore are close to prior year levels. While acquisition and promote fees reflect the significant decline in transaction volume across all asset classes in 2020 so far, asset and property management fees increased to € 72.3m (30.06.2019: € 64.0m), including the coupon participation fee at € 24.9m (30.06.2019: € 23.6m) driven by the HFS business.

#### Revenues from asset and property management included in revenues from real estate investment management

m€	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Revenue from Coupon Participation Fees	24,9	23,6
Revenue from Asset Management Fee	26,0	23,6
Revenue from Property Management Fee	15,7	14,3
Revenue from Development Fee	6,0	2,1
Revenue Other Fees	(0,2)	0,4
<b>Total</b>	<b>72,3</b>	<b>64,0</b>

#### Earnings from alignment capital

The earnings from alignment capital at € -3.3m (30.06.2019: € 11.8m) mainly reflect the decrease in share of profit and loss from associates and joint ventures (30.06.2020: € -3.8m; 30.06.2019: € 7.2m) and no significant valuation changes on financial instruments related to real estate while dividends from alignment increased compared to last year's level (30.06.2020: € 5.8m; 30.06.2019: € 3.5m).

#### Earnings from warehousing activities

Warehousing activities have been maintained on a low level due to the recent economic developments induced by the pandemic which keeps the total earnings from real estate operations/warehousing with € -1.2m significantly below prior year levels (30.06.2019: € 4.0m). This development reflects the lower level of directly held objects for warehousing activities including lower net rental income and service charges. Moreover, the first six months of 2019 were driven by net gains from selling inventories which did not take place in 2020 so far.

### E.2 Depreciation and amortization

The total depreciation and amortization in the first six months of 2020 amount to € 16.3m (30.06.2019: € 16.8m) and therefore remain relatively unaffected. The increase in depreciation on intangible assets mainly results from the depreciation of asset management contracts added by the STAM Europe acquisition.

m€	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Intangible assets	(13,3)	(13,1)
Property, plant and equipment	(0,6)	(2,4)
Depreciation on Rights of Use Assets	(1,8)	(1,1)
Others	(0,5)	(0,2)
<b>Total</b>	<b>(16,3)</b>	<b>(16,8)</b>

## F. OTHER INFORMATION

### F.1 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding is calculated as follows:

#### Calculation of weighted average number of ordinary shares (undiluted)

	01.01.2020 - 30.06.2020		01.01.2019 - 30.06.2019	
	number of shares	days	number of shares	days
<b>Shares at the beginning of the period</b>	<b>21.179.449</b>	<b>182</b>	<b>21.329.417</b>	<b>182</b>
Reactivated shares from repurchasing program	174.968	168		
Issue of new shares on 15 January 2020	125.226	168		
Issue of new shares (MB Authorised Capital) on 25 January 2019			25.000	157
Repurchase of own shares on 05 April 2019			-34.884	87
Repurchase of own shares on 18 April 2019			-69.537	74
Repurchase of own shares on 25 April 2019			-75.579	67
Use of shares from share repurchase program on 17 May 2019			5.032	45
<b>Shares at the end of the period</b>	<b>21.479.643</b>		<b>21.179.449</b>	
<b>Weighted average number of shares for the period</b>	<b>21.456.551</b>		<b>21.279.455</b>	

#### Calculation of weighted average number of shares (diluted)

	01.01.2020 - 30.06.2020		01.01.2019 - 30.06.2019	
	number of shares	days	number of shares	days
New shares from the exercise of share-based payments			101.874	
Issue of new shares on 15 January 2020	54.037	168		
<b>Weighted average number of shares for the period</b>	<b>21.506.431</b>		<b>21.280.014</b>	

Earnings per share, both undiluted as well as diluted are calculated as follows:

### Earnings per share (undiluted)

€ thousand	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Profit attributable to ordinary equity holders of the parent:		
Continuing operations	472	36.924
<b>Profit attributable to ordinary equity holders of the parent for basic earnings</b>	<b>472</b>	<b>36.924</b>
Weighted average number of ordinary shares (undiluted):		
Share capital	21.456.551	21.279.455
<b>Weighted average number of ordinary shares (total)</b>	<b>21.456.551</b>	<b>21.279.455</b>
<b>Earnings per share</b>	<b>0,02 €</b>	<b>1,74 €</b>

### Earnings per share (diluted)

€ thousand	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Share capital	21.506.431	21.280.014
<b>Weighted average number of ordinary shares (total)</b>	<b>21.506.431</b>	<b>21.280.014</b>
<b>Earnings per share (diluted)</b>	<b>0,02 €</b>	<b>1,74 €</b>

## F.2 Commitments and contingencies

The CORESTATE Group's contingent liabilities and other obligations are mainly potential future payment obligations of the Group attributable to guarantees that have been provided. The figures shown reflect potential liabilities that the guarantees are called upon.

### Contingent Liabilities

m€	30 Jun 2020	31 Dec 2019
Loan commitment	25,0	39,4
Placing and takeover obligations	1,0	2,8
Obligations under guarantees and warranty agreements	87,0	1,0
<b>Total Contingencies</b>	<b>113,0</b>	<b>43,1</b>

The decrease in loan commitments by € 14.4m is primarily attributable to Quartier West, whereas the reduced placing and takeover obligations of € 1.8m are related to project Tiergarten Carèe Hannover. Moreover, obligations under guarantees and warranty agreements amounting to € 74.4m are related to project Weitblick located in Augsburg.

### F.3 Fair value of financial instruments and fair value hierarchy

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments:

#### Fair Value of financial instruments

m€	Carrying amount 30 Jun 2020	Amortized cost	Fair value recognized through profit and loss	not applicable	Fair value 30 Jun 2020
Other Financial Instruments	182,0	5,4	176,6	0,0	182,0
Long-term Receivables	45,1	3,7	20,7	20,7	24,4
Long-term Loans to Associates	12,9	5,7	7,2	0,0	12,9
Other short-term Financial Instruments	75,6	73,8	0,0	1,8	73,8
Receivables from associates	17,6	17,6	0,0	0,0	17,6
Trade Receivables	28,0	28,0	0,0	0,0	28,0
Restricted Cash	2,5	2,5	0,0	0,0	2,5
Cash and Cash Equivalents	52,7	52,7	0,0	0,0	52,7
<b>Total Financial Assets</b>	<b>416,4</b>				<b>393,9</b>
Long-term Financial Liabilities to Banks	5,1	5,1	0,0	0,0	6,6
Other Long-term Financial Liabilities	551,3	525,7	0,0	25,7	412,6
Short-term Financial Liabilities to Banks	47,0	47,0	0,0	0,0	47,0
Other Short-term Financial Liabilities	11,9	7,6	0,0	4,3	7,6
Short-term Liabilities to Associates	6,6	6,6	0,0	0,0	6,6
Trade Payables	8,8	8,8	0,0	0,0	8,8
<b>Total Financial Liabilities</b>	<b>630,5</b>				<b>489,1</b>

m€	Carrying amount 31 Dec 2019	Measurement in accordance with			Fair value 31 Dec 2019
		IFRS 9			
		Amortized cost	Fair value recognised through profit and loss	not applicable	
Other Financial Instruments	172,2	5,3	166,9	0	172,2
Long-term Receivables	35,5	4,4	18,2	13	22,6
Long-term Loans to Associates	23,0	17	5,8	0	23,0
Other short-term Financial Instruments	48,9	48,9	0	1	48,9
Receivables from Associates	31,7	31,7	0	0	31,7
Trade Receivables	48,5	48,5	0	0	48,5
Restricted Cash	2,6	2,6	0	0	2,6
Cash and Cash Equivalents	103,2	103,2	0	0	103,2
<b>Total Financial Assets</b>	<b>465,7</b>				<b>452,8</b>
Long-term Financial Liabilities to Banks	7,0	7,0	0	0	8,6
Other Long-term Financial Liabilities	538,1	520,3	0	18	489,7
Short-term Financial Liabilities to Banks	47,7	47,7	0,0	0,0	47,7
Other short-term financial liabilities	3,2	0,0	0	3,2	3,2
Short-term Liabilities to Associates	8,5	8,5	0,0	0,0	8,5
Trade Payables	14,3	14,3	0	0	14,3
<b>Total Financial Liabilities</b>	<b>618,8</b>				<b>572,0</b>

The following table shows the assignment of fair values to the individual measurement levels as defined by IFRS 13 for financial instruments measured at fair value. For most of the other financial instruments the Group uses third-party pricing information without adjustment. The fair values for the remaining positions of € 22.4m (31.12.2019: € 35.6m) are calculated by applying a DCF approach. The Group performed a sensitivity analysis by reasonably changing relevant input parameters (+/- 10% in cashflows and +/- 100bp in interest rate) which provides a range of fair values between € 19.4m and € 25.7m.

m€	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
<b>Assets measured at fair value and for which fair values are disclosed</b>				
Other Financial Instruments	182,0	0,0	5,4	176,6
Long-term Receivables	24,4	0,0	24,4	0,0
Long-term Loans to Associates	12,9	0,0	12,9	0,0
<b>Liabilities for which fair values are disclosed</b>				
Long-term Financial Liabilities to Banks	6,6	0,0	6,6	0,0
Other Long-term Financial Liabilities	412,6	406,3	6,3	0,0

The table below reconciles all level 3 financial instruments from the opening balance to the closing balance including transfers between levels 2 and 3.

m€	Other Financial Instruments	Long-term receivables
<b>Fair Value as at 1. Jan 2019</b>	<b>166,9</b>	<b>5,8</b>
Additions / Disposals	6,7	0,2
Changes in the fair value valuation through profit and loss	3,0	1,3
Transfer to Level 2	-	(7,2)
<b>Fair Value as at 31. Dec 2019</b>	<b>176,6</b>	<b>-</b>

#### F.4 Related party information

CCH SA has identified all Group companies as related parties as well as the following entities and persons as related parties:

##### Major shareholders and shareholders' related entities

Related Parties	related to/ as
<b>As at 30 June 2020:</b>	
Norbert Ketterer	Shareholder
Sandra Ketterer	Shareholder
Ketom AG	Shareholder
Helvetic Real Estate Financing AG (HREF)	Shareholder
Gateway AG	Shareholder
Dr. Georg Allendorf	Supervisory Board
Dr. Gabriele Apfelbacher	Supervisory Board
Timothy Blackwell	Supervisory Board
Marc Drießen	Supervisory Board
Olaf Klinger	Supervisory Board
Lars Schnidrig	Management Board
Nils Hübener	Management Board
<b>Until 2019 or 2020:</b>	
W5 Group AG	Shareholder until 2019
W5 Group GmbH	Shareholder until 2019
W5 Group LLC	Shareholder until 2019
Thalos	Supervisory Board (M.Blattmann) until 2020
Vicenda	Supervisory Board (M.Blattmann) until 2020
Felur Swiss Treuhand AG	Supervisory Board (U.Felder) until 2020
Micha Blattmann	Supervisory Board until 2020
Urs Felder	Supervisory Board until 2020
Ulrich Plett	Supervisory Board until 2020
Jonathan Lurie	Supervisory Board until 2020
Realty Corporation Ltd	Supervisory Board (J. Lurie) until 2020
Thomas Landschreiber	Management Board until 2020

**CCH SA Key Management Personal:**

On 01 April 2020, Nils Hübener joined CORESTATE Capital Holding S.A. as Chief Investment Officer. He is responsible for the departments of Investment, Equity Raising, Marketing, Research and Client Relations.

- Lars Schnidrig (Chief Executive Officer of CORESTATE Capital Holding S.A.) – since 01 April 2019; from 01 July 2017 until 31 March 2019 Chief Financial Officer of CORESTATE Capital Holding S.A.
- Nils Hübener (Chief Investment Officer of CORESTATE Capital Holding S.A.) – since 01 April 2020
- Thomas Landschreiber (Chief Investment Officer of CORESTATE Capital Holding S.A.) – since 21 August 2015 until 31 March 2020

In addition to the individually agreed base salary, annual bonus payments, and long-term share-based incentives, under their service agreements, the Management Board members are entitled to ancillary benefits that include, among other things, continued payment of remuneration in case of sickness or death for a certain period, contributions to private health insurance as well as D&O and E&O insurance coverage at usual market terms. The Company also reimburses all travelling costs and incidental expenses.

The annual general meeting on 05 June 2020 appointed the following persons as new members to the Supervisory Board of the Company for a term of office ending after the annual general meeting of the Company which will be held in 2023.

**Member of the Supervisory Board:**

- Dr. Georg Allendorf (Chairman) – since 05 June 2020
- Timothy Blackwell (Deputy Chairman) – since 05 June 2020
- Dr. Gabriele Apfelbacher (Member) – since 05 June 2020
- Marc Drießen (Member) – since 05 June 2020
- Olaf Klinger (Member) – since 05 June 2020

Olaf Klinger heads the audit committee and is considered the independent financial expert.

**Former Member of the Supervisory Board in 2020:**

- Micha Blattmann (Chairman) – since 23 September 2015 until 05 June 2020
- Urs Felder – since 21 August 2015 until 05 June 2020
- Ulrich Plett – since 23 September 2015 until 05 June 2020
- Jonathan Lurie – since 26 April 2019 until 05 June 2020

**Associates (Co-Investments)**

An associate (investee) is an entity over which the Group has significant influence through participating in an investee's financial and operating policy decisions.

**Joint Ventures (cooperation with local partners)**

A joint venture is a joint arrangement of the Group together with third parties where the parties that have joint control in the arrangement.

**Transactions with shareholders and shareholder related entities**

m€	<b>01.01.20 - 30.06.20</b>	01.01.19 - 30.06.19
Fees paid to W5 Group/W5 Group LLC under consultancy agreements	-	(0,2)
Cost reimbursements to W5 Group/W5 Group LLC	-	(0,2)
Compensation payment to W5 Group/W5 Group LLC under termination agreement	-	(2,0)
Fees paid to Realty Corporation Ltd. (John Lurie) under consultancy agreements	(0,9)	-
Transaction fee Gateway AG	2,7	-
Remuneration N. Ketterer as Chairman of the Board of Directors of HFS	(0,2)	(0,2)
Rental Costs to Vicenda	(0,0)	(0,0)
Co-Investment and Short-term Liabilities by Ketom and HREF	-	35,0
Interest paid to Ketom and HREF	-	(1,5)
Dividends (including capital repayments) paid to shareholders	-	(52,9)

**F.4.1 Transactions with Key Management Personnel****Transactions with Key Management Personnel and members of Supervisory Board**

m€	<b>01.01.20 - 30.06.20</b>	01.01.19 - 30.06.19
Short-term employee benefits	(1,2)	(1,0)
Service Agreement termination benefits	(0,1)	-
share-based payments benefits	(1,1)	(0,5)
Compensation payments	(0,6)	(0,6)
Remuneration to members of the supervisory board	(0,3)	-
EMC Bonus Awards contributed to MCIF	(1,0)	-

Short-term employee benefits relate to the annual base salary agreed under the service agreements with the members of the Group's Executive Management as well as the cash component of the annual bonus award of the respective members.

#### F.4.2 Transactions with Associates (Co-Investments)

The terms and conditions agreed with associates for the services of the Group are negotiated and set out in the underlying documentation for each investment with the respective investor (JVCIA, AMA etc.). Such terms and conditions are at arm's length.

#### Transactions with Associates (Co-Investments)

m€	<b>01.01.20 - 30.06.20</b>	01.01.19 - 30.06.19
Revenue from Aquisition Related Fees	(0,1)	2,2
Revenue from Asset and Property Management	7,8	5,0
Management Expenses	(1,0)	(1,9)
Share of Profit or Loss from Associates and Joint Ventures	(3,8)	7,2
Proceeds from Selling Property Holding Companies	(0,6)	4,2
General and Administrative Expenses	(0,6)	(0,0)
Interest income from Associates	0,3	0,3

#### Balance with Associates (Co-Investments)

m€	<b>01.01.20 - 30.06.20</b>	01.01.19 - 30.06.19
Receivables from Associates	30,6	14,3
Receivables from Affiliated Companies	1,7	-
Trade receivables	18,2	6,2
Other short term receivables	(0,1)	-
Long-term loans to associates	12,9	8,7
Loans granted from Associates	(0,0)	-
Liabilities to Associates	(6,6)	1,1
Liabilities from Affiliated Companies	(4,4)	-

**F.5 Material events after the reporting date**

No significant events occurred after the balance sheet date. Luxembourg, 10 August 2020

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Lars Schnidrig  
Chief Executive Officer

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Nils Hübener  
Chief Investment Officer

## Report on Review of Interim Condensed Consolidated Financial Statements

To the Management Board,

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Corestate Capital Holding S.A. and its subsidiaries (the "Group") for the period from 1 January 2020 to 30 June 2020, which comprise the interim consolidated statement of financial position as at 30 June 2020 and the related interim consolidated statement of profit and loss and other comprehensive income, the interim consolidated statement of changes in equity, the interim consolidated statement of cash flows for the six-month period then ended and explanatory notes. Management Board is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

Pavel Nesvedov

Luxembourg, 10 August 2020

# *Imprint*

## **PUBLICATION DATE**

11 August 2020

## **PUBLISHER**

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