



# CORESTATE

Capital Group



CORESTATE Capital Holding S.A.

# A Leading Asset and Investment Manager

9-Month Financial Report as of 30 September 2017

## Company profile

CORESTATE Capital Holding S.A. (CORESTATE), headquartered in Luxembourg, is a fully integrated real estate investment manager and co-investor with approx. €22 billion in assets under management. Together with its subsidiaries, CORESTATE provides the full range of asset, fund, and property management services for its clients and related investment products, covering virtually all major real estate asset classes, including high-quality office assets and all relevant investment vehicles comprising mezzanine real estate financing. Its client base consists of private individuals and semi-institutional as well as institutional clients. The Group's key market is Germany but has selected activities in other European countries such as Austria, Spain and the Benelux countries. It further operates principal offices in Germany, Switzerland, Spain and Singapore. After the successfully completed acquisition of Hannover Leasing (HL), HFS Helvetic Financial Services AG (HFS) and ATOS, the Group employs more than 530 FTEs. In the 9M results, HL is consolidated as of 7 July and HFS as of 5 July. ATOS will not be included because the closing took place post 30 September 2017. The financials here, if not otherwise stated, do not include the Coupon Participation Fee generated by HFS. Although being a recurrent fee event, the Coupon Participation Fee is booked once a year in October. For the nine months this would be € 40.3m which is not shown in the reported figures.

## Key figures

	01.01.2017– 30.09.2017	01.01.2016– 30.09.2016
Revenues (€ thousand)	65,388	29,717
Aggregate Revenues & Gains (€ thousand) <sup>1</sup>	83,420	39,556
Adjusted EBITDA (€ thousand) <sup>2</sup>	39,160	14,542
Net Profit (€ thousand) <sup>3</sup>	16,161	10,581
Earnings per Share (undiluted) (€)	1.02	1.08
Adjusted Net Profit (€ thousand) <sup>4</sup>	26,925	12,158
Adjusted Earnings per Share (undiluted) (€)	1.71	1.24
Time weighted average number of shares outstanding during the period (undiluted)	15,775,558	9,829,227
AuM at End of Period (€ billion)	22.0	2.3
Number of Employees at End of Period	482	257

<sup>1</sup> Aggregate Revenues & Gains include Revenue from Real Estate Investment Management, Share of Profit and Loss from Associates and Joint Ventures, and Total Income from Real Estate Operations/Warehousing.

<sup>2</sup> EBITDA is adjusted for certain one-off items (e.g. costs for capital measures, corporate M&A related cost, share grant expense).

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

<sup>4</sup> Adjusted Net Profit (ANP) is calculated based on the net profit for the period attributable to shareholders of the parent company, adjusted for certain one-off items net of (deferred) tax effects (e.g. costs for capital measures, corporate M&A related cost and share grant expenses, and costs for credit facilities provided by shareholders).

## *Letter to Our Shareholders*

Dear Shareholders, Ladies and Gentlemen,

The year 2017 will go down in history as an extraordinary year for CORESTATE. The previous months have elevated CORESTATE to new heights in terms of its product range, volume and variety of assets, transaction potential, investor access and market perception. We are on our way to becoming the leading real estate asset and investment management company in the German-speaking region, and important milestones have been reached. Above all, we generated significant added value for our shareholders, our clients and our business partners.

Due to our continuous organic growth and our strategic acquisitions, CORESTATE today offers the entire product range of real estate investments to institutional and semi-institutional investors, with assets under management of more than €22 billion by the end of 2017. CORESTATE represents a business model with attractive, stable and predictable earnings, in particular due to the fact that 85% of our earnings come from recurring fee income. This broad and integrated approach sets us apart from our competitors.

The continuous growth of the operative business is accompanied by further refined positioning in the capital market environment: since November 2017, the CORESTATE share is traded in the regulated market segment (Prime Standard) of the Frankfurt Stock Exchange. This enhances visibility and marketability, and it coincides with the significant increase in free float, which also leads to a higher liquidity of the shares.

The second important achievement in this context is the first credit rating for CORESTATE. On 6 November 2017, the rating agency Standard & Poor's has assigned its "BB+" long-term corporate credit rating with a stable outlook.

The rating is a key element to improve our access to financing. We will be able to finance the Company in a more flexible and institutionalised way at lower funding costs, for example by issuing convertible or senior unsecured bonds. This is also supporting our strategy of active participation in the consolidation of the real estate investment manager landscape. And it provides CORESTATE with a competitive advantage, as we are the only real estate asset manager in Germany holding a corporate credit rating issued by an international rating agency.

Beyond this, we made further steps ahead in further accelerating our anorganic growth. The integration of Hannover Leasing (HL) and HFS Helvetic Financial Services AG (HFS) into the CORESTATE platform is proceeding according to plan. Furthermore, with the acquisition of ATOS on 10 October 2017, we further broadened our platform. Founded in 2006, ATOS is an owner-managed real estate company that specialises in the asset management of commercial properties in Germany and Austria. With a portfolio valued at approximately €2 billion and its stable and recurring earnings, in combination with interesting synergy potentials, ATOS fits perfectly into our company.

Based on the strong organic development and successful integration of HL and HFS we confirm our guidance for 2017. Due to cost synergies across the Group, we raise our guidance for 2018. For the fiscal year 2018, we expect aggregate revenues and gains of at least €230+ million, an adjusted EBITDA of at least €155 million and an adjusted net income of at least €120 million.

The seamless integration of acquired companies is of high importance to us. In recent months, CORESTATE has built a scalable platform, which enables us to integrate additional assets and asset managers smoothly and to generate economies of scale: please refer to page 4 of this report for more detailed information.

To strengthen our platform and to further organically grow the company, we are pleased to be in a position to further boost our management team. On 1 November, Philip La Pierre was appointed Co-Chief Investment Officer at CORESTATE. Joining us from his previous position as Head of Investment Management Europe at Union Investment Real Estate, and based on his broad professional experience, Philip La Pierre will strengthen new business generation and the expansion of our investor network.

Additionally, the former managing directors of ATOS, Udo Stocker and Dr Michael Hermes, now jointly lead our real estate asset management operations. In a nutshell, CORESTATE has made significant progress in strengthening its position as a leading and fully integrated real estate investment manager and co-investor in German-speaking countries. What's more, we created significant added value for our shareholders, which, last but not least, is reflected by our share price development.

We would not have been able to achieve this success without the commitment of the entire CORESTATE team. Accordingly, we would like to thank everyone who helped to make our projects a success and to drive our business forward. We invite all of our shareholders to join us on this journey, and we thank you for your unwavering support.



Lars Schnidrig  
Chief Financial Officer



Sascha Wilhelm  
Chief Executive Officer



Thomas Landschreiber  
Chief Investment Officer

## The CORESTATE share

### Positive trend in share price and liquidity

The price of the shares of CORESTATE Capital Holding S.A. rose by 116% in the first 9 months and continues to outperform the development of SDAX (25%) and the DAXsubsector real estate index (16%) as well as the real estate performance index DIMAX (13%). Moreover, trading volumes went up as well. The average daily number of shares traded at the Frankfurt Stock exchange (XETRA) grew from 6,371 in Q1, to 10,947 in Q2 and to 22,133 in Q3 2017 documenting a vastly enhanced liquidity in the share.

### Successful uplisting into the Prime Standard of Deutsche Börse

On 1 November, Deutsche Börse accepted our application for a segment change from Scale to Prime Standard. The uplisting will enhance the visibility of the Company's shares on the capital markets and opens the door to important indices.

### Market capitalization above €1 billion

On 5 July, CORESTATE's share capital was increased by the issuance of 7,365,256 new shares against contribution in kind from authorized capital as part of the acquisition of Helvetic Financial Services (HFS). On 14 July, another 20,500 shares were issued as part of the compensation for Daniel Schoch the former CFO. On 10 October CORESTATE issued 242,544 shares against contribution in kind from authorized capital as part of the acquisition of ATOS Group. On 25 October, 58,824 shares were issued as part of the compensation for Thomas Landschreiber, member of the board.

### Basic share data

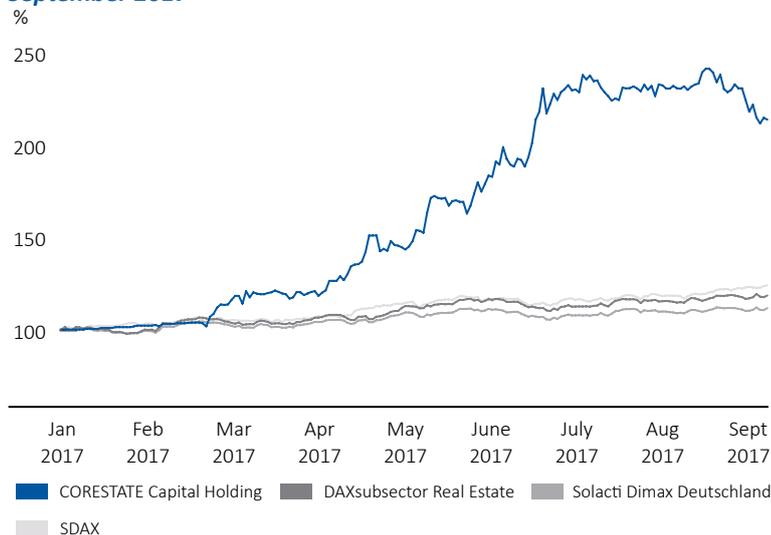
WKN/ISIN	A141J3 / LU1296758029
Ticker symbol/Reuters code	CCAP
Trading segment	Prime Standard
Stock exchange	Frankfurt
Type of stock	No-par value bearer shares
Number of shares	20,992,755
First day of Trading	4 Oct 2016
Share price as of 30 December 2016	€23.20
Share price as of 30 September 2017	€50.00
Change in percentage	+ 115.52%
Period high	€57.02
Period low	€23.20
Dividend for fiscal year 2016	€1.00
Designated sponsor	equinet Bank AG Oddo Seydler Bank AG

As the effect of the four capital measurements, the amount of outstanding CORESTATE shares increased to 21,294,123. The market capitalization of CORESTATE as of XETRA-closing price of 8 November, amounted to €1.1 billion, bringing CORESTATE into the group of the biggest listed Real Estate investment management companies in the German-speaking region.

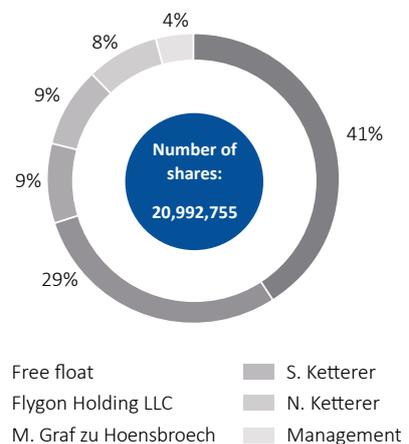
### Shareholder structure as of 30 September 2017

The share capital of CORESTATE Capital Holding S.A. is divided into 20,992,755 ordinary shares. On 20 September, two major shareholders placed combined 14% of the outstanding shares in a secondary offering. This drove the free float up to 41%.

### Share price development between December 2016 and September 2017



### Shareholder structure as of 30 September 2017



## Corporate platform to ensure sustainable organic growth and smooth integration

CORESTATE's strategy aims at achieving strong profitable growth concerning assets under management and earnings, with a focus on establishing added value for our investors. This includes primarily organic growth gained from our existing platform and growth resulting from the integration of additional interesting and undervalued asset managers. We have a strong track-record of organic growth and will continue to do so, as this is the foundation for long-term growth. The highly fragmented industry in Germany and the rest of Europe offers acquisition opportunities to CORESTATE, which we assess on an ongoing basis.

Our core prerequisite for any acquisition is the strong strategic fit between the target company and CORESTATE. To ensure this, the transaction should either lead to new product capabilities and/or broaden our institutional footprint. Additionally, it should contribute to the internationalisation of our business and, last but not least, come with significant cross-selling potential.

When considering a takeover, we carefully assess if the company will help us to further broaden our recurring fees basis and if the acquisition will be EPS accretive within a short period of time.

With the acquisitions of Helvetic Financial Services (HFS) and Hannover Leasing (HL), which were closed in July, and of ATOS, which was closed in October, all of these criteria

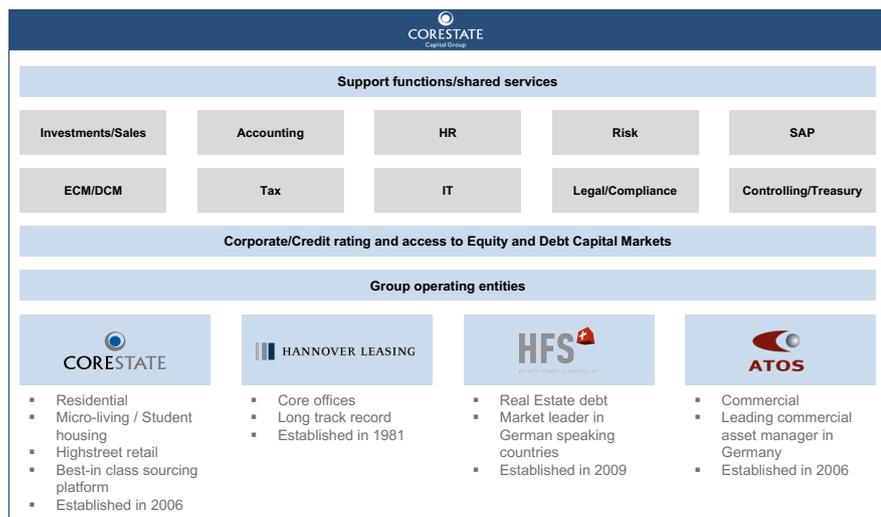
were easily fulfilled. All acquired entities are generating a large amount of recurring fees, and their positive effect on our EPS will be visible either immediately or within a short space of time. The integration of both HL and HFS is very much on track and will be completed by mid 2018.

In the past month, CORESTATE has built a scalable platform that enables us to integrate additional assets into our platform in an efficient way (see the diagrams below). On the one hand, all corporate functions, such as accounting, financing, IT and HR, have been centralised. On the other hand, the individual operative entities are able to act as flexibly as possible while driving their specific business forward. The introduction of a best-in-class SAP-infrastructure enhanced our ability to integrate additional entities into the CORESTATE platform in a smooth and efficient manner.

Most importantly, we broadened our internal resources to achieve a smooth and seamless integration of the acquired companies and to generate further sustainable organic growth. This includes expanding our teams for asset and property management, client services and organisation, as well as the departments for investments/transactions and accounting/controllers.

All these measures will enable CORESTATE to manage strong growth and to push for superior performance for our investors.

**CORESTATE has built a scalable corporate platform that allows clients to choose across a wide range of investment products and services**



# *Interim Group Management Report*

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

### **Preliminary remarks**

The interim management report and consolidated financial statements of CORESTATE Capital Holding S.A. (hereinafter “CORESTATE” or “the Company”) cover the reporting period from 1 January 2017 until 30 September 2017, unless otherwise indicated. Information on market and product offering developments pertains to Q3 2017, unless otherwise indicated.

The interim financial statements have not been subject to external review or audits. Certain statements contained herein may be statements of 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.

### **Company background**

In July 2017, the acquisitions of Swiss-based Helvetic Financial Services AG (HFS) and Hannover Leasing Group (HL) were successfully completed. Both companies are included in the consolidated figures as of 30 September 2017 and contributed to earnings from 5 July 2017 (HFS) and 7 July (HL) onwards. The effects of the consolidation on the financial situation of CORESTATE are described within the sections of this report that cover the key financial highlights and the balance sheet.

The integration of both HFS and HL is well on track. While the integration of HFS had nearly been completed by the end of the reporting period, the projects relevant to HL have already been launched successfully and will be completed by mid 2018, respectively.

In September 2017, CORESTATE announced the purchase of a 100% stake in ATOS Group (ATOS). Founded in 2006, ATOS is an owner-managed real estate company that specialises in the asset management of commercial properties in Germany and Austria. The company manages a portfolio of 215 assets in more than 150 cities, which is valued at roughly €2.0 billion. Over the past five years, ATOS realised a transaction volume of €2.1 billion. With its headquarters in Hamburg, Germany, the company currently employs 59 people at twelve locations in Germany and Austria. CORESTATE Group’s assets under management are expected to amount to approximately €22 billion by the end of the year. The purchase of ATOS was finalised on 10 October 2017, thus it does not have any effect on the consolidated financial figures as of 30 September 2017.

With effect on the closing day of the HFS acquisition (5 July 2017), CORESTATE’s share capital was increased by the issuance of 7,365,256 new shares against contribution in kind from authorised capital. This was part of the transaction and increased the number of outstanding shares to 20,972,255. The new shares were purchased by the former HFS shareholders against contribution in kind as part of the transaction financing.

### **Market and product offering development**

The market environment of CORESTATE’s business remained widely unchanged compared to the status reported in the half-year report of 2017. The German real estate investment market, representing the Group’s core market, was characterised by continual price increases and corresponding yield compressions. This was substantially affected by continued capital inflows to real estate, largely driven by the European Central Bank’s ongoing quantitative easing policy. The low rate environment fuels demand from large institutional investors, such as pension schemes and insurers, for alternative, stable and yielding investments. Furthermore, the German real estate market continues to be regarded as a “safe haven” for investors with a long-term perspective.

Within Q3 2017, CORESTATE managed to further broaden its footprint as a top-level real estate investment and asset manager. In August 2017, CORESTATE launched a serviced apartment fund with a target volume of at least €200 million. The individual fund, which is on the behalf of a large German insurance company, focuses primarily on fully equipped and furnished studio and one-bedroom apartments in central locations of major German and European cities. As the first asset of the fund, CORESTATE invested in the development of one of three residential tower blocks for a new construction project, TRIIIPLE, in Vienna, Austria. By 2020, the developer will have built 670 serviced apartments for young professionals and commuters, along with office and retail space. Besides handling the investment and asset management, CORESTATE will also be responsible for the property management of the buildings through a subsidiary, UPARTMENTS Real Estate GmbH.

In September, CORESTATE acquired a micro-living project in Vienna, Austria in a “forward funding” deal structure. To be completed in spring 2019, this project will feature 131 fully furnished micro-apartments and offer extensive services. The plot is located in the new district of Quartier Belvedere Central, an urban development concept consisting of office, residential and hotel properties in the

direct vicinity of Vienna's central station. The CORESTATE subsidiary UPARTMENTS Real Estate GmbH will be responsible for the management of this project. With the two newest acquisitions, three projects from the CORESTATE portfolio are now located in the Austrian capital.

In the same month, CORESTATE also acquired 24 separate retail properties in top shopping locations of pedestrian areas in medium-sized German cities, such as Dresden, Essen, Heilbronn and Kaiserslautern. Key tenants include the fashion retailers H&M and Snipes, as well as chemist's chain Müller and supermarket chain REWE. The assets were acquired in individual transactions and structured in a new portfolio.

Within the framework of its strategic partnership with the German insurance company Bayerische Versicherungskammer (BVK), CORESTATE's subsidiaries have been assigned with the task of taking over the property and facility management of a retail portfolio owned by a BVK fund. Valued at approximately €700 million, the retail portfolio comprises over 90 properties in top shopping locations of pedestrian areas in medium-sized German cities. The plan is to add further assets in the future in order to complement the portfolio, gradually adding value in the several hundred million euro range. This will contribute to recurring earnings of the Group. Assets under management were up to €22 billion at the end of October 2017 including the assets brought in by HL, HFS and ATOS.

### Key financial highlights

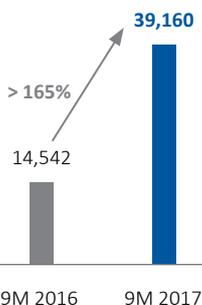
The development of the key financial figures displays the dynamic organic growth of CORESTATE. In addition to this, HL and HFS contributed to earnings and profit figures on a quarterly basis. Consolidated total revenues of the Group (including total revenues from real estate investment management, as well as net rental income and revenue from service charges) were up 120% compared to the first nine months of 2016. The main drivers of this growth are the first time business consolidation of HL and HFS and the exclusive asset and property mandates that were granted to CORESTATE in 2017.

The growth in revenue from asset and property management, which has nearly doubled compared to the prior year, was mainly due to the growing investment volume of investment products within the framework of the strategic partnerships with BVK and a German insurance company. The contribution of HL and HFS also had a positive effect. The growth of the acquisition-related fees (+152%) were mainly a result of the consolidation and driven by the aforementioned strategic partnerships.

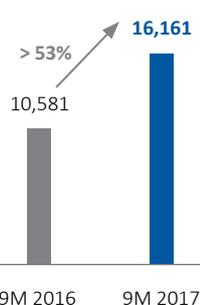
The revenue contribution from real estate assets held for warehousing purposes was €18,604 thousand (previous year: €9,063 thousand). This growth is attributable to the higher volume of assets held for warehousing purposes.

Including the share of profit and loss from associates and joint ventures, which adds up to €5,043 thousand (previous year: €1,299 thousand), as well as the €18,604 thousand total Income from Real Estate Operations/Warehousing (previous year:

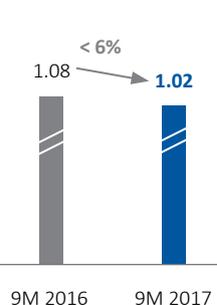
**EBITDA<sup>1</sup>**  
€ million



**Net profit<sup>2</sup>**  
€ million



**Earnings per share**  
€



<sup>1</sup> EBITDA is adjusted for certain one-off items (e.g. costs for capital measures, corporate M&A related cost, share grant expense).

<sup>2</sup> Net profit post minorities

€9,063 thousand), the Group's aggregate revenues and gains increased by 111% to €83,420 thousand (previous year: €39,556 thousand).

The Real Estate Investment Management segment generated the biggest profit, which was €27,469 thousand, up from €10,289 thousand.

The Alignment Capital Management segment rose more than fourfold to €4,365 thousand from €1,043 thousand, while Real Estate Operation/Warehousing delivered €15,995 thousand, up from €8,783 thousand.

The growth of total expenses of the Group (excluding financial expenses, as well as depreciation and amortisation) by 126% to €56,840 thousand (previous year: €25,184 thousand) can mainly be attributed to the first time business combination with HL and HFS and acquisition-related expenses.

The Group's net profit post non-controlling interests increased by 55% to €16,161 thousand, which translates on an undiluted basis into earnings per share of €1.02, which is 5% less than in the same nine-month period of 2016 (€1.08).

Adjusted for €10.8 million of one-offs (post-tax), net profit grew by 121% to €26,925 thousand, resulting in undiluted EPS of €1.71, up 38% from the previous year's figure (€1.24).

Net financial expenses of €12,921 thousand (previous year: €2,851 thousand) include expenses in relation to the Group's debt financing facilities.

### Balance sheet

Effects of the consolidation of HFS and HL, as well as the capital increases fulfilled in February and July, are the main reasons for changes in the balance sheet compared to the year-end of 2016. As of 30 September 2017, total assets amounted to €1,274,387 thousand, which is nearly a tenfold increase compared to the figure as of 31 December 2016 (€130,605 thousand).

Total non-current assets amounted to €952,687 thousand (end of 2016: €44,985 thousand), the largest component of which is intangible assets, with €671,180 thousand (end of 2016: €930 thousand). This figure includes the goodwill created in association with the acquisition of HFS and HL. The consolidation of equity in HFS and HL is reflected in the rise of investment in associates and joint ventures to €105,610 thousand (end of 2016: €35,747 thousand).

Total current assets were at €321,700 thousand versus €85,619 thousand as of 31 December 2016, which can mainly be attributed to a rise in inventories resulting from warehousing and higher trade and other receivables, resulting from the consolidation effects as well as organic business.

Total equity was more than fivefold the amount at the end of 2016, reaching €492,345, mainly due to the effects of the capital increases from February and July and the purchase price allocation in relation to the acquisitions.

The rise in current and non-current liabilities also mainly reflects the effects of the acquisitions and their financing.

The equity ratio of CORESTATE was 38.6% as of 30 June 2017, compared with 66.2% at the end of 2016.

### Material events after the reporting date

As part of the transaction to acquire ATOS, as of 10 October 2017, CORESTATE's share capital has been increased by the issuance of 242,544 new shares against contribution in kind from authorised capital. On 25 October, the share capital was increased by the issuance of 58,824 shares as part of the compensation of Thomas Landschreiber, member of the board. This increased the amount of outstanding shares to 21,294,123. The new shares are entitled to dividends as of 1 January 2017 and are ranked *pari passu* with the existing shares of CORESTATE.

Starting in November 2017, the CORESTATE share is traded in the Prime Standard segment of the Frankfurt Stock Exchange. This will positively impact the liquidity of the shares and facilitate the access to indices.

In order to strengthen new business generation and to expand investor contacts, Philip La Pierre has been appointed Co-Chief Investment Officer, with effect as of 1 November 2017. He reports to Co-Founder and Chief Investment Officer Thomas Landschreiber. Philip La Pierre was most recently Head of the Investment Management Europe Department at Union Investment Real Estate, which he joined in 2009 as Head of Investment and Asset Management for Germany. Prior to working at Union Investment, Philip, a qualified lawyer, was Head of Transactions Germany for ING Real Estate. Before that, he worked as an investment manager at Credit Suisse.

On 6 November 2017, the rating agency Standard & Poor's has assigned its "BB+" long-term corporate credit rating for CORESTATE with a stable outlook. The rating is a key element to improve the Company's access to financing.

In October, the coupon participation fee was recognized in the financial statements of CORESTATE. This is related to two mezzanine debt funds issued by HFS. If the funds exceed their required rate of return in one fiscal year (end of fiscal year of the funds is 31 October), HFS/CORESTATE participates on the returns exceeding the required rate. The coupon participation paid for fund's fiscal year 2016/2017 became earnings-effective in October and led to additional earnings of €53.7 million in the fourth quarter.

In October, CORESTATE acquired the former headquarters of the perfume brand 4711 in Cologne. The office building will be transformed into an apartment hotel, with a projected market value after realisation of approximately €60 million.

### Outlook

The Group management expects the market environment in the final weeks of 2017 to remain widely unchanged compared to the outlook given in the current annual report, which was confirmed in the half-year-report. Concerning the market environment for the real estate mezzanine financing business, represented by HFS, CORESTATE expects the market environment to remain as favourable as reported in the outlook of the half-year report.

Having gained further visibility from the organic growth opportunities presented by the integration of HFS and HL into the platform and considering the above mentioned earning resulting from the coupon participation fee, management confirms the Group's targets for the fiscal year 2017, which are as they were presented in the outlook of the half-year report. The company is aiming for a net income before one-off items in the range of €85 million to €90 million. Aggregated revenues are expected to range from €170 million to €180 million.

As mentioned above, the integration of HFS and HL is expected to be completed mid of 2018. Concerning HL, negotiations with employee representatives concerning the reduction of the workforce and the transfer of corporate activities to the CORESTATE holding have lead to a mutual agreement.

The planned reduction of office space used by HL will be completed by mid-2018, leading to a further improvement in the earnings position of HL.

Due to cost synergies across the Group, we raise our guidance for 2018. For the fiscal year 2018, we expect aggregate revenues and gains of at least €230+ million, an adjusted EBITDA of at least €155 million and an adjusted net income of at least €120 million. CORESTATE further expects that approximately 85% of expected aggregate revenues and gains will be derived from recurring fee income.

CORESTATE is well set up to continue its successful organic growth and also to integrate potential bolt-on acquisitions.

Luxembourg, 14 November 2017

  
Lars Schnidrig  
Chief Financial Officer

  
Sascha Wilhelm  
Chief Executive Officer

  
Thomas Landschreiber  
Chief Investment Officer

*Unaudited Interim Condensed  
Consolidated Financial Statements  
for the period from 1 January to  
30 September 2017*

**CORESTATE CAPITAL HOLDING S.A.  
LUXEMBOURG**

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

€ thousand	unaudited 30.09.2017	audited 31.12.2016
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	42,488	1,235
Long-term Receivables	18,662	–
Intangible Assets	671,180	930
Shares in Subsidiaries	20,645	–
Investment in Associates and Joint Ventures	105,610	35,747
Other Financial Instruments	77,938	2,217
Long-term Loans to Associates	6,768	2,493
Deferred Tax Assets	9,396	2,363
<b>Total Non-Current Assets</b>	<b>952,687</b>	<b>44,985</b>
<b>Current Assets</b>		
Advance Payments for Property Purchase Prices	–	1,305
Inventories	109,557	15,905
Receivables from Associates	12,690	8,263
Receivables from Joint Venture	–	1,031
Trade Receivables	37,199	5,271
Other Short-term Receivables	43,153	1,530
Current Income Tax Assets	761	730
Other Short-term Assets	13,946	3,376
Restricted Cash	700	700
Cash and Cash Equivalents	103,694	47,509
<b>Total Current Assets</b>	<b>321,700</b>	<b>85,619</b>
<b>Total Assets</b>	<b>1.274,387</b>	<b>130,605</b>

€ thousand	<b>unaudited</b> <b>30.09.2017</b>	audited 31.12.2016
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	1,574	946
Other Reserves	473,460	69,699
Net Profit/(Loss) for the Period	16,161	15,396
<i>Subtotal Capital Accounts of shareholders of parent company</i>	<i>491,195</i>	<i>86,040</i>
Non-controlling Interests	1,150	405
<b>Total Equity</b>	<b>492,345</b>	<b>86,446</b>
<b>Non-Current Liabilities</b>		
Other Long-term Provisions	6,690	-
Long-term Financial Liabilities to Banks	171,742	14,126
Long-term Liabilities to Shareholders	19,414	-
Long-term Liabilities from Associates	481	-
Net Employee defined Benefit Liabilities	491	102
Long-term Derivatives	7,254	-
Deferred Tax Liabilities	20,344	0
Other Non-current Liabilities	226,985	9,730
<b>Total Non-Current Liabilities</b>	<b>453,401</b>	<b>23,957</b>
<b>Current Liabilities</b>		
Other Short-term Provisions	45,548	-
Short-term Financial Liabilities to Banks	105,819	4,004
Short-term Derivatives	1,914	-
Short-term Liabilities to Shareholders	39,000	-
Short-term Liabilities to Associates	460	948
Trade Payables	12,755	7,266
Current Income Tax Liabilities	20,937	1,050
Other Current Liabilities	102,207	6,934
<b>Total Current Liabilities</b>	<b>328,641</b>	<b>20,202</b>
<b>Subtotal Liabilities</b>	<b>782,042</b>	<b>44,159</b>
<b>Total Equity and Liabilities</b>	<b>1,274,387</b>	<b>130,605</b>

## INTERIM CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

€ thousand	unaudited 01.01.2017 – 30.09.2017	unaudited 01.01.2016 – 30.09.2016
Revenue from Acquisition Related Fees	13,704	5,448
Revenue from Asset and Property Management	31,931	17,667
Revenue from Promote Fees realised	14,137	6,079
<b>Total Revenue from Real Estate Investment Management</b>	<b>59,772</b>	<b>29,194</b>
Management expenses	(32,304)	(18,905)
<b>Total Expenses from Real Estate Investment Management</b>	<b>(32,304)</b>	<b>(18,905)</b>
<b>Total Earnings from Real Estate Investment Management</b>	<b>27,469</b>	<b>10,289</b>
Share of Profit or Loss from Associates and Joint Ventures	5,043	1,299
Expenses from Management of Associates and Joint Ventures	(679)	(256)
<b>Total Earnings from Alignment Capital Management</b>	<b>4,365</b>	<b>1,043</b>
Net Rental Income	4,784	429
Revenue from Service Charges	832	94
Net Gain from Selling Property Holding Companies	12,988	8,540
<b>Total Income from Real Estate Operations / Warehousing</b>	<b>18,604</b>	<b>9,063</b>
Expenses from Real Estate Operations / Warehousing	(2,609)	(281)
<b>Total Earnings from Real Estate Operations / Warehousing</b>	<b>15,995</b>	<b>8,783</b>
General and Administrative Expenses	(21,249)	(5,742)
Other Income	699	119
<b>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>	<b>27,278</b>	<b>14,492</b>
Depreciation and Amortisation	(3,120)	(242)
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>24,158</b>	<b>14,250</b>
Financial Income	3,818	297
Financial Expenses	(12,921)	(2,851)
<b>Earnings before Taxes (EBT)</b>	<b>15,055</b>	<b>11,695</b>
Income Tax Expenses	1,567	(943)
<b>Net Profit / (Loss) for the Period</b>	<b>16,621</b>	<b>10,752</b>
<i>of which attributable to equity holders of parent company</i>	<i>16,161</i>	<i>10,581</i>
<i>of which attributable to non-controlling interests</i>	<i>460</i>	<i>171</i>
<b>Total Revenues<sup>1</sup></b>	<b>65,388</b>	<b>29,717</b>
<b>Total Expenses<sup>2</sup></b>	<b>(56,840)</b>	<b>(25,184)</b>

<sup>1</sup> not including Share of Profit or Loss from Associates and Net Gain from Selling Property Holding Companies

<sup>2</sup> excluding Financial Expenses and Depreciation and Amortisation

€ thousand	<b>unaudited</b> <b>01.01.2017 –</b> <b>30.09.2017</b>	unaudited 01.01.2016– 30.09.2016
<b>Earnings per Share (€):</b>		
Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent	1.02	1.08
Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent	1.02	1.07
<b>Other Comprehensive Income (€ thousand)</b>		
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):		
Exchange differences on translation of foreign operations	(227)	–
Income tax effect	–	–
Net (Loss)/Gain on Available-for-sale Financial Assets	(738)	–
Income Tax Effect	(123)	–
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods	(1,088)	–
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):		
Remeasurement Gains (Losses) on Defined Benefit Plans	16	–
Net other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Periods	16	–
<b>Other Comprehensive Income / (Loss) for the Period, Net of Tax</b>	<b>(1,071)</b>	<b>–</b>
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>15,550</b>	<b>10,752</b>
<i>of which attributable to equity holders of parent company</i>	<i>15,145</i>	<i>10,581</i>
<i>of which attributable to non-controlling interests</i>	<i>405</i>	<i>171</i>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2017

€ thousand	Share Capital	Legal Reserve	Additional Capital Paid In	Retained Earnings
<b>Closing Balance of Capital Accounts as at 31 December 2015 (audited)</b>	<b>195</b>	<b>–</b>	<b>–</b>	<b>24,482</b>
Profit for the period	–	–	–	–
Other comprehensive income	–	–	–	–
Total Comprehensive Income for the Period	–	–	–	–
Issue of new capital including contribution in kind	751	–	–	–
Acquisition of Non-controlling interests	–	–	–	(108)
Equity-settled share-based payment	–	–	–	9
Distributions/Dividends paid	–	–	–	(6,550)
Reclassification/others	–	–	–	9,668
<b>Closing Balance of Capital Accounts as at 30 September 2016</b>	<b>946</b>	<b>–</b>	<b>–</b>	<b>27,501</b>
<b>Closing Balance of Capital Accounts as at 31 December 2016 (audited)</b>	<b>946</b>	<b>–</b>	<b>–</b>	<b>34,307</b>
Profit for the period	–	–	–	–
Other comprehensive income	–	–	–	–
Total Comprehensive Income for the Period	–	–	–	–
Issue of new capital including contribution in kind	627	–	402,873	–
Share issuance expense	–	–	(433)	–
Acquisition of Non-controlling interests	–	–	–	(246)
Equity-settled share-based payment	2	–	–	1,106
Distribution/Dividends paid	–	–	–	(13,621)
Reclassification/others	–	95	–	15,059
<b>Closing Balance of Capital Accounts as at 30 September 2017 (unaudited)</b>	<b>1,574</b>	<b>95</b>	<b>437,633</b>	<b>36,605</b>

Other Revaluations	Other Reserves	Net Profit/(Loss) for the Period	Subtotal Capital accounts of Majority Shareholders	Non-controlling interests in Paid-In Capital and Capital Reserve	Non-controlling interests in Profit for the period	Non-controlling interests	Total Equity
<b>(190)</b>	<b>24,292</b>	<b>9,656</b>	<b>34,143</b>	<b>(218)</b>	<b>431</b>	<b>213</b>	<b>34,356</b>
–	–	10,581	10,581	–	171	171	10,752
–	–	–	–	–	–	–	–
–	–	10,581	10,581	–	171	171	10,752
–	–	–	751	–	–	–	751
–	(108)	–	(108)	–	–	–	(108)
–	9	–	9	–	–	–	9
–	(6,550)	–	(6,550)	–	–	–	(6,550)
–	9,668	(9,656)	12	427	(431)	(5)	7
<b>(190)</b>	<b>27,311</b>	<b>10,581</b>	<b>38,839</b>	<b>208</b>	<b>171</b>	<b>379</b>	<b>39,218</b>
<b>199</b>	<b>69,699</b>	<b>15,396</b>	<b>86,040</b>	<b>245</b>	<b>160</b>	<b>405</b>	<b>86,446</b>
–	–	16,161	16,161	–	460	460	16,621
(1,016)	(1,016)	–	(1,016)	–	(55)	(55)	(1,071)
(1,016)	(1,016)	16,161	15,145	–	405	405	15,550
–	402,873	–	403,500	–	–	–	403,500
–	(433)	–	(433)	–	–	–	(433)
–	(246)	–	(246)	21	–	21	(225)
–	1,106	–	1,107	–	–	–	1,107
–	(13,621)	–	(13,621)	(52)	–	(52)	(13,673)
–	15,154	(15,396)	(242)	160	155	316	73
<b>(817)</b>	<b>473,515</b>	<b>16,161</b>	<b>491,251</b>	<b>374</b>	<b>720</b>	<b>1,094</b>	<b>492,345</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

€ thousand	<b>unaudited</b> <b>01.01.2017 –</b> <b>30.09.2017</b>	unaudited 01.01.2016 – 30.09.2016
<b>Earnings before Taxes (EBT)</b>	<b>15,055</b>	<b>11,695</b>
<i>Adjustments:</i>		
Amortisation of intangible assets	1,973	50
Depreciation of property, plant and equipment	1,142	193
Equity-settled share-based payment	1,106	9
Effect from valuation on derivatives	(900)	–
Net loss/(gain) on disposal of property, plant and equipment	1,898	44
Net loss/(gain) on disposal of intangible assets	55	–
Finance costs	3,202	387
Interest income	(1,167)	(43)
Provisions	(1,529)	–
Share of results from Associates and Joint Ventures	(5,043)	(1,299)
<i>Total adjustments</i>	<i>736</i>	<i>(657)</i>
<b>Operating cash flows before changes in working capital</b>	<b>15,791</b>	<b>11,038</b>
<i>Changes in working capital:</i>		
Decrease from purchase of inventories and advanced payments	(57,985)	(13,740)
Changes in receivables and other assets that are not attributable to investing activities	(68,311)	34,880
Changes in liabilities that are not attributable to financing activities	120,293	(16,304)
<i>Total changes in working capital</i>	<i>(6,003)</i>	<i>4,837</i>
<b>Cash flows from operations</b>	<b>9,788</b>	<b>15,875</b>
Income taxes received/(paid)	(6,718)	(338)
<b>Net cash flows from operating activities</b>	<b>3,070</b>	<b>15,537</b>
Outflow for acquisition of subsidiaries	28,890	–
Outflow for Alignment Capital Investments (Associates and Loans)	(31,708)	(15,014)
Inflow from repayment of Alignment Capital Investments (Associates and Loans)	23,558	6,926
Inflow from repayment of investment securities and long-term loans	854	–
Purchase of property, plant and equipment	(436)	(344)
Additions to intangible assets	(532)	(38)
<b>Net cash flows generated from / (used in) investing activities</b>	<b>20,625</b>	<b>(8,470)</b>

€ thousand	<b>unaudited</b> <b>01.01.2017 –</b> <b>30.09.2017</b>	unaudited 01.01.2016 – 30.09.2016
Proceeds from Issuance of New Share Capital	22,718	751
Share issuance expense	(594)	–
Proceeds from additional equity		1
Dividend payments	(13,621)	(6,550)
Dividends paid to non-controlling interests	(52)	–
Sale/(Acquisition) of non-controlling interests	(225)	(108)
Proceeds from loans and borrowings	37,605	26,163
Repayment of loans and borrowings	(11,306)	(30,207)
Interest Paid	(3,202)	(71)
Interest Received	1,167	43
<b>Net cash flows (used in) / from financing activities</b>	<b>32,490</b>	<b>(9,978)</b>
<i>Net increase in cash and cash equivalents</i>	<i>56,185</i>	<i>(2,910)</i>
<b>Cash and cash equivalents at beginn of period</b>	<b>48,209</b>	<b>12,447</b>
Net increase in cash and cash equivalents	56,185	(2,910)
<b>Cash and cash equivalents at end of period</b>	<b>104,394</b>	<b>9,537</b>

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