



# CORESTATE

Capital Group

**Half-Year Financial Report  
as of 30 June  
2019**

# *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 2019, the Company had roughly € 26bn 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 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 and this 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, and we are adding to our micro-living portfolio to tap into the lucrative business traveler and young professional segment. 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 753 people (690 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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|                                                 | <b>01/01/2019–<br/>30.06.2019</b> | 01/01/2018–<br>30.06.2018 |
|-------------------------------------------------|-----------------------------------|---------------------------|
| Aggregate Revenues & Gains (€ m) <sup>1</sup>   | 121.0                             | 125.8                     |
| EBITDA (€ m)                                    | 68.9                              | 69.1                      |
| EBITDA Margin                                   | 57.0%                             | 54.9%                     |
| Adjusted Net Profit (€ m) <sup>2</sup>          | 47.8                              | 60.9                      |
| Net Profit (€ m) <sup>3</sup>                   | 36.9                              | 42.3                      |
| Earnings per Share (undiluted) (€)              | 1.74                              | 1.99                      |
|                                                 |                                   |                           |
|                                                 | <b>30.06.2019</b>                 | 31.12.2018                |
| Number of shares outstanding                    | 21,174,417                        | 21,329,417                |
| Net Financial Debt Position (€ m)               | 623.5                             | 387.7                     |
| Net Financial Debt / adj. EBITDA <sup>4</sup>   | 3.5x                              | 2.1x                      |
| Assets under Management at End of Period (€ bn) | 26                                | 25                        |
| Number of Employees at End of Period (FTE)      | 690                               | 675                       |

<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 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> Last twelve months: EBITDA from H1 2019 and adj. EBITDA from July to December 2018.

# Letter to Our Shareholders

Dear Shareholders, Ladies and Gentlemen,

After a year of transformation, CORESTATE continues to focus entirely on its clients in 2019. Therefore, we have launched a broad-based customer offensive. Part of it is the sustainability initiative, which we are implementing throughout the whole Company. We are thus committing ourselves to a comprehensive series of concrete sustainability targets. All these measures enable us to continue developing new and exciting products for our customers in the future. In addition to that, the real estate sector receives support by reconfirmations of central banks on the low interest environment in Europe and abroad. Moreover, there is still further investment pressure in yielding asset classes from pension schemes, insurers, sovereign wealth funds and general asset managers.

## A decent first half-year 2019

In 2019, we were able to further develop and expand our business model in an overall positive economic environment. We perceive growing demand for our products on an already very high level. This is also reflected by the financial figures for the first half of the year and organic growth in our real estate assets under management of around 4.4%.



All our subsidiaries delivered to our good half-year results; our aggregated revenues and gains were in the first six months of the year € 121.0m, EBITDA was € 68.9m and adjusted Net Profit was € 47.8m. With these financials, we are in line with our budgets and well on track towards our full-year outlook of € 285m to € 295m in aggregated revenues and gains, EBITDA of € 165m to € 175m and adjusted Net Profit between € 130m and € 140m. The guidance for the full year is fully confirmed.

This data takes into account a seasonal impact in our business. Typically, in the first half of a calendar year, we use our financial strength and balance sheet for our clients to shape the foundation of accelerated growth in the third and fourth quarter of a year. In the aftermath, our near-term financial leverage went up at the end of June to 3.5 times, due to higher short-term asset exposure on our balance sheet. These assets will be placed with our clients soon and thus the balance sheet exposure will be reduced. We are sticking to our target range of between 2x and 3x and we will return to this corridor in the upcoming months.

## European growth strategy

At the beginning of July, we acquired the French real estate investment manager STAM Europe, Paris. We have thus taken a further step on the way to becoming the leading European real estate platform. With this acquisition, we have achieved an important market entry in the highly attractive French market, which is a core element of our European growth strategy. STAM Europe manages around € 1.9bn from international institutional investors focussing on French real estate. This acquisition enables us to expand our product offering in the areas of logistics, office and residential as well as our international institutional client base. Closing of the deal is subject to the approval of the French regulatory authority, which is expected in Q4 of 2019.

We increasingly spent time and efforts on this and on other M&A projects as well as on initiatives to improve our Governance structures over the last months, which also led to higher than usual expenditures with a corresponding impact in our G&A expenses in Q2.

## Sustainability, transparency and digitalization

These are three very important keywords to us. Not only for the current year but also for the future. We are firmly convinced that we want to continuously improve ourselves in these areas.

**Sustainability:** the year 2019 is not only marked by the customer offensive, but also by the increasingly popular and important sustainability guidelines. In order to meet these new requirements, we published our first digital sustainability report in June 2019. Our commitment to sustainability has three dimensions: environmental, social and governance (ESG). We combat climate change with energy-efficient buildings. We consider the social impact of our business activities and we are always a reliable partner for our stakeholders. In our day-to-day business, we use intelligent tools to monitor and reduce the environmental footprint of our investments. We develop innovative and social housing concepts that meet today's challenges. In this way, we create sustainable success and value for our employees, tenants and investors.

**Transparency:** by introducing the digital ESG Report and the INREV Reporting for our fund products, we want to make our Company and our business activities even more transparent and more comprehensible to our customers. We ensure trust by providing all our stakeholders with comprehensive and transparent information. As a result, we can further expand our customer relationships from which both sides will benefit in the future.

**Digitalization:** another internal focus lies on the issue of digitalization. Many of our processes will be further automated and access to our products will also be made easier for our customers. Customers now have the opportunity to invest directly in our product via a portal on our redesigned homepage which was launched in June 2019 and our own digital distribution platform.



### Focus on micro-living

CORESTATE was a first mover in this segment and we are now able to play out our time advantage and offer a steadily increasing number of highly profitable assets. Our micro-living portfolio consists of the three brands JOYN, YOUNIQ and Linked Living. We have a unique position in the market by offering a spectrum of student apartments, business and serviced apartments and co-living apartments. CORESTATE runs one of the largest European micro-living platforms. It currently comprises over 30,000 units and the pipeline includes around 6,000 units. CORESTATE participates in the megatrend of urbanization with its micro-living and co-living offerings. Therefore, we expect a strong demand from both tenants and investors.

### Distribution to Shareholders

Our goal is that our shareholders benefit from our financial success. The Annual General Meeting 2019 therefore resolved a dividend increase from € 2.00 to € 2.50. Combined with our share repurchase in April 2019, we have allocated around 60m to our stock and our shareholders in the first half of the year.

**Lars Schnidrig**  
Chief Executive Officer

**Thomas Landschreiber**  
Chief Investment Officer

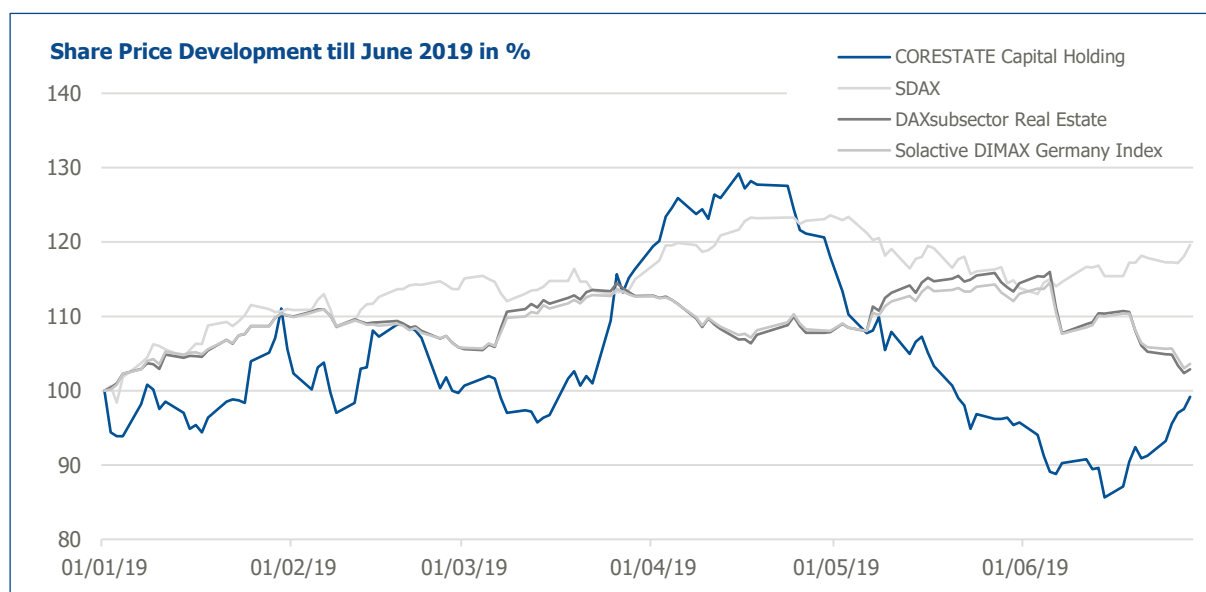
# The CORESTATE Share

## Share Price Development

The CORESTATE shares started the new year at a price of € 30.30 and reached its period high of € 39.15 on 14 April 2019. This represents an increase of 29.2%. On 14 June 2019, the share closed at its period low of € 25.95. However, after the ECB announced a further loose monetary policy, it was able to correct upwards again in the last two weeks of the half-year. The CORESTATE share closed at € 30.05 on 28 June 2019: down 0.83% on the price at the end of 2018.

The SDAX, of which CORESTATE has been a member since March 2018, also benefitted from the economic recovery in the first quarter of the year. The SDAX started into the year at 9,509 points and reached a period high of 11,753 points on 30 April 2019. Though being less vulnerable to the perceived economic slowdown in the second quarter of the year, the SDAX fell to a progressive low of 10,747 points on 3 June 2019. Similar to the share price development of CORESTATE, the SDAX recovered in the last weeks of June. Its closing level on 28 June 2019 was 11,377 points: an increase of 19.6%.

Both, the Real Estate Performance Index DIMAX and the DAX-Subsector Real Estate rose by around 3% during the first half of the year. Both indices weakened in the last month of the half-year and saved a small gain.



## Share buy-back program

On 1 April 2019, CORESTATE announced a share buy-back program in the period from 1 April to (and including) 25 April. The program was executed in two tranches. Within the first tranche, 34,884 shares were repurchased at an average price of € 36.36. The second tranche involved 145,116 shares, which were repurchased at an average price of € 38.51. Thus, 180,000 shares were repurchased in total.

The Company intends to use the repurchased treasury shares as acquisition currency for external growth.

## Further increased distribution

CORESTATE resolved at its Annual Shareholder Meeting on 26 April to increase the annual distribution to its shareholders, once again, from € 2.00 per share in 2018 to € 2.50 per share in 2019. This reflects a total distribution volume of around € 53m or 51% of our EPS.

## 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                        |
| First day of trading                | 4 Oct 2016                                        |
| Number of shares as of 30 June 2019 | 21,174,417                                        |
| Free float as of 30 June 2019       | 63.6% (including 3.7% held by Company Management) |
| Share price as of 28 December 2018  | € 30.30                                           |
| Share price as of 28 June 2019      | € 30.05                                           |
| Change in percentage                | -0.83%                                            |
| Period high                         | € 39.15                                           |
| Period low                          | € 25.95                                           |
| Distribution for fiscal year 2018   | € 2.50                                            |

## Financial Calendar 2019

The relevant publication dates for the remainder of 2019 are as follows:

|                          |                   |
|--------------------------|-------------------|
| Capital Markets Day      | 12 September 2019 |
| Q3 2019 financial report | 12 November 2019  |



# *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 2019 until 30 June 2019, unless otherwise indicated. Information on market and product offering developments pertains to H1 2019 as well, unless otherwise indicated.

The interim condensed consolidated financial statements have been subject to external review. 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 CORESTATE's business remained positive in the first half of the year 2019. Given the German economy's stable fundamental data – although with slowing growth rates (German Federal Statistical Office) – demand in the German real estate investment market remains solid (Deutsche Bank Research, March 2019). The sole constraint remains the lack of property suitable for investment. Faded signs of increasing interest rates, a growing scarcity of houses and a robust labor market lead to continuously rising property prices.

According to the Spring Real Estate Industry Report 2019 (by the Immobilienweisen Expert Panel, by ZIA German Property Federation, the leading professional association and the regulatory-policy and economic-policy interest group for Germany's entire real estate industry), especially the market for long-stay concepts, that appeal to the employees of larger international corporations needing accommodation for a limited period of time, and student apartments is experiencing increasing demand rates. With its three micro living platforms, JOYN, YOUNIQ and Linked Living, CORESTATE, as an early mover in this market, is set to benefit from this trend.

Also on a European perspective, the market conditions remain in very good shape. According to the European real estate market outlook by Aberdeen Standard Investments (Q1/2019), the real estate sector is a little bit more challenging but the overall outlook for 2019 remains positive because of the still high demand.

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

In H1 2019, CORESTATE continued to work successfully on its business and product offering, still broadening its footprint in the market.

At the end of June 2019, CORESTATE had total assets under management of roughly € 26bn. The core business, reflected in the Real Estate AuMs, already showed organic growth of 4.4% from € 20.7bn to € 21.6bn in the first six months 2019. A convincing view on further growth reveals the sourcing pipeline of around € 6bn with one quarter in advanced contractual stage.

The following investments were made in H1 (examples):

- Purchase of a further value-add commercial property in Munich with an investment volume of around € 46m. It has a total GLA of 22,635 sqm, 260 parking spaces and a current occupation rate of 88%. After modernization CORESTATE is expecting an increase of the rental income by around 30%.
- CORESTATE has fully raised all equity for the club deal fund "Highstreet VIII", invested in the last three properties and successfully closed the fund. The portfolio with a target volume of € 250m now comprises five retail properties. These properties have a total area of around 112,000 sqm.
- CORESTATE has further strengthen its leading position in micro living with the purchase of an apartment building in Berlin for a Bayerische Versorgungskammer fund. Driven by strong demand, the fund's target size has already been increased to around € 1.2bn.
- Acquisition of a property in Bremen for CORESTATE's serviced apartments line "JOYN", representing a further step to building the leading European Micro Living platform. "JOYN" thus reached a total portfolio volume of around € 600m.
- CORESTATE has acquired a plot of land in Salamanca to erect a student apartment building on. The property will be operated under the CORESTATE brand Youniq, one of Germany's leading providers of student housing. The total investment costs of the project will amount to around € 25m. Commissioning is scheduled for the third quarter of 2022.
- In Q1 2019, CORESTATE had acquired an office complex in Munich with an investment volume of around € 66m for its "Manage-to-Core" strategy, the "Bootshafen" residential project in a prime location in Kiel with an investment volume of € 48m for the "CORESTATE Residential Germany Fund II", as well as seven properties with a total value of € 100m for a high-street property fund of Bayerische Versorgungskammer.

In April 2019, CORESTATE's subsidiary Hannover Leasing implemented a further stage of the company's digitalization strategy. Together with its joint venture partner Exporo, Germany's leading provider of digital real estate investments, HL issued the first shared real estate bond for private investors. Private investors can now invest directly via the two platforms Accontis (accontis.de) and Exporo (exporo.de).

In February 2019, CORESTATE has signed the United Nations Principles for Responsible Investment (UNPRI). The commitment to these sustainability standards is a key component of CORESTATE's integral Environment, Social and Governance (ESG) strategy. CORESTATE has introduced a specialized sustainability unit to drive forward its ESG commitments, implementing them across all of the Company's business areas. In addition to that, CORESTATE gradually switched over to the comprehensive INREV reporting standard for its fund products.

In this context, on 18 June 2019, CORESTATE published its first digital ESG report and set specific sustainability goals. On the one hand, CORESTATE wants to reduce the CO<sub>2</sub> emissions per square meter of its entire portfolio and on the other hand the water and waste consumption by at least 20% over the next five years. Furthermore, CORESTATE wants to increase energy efficiency by 30%. CORESTATE's sustainability program is part of a broad customer initiative that is being implemented throughout the Company. In addition to increased transparency, another internal focus is on digitalization. In concrete terms, processes are to be further automated and access to CORESTATE's range of services facilitated.

## Management Changes

Effective 1 April 2019, the Supervisory Board of CORESTATE appointed former CFO Lars Schnidrig Chairman of the Management Board and Chief Executive Officer (CEO) of the Company for a four-year term. CORESTATE also expanded its Supervisory Board. The annual general meeting on 26 April 2019 appointed Jonathan Lurie as a new member 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 2021.

## Results of Operations

In general, the H1 2019 figures were mainly driven by the continuously excellent market environment with the usual seasonality of our business. The once again growing client demand for our products and offerings led to the typical financial exposure in the first half of a year, and we will – also once again – harvest the fruits of this in the last six months of 2019, also from a range of new products that will be brought to the market.

## Aggregate Revenues and Gains by Income Lines

Including the share of profit and loss from associates and joint ventures, dividends from other alignment capital and net gain from selling property holding companies, the Group's aggregate revenues and gains decreased slightly to € 121.0m (H1 2018: € 125.8m).

| € thousand                                                                               | H1 2019        | H1 2018        |
|------------------------------------------------------------------------------------------|----------------|----------------|
| Revenue from Acquisition Related Fees                                                    | 15,536         | 26,211         |
| Revenue from Asset and Property Management*                                              | 64,017         | 67,881         |
| Revenue from Promote Fees realised                                                       | 0              | 247            |
| Net Rental Income                                                                        | 6,367          | 9,753          |
| Revenue from Service Charges                                                             | 3,610          | 550            |
| Income from other Warehousing activities                                                 | 10,905         | 5,664          |
| <b>Consolidated Total Revenues of the Group</b>                                          | <b>100,435</b> | <b>110,306</b> |
| Share of Profit and Loss from Associates and Joint Ventures                              | 7,218          | 11,099         |
| Dividends from other Alignment Capital                                                   | 3,514          | 3,987          |
| Gains/losses from fair value measurement of financial instruments related to real estate | 5,669          | 0              |
| Net Gain from Selling Property Holding Companies                                         | 4,202          | 429            |
| <b>Aggregate Revenues and Gains</b>                                                      | <b>121,037</b> | <b>125,821</b> |

\*) including € 23.6m Coupon Participation Fee (H1 2018: € 28.4m)

## Real Estate Investment Management

The Real Estate Investment Management segment generated the biggest revenues, which was € 79.6m, down from € 94.3m in H1 2018. The decrease of the Acquisition Related Fees from € 26.2m in H1 2018 to € 15.5m in H1 2019 was mainly a result of a higher acquisition fee received from a new larger asset management contract in the beginning of 2018. The Company expects the Earnings from Real Estate Investment Management to pick up significantly in the second half of 2019 from typical seasonal impacts on acquisition related fees and promote fees.

Revenues from Asset and Property Management decreased slightly to € 64.0 from € 67.9m in H1 2018. The main reason is a temporary decline in the Coupon Participation Fee to € 23.6m (H1 2018 € 28.4m) due to risk weighting adjustments in fund accounting as well as unsynchronized repayment timings of development financings through the year. These technical effects will most likely be compensated in course of the next months predominantly with further repayments of outstanding tranches and the reallocation to new commitments. Moreover, CORESTATE's private debt business continues to hold its leading market position with fully committed fund volumes of around € 1.25bn and steady interest margins.

## Real Estate Operations and Warehousing

The total income contribution from Real Estate Operations and Warehousing was €25.1m (H1 2018: € 16.4m). This growth is mainly due to an attractive balance sheet usage for its clients in the equity as well as the private debt segment. First asset placements from our inventories delivered net gains from selling property holding companies/inventories of € 4.2m (H1 2018: € 0.4m).

Around € 10.9m as “income from other warehousing activities” stem from client driven bridge financing for the private debt funds of HFS (H1 2018: € 5.7m).

Real Estate Operation and Warehousing delivered earnings of € 14.9m up from € 10.3m in H1 2018.

## Alignment Capital Management

Mainly as a result of the strong market performance, the share of Profit from Associates and Joint Ventures was € 7.2m compared to € 11.1m in H1 2018, the Dividends from other Alignment Capital amounted to € 3.5m compared to € 4.0m in H1 2018. Total revenues from Alignment Capital were broadly stable at € 16.4m compared to € 15.1m in H1 2018.

## Earnings and Adjusted Earnings

Due to the growth of the Group, total expenses (excluding financial expenses, as well as depreciation and amortization) were up to € 67.2m (H1 2018: € 57.8m). G&A expenses in H1 2019 of more than € 12m showing the impact of higher M&A activities, rising regulatory-driven back- and middle office costs and a special payment for an advanced termination of an advisory contract is included into G&A expenses.

The Group EBITDA came out at € 68.9m compared to € 69.1m in H1 2018.

Depreciation and amortization were characterized by the depreciation of around € 16.8m (H1 2018: € 12.9m) mainly resulting from purchase price allocations of HFS, ATOS, HL and CRM (capitalized asset management contracts).

The financial result came out at € -12.7m in H1 2019 (H1 2018: € -6.7m). The decrease was predominantly driven by positive valuation effects from derivatives in 2018 and by additional financings from warehousing activities in H1 2019.

Our tax rate was comparably low due to deferred tax assets, but will return to our target corridor of between 12% and 14%.

The Group's Net Profit stands at € 36.9m (H1 2018: € 42.8m), which translates into Earnings per Share of € 1.74 on an undiluted basis (H1 2018: € 2.01).

Adjustments only occur at the Net Profit level, comprising € -12.6m depreciation of asset management contracts and € 1.7m from deferred tax assets. Adjusted Net Profit was at € 47.8m (H1 2018: € 60.9m).

| € thousand                                 | H1 2019       | H1 2018       |
|--------------------------------------------|---------------|---------------|
| <b>Reported EBITDA</b>                     | <b>68,942</b> | <b>69,128</b> |
| Management Board Realignments              | -             | 6,770         |
| Ancillary Projects                         | -             | 1,804         |
| <b>Adjusted EBITDA</b>                     | <b>68,942</b> | <b>77,702</b> |
| <b>Reported Net Profit</b>                 | <b>36,929</b> | <b>42,784</b> |
| Management Board Realignments              | -             | 6,770         |
| Ancillary Projects                         | -             | 1,804         |
| Depreciation of Asset Management Contracts | 12,554        | 11,506        |
| Deferred Tax Assets                        | -1,686        | -1,487        |
| Non-Controlling Interests                  | -5            | -442          |
| <b>Adjusted Net Profit</b>                 | <b>47,792</b> | <b>60,936</b> |

## Balance Sheet

As of 30 June 2019, total assets amounted to € 1,485.8m, an increase of 6.8% compared to the figure as of 31 December 2018 (€ 1,390.7m).

Thus, at the end of June 2019, we have used our balance sheet strength to enable us to secure assets which will be placed with clients in the upcoming quarters. Especially the balance sheet positions Structured Assets held for Sale, Inventories and short-term Assets are currently at a higher level and will go down again in the upcoming months with a corresponding positive impact on our fee revenues.

Total non-current assets amounted to € 1,006.1m (end of 2018: € 984.9m), the largest component of which is the goodwill resulting mainly from the acquisition of HFS, HL, ATOS and CRM with € 567.1m (end of 2018: € 567.1m).

Total current assets were at € 479.7m versus € 405.8m as of 31 December 2018, which can mainly be attributed to a seasonal rise in inventories from increasing warehousing activities at the beginning of the year and a technically driven higher short-term balance sheet exposure during the placement process of assets.

Total Equity amounted to € 597.6m at 30 June 2019 (end of 2018: € 620.9m). The equity ratio of CORESTATE was 40.2% as of 30 June 2019, compared with 44.7% at the end of 2018.

The increase in current and non-current liabilities from € 769.7m to € 888.2m is mainly due to short-term, warehousing and structured assets-related loans.

Total financial liabilities increased by 13.8% from € 587.1m as of 31 December 2018 to € 668.2m as of 30 June 2019. Net financial debt (including Cash and Cash Equivalents as well as Restricted Cash) stood at € 623.5m. Our leverage ratio of 3.5x was mainly influenced by the above described seasonal rise in warehousing and technical placements as structured assets held for sale with its underlying financial debt structures. We confirm our leverage target range of 2x – 3x and we will return into this range in the upcoming months.

## Material Events after the Reporting Date

On 8 July, CORESTATE signed the contract to acquire STAM, a well-established real estate asset manager based in Paris, bringing € 1.9bn real estate assets under management to the Company. Closing of the deal is subject to the approval of the French regulatory authority, which is expected in Q4 of 2019. The purchase price will be paid in shares and in cash.

## Outlook

Against the backdrop of our good business development in the first half of 2019, we confirm our financial outlook for the full year with aggregate revenues and gains of € 285m to € 295m, EBITDA of € 165m to € 175m and adjusted Net Profit of € 130m to € 140m.

Luxembourg, 12 August 2019

*Unaudited Interim Condensed  
Consolidated Financial Statements  
for the period from  
1 January to 30 June 2019*

*CORESTATE Capital Holding S.A.,  
Luxembourg*

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

| € thousand                                  | Notes | unaudited<br>30.06.2019 | audited<br>31.12.2018 |
|---------------------------------------------|-------|-------------------------|-----------------------|
| <b>Non-Current Assets</b>                   |       |                         |                       |
| Property, Plant and Equipment               |       | 33,982                  | 18,833                |
| Other Intangible Assets                     | E.1   | 121,309                 | 132,424               |
| Goodwill                                    | E.2   | 567,124                 | 567,124               |
| Investment in Associates and Joint Ventures | E.3   | 99,715                  | 87,975                |
| Other Financial Instruments                 | E.4   | 105,648                 | 93,715                |
| Long-term Receivables                       | E.5   | 48,007                  | 54,467                |
| Long-term Loans to Associates               |       | 8,697                   | 8,169                 |
| Deferred Tax Assets                         |       | 21,656                  | 22,213                |
| <b>Total Non-Current Assets</b>             |       | <b>1,006,137</b>        | <b>984,920</b>        |
| <b>Current Assets</b>                       |       |                         |                       |
| Advance Payments                            |       | 3,752                   | 13,780                |
| Other short-term Financial Instruments      |       | 2,631                   | 118                   |
| Inventories                                 | E.6   | 160,736                 | 91,769                |
| Structured Assets held for Sale             | E.7   | 81,493                  | -                     |
| Receivables from Associates                 |       | 5,554                   | 7,452                 |
| Trade Receivables                           |       | 46,222                  | 32,511                |
| Other short-term Receivables                |       | 7,906                   | 7,498                 |
| Contract Assets                             |       | 13,050                  | 12,731                |
| Current Income Tax Assets                   |       | 1,299                   | 1,706                 |
| Other Short-term Assets                     | E.8   | 112,299                 | 41,271                |
| Restricted Cash                             | E.9   | 2,498                   | 2,498                 |
| Cash and Cash Equivalents                   | E.9   | 42,228                  | 194,424               |
| <b>Total Current Assets</b>                 |       | <b>479,668</b>          | <b>405,758</b>        |
| <b>TOTAL ASSETS</b>                         |       | <b>1,485,805</b>        | <b>1,390,678</b>      |



## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### EQUITY AND LIABILITIES

| € thousand                                            | Notes | unaudited<br>30.06.2019 | audited<br>31.12.2018 |
|-------------------------------------------------------|-------|-------------------------|-----------------------|
| <b>Equity</b>                                         |       |                         |                       |
| Share Capital                                         | E. 10 | 1,587                   | 1,600                 |
| Other Reserves                                        | E. 11 | 560,447                 | 515,984               |
| Net Profit/(Loss) for the Period                      |       | 36,924                  | 104,632               |
| Equity attributable to shareholders of parent company |       | 598,958                 | 622,216               |
| Non-controlling Interests                             | E. 12 | (1,329)                 | (1,267)               |
| <b>Total Equity</b>                                   |       | <b>597,629</b>          | <b>620,949</b>        |
| <b>Non-Current Liabilities</b>                        |       |                         |                       |
| Other long-term Provisions                            |       | 2,852                   | 6,040                 |
| Long-term Financial Liabilities to Banks              | E. 13 | 17,748                  | 69,683                |
| Other Long-term Financial Liabilities                 | E. 14 | 521,551                 | 514,484               |
| Deferred Tax Liabilities                              |       | 19,365                  | 23,328                |
| Other non-current Liabilities                         | E. 15 | 31,448                  | 12,537                |
| <b>Total Non-Current Liabilities</b>                  |       | <b>592,964</b>          | <b>626,072</b>        |
| <b>Current Liabilities</b>                            |       |                         |                       |
| Other Short-term Provisions                           | E. 16 | 21,358                  | 33,443                |
| Short-term Financial Liabilities to Banks             | E. 17 | 128,919                 | 468                   |
| Other Short-term Financial Liabilities                |       | -                       | 2,479                 |
| Short-term Liabilities to Shareholders                |       | 665                     | -                     |
| Short-term Liabilities to Associates                  |       | 1,126                   | 821                   |
| Trade Payables                                        |       | 14,937                  | 11,664                |
| Current Income Tax Liabilities                        |       | 41,886                  | 42,706                |
| Other Current Liabilities                             | E. 18 | 86,321                  | 52,077                |
| <b>Total Current Liabilities</b>                      |       | <b>295,213</b>          | <b>143,657</b>        |
| <b>SUBTOTAL LIABILITIES</b>                           |       | <b>888,176</b>          | <b>769,729</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |       | <b>1,485,805</b>        | <b>1,390,678</b>      |

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

| € thousand                                                                               | Notes | unaudited<br>01.01.2019–<br>30.06.2019 | unaudited<br>01.01.2018–<br>30.06.2018 |
|------------------------------------------------------------------------------------------|-------|----------------------------------------|----------------------------------------|
| Revenue from Acquisition Related Fees                                                    | F.1   | 15,536                                 | 26,211                                 |
| Revenue from Asset and Property Management                                               | F.2   | 64,017                                 | 67,881                                 |
| Revenue from Promote Fees realised                                                       |       | -                                      | 247                                    |
| <i>Total Revenue from Real Estate Investment Management</i>                              |       | <i>79,553</i>                          | <i>94,339</i>                          |
| <i>Total Expenses from Real Estate Investment Management</i>                             | F.3   | <i>(40,338)</i>                        | <i>(34,453)</i>                        |
| <b>Total Earnings from Real Estate Investment Management</b>                             |       | <b>39,214</b>                          | <b>59,886</b>                          |
| Share of Profit or Loss from Associates and Joint Ventures                               |       | 7,218                                  | 11,099                                 |
| Dividends from other Alignment Capital                                                   |       | 3,514                                  | 3,987                                  |
| Gains/losses from fair value measurement of financial instruments related to real estate |       | 5,669                                  | -                                      |
| Expenses from Management of Associates and Joint Ventures                                |       | (4,568)                                | (3,830)                                |
| <b>Total Earnings from Alignment Capital Management</b>                                  |       | <b>11,833</b>                          | <b>11,256</b>                          |
| Net Rental Income                                                                        |       | 6,367                                  | 9,753                                  |
| Revenue from Service Charges                                                             |       | 3,610                                  | 550                                    |
| Net Gain from Selling Property Holding Companies/Inventories                             |       | 4,202                                  | 429                                    |
| Income from other Warehousing activities                                                 | F.4   | 10,905                                 | 5,664                                  |
| <i>Total Income from Real Estate Operations/Warehousing</i>                              |       | <i>25,084</i>                          | <i>16,396</i>                          |
| <i>Expenses from Real Estate Operations/Warehousing</i>                                  |       | <i>(10,225)</i>                        | <i>(6,103)</i>                         |
| <b>Total Earnings from Real Estate Operations/Warehousing</b>                            |       | <b>14,860</b>                          | <b>10,293</b>                          |
| General and Administrative Expenses                                                      | F.5   | (12,093)                               | (13,447)                               |
| Other Income                                                                             | F.6   | 15,128                                 | 1,140                                  |
| <b>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>           |       | <b>68,942</b>                          | <b>69,128</b>                          |
| Depreciation and Amortisation                                                            | F.7   | (16,761)                               | (12,928)                               |
| <b>Earnings before Interest and Taxes (EBIT)</b>                                         |       | <b>52,181</b>                          | <b>56,200</b>                          |
| Financial Income                                                                         |       | 3,770                                  | 5,443                                  |
| Financial Expenses                                                                       |       | (16,445)                               | (12,143)                               |
| <b>Earnings before Taxes (EBT)</b>                                                       |       | <b>39,506</b>                          | <b>49,500</b>                          |
| Income Tax Expense                                                                       |       | (2,577)                                | (6,715)                                |
| <b>Net Profit/(Loss) for the Period</b>                                                  |       | <b>36,929</b>                          | <b>42,784</b>                          |
| of which attributable to equity holders of parent company                                |       | 36,924                                 | 42,342                                 |
| of which attributable to non-controlling interests                                       |       | 5                                      | 442                                    |
| <b>Total Revenues <sup>1</sup></b>                                                       |       | <b>100,435</b>                         | <b>110,306</b>                         |
| <b>Total Expenses <sup>2</sup></b>                                                       |       | <b>(67,223)</b>                        | <b>(57,833)</b>                        |

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

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

| € thousand                                                                                              | Notes | unaudited<br>01/01/2019–<br>30/06/2019 | unaudited<br>01/01/2018–<br>30/06/2018 |
|---------------------------------------------------------------------------------------------------------|-------|----------------------------------------|----------------------------------------|
| Earnings per Share (in €):                                                                              |       |                                        |                                        |
| Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent                        | G.1   | 1.74                                   | 1.99                                   |
| Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent                      | G.1   | 1.72                                   | 1.99                                   |
| <b>Net Profit/(Loss) for the Period</b>                                                                 |       | <b>36,929</b>                          | <b>42,784</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                                               |       | (1,000)                                | (2,948)                                |
| Income tax effect                                                                                       |       | 0                                      | 694                                    |
| Net (loss)/gain on cash flow hedges                                                                     |       | 0                                      | 182                                    |
| Income tax effect                                                                                       |       | 0                                      | (9)                                    |
| Net (Loss)/Gain on Available-for-sale financial instruments                                             |       | 0                                      | 0                                      |
| Income Tax Effect                                                                                       |       | 0                                      | 0                                      |
| Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods                 |       | (1,000)                                | (2,081)                                |
| Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax): |       |                                        |                                        |
| Net (Loss)/Gain on Financial Assets (Equity Instruments)                                                |       | 0                                      | (564)                                  |
| Income Tax Effect                                                                                       |       | 0                                      | 5                                      |
| Remeasurement Gains (Losses) on Defined Benefit Plans                                                   |       | 0                                      | 0                                      |
| Income Tax Effect                                                                                       |       | 0                                      | 0                                      |
| Net other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Periods    |       | 0                                      | (559)                                  |
| <b>Other Comprehensive Income/(Loss) for the Period, Net of Tax</b>                                     |       | <b>(1,000)</b>                         | <b>(2,640)</b>                         |
| <b>Total Comprehensive Income for the Period, Net of Tax</b>                                            |       | <b>35,929</b>                          | <b>40,144</b>                          |
| of which attributable to equity holders of parent company                                               |       | 35,924                                 | 39,702                                 |
| of which attributable to non-controlling interests                                                      |       | 5                                      | 442                                    |

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the Period 1 January to 30 June 2019**

| € thousand                                                                  | Notes | 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-CON-TROLLING INTERESTS | TOTAL EQUITY   |
|-----------------------------------------------------------------------------|-------|---------------|---------------|----------------------------|-------------------|---------------------|----------------|-----------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|----------------------------|----------------|
| <b>Closing Balance of Capital Accounts as at 31 December 2017 (audited)</b> |       | <b>1,597</b>  | <b>0</b>      | <b>436,754</b>             | <b>60,373</b>     | <b>(3,511)</b>      | <b>493,616</b> | <b>55,717</b>                     | <b>550,930</b>                                                 | <b>(214)</b>                                                     | <b>718</b>                                         | <b>503</b>                 | <b>551,433</b> |
| Adopting of the new IFRS 15 standard                                        |       | 0             | 0             | 0                          | 9,213             | 0                   | 9,213          | 0                                 | 9,213                                                          | 0                                                                | 0                                                  | 0                          | 9,213          |
| Profit for the period                                                       |       | 0             | 0             | 0                          | 0                 | 0                   | 0              | 42,342                            | 42,342                                                         | 0                                                                | 442                                                | 442                        | 42,784         |
| Other comprehensive income                                                  |       | 0             | 0             | 0                          | 0                 | (2,640)             | (2,640)        | 0                                 | (2,640)                                                        | 0                                                                | 0                                                  | 0                          | (2,640)        |
| Total Comprehensive Income for the Period                                   |       | 0             | 0             | 0                          | 0                 | (2,640)             | (2,640)        | 42,342                            | 39,702                                                         | 0                                                                | 442                                                | 442                        | 40,144         |
| Issue of new capital                                                        |       | 0             | 0             | 0                          | 0                 | 0                   | 0              | 0                                 | 0                                                              | 10,284                                                           | 0                                                  | 10,284                     | 10,284         |
| Acquisition of Non-controlling interests                                    |       | 0             | 0             | 0                          | 0                 | 0                   | 0              | 0                                 | 0                                                              | 41                                                               | 0                                                  | 41                         | 41             |
| Equity-settled share-based payment                                          |       | 3             | 0             | 0                          | 726               | 0                   | 726            | 0                                 | 729                                                            | 0                                                                | 0                                                  | 0                          | 729            |
| Dividends paid                                                              |       | 0             | 0             | 0                          | (42,588)          | 0                   | (42,588)       | 0                                 | (42,588)                                                       | 0                                                                | 0                                                  | 0                          | (42,588)       |
| Reclassification/others                                                     |       | 0             | 95            | (273)                      | 55,622            | 0                   | 55,444         | (55,717)                          | (273)                                                          | 661                                                              | (718)                                              | (57)                       | (330)          |
| <b>Closing Balance of Capital Accounts as at 30 June 2018 (unaudited)</b>   |       | <b>1,600</b>  | <b>95</b>     | <b>436,481</b>             | <b>83,346</b>     | <b>(6,151)</b>      | <b>513,771</b> | <b>42,342</b>                     | <b>557,713</b>                                                 | <b>10,772</b>                                                    | <b>442</b>                                         | <b>11,215</b>              | <b>568,927</b> |
| <b>Closing Balance of Capital Accounts as at 31 December 2018 (audited)</b> |       | <b>1,600</b>  | <b>95</b>     | <b>436,754</b>             | <b>82,598</b>     | <b>(3,462)</b>      | <b>515,984</b> | <b>104,632</b>                    | <b>622,216</b>                                                 | <b>52</b>                                                        | <b>(1,319)</b>                                     | <b>(1,267)</b>             | <b>620,949</b> |
| Profit for the period                                                       |       | 0             | 0             | 0                          | 0                 | 0                   | 0              | 36,924                            | 36,924                                                         | 0                                                                | 5                                                  | 5                          | 36,929         |
| Other comprehensive income                                                  |       | 0             | 0             | 0                          | 0                 | (1,000)             | (1,000)        | 0                                 | (1,000)                                                        | 0                                                                | 0                                                  | 0                          | (1,000)        |
| Total Comprehensive Income for the Period                                   |       | 0             | 0             | 0                          | 0                 | (1,000)             | (1,000)        | 36,924                            | 35,924                                                         | 0                                                                | 5                                                  | 5                          | 35,929         |
| Repurchase of own shares                                                    |       | (13)          | 0             | (6,732)                    | 0                 | 0                   | (6,732)        | 0                                 | (6,746)                                                        | 0                                                                | 0                                                  | 0                          | (6,746)        |
| Dividends paid                                                              | B.1   | 0             | 0             | 0                          | (52,936)          | 0                   | (52,936)       | 0                                 | (52,936)                                                       | 0                                                                | 0                                                  | 0                          | (52,936)       |
| Reclassification/others                                                     |       | 0             | 66            | 0                          | 105,065           | 0                   | 105,131        | (104,632)                         | 499                                                            | (1,386)                                                          | 1,319                                              | (67)                       | 432            |
| <b>Closing Balance of Capital Accounts as at 30 June 2019 (unaudited)</b>   |       | <b>1,587</b>  | <b>161</b>    | <b>430,021</b>             | <b>134,727</b>    | <b>(4,462)</b>      | <b>560,447</b> | <b>36,924</b>                     | <b>598,957</b>                                                 | <b>(1,334)</b>                                                   | <b>5</b>                                           | <b>(1,329)</b>             | <b>597,629</b> |

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS for the Period from 1 January to 30 June 2019**

| € thousand                                                                                           | Notes | <b>unaudited<br/>01.01.2019–<br/>30.06.2019</b> | unaudited<br>01.01.2018–<br>30.06.2018 |
|------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------|----------------------------------------|
| <b>Earnings before Taxes (EBT)</b>                                                                   |       | 39,506                                          | 49,500                                 |
| <b>Adjustments:</b>                                                                                  |       |                                                 |                                        |
| Amortisation of intangible assets                                                                    |       | 13,321                                          | 11,957                                 |
| Depreciation/write-ups of property, plant and equipment                                              |       | 2,396                                           | 954                                    |
| Equity-settled share-based payment                                                                   |       | 0                                               | 729                                    |
| Effect from valuation on derivatives                                                                 |       | 0                                               | (429)                                  |
| Net loss/(gain) on disposal of property, plant and equipment                                         |       | (1)                                             | -                                      |
| Net loss/(gain) on disposal of intangible assets                                                     |       | 97                                              | 0                                      |
| Net loss/(gain) on disposal of Group companies                                                       |       | (3,323)                                         | (454)                                  |
| Financial Expenses                                                                                   |       | 16,445                                          | 12,143                                 |
| Financial Income                                                                                     |       | (3,770)                                         | (5,443)                                |
| Provisions                                                                                           |       | (15,005)                                        | (6,746)                                |
| Share of results from Associates and Joint Ventures                                                  |       | (7,218)                                         | (11,099)                               |
| <b>Total adjustments</b>                                                                             |       | <b>2,943</b>                                    | <b>1,612</b>                           |
| <b>Operating cash flows before changes in working capital</b>                                        |       | <b>42,448</b>                                   | <b>51,112</b>                          |
| Changes in working capital:                                                                          |       |                                                 |                                        |
| Changes from purchase and sale of inventories, structured assets held for sale and advanced payments |       | (197,786)                                       | (103,861)                              |
| Changes in receivables and other assets that are not attributable to investing activities            |       | (74,068)                                        | 19,830                                 |
| Changes in liabilities that are not attributable to financing activities                             |       | 71,588                                          | (33,520)                               |
| <b>Total changes in working capital</b>                                                              |       | <b>(200,266)</b>                                | <b>(117,551)</b>                       |
| <b>Cash flows from operations</b>                                                                    |       | <b>(157,818)</b>                                | <b>(66,439)</b>                        |
| Income taxes received/(paid)                                                                         |       | (6,396)                                         | (9,510)                                |
| <b>Net cash flows from operating activities</b>                                                      |       | <b>(164,214)</b>                                | <b>(75,949)</b>                        |
| Acquisition of Subsidiaries (Share purchase price net of cash balance at date of acquisition)        |       | 49                                              | 0                                      |
| Inflow from disposal of subsidiaries                                                                 |       | 0                                               | 585                                    |
| In-/ Outflow for Alignment Capital Investments (Associates and Loans)                                |       | (10,796)                                        | (264)                                  |
| Inflow from repayment of Alignment Capital Investments (Associates and Loans)                        |       | 9,067                                           | 7,699                                  |
| Proceeds from disposal of property, plant and equipment                                              |       | 410                                             | 1,495                                  |
| Purchase of financial instruments                                                                    |       | (11,899)                                        | (22,763)                               |
| Sale of financial instruments                                                                        |       | 3,182                                           |                                        |
| Purchase of property, plant and equipment                                                            |       | (385)                                           | (630)                                  |
| Additions to intangible assets                                                                       |       | (2,303)                                         | (743)                                  |
| <b>Net cash flows generated from / (used in) investing activities</b>                                |       | <b>(12,676)</b>                                 | <b>(14,620)</b>                        |

| € thousand                                                   | Notes      | unaudited<br>01.01.2019–<br>30.06.2019 | unaudited<br>01.01.2018–<br>30.06.2018 |
|--------------------------------------------------------------|------------|----------------------------------------|----------------------------------------|
| Proceeds from additional equity of non-controlling interests |            |                                        | 10,284                                 |
| Share repurchase                                             |            | (6,746)                                | -                                      |
| Distributions to the equity holders of parent company        | B.1        | (52,936)                               | (42,588)                               |
| Distributions paid to non-controlling interests              |            | (191)                                  | -                                      |
| Repayment of lease liabilities                               |            | (1,633)                                | -                                      |
| Purchase/Settlement of Derivatives                           |            | 0                                      | (1,889)                                |
| Proceeds from loans and borrowings                           |            | 99,209                                 | 329,480                                |
| Repayment of loans and borrowings                            |            | (643)                                  | (121,160)                              |
| Finance Expenses                                             |            | (16,136)                               | (9,564)                                |
| Finance Income                                               |            | 3,770                                  | 128                                    |
| <b>Net cash flows (used in) / from financing activities</b>  |            | <b>24,694</b>                          | <b>164,692</b>                         |
| <b>Net increase/ (decrease) in cash and cash equivalents</b> |            | <b>(152,196)</b>                       | <b>74,122</b>                          |
| <b>Cash and cash equivalents at beginning of period</b>      | <b>E.9</b> | <b>196,922</b>                         | <b>109,575</b>                         |
| Net increase/ (decrease) in cash and cash equivalents        |            | (152,196)                              | 74,122                                 |
| <b>Cash and cash equivalents at end of period</b>            | <b>E.9</b> | <b>44,726</b>                          | <b>183,697</b>                         |

## **Selected explanatory Notes to the Interim Consolidated Financial Statements for the Period from 1 January to 30 June 2019**

|           |                                                                                                                 |           |
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## A. CORPORATE INFORMATION

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 specialising in the creation and subsequent realisation 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 residential and commercial (primarily retail and office) real estate as well as micro-living projects. Geographically, the Group primarily concentrates on the German market but also is selectively active in other attractive markets in Europe such as Austria and Spain. 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 2019, the Group employs about 690 FTE real estate experts across 42 offices in 7 countries, providing direct access to local markets.

The Group focuses on three key business segments (see Note D) 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 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 12 August 2019.

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.



## **B. MAJOR EVENTS IN THE FIRST SIX MONTHS OF THE FINANCIAL YEAR 2019**

### **B.1 Company's annual general meeting**

At the Company's annual general meeting held on 26 April 2019, the shareholders of CORESTATE Capital Holding S.A. have approved all agenda items. The stand-alone financial statements as at 31 December 2018, prepared in accordance with Luxembourg GAAP and the consolidated financial statements as at 31 December 2018 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 2018 in an aggregate amount of € 41,558,273.58 and resolved to carry forward the entire profit after the adjustment of this profit to the next financial year. The meeting also resolved to allocate an amount of € 65,578.05 out of the profit and reserves carried forward from the financial year 2018 to the legal reserve, in accordance with article 461-1 of the Companies Act and as set out in the notes to the stand-alone annual accounts of the Company for the financial year 2018.

Furthermore, the meeting resolved a distribution out of the existing capital reserves in an aggregate amount of € 52,936,042.50 (corresponding to € 2.50 per issued share) to the shareholders.

## C. SIGNIFICANT ACCOUNTING POLICIES

### C.1 Basis of preparation

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019 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 2018.

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. All estimates, assumptions, options and judgements remain unchanged from the Group's Annual Consolidated Financial Statements as at 31 December 2018.

The business activities of the Group are basically unaffected by seasonal influences and economic cycles.

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 thousand Euros (k€), 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.

### C.2 New standards, interpretations and amendments adopted by the Group

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 2018 except for the new standards applied for the first time (see below). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following new standards, interpretations and amendments to existing standards and interpretations are applicable for the first time for financial years beginning on 1 January 2019:

#### IFRS 16 Leases

Application of the new standard is mandatory for fiscal years beginning on or after 1 January 2019. The adoption of IFRS 16 Leases resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The new accounting policy is set out above.

In the context of the transition to IFRS 16, right-of-use assets and lease liabilities of k€ 13,363 were recognized as at 1 January 2019. During the first six months of 2019 additional lease liabilities of k€ 4,207 were recognized leading to an overall IFRS 16 impact on the financial liabilities of k€ 17,570. Corestate transitioned to IFRS 16 in accordance with the modified retrospective approach. The prior-year figures were not adjusted. As part of the initial application of IFRS 16, we did not choose to apply the relief option, which would allow it to account for expiring leases (i.e., leases whose term will end within twelve months of the date of initial application) as short-term leases. The following reconciliation to the opening balance for the lease liabilities as at 1 January 2019 is based upon the operating lease obligations as at 31 December 2018:

**Reconciliation**

| € thousand                                                                                                                                          | 01.01.2019    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Operating lease obligations at 31 December 2018                                                                                                     | 12,126        |
| Additional lease obligations due to the fact that it is reasonably certain to exercise an extension option, or not to exercise a termination option | 7,379         |
| Relief option for short-term leases                                                                                                                 | -7            |
| Relief option for leases of low value assets                                                                                                        | -177          |
| Lease obligations for non-lease components                                                                                                          | 275           |
| Lease obligations for leases for which the underlying asset had not been made available until 1 January 2019                                        | -4,870        |
| Other                                                                                                                                               | 683           |
| <b>Gross operating lease obligations at 1 January 2019</b>                                                                                          | <b>15,409</b> |
| Discounting                                                                                                                                         | -2,045        |
| <b>Lease liabilities at 1 January 2019</b>                                                                                                          | <b>13,363</b> |

The lease liabilities were discounted at the incremental borrowing rate as at 1 January 2019. The weighted average discount rate was 4.0%. Leases are shown as follows in the balance sheet as at 30 June 2019 and the income statement for the first half of the year:

**Leases in the balance sheet**

| € thousand                                                | unaudited<br>30.06.2019 |
|-----------------------------------------------------------|-------------------------|
| <b>Assets</b>                                             |                         |
| <b>Non-current assets (property, plant and equipment)</b> |                         |
| Right-of-use assets - Office premises                     | 15,201                  |
| Right-of-use assets - Cars                                | 538                     |
| Right-of-use assets - Office equipment                    | 136                     |
| Right-of-use assets - Other assets                        | 254                     |
| <b>Total</b>                                              | <b>16,128</b>           |
| <b>Liabilities</b>                                        |                         |
| Other non-current liabilities                             | 0                       |
| Lease liabilities                                         | 13,162                  |
| Other current liabilities                                 | 0                       |
| Lease liabilities                                         | 3,084                   |
| <b>Total</b>                                              | <b>16,246</b>           |

**Leases in the income statement**

| € thousand                                | unaudited<br>01.01.2019–<br>30.06.2019 |
|-------------------------------------------|----------------------------------------|
| <b>Depreciation and impairment losses</b> |                                        |
| Depreciation of right-of-use assets       | 1,442                                  |
| <b>Net finance costs</b>                  |                                        |
| Interest expense on lease liabilities     | 309                                    |

Set out below are the new accounting policies of the Group upon adoption of IFRS 16:

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

Lease payments on short-term leases (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## D. SEGMENT INFORMATION

The following tables present assets and liabilities information as well as revenue and profit information for the Group's operating segments for the six months ended 30 June 2019 and 2018, respectively.

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

| € thousand                                                                                                 | Real Estate<br>Investment<br>Management | Alignment<br>Capital<br>Management | Real Estate<br>Operations/<br>Warehousing | Total<br>Segments | Overhead<br>(not allocated) | Adjustments<br>and eliminations | Consolidated<br>Financial<br>Statements |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------|-------------------------------------------|-------------------|-----------------------------|---------------------------------|-----------------------------------------|
| <b>Revenues:</b>                                                                                           |                                         |                                    |                                           |                   |                             |                                 |                                         |
| <b>Total revenues</b>                                                                                      | <b>79,553</b>                           | <b>0</b>                           | <b>20,882</b>                             | <b>100,435</b>    | <b>0</b>                    | <b>0</b>                        | <b>100,435</b>                          |
| <b>Income/expenses</b>                                                                                     |                                         |                                    |                                           |                   |                             |                                 |                                         |
| Expenses from<br>Real Estate<br>Investment<br>Management                                                   | (40,338)                                | 0                                  | 0                                         | (40,338)          | 0                           | 0                               | (40,338)                                |
| Share of Profit or<br>Loss from<br>Associates and<br>Joint Ventures                                        | 0                                       | 7,218                              | 0                                         | 7,218             | 0                           | 0                               | 7,218                                   |
| Dividends from<br>other Alignment<br>Capital                                                               | 0                                       | 3,514                              | 0                                         | 3,514             | 0                           | 0                               | 3,514                                   |
| Gains/losses from<br>fair value<br>measurement of<br>financial<br>instruments<br>related to real<br>estate | 0                                       | 5,669                              | 0                                         | 5,669             | 0                           | 0                               | 5,669                                   |
| Expenses from<br>Management of<br>Associates and<br>Joint Ventures                                         | 0                                       | (4,568)                            | 0                                         | (4,568)           | 0                           | 0                               | (4,568)                                 |
| Net Gain from<br>Selling Property<br>Holding<br>Companies                                                  | 0                                       | 0                                  | 4,202                                     | 4,202             | 0                           | 0                               | 4,202                                   |
| Expenses from<br>Real Estate<br>Operations                                                                 | 0                                       | 0                                  | (10,225)                                  | (10,225)          | 0                           | 0                               | (10,225)                                |
| <b>Total earnings</b>                                                                                      | <b>39,214</b>                           | <b>11,833</b>                      | <b>14,860</b>                             | <b>65,906</b>     | <b>0</b>                    | <b>0</b>                        | <b>65,906</b>                           |
| General and<br>Administrative<br>Expenses                                                                  | 0                                       | 0                                  | 0                                         | 0                 | (12,093)                    | 0                               | (12,093)                                |
| Other income                                                                                               | 0                                       | 0                                  | 0                                         | 0                 | 15,128                      | 0                               | 15,128                                  |
| Depreciation &<br>Amortisation                                                                             | (13,110)                                | 0                                  | 0                                         | (13,110)          | (3,651)                     | 0                               | (16,761)                                |
| Financial Income                                                                                           | 0                                       | 0                                  | 0                                         | 0                 | 3,770                       | 0                               | 3,770                                   |
| Financial<br>Expenses                                                                                      | 0                                       | 0                                  | (3,800)                                   | (3,800)           | (12,645)                    | 0                               | (16,445)                                |
| Income Tax<br>Expense                                                                                      | 0                                       | 0                                  | 0                                         | 0                 | (2,577)                     | 0                               | (2,577)                                 |
| <b>Segment Net<br/>Profit/(Loss)</b>                                                                       | <b>26,104</b>                           | <b>11,833</b>                      | <b>11,060</b>                             | <b>48,997</b>     | <b>(12,067)</b>             | <b>0</b>                        | <b>36,929</b>                           |
| <b>Total Assets<br/>(30 June 2019)</b>                                                                     | <b>761,470</b>                          | <b>151,238</b>                     | <b>347,275</b>                            | <b>1,259,983</b>  | <b>225,822</b>              | <b>0</b>                        | <b>1,485,805</b>                        |
| <b>Total<br/>Liabilities (30<br/>June 2019)</b>                                                            | <b>516,234</b>                          | <b>136,237</b>                     | <b>229,152</b>                            | <b>881,622</b>    | <b>6,554</b>                | <b>0</b>                        | <b>888,176</b>                          |
| Other disclosures                                                                                          |                                         |                                    |                                           |                   |                             |                                 |                                         |
| Investment in<br>Associates and<br>Joint Ventures                                                          | 0                                       | 99,715                             | 0                                         | 99,715            | 0                           | 0                               | 99,715                                  |

**Segment Information for the period from 1 January to 30 June 2018**

| € thousand                                                          | Real Estate<br>Investment<br>Management | Alignment<br>Capital<br>Management | Real Estate<br>Operations/<br>Warehousing | Total<br>Segments | Overhead<br>(not allocated) | Adjustments<br>and eliminations | Consolidated<br>Financial<br>Statements |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------|-------------------------------------------|-------------------|-----------------------------|---------------------------------|-----------------------------------------|
| <b>Revenues:</b>                                                    |                                         |                                    |                                           |                   |                             |                                 |                                         |
| <b>Total revenues</b>                                               | <b>94,339</b>                           | <b>0</b>                           | <b>15,967</b>                             | <b>110,306</b>    | <b>0</b>                    | <b>0</b>                        | <b>110,306</b>                          |
| Income/expenses                                                     |                                         |                                    |                                           |                   |                             |                                 |                                         |
| Expenses from<br>Real Estate<br>Investment<br>Management            | (34,453)                                | 0                                  | 0                                         | (34,453)          | 0                           | 0                               | (34,453)                                |
| Share of Profit or<br>Loss from<br>Associates and<br>Joint Ventures | 0                                       | 11,099                             | 0                                         | 11,099            | 0                           | 0                               | 11,099                                  |
| Share of Profit or<br>Loss from other<br>Capital<br>Alignments      | 0                                       | 3,987                              | 0                                         | 3,987             | 0                           | 0                               | 3,987                                   |
| Expenses from<br>Management of<br>Associates and<br>Joint Ventures  | 0                                       | (3,830)                            | 0                                         | (3,830)           | 0                           | 0                               | (3,830)                                 |
| Net Gain from<br>Selling Property<br>Holding<br>Companies           | 0                                       | 0                                  | 429                                       | 429               | 0                           | 0                               | 429                                     |
| Expenses from<br>Real Estate<br>Operations                          | 0                                       | 0                                  | (6,103)                                   | (6,103)           | 0                           | 0                               | (6,103)                                 |
| <b>Total earnings</b>                                               | <b>59,886</b>                           | <b>11,256</b>                      | <b>10,293</b>                             | <b>81,435</b>     | <b>0</b>                    | <b>0</b>                        | <b>81,435</b>                           |
| General and<br>Administrative<br>Expenses                           | 0                                       | 0                                  | 0                                         | 0                 | (13,447)                    | 0                               | (13,447)                                |
| Other income                                                        | 0                                       | 0                                  | 0                                         | 0                 | 1,140                       | 0                               | 1,140                                   |
| Depreciation &<br>Amortisation                                      | (10,596)                                | 0                                  | (4)                                       | (10,600)          | (2,328)                     | 0                               | (12,928)                                |
| Financial Income                                                    | 0                                       | 0                                  | 0                                         | 0                 | 5,443                       | 0                               | 5,443                                   |
| Financial<br>Expenses                                               | 0                                       | 0                                  | 0                                         | 0                 | (12,143)                    | 0                               | (12,143)                                |
| Income Tax<br>Expense                                               | 0                                       | 0                                  | 0                                         | 0                 | (6,715)                     | 0                               | (6,715)                                 |
| <b>Segment Net<br/>Profit/(Loss)</b>                                | <b>49,290</b>                           | <b>11,256</b>                      | <b>10,289</b>                             | <b>70,835</b>     | <b>(28,050)</b>             | <b>0</b>                        | <b>42,785</b>                           |
| <b>Total Assets<br/>(30 June 2018)</b>                              | <b>861,950</b>                          | <b>281,354</b>                     | <b>376,068</b>                            | <b>1,519,372</b>  | <b>200,224</b>              | <b>(172,960)</b>                | <b>1,546,636</b>                        |
| <b>Total<br/>Liabilities (30<br/>June 2018)</b>                     | <b>69,915</b>                           | <b>41,512</b>                      | <b>271,156</b>                            | <b>382,582</b>    | <b>768,086</b>              | <b>(172,960)</b>                | <b>977,708</b>                          |
| Other disclosures                                                   |                                         |                                    |                                           |                   |                             |                                 |                                         |
| Investment in<br>Associates and<br>Joint Ventures                   | 0                                       | 66,438                             | 0                                         | 66,438            | 0                           | 0                               | 66,438                                  |

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

## E. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (30 JUNE 2019 VERSUS 31 DECEMBER 2018)

### E.1 Other Intangible Assets

#### Intangible Assets

| € thousand                                | 2019<br>Total  | 2018<br>Total  |
|-------------------------------------------|----------------|----------------|
| As of 1 January                           | 176,437        | 160,352        |
| Changes from Business combinations        | 0              | 7,394          |
| Additions                                 | 2,303          | 8,691          |
| Disposals                                 | (310)          | 0              |
| Currency translation effects              | (0)            | 0              |
| As of 30 June/ 31 December                | 178,430        | 176,437        |
| <b>Amortisation and impairment losses</b> |                |                |
| As of 1 January                           | 44,013         | 19,336         |
| Amortisation for the year                 | 13,094         | 24,613         |
| Currency translation effects              | 15             | 64             |
| As of 30 June/ 31 December                | 57,121         | 44,013         |
| <b>Total (Carrying amount)</b>            | <b>121,309</b> | <b>132,424</b> |

### E.2 Goodwill

#### Goodwill – Detailed composition

| € thousand                                  | 30 June 2019   | 31 Dec 2018    |
|---------------------------------------------|----------------|----------------|
| HFS Helvetic Financial Services AG          | 519,686        | 519,686        |
| sub-group of ATOS Capital GmbH              | 21,703         | 21,703         |
| sub-group of HANNOVER LEASING GmbH & Co. KG | 15,024         | 15,024         |
| CRM Students Ltd.                           | 10,256         | 10,256         |
| GENOST Consulting GmbH                      | 449            | 449            |
| others                                      | 7              | 7              |
| <b>Total</b>                                | <b>567,124</b> | <b>567,124</b> |

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2018.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As of 30 June 2019, the market capitalisation of the Group was above the book value of its equity, indicating no potential impairment of goodwill.

### E.3 Investment in Associates and Joint Ventures

#### Investment in Associates – Overview of significant participation

| Project         | Name of associate                                                  | Country of incorporation | Place of business | Economic participation quote* |             |
|-----------------|--------------------------------------------------------------------|--------------------------|-------------------|-------------------------------|-------------|
|                 |                                                                    |                          |                   | 30 June 2019                  | 31 Dec 2018 |
| CLG             | CLG Facility Management GmbH                                       | Germany                  | Germany           | 49.0%                         | 49.0%       |
| ECHO            | Echo HoldCo 2 AIF S.à r.                                           | Luxembourg               | Germany           | 40.2%                         | n.a.        |
| FLIGHT 47       | HANNOVER LEASING Flight Invest 47 GmbH & Co. KG                    | Pullach                  | Germany           | 26.0%                         | 26.0%       |
| HABANA          | HABANA Verwaltungsgesellschaft mbH                                 | Pullach                  | Germany           | 49.0%                         | 49.0%       |
| HIGHSTREET VIII | Highstreet VIII TopCo Limited and Highstreet VIII TopCo II Limited | Guernsey                 | Germany           | 21.1%                         | 37.3%       |
| LIVER           | Liver HoldCo Limited                                               | Guernsey                 | Great Britain     | 34.6%                         | 34.6%       |
| REGIA           | REGIA Verwaltungsgesellschaft mbH                                  | Pullach                  | Germany           | 49.0%                         | 49.0%       |

\*Participation quote according to Joint Venture and Co-Investment Agreement

Note: Participations less than 20% are not shown separately.

#### Investments in Joint Ventures – Overview of significant participation

| Project         | Name of Joint Venture      | Country of incorporation | Place of business | Economic participation quote* |             |
|-----------------|----------------------------|--------------------------|-------------------|-------------------------------|-------------|
|                 |                            |                          |                   | 30 June 2019                  | 31 Dec 2018 |
| SCORE           | SCORE S.à r.l.             | Luxembourg               | Luxembourg        | 50.0%                         | 50.0%       |
| Accontis Exporo | Accontis Exporo JV         | Pullach                  | Germany           | 50.0%                         | 50.0%       |
| Santes Fair     | Santes Fair Management LLP | Chester                  | Great Britain     | 50.0%                         | 50.0%       |

\*Participation quote according to Joint Venture and Co-Investment Agreement

Note: Participations less than 20% are not shown separately.

In the first six month of the financial year 2019 the Group bought shares in projects Bochum and Echo and sold shares in the projects Danube and Highstreet VIII.



**Investments in Associates and Joint Ventures – Movement in carrying value**  
**Period ending on 30 June 2019 (€ thousand)**

| Project                     | 1 Jan 2019    | Additions/<br>Transfers | Share of<br>profit/<br>(loss) for<br>the period | Dividends<br>and capital<br>repayments<br>received in<br>cash | Disposals/<br>Transfers | Currency<br>translation<br>adjustment<br>s | 30 June<br>2019 |
|-----------------------------|---------------|-------------------------|-------------------------------------------------|---------------------------------------------------------------|-------------------------|--------------------------------------------|-----------------|
| ACROSS                      | 1,097         | -                       | (19)                                            | -                                                             | -                       | -                                          | 1,078           |
| ANNAPURNA                   | 1,460         | -                       | (122)                                           | (38)                                                          | -                       | -                                          | 1,300           |
| BOCHUM                      | 0             | 1,807                   | -                                               | -                                                             | -                       | -                                          | 1,807           |
| CLG                         | 53            | -                       | -                                               | -                                                             | -                       | -                                          | 53              |
| CONDOR                      | 1,280         | -                       | (6)                                             | -                                                             | -                       | -                                          | 1,274           |
| DONALD                      | 627           | -                       | 19                                              | (28)                                                          | -                       | -                                          | 617             |
| ECHO                        | 0             | 9,323                   | (66)                                            | -                                                             | -                       | -                                          | 9,257           |
| ENERGY                      | 94            | -                       | -                                               | -                                                             | -                       | -                                          | 94              |
| FLIGHT 47                   | 752           | -                       | 3                                               | (319)                                                         | -                       | -                                          | 436             |
| HABANA                      | 130           | -                       | (1)                                             | -                                                             | -                       | -                                          | 128             |
| HIGHSTREET PII              | 4,304         | -                       | (2)                                             | -                                                             | -                       | -                                          | 4,302           |
| HIGHSTREET VI               | 5,210         | -                       | 75                                              | -                                                             | -                       | -                                          | 5,285           |
| HIGHSTREET VII              | 6,054         | -                       | 98                                              | -                                                             | -                       | -                                          | 6,152           |
| HIGHSTREET VIII             | 17,201        | 3,316                   | (576)                                           | -                                                             | (8,203)                 | -                                          | 11,738          |
| ISABELA                     | 661           | -                       | 70                                              | -                                                             | -                       | -                                          | 731             |
| KING                        | 618           | -                       | (12)                                            | -                                                             | -                       | -                                          | 606             |
| LIVER                       | 16,878        | -                       | 6,223                                           | -                                                             | -                       | (952)                                      | 22,149          |
| OLYMPIC                     | 1,954         | (2)                     | 1,375                                           | -                                                             | -                       | -                                          | 3,327           |
| POSEIDON                    | 1,152         | 76                      | (8)                                             | -                                                             | -                       | -                                          | 1,220           |
| REGIA                       | 11,556        | -                       | 227                                             | (485)                                                         | -                       | -                                          | 11,298          |
| ROSE                        | 262           | -                       | (1)                                             | -                                                             | -                       | -                                          | 261             |
| TURBO FRA                   | 1,519         | 25                      | 50                                              | (60)                                                          | -                       | -                                          | 1,534           |
| TURICUM                     | 2,788         | -                       | (49)                                            | -                                                             | -                       | -                                          | 2,739           |
| VOLARE                      | 556           | -                       | (447)                                           | -                                                             | -                       | -                                          | 108             |
| Venloer4711                 | 1,196         | -                       | (23)                                            | -                                                             | -                       | -                                          | 1,173           |
| <b>Associates, total</b>    | <b>77,399</b> | <b>14,544</b>           | <b>6,807</b>                                    | <b>(930)</b>                                                  | <b>(8,203)</b>          | <b>(952)</b>                               | <b>88,664</b>   |
| Moviestar                   | 10,446        | 66                      | 423                                             | -                                                             | -                       | -                                          | 10,935          |
| Santes Fair                 | 115           | -                       | -                                               | -                                                             | -                       | (2)                                        | 113             |
| Accontis Exporo             | 12            | -                       | (12)                                            | -                                                             | -                       | -                                          | 0               |
| SCORE                       | 4             | -                       | -                                               | -                                                             | -                       | -                                          | 4               |
| <b>Joint Venture, total</b> | <b>10,576</b> | <b>66</b>               | <b>411</b>                                      | <b>-</b>                                                      | <b>-</b>                | <b>(2)</b>                                 | <b>11,051</b>   |
| <b>Total</b>                | <b>87,975</b> | <b>14,610</b>           | <b>7,218</b>                                    | <b>(930)</b>                                                  | <b>(8,203)</b>          | <b>(954)</b>                               | <b>99,715</b>   |

**Investments in Associates and Joint Ventures – Movement in carrying value****Period ending on 30 June 2018 (€ thousand)**

| Project                     | 1 Jan 2018    | Changes from business combinations and sales of subsidiaries | Additions / Transfers | Share of profit / (loss) for the period | Dividends and capital repayments received in cash | Disposals / Transfers | Currency translation adjustments | 30 June 2018  |
|-----------------------------|---------------|--------------------------------------------------------------|-----------------------|-----------------------------------------|---------------------------------------------------|-----------------------|----------------------------------|---------------|
| ACROSS                      | 1,132         | -                                                            | -                     | (10)                                    | -                                                 | -                     | -                                | 1,122         |
| ANNAPURNA                   | 1,473         | -                                                            | -                     | (23)                                    | -                                                 | -                     | -                                | 1,450         |
| CLG                         | 53            | -                                                            | -                     | -                                       | -                                                 | -                     | -                                | 53            |
| CONDOR                      | 1,226         | -                                                            | -                     | 61                                      | -                                                 | -                     | -                                | 1,288         |
| Denkmal Münster             | -             | -                                                            | 5,201                 | (136)                                   | -                                                 | (1,049)               | -                                | 4,016         |
| DONALD                      | 479           | -                                                            | -                     | 9                                       | -                                                 | -                     | -                                | 488           |
| ENERGY                      | 94            | -                                                            | -                     | -                                       | -                                                 | -                     | -                                | 94            |
| FLIGHT 47                   | 1,781         | -                                                            | -                     | 3,275                                   | (3,049)                                           | -                     | (1,111)                          | 896           |
| FLIGHT 48                   | 531           | -                                                            | -                     | 3,994                                   | (3,281)                                           | -                     | (1,230)                          | 14            |
| HABANA                      | 61            | -                                                            | -                     | 0                                       | -                                                 | -                     | -                                | 61            |
| HARBOUR                     | 1,298         | -                                                            | -                     | (27)                                    | -                                                 | -                     | -                                | 1,272         |
| HIGHSTREET PII              | 3,649         | -                                                            | 263                   | 46                                      | -                                                 | -                     | -                                | 3,958         |
| HIGHSTREET VI               | 5,321         | -                                                            | -                     | 90                                      | (150)                                             | -                     | -                                | 5,261         |
| HIGHSTREET VII              | 6,053         | -                                                            | -                     | (109)                                   | -                                                 | -                     | -                                | 5,944         |
| ISABELA                     | 838           | -                                                            | 2                     | (52)                                    | -                                                 | -                     | -                                | 788           |
| KING                        | 651           | -                                                            | -                     | (18)                                    | -                                                 | -                     | -                                | 634           |
| LIVER                       | 15,970        | -                                                            | -                     | 3,791                                   | -                                                 | -                     | -                                | 19,761        |
| OLYMPIC                     | 2,046         | -                                                            | -                     | (69)                                    | -                                                 | -                     | -                                | 1,977         |
| REGIA                       | 11,391        | -                                                            | -                     | 284                                     | (170)                                             | -                     | -                                | 11,505        |
| ROSE                        | 270           | -                                                            | -                     | (3)                                     | -                                                 | -                     | -                                | 267           |
| TURBO FRA                   | 1,135         | -                                                            | -                     | 17                                      | -                                                 | -                     | -                                | 1,152         |
| TURICUM                     | 2,839         | -                                                            | -                     | 1                                       | -                                                 | -                     | -                                | 2,840         |
| VOLARE                      | 358           | -                                                            | -                     | 10                                      | -                                                 | -                     | -                                | 368           |
| 4711                        | 1,260         | -                                                            | -                     | (34)                                    | -                                                 | -                     | -                                | 1,225         |
| <b>Associates, total</b>    | <b>59,910</b> | -                                                            | <b>5,465</b>          | <b>11,099</b>                           | <b>(6,650)</b>                                    | <b>(1,049)</b>        | <b>(2,341)</b>                   | <b>66,434</b> |
| MARBURG                     | 15            | (15)                                                         | -                     | -                                       | -                                                 | -                     | -                                | -             |
| SCORE                       | 4             | -                                                            | -                     | -                                       | -                                                 | -                     | -                                | 4             |
| <b>Joint Venture, total</b> | <b>19</b>     | <b>(15)</b>                                                  | -                     | -                                       | -                                                 | -                     | -                                | <b>4</b>      |
| <b>Total</b>                | <b>59,929</b> | <b>(15)</b>                                                  | <b>5,465</b>          | <b>11,099</b>                           | <b>(6,650)</b>                                    | <b>(1,049)</b>        | <b>(2,341)</b>                   | <b>66,437</b> |

#### E.4 Other financial instruments

Other Financial instruments mainly contain minority shares in partnerships, which are invested in real estate (e.g. shares in the Stratos funds k€ 34,294, Corestate Opportunity Fund Deutschland I k€ 10,852 and Private Invest k€ 14,703). Since shares in partnerships are treated as debt instruments, valuation changes are recognized in profit and loss.

#### E.5 Long-term Receivables

Long-term receivables comprise loans to not consolidated affiliated companies (k€ 5,493; 31.12.2018: k€ 5,969) and loans granted to third parties and shareholders (k€ 42,514; 31.12.2018: k€ 48,498).

| € thousand                               | 30 June<br>2019 | 31 December<br>2018 |
|------------------------------------------|-----------------|---------------------|
| Long-term Loans to third parties         | 32,835          | 35,319              |
| Long-term Loans to shareholders (Helaba) | 9,679           | 13,179              |
| Long-term Loans other                    | 5,493           | 5,969               |
| <b>Total</b>                             | <b>48,007</b>   | <b>54,467</b>       |

#### E.6 Inventories

| € thousand                                                                             | 30 June 2019   | 31 Dec 2018   |
|----------------------------------------------------------------------------------------|----------------|---------------|
| Highstreet Giessen PropCo S.à r.l. (property located in Giessen)                       | 57,650         | 57,216        |
| Corestate FMCG Fonds I (property located in Greifswald)                                | 47,398         | 0             |
| Plutos PropCo S.à r.l. (property located in Munich)                                    | 46,198         | 0             |
| Bego PropCo I S.L. (property located in Spain)                                         | 4,646          | 4,871         |
| GALENA Verwaltungsgesellschaft GmbH & Co. Vermietungs KG (property located in Pullach) | 2,440          | 2,440         |
| Leonia sp. z o.o. (Property located in Danzig)                                         | 2,405          | 0             |
| Highstreet Premium II PropCo III S.à r.l. (property located in Bochum)                 | 0              | 27,242        |
| <b>Total (Carrying amount)</b>                                                         | <b>160,736</b> | <b>91,769</b> |

Inventories comprise real estate properties of segment "Real Estate Operations and Warehousing" which are to be sold (real estate properties held for trading purposes).

In the first six month of the financial year 2019 the Group invested in new inventory properties located in Greifswald/Germany (k€ 47,398), in Munich/Germany (k€ 46,198) and in Danzig/Poland (k€ 2,405).

In contrast, the inventory property Bochum/Germany (k€ 27,242 as at 31 December 2018), was sold through share deal in June 2019.

#### E.7 Structured Assets held for Sale

Structured Assets held for Sale comprise closed real estate investment vehicles of segment "Real Estate Operations and Warehousing" which are already in a placement process (real estate properties held for sale) and are valued at the lower of cost and net realizable value

In the first six month of the financial year 2019 the Group invested in new properties located in Darmstadt/Germany (k€ 57,701) and in Hanover/Germany (k€ 23,792).

## E.8 Other Short-term Assets

Other Short-term Assets increased by k€ 71,028 due to new Mezzanine Loans.

## E.9 Restricted Cash, Cash and Cash Equivalents

Restricted Cash (k€ 2,498; 31.12.2018: k€ 2,498) and Cash and Cash Equivalents (k€ 42,228; 31.12.2018: k€ 194,424) in the consolidated Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. The Group has included restricted cash as well as cash and cash equivalents as they are considered an integral part of the Group's cash management.

## E.10 Share capital

### Share capital

| € thousand                                    | 2019         | 2018         |
|-----------------------------------------------|--------------|--------------|
| <b>As of 1 January</b>                        | <b>1,600</b> | <b>1,597</b> |
| Issue of share capital (contribution in cash) |              | 3            |
| Repurchase of shares                          | (13)         |              |
| <b>As of 30 June / 31 December</b>            | <b>1,587</b> | <b>1,600</b> |

The share capital decreased due to the fact that repurchased treasury shares have to be eliminated in the equity until the repurchased shares are transferred to a third party. In respect to changes in share capital and other reserves we refer to the interim consolidated Statement of Changes in Equity.

## E.11 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 %.

## E.12 Non-controlling interests

The non-controlling interests remain nearly unchanged compared to 2018 (k€ -1,329; 31.12.2018: k€ -1,267).

## E.13 Long-term Financial Liabilities to Banks

### Long-term Financial Liabilities to Banks

Financial liabilities to banks with a remaining term of more than one year are presented as long-term financial liabilities to banks but for financing of warehousing activities.

**E.14 Other Long-term Financial Liabilities****Other Long-term Financial Liabilities**

| € thousand                                  | 30 June 2019   | 31 Dec 2018    |
|---------------------------------------------|----------------|----------------|
| Bonds 2018                                  | 294,162        | 293,403        |
| Convertible bonds 2017                      | 190,473        | 189,150        |
| Bonds of HFS Helvetic Financial Services AG | 30,499         | 30,500         |
| Others                                      | 6,417          | 1,431          |
| <b>Total</b>                                | <b>521,551</b> | <b>514,484</b> |

**E.15 Other non-current Liabilities**

Other non-current Liabilities (k€ 31,448, 31.12.2018: k€ 12,537) increased in the first six month of the financial year 2019 by k€ 18,911. The increase results mainly from implementing IFRS 16 as of January 2019 with k€ 13,162 lease liabilities.

**E.16 Other Short-term Provisions****Other Short-term Provisions – Detailed composition**

| € thousand         | 1 Jan 2019    | Utilization    | Reversals       | Transfer | Additions    | 30 June 2019  |
|--------------------|---------------|----------------|-----------------|----------|--------------|---------------|
| Litigation costs   | 14,522        | (288)          | (6,939)         | 0        | 300          | 7,595         |
| Restructuring      | 6,202         | (761)          | (2,680)         | 0        | 0            | 2,761         |
| Tax law procedures | 2,750         | 0              | (200)           | 0        | 250          | 2,800         |
| Rental Guarantees  | 1,944         | (640)          | (470)           | 0        | 0            | 833           |
| others             | 8,025         | (2,653)        | (638)           | 0        | 2,635        | 7,369         |
| <b>Total</b>       | <b>33,443</b> | <b>(4,343)</b> | <b>(10,928)</b> | <b>0</b> | <b>3,185</b> | <b>21,358</b> |

Other short-term provisions decreased by k€ 12,085 mainly due to utilizations as well as reversals related to a decreased risk exposure.

**E.17 Short-term Financial Liabilities to Banks**

Short-term Financial Liabilities to Banks increased in the first half of 2019 by k€ 128,451 mainly driven by additional warehousing activities and investments in structured assets which are shown as short-term although terms with banks are agreed on a long-term basis.

**E.18 Other Current Liabilities**

| € thousand                                                | 30 June 2019  | 31 Dec 2018   |
|-----------------------------------------------------------|---------------|---------------|
| Liabilities from other loans                              | 57,229        | 20,053        |
| Liabilities from employee benefits                        | 3,424         | 9,434         |
| Others                                                    | 14,233        | 13,371        |
| Short-term liabilities from other taxes (VAT, stamp duty) | 3,742         | 4,731         |
| Deferred income                                           | 4,609         | 4,489         |
| IFRS 16 lease liability                                   | 3,084         | 0             |
| <b>Total</b>                                              | <b>86,321</b> | <b>52,077</b> |

Other current liabilities increased in the first half of 2019 by k€ 34,244. Thereof k€ 35,000 co-investments and short-term liabilities by Ketom AG and Helvetic Real Estate Financing AG.

## F. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (30 JUNE 2019 VERSUS 30 JUNE 2018)

### F.1 Revenue from Acquisition Related Fees

Revenues from Acquisition Related Fees mainly consists of acquisition, new business, underwriting and on-boarding fees.

### F.2 Revenue from Asset and Property Management

| € thousand                                | 01.01.2019 -<br>30.06.2019 | 01.01.2018 -<br>30.06.2018 |
|-------------------------------------------|----------------------------|----------------------------|
| Revenue from Coupon Participation Fees    | 23,591                     | 28,350                     |
| Revenue from Asset Management Fee         | 23,603                     | 26,795                     |
| Revenue from Property Management Fee      | 14,299                     | 5,954                      |
| Revenue from Sales Fee from third parties | 0                          | 614                        |
| Revenue from Development Fee              | 2,105                      | 2,534                      |
| Revenue Other Fees                        | 420                        | 3,634                      |
| <b>Total</b>                              | <b>64,017</b>              | <b>67,881</b>              |

### F.3 Total Expenses from Real Estate Investment Management

Expenses from Real Estate Investment include both personnel and overhead expenses (e.g. rent and leasing expenses, IT and telecommunication expenses, travel expenses, Legal and other advisory fees) relating to the Group's Real Estate Investment Management activities.

### F.4 Income from other Warehousing activities

This encompasses interest income from short-term Mezzanine-Bridging activities to secure deals for the Mezzanine Funds.

### F.5 General and Administrative Expenses

General and Administrative Expenses include both personnel and overhead expenses not allocated to either Expenses from Real Estate Investment Management, Expenses from Management for Associates or Expenses from Real Estate Operations.

### F.6 Other income

Other income mainly include reversals of provisions (see also note E.16).

### F.7 Depreciation and Amortisation

| € thousand                                             | 01.01.2019 -<br>30.06.2019 | 01.01.2018 -<br>30.06.2018 |
|--------------------------------------------------------|----------------------------|----------------------------|
| Intangible assets - scheduled depreciation             | (13,110)                   | (11,957)                   |
| Intangible assets - non-scheduled depreciation         | (228)                      | (18)                       |
| Property, plant and equipment - scheduled depreciation | (2,396)                    | (954)                      |
| Others                                                 | (1,028)                    | 0                          |
| <b>Total</b>                                           | <b>(16,761)</b>            | <b>(12,928)</b>            |

Depreciation on property, plant and equipment includes k€ 1,442 depreciation on Right-of-use assets.

## G. OTHER INFORMATION

### G.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)

|                                                                | 01.01.2019-30.06.2019 |            | 01.01.2018-30.06.2018 |            |
|----------------------------------------------------------------|-----------------------|------------|-----------------------|------------|
|                                                                | number of shares      | days       | number of shares      | days       |
| <b>Shares at the beginning of the period</b>                   | <b>21,329,417</b>     | <b>181</b> | <b>21,294,123</b>     | <b>181</b> |
| Issue of new shares (SW Authorised Capital) on 30 April 2018   | -                     | -          | 35,294                | 62         |
| 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         | -                     | -          |
| <b>Shares at the end of the period</b>                         | <b>21,174,417</b>     |            | <b>21,329,417</b>     |            |
| <b>Weighted average number of shares for the period</b>        | <b>21,277,928</b>     |            | <b>21,306,213</b>     |            |

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

|                                                         | 01.01.2019-30.06.2019 | 01.01.2018-30.06.2018 |
|---------------------------------------------------------|-----------------------|-----------------------|
|                                                         | number of shares      | number of shares      |
| New shares from the exercise of share-based payments    | -                     | 101,874               |
| Employee Share program                                  | 140,799               | 0                     |
| <b>Weighted average number of shares for the period</b> | <b>21,418,727</b>     | <b>21,306,771</b>     |



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

### Earnings per share (undiluted)

| € thousand                                                                             | 01.01.2019-<br>30.06.2019 | 01.01.2018-<br>30.06.2018 |
|----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Profit attributable to ordinary equity holders of the parent:                          |                           |                           |
| Continuing operations                                                                  | 36,924                    | 42,342                    |
| <b>Profit attributable to ordinary equity holders of the parent for basic earnings</b> | <b>36,924</b>             | <b>42,342</b>             |
| Weighted average number of ordinary shares (undiluted):                                |                           |                           |
| Share capital                                                                          | 21,277,928                | 21,306,213                |
| <b>Weighted average number of ordinary shares (total)</b>                              | <b>21,277,928</b>         | <b>21,306,213</b>         |
| <b>Earnings per share</b>                                                              | <b>1.74 €</b>             | <b>1.99 €</b>             |

### Earnings per share (diluted)

| € thousand                                                | 01.01.2019-<br>30.06.2019 | 01.01.2018-<br>30.06.2018 |
|-----------------------------------------------------------|---------------------------|---------------------------|
| Share capital                                             | 21,418,727                | 21,306,771                |
| <b>Weighted average number of ordinary shares (total)</b> | <b>21,418,727</b>         | <b>21,306,771</b>         |
| <b>Earnings per share (diluted)</b>                       | <b>1.72 €</b>             | <b>1.99 €</b>             |

## G.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

| € thousand                                           | 30 June 2019  | 31 Dec 2018   |
|------------------------------------------------------|---------------|---------------|
| Obligations under guarantees and warranty agreements | 1,767         | 9,010         |
| Placing and takeover obligations                     | 0             | 2,372         |
| Loan commitment                                      | 17,365        | 25,745        |
| Remargining                                          | 393           | 393           |
| Capital commitments for debts of joint ventures      | 245           | 295           |
| <b>Total Contingencies</b>                           | <b>19,769</b> | <b>37,815</b> |

### G.3 Group entities

CCH SA is the parent company of the Group.

The consolidated financial statements include all companies which the group controls, i.e. for which CCH SA owns, directly or indirectly through subsidiaries, more than half of the voting power or for which CCH SA has the power to direct the relevant activities. There are no restrictions regarding Cash or Dividend Payments from subsidiaries.

With the exception of CORESTATE MCIF GmbH & Co.KG the equity interest is equal to the voting rights. The Group does not hold the majority of voting rights in CORESTATE MCIF GmbH & Co.KG (only 2 voting rights), but has the power to direct its relevant activities.

#### Group entities

|                                                           |                                   | 30 June 2019          | 31 Dec 2018           |
|-----------------------------------------------------------|-----------------------------------|-----------------------|-----------------------|
| Name                                                      | Seat and Country of incorporation | % equity interest     | % equity interest     |
| <b>Corestate Capital Holding S.A.</b>                     | <b>Luxembourg</b>                 | <b>Parent Company</b> | <b>Parent Company</b> |
| ACROSS HoldCo S.à r.l.                                    | Luxembourg                        | 100.00%               | 100.00%               |
| AF ATHENA GmbH                                            | Frankfurt am Main/Germany         | 100.00%               | 100.00%               |
| ATOS Property Management GmbH                             | Hamburg/Germany                   | 100.00%               | 100.00%               |
| ATOS Real Estate GmbH                                     | Wien/Austria                      | 100.00%               | 100.00%               |
| Bayreuth Student Home AcquiCo II S.à r.l.                 | Luxembourg                        | 100.00%               | 100.00%               |
| Barry HoldCo S.à r.l. (ehem. Corestate Shelf 12 S.à r.l.) | Luxembourg                        | 100.00%               | n.a.                  |
| Bego HoldCo I S.L.                                        | Madrid/Spain                      | 100.00%               | 100.00%               |
| Bego HoldCo S.à r.l.                                      | Luxembourg                        | 100.00%               | 100.00%               |
| Bego PropCo I S.L.                                        | Madrid/Spain                      | 100.00%               | 100.00%               |
| BER REV HoldCo S.à r.l.                                   | Luxembourg                        | 100.00%               | n.a.                  |
| CAPERA Immobilien Service GmbH                            | Neu-Isenburg/Germany              | 100.00%               | 100.00%               |
| CAP FinCo S.à r.l.                                        | Luxembourg                        | 100.00%               | 100.00%               |
| CAP HoldCo S.à r.l.                                       | Luxembourg                        | 100.00%               | 100.00%               |
| CC Venture Management S.à r.l.                            | Luxembourg                        | 100.00%               | 100.00%               |
| Cisnes E Silhuetas                                        | Lisboa/Portugal                   | 100.00%               | n.a.                  |
| Corestate Ben HoldCo GmbH & Co. KG                        | Frankfurt am Main/Germany         | 100.00%               | 100.00%               |

|                                                         |                                   | 30 June 2019      | 31 Dec 2018       |
|---------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                    | Seat and Country of incorporation | % equity interest | % equity interest |
| CORESTATE Capital Advisors (Singapore) Pte. Ltd.        | Singapore                         | 100.00%           | 100.00%           |
| CORESTATE Capital Advisors GmbH                         | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| CORESTATE CAPITAL AG                                    | Zug/Switzerland                   | 100.00%           | 100.00%           |
| CORESTATE Capital Beteiligungs Verwaltung GmbH          | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| CORESTATE CAPITAL Fund Management S.à r.l.              | Luxembourg                        | 100.00%           | 100.00%           |
| CORESTATE Capital Group GmbH                            | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate Capital Investors (Europe) GmbH               | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate Capital Junior BondCo S.à r.l.                | Luxembourg                        | 100.00%           | 100.00%           |
| CORESTATE Capital Partners GmbH                         | Zug/Switzerland                   | 100.00%           | 100.00%           |
| CORESTATE Capital Partners UK Limited                   | London/United Kingdom             | 100.00%           | 100.00%           |
| Corestate Capital Sales Holding S.à r.l.                | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate Capital Senior BondCo S.à r.l.                | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate Capital Services GmbH                         | Wollerau/Switzerland              | 100.00%           | 100.00%           |
| CORESTATE Capital Transactions AG                       | Zug/Switzerland                   | 100.00%           | 100.00%           |
| Corestate Capital Vorratsgesellschaft mbH 1             | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate Capital Vorratsgesellschaft mbH EINS & Co. KG | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate CAPTIVE PropCo V S.à r.l.                     | Luxembourg                        | 100.00%           | 100.00%           |
| CORESTATE CIV GmbH                                      | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate Condor PropCo GmbH                            | Vienna/Austria                    | 100.00%           | 100.00%           |
| Corestate Condor TopCo GmbH                             | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate FIF Portfolio Verwaltung GmbH                 | Hamburg/Germany                   | 100.00%           | 100.00%           |
| CORESTATE FMCG Fonds I                                  | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate Investment 1 S.à r.l.                         | Luxembourg                        | 100.00%           | 100.00%           |

|                                                          |                                   | 30 June 2019      | 31 Dec 2018       |
|----------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                     | Seat and Country of incorporation | % equity interest | % equity interest |
| Corestate Marketing GmbH                                 | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Corestate PropCo Shelf I S.à r.l.                        | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate Shelf 7 S.à r.l.                               | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate Shelf 11 S.à r.l.                              | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate Shelf 15 S.à r.l.                              | Luxembourg                        | 100.00%           | n.a.              |
| Corestate Shelf 16 S.à r.l.                              | Luxembourg                        | 100.00%           | n.a.              |
| Corestate Shelf 18 S.à r.l.                              | Luxembourg                        | 100.00%           | n.a.              |
| Corestate Shelf 19 S.à r.l.                              | Luxembourg                        | 100.00%           | n.a.              |
| Corestate Student Home Holding S.à r.l.                  | Luxembourg                        | 100.00%           | 100.00%           |
| Corestate VIE Developments S.à r.l.                      | Luxembourg                        | 100.00%           | n.a.              |
| Corestate ZGE Feeder GmbH & Co. KG                       | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| CRM Students Ltd                                         | Oxford/United Kingdom             | 100.00%           | 100.00%           |
| DONALD HoldCo S.à r.l.                                   | Luxembourg                        | 100.00%           | 100.00%           |
| Echo HoldCo S.à r.l.                                     | Luxembourg                        | 100.00%           | 100.00%           |
| Energy Aquico II GmbH & Co. KG                           | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Frankfurt Student Home AcquiCo II S.à r.l.               | Luxembourg                        | 100.00%           | 100.00%           |
| GENOST Consulting GmbH                                   | Leipzig/Germany                   | 100.00%           | 100.00%           |
| Grindel AcquiCo II S.à r.l.                              | Luxembourg                        | 100.00%           | 100.00%           |
| Hannover Leasing Verwaltungsgesellschaft mbH             | Pullach/Germany                   | 100.00%           | 100.00%           |
| HARBOUR AcquiCo 1 AIF S.à r.l.                           | Luxembourg                        | 100.00%           | 100.00%           |
| Hartly Invest, S.L.                                      | Madrid/Spain                      | 100.00%           | 100.00%           |
| HFS Helvetic Financial Services AG                       | Wollerau/Switzerland              | 100.00%           | 100.00%           |
| Highstreet IX TopCo Ltd. (prev. Highstreet GI TopCo Ltd) | Guernsey                          | 100.00%           | 100.00%           |
| Highstreet Giessen HoldCo S.à r.l.                       | Luxembourg                        | 100.00%           | 100.00%           |

|                                                               |                                   | 30 June 2019      | 31 Dec 2018       |
|---------------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                          | Seat and Country of incorporation | % equity interest | % equity interest |
| Highstreet Giessen PropCo S.à r.l.                            | Luxembourg                        | 100.00%           | 100.00%           |
| Highstreet IX GP S.à r.l.                                     | Luxembourg                        | 100.00%           | n.a.              |
| Highstreet IX HoldCo S.à r.l.                                 | Luxembourg                        | 100.00%           | 100.00%           |
| Highstreet IX PropCo S.à r.l.                                 | Luxembourg                        | 100.00%           | 100.00%           |
| Highstreet Premium II AcquiCo Limited                         | Guernsey                          | 100.00%           | 100.00%           |
| Iberian HoldCo II S.à r.l.                                    | Luxembourg                        | 100.00%           | 100.00%           |
| Iberian HoldCo II S.L.                                        | Madrid/Spain                      | 100.00%           | 100.00%           |
| Iberian Investment II HoldCo S.à r.l.                         | Luxembourg                        | 100.00%           | 100.00%           |
| Iberian PropCo II S.L.                                        | Madrid/Spain                      | 100.00%           | 100.00%           |
| Isabela HoldCo AIF S.à r.l.                                   | Luxembourg                        | 100.00%           | 100.00%           |
| ISARTAL Beteiligungsverwaltungs GmbH                          | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Leonia sp. z o.o                                              | Warsaw/Poland                     | 100.00%           | 100.00%           |
| Mainz Student Home AcquiCo II S.à r.l.                        | Luxembourg                        | 100.00%           | 100.00%           |
| Manneken AIF S.à r.l.                                         | Luxembourg                        | 100.00%           | 100.00%           |
| Manneken HoldCo S.à r.l.                                      | Luxembourg                        | 100.00%           | 100.00%           |
| Marburg TopCo Ltd                                             | Guernsey                          | 100.00%           | 100.00%           |
| Micro Living Properties Spain S.L.U.                          | Madrid/Spain                      | 100.00%           | 100.00%           |
| MicroLiving Service zwei GmbH                                 | Vienna/Austria                    | 100.00%           | 100.00%           |
| Müller34 Student Home Projektentwicklung- und Verwaltung GmbH | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Plutos HoldCo AIF S.à r.l.                                    | Luxembourg                        | 100.00%           | n.a.              |
| Plutos HoldCo S.à r.l. (prev. Corestate Shelf 3 S.à r.l.)     | Luxembourg                        | 100.00%           | 100.00%           |
| Plutos PropCo S.à r.l. (prev. Corestate Shelf 4 S.à r.l.)     | Luxembourg                        | 100.00%           | 100.00%           |
| Potsdam Student Home AcquiCo II S.à r.l.                      | Luxembourg                        | 100.00%           | 100.00%           |

|                                                                     |                                   | 30 June 2019      | 31 Dec 2018       |
|---------------------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                                | Seat and Country of incorporation | % equity interest | % equity interest |
| Project AcquiCo III S.à r.l.                                        | Luxembourg                        | 100.00%           | 100.00%           |
| RECAP FinCo II S.à r.l.                                             | Luxembourg                        | 100.00%           | 100.00%           |
| RECAP FinCo S.à r.l.                                                | Luxembourg                        | 100.00%           | 100.00%           |
| RECAP FinCo VI S.à r.l.                                             | Luxembourg                        | 100.00%           | 100.00%           |
| ROSE HoldCo S.à r.l.                                                | Luxembourg                        | 100.00%           | 100.00%           |
| Spain Shelf I HoldCo I S.L.                                         | Spain                             | 100.00%           | 100.00%           |
| Cassandra HoldCo S.à r.l. (prev. Spain Shelf I HoldCo S.à r.l.)     | Luxembourg                        | 100.00%           | 100.00%           |
| Spain Shelf I PropCo I S.L.                                         | Spain                             | 100.00%           | 100.00%           |
| Stadttor Düsseldorf AcquiCo S.à r.l.                                | Luxembourg                        | 100.00%           | 100.00%           |
| Tempelhof Twins HoldCo S.à r.l. (ehem. Corestate Shelf 13 S.à r.l.) | Luxembourg                        | 100.00%           | n.a.              |
| Tempelhof Twins PropCo S.à r.l. (ehem. Corestate Shelf 14 S.à r.l.) | Luxembourg                        | 100.00%           | n.a.              |
| TRIIPLE TopCo GmbH                                                  | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| TURBO FRA AcquiCo II GmbH & Co. KG                                  | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| UPARTMENTS Real Estate GmbH                                         | Leipzig/Germany                   | 100.00%           | 100.00%           |
| Urban Micro Estate Immobilienverwaltung GmbH                        | Vienna/Austria                    | 100.00%           | n.a.              |
| VITU AcquiCo II GmbH & Co. KG                                       | Frankfurt am Main/Germany         | 100.00%           | 100.00%           |
| Wallhalla HoldCo S.à r.l. (prev. Corestate Shelf 5 S.à r.l.)        | Luxembourg                        | 100.00%           | 100.00%           |
| Wallhalla PropCo S.à r.l. (prev. Roman HoldCo S.à r.l.)             | Luxembourg                        | 100.00%           | 100.00%           |
| LOMBARDO Verwaltungsgesellschaft mbH                                | Pullach/Germany                   | 89.58%            | 89.58%            |
| PALMYRA Verwaltungs GmbH & Co. Vermietungs KG                       | Pullach/Germany                   | 89.58%            | 89.58%            |
| CORESTATE MCIF GmbH & Co. KG                                        | Frankfurt am Main/Germany         | 86.67%            | 86.67%            |
| PALMYRA Verwaltungs GmbH & Co. Verm. KG S.e.n.c                     | Luxembourg                        | 84.92%            | 84.92%            |
| CORESTATE MCIF Germany GmbH & Co. KG                                | Frankfurt am Main/Germany         | 83.87%            | 83.87%            |
| Soest HoldCo S.à r.l.                                               | Luxembourg                        | 81.80%            | 81.80%            |

|                                                                          |                                   | 30 June 2019      | 31 Dec 2018       |
|--------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                                     | Seat and Country of incorporation | % equity interest | % equity interest |
| Corestate SAND HoldCo S.à r.l.                                           | Luxembourg                        | 69.74%            | 69.74%            |
| Corestate Sailing HoldCo S.à r.l.                                        | Luxembourg                        | merged            | 100.00%           |
| Crown PropCo GmbH                                                        | Frankfurt am Main/Germany         | merged            | 100.00%           |
| King HoldCo S.à r.l.                                                     | Luxembourg                        | merged            | 100.00%           |
| RECAP FinCo III S.à r.l.                                                 | Luxembourg                        | merged            | 100.00%           |
| RECAP FinCo IV S.à r.l.                                                  | Luxembourg                        | merged            | 100.00%           |
| RECAP FinCo V S.à r.l.                                                   | Luxembourg                        | merged            | 100.00%           |
| Bochum PropCo S.à r.l. (prev. Highstreet Premium II PropCo III S.à r.l.) | Luxembourg                        | sold              | 100.00%           |
| Echo HoldCo 2 AIF S.a.r.l. (prev. Project AcquiCo IV S.à r.l.)           | Luxembourg                        | sold              | 100.00%           |
| Echo PropCo S.à r.l.                                                     | Luxembourg                        | sold              | 100.00%           |

**Group entities (Sub Group Hannover Leasing)**

|                                                            |                                   | 30 June 2019      | 31 Dec 2018       |
|------------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                       | Seat and Country of incorporation | % equity interest | % equity interest |
| Hannover Leasing GmbH & Co. KG                             | Pullach/Germany                   | 94.90%            | 94.90%            |
| Accontis GmbH Finanzanlagen und Beteiligungen              | Frankfurt am Main/Germany         | 94.90%            | 94.90%            |
| AKANTHUS Verwaltungsgesellschaft mbH                       | Pullach/Germany                   | 89.21%            | 89.21%            |
| BERYTOS Verwaltungsgesellschaft mbH                        | Pullach/Germany                   | 94.90%            | 94.90%            |
| CAMPANULA Verwaltungsgesellschaft mbH & Co. Vermietungs KG | Pullach/Germany                   | 78.00%            | 94.90%            |
| Delta Vermietungsgesellschaft mbH                          | Pullach/Germany                   | 94.90%            | 94.90%            |
| DIRAN Verwaltungsgesellschaft mbH                          | Pullach/Germany                   | 94.90%            | 94.90%            |
| DIV Deutsche Immobilienfonds GmbH                          | Pullach/Germany                   | 94.90%            | 94.90%            |
| Freizeitgeräte Leasing GmbH                                | Pullach/Germany                   | 94.90%            | 94.90%            |
| FRICTION Verwaltungsgesellschaft mbH                       | Pullach/Germany                   | 62.63%            | 89.21%            |

|                                                                                                                                   |                                   | 30 June 2019      | 31 Dec 2018       |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                                                                                              | Seat and Country of incorporation | % equity interest | % equity interest |
| Galena Verwaltungsgesellschaft mbH & Co. Vermietungs KG                                                                           | Pullach/Germany                   | 94.59%            | 94.90%            |
| GELIMER Verwaltungsgesellschaft mbH & Co. Vermietungs KG                                                                          | Pullach/Germany                   | 86.43%            | 94.90%            |
| GORDION Verwaltungsgesellschaft mbH                                                                                               | Pullach/Germany                   | 94.90%            | 94.90%            |
| HANNOVER LEASING Automotive GmbH                                                                                                  | Pullach/Germany                   | 84.15%            | 84.15%            |
| HANNOVER LEASING Belgien Beteiligungs GmbH & Co. KG                                                                               | Pullach/Germany                   | 94.90%            | 94.90%            |
| Hannover Leasing Beteiligungs GmbH & Co. KG                                                                                       | Pullach/Germany                   | 94.90%            | 94.90%            |
| Hannover Leasing Investment Beteiligungs GmbH                                                                                     | Pullach/Germany                   | 94.90%            | 94.90%            |
| HANNOVER LEASING Investment GmbH                                                                                                  | Pullach/Germany                   | 94.90%            | 94.90%            |
| HANNOVER LEASING Private Invest Beteiligungs GmbH                                                                                 | Pullach/Germany                   | 86.60%            | 86.43%            |
| HANNOVER LEASING Private Invest II GmbH & Co. KG                                                                                  | Pullach/Germany                   | 86.60%            | 84.15%            |
| HANNOVER LEASING Treuhand GmbH                                                                                                    | Pullach/Germany                   | 94.90%            | 94.90%            |
| HANNOVER LEASING Wachstumswerte Europa Beteiligungsgesellschaft mbH                                                               | Pullach/Germany                   | 94.90%            | 94.90%            |
| HANNOVER LEASING Wachstumswerte Europa VI GmbH & Co. KG i.L.                                                                      | Pullach/Germany                   | 94.90%            | 94.90%            |
| HANNOVER LEASING Wachstumswerte Europa VIII GmbH & Co. KG                                                                         | Pullach/Germany                   | 47.49%            | 86.62%            |
| HANNOVER-LEASING Treuhand-Vermögensverwaltung GmbH                                                                                | Pullach/Germany                   | 94.90%            | 94.90%            |
| HERSCHEL Verwaltungsgesellschaft mbH                                                                                              | Pullach/Germany                   | 62.63%            | 86.62%            |
| HL Hotel Ulm GmbH & Co. geschlossene Investment-KG                                                                                | Pullach/Germany                   | sold              | 53.63%            |
| HL Invest Hannover GmbH & Co. geschlossene Investment-KG                                                                          | Pullach/Germany                   | 94.90%            | n.a.              |
| HL Quartier West Darmstadt GmbH Co. geschlossene Investment-KG (vormals: STYLOS Verwaltungsgesellschaft mbH & Co. Vermietungs KG) | Pullach/Germany                   | 58.46%            | 94.90%            |
| IKARIA Verwaltungsgesellschaft mbH & Co. Vermietungs KG                                                                           | Pullach/Germany                   | 94.90%            | n.a.              |
| KERA Verwaltungsgesellschaft mbH                                                                                                  | Pullach/Germany                   | 62.63%            | 94.90%            |
| LIBANUS Verwaltungsgesellschaft mbH & Co. Vermietungs KG                                                                          | Pullach/Germany                   | 58.03%            | 94.90%            |
| MANCALA Verwaltungsgesellschaft mbH & Co. Vermietungs KG                                                                          | Pullach/Germany                   | 94.90%            | n.a.              |



|                                                           |                                   | 30 June 2019      | 31 Dec 2018       |
|-----------------------------------------------------------|-----------------------------------|-------------------|-------------------|
| Name                                                      | Seat and Country of incorporation | % equity interest | % equity interest |
| MERIT Beteiligungsgesellschaft mbH                        | Pullach/Germany                   | 94.90%            | 94.90%            |
| NIGRESCO Verwaltungsgesellschaft mbH                      | Pullach/Germany                   | 94.90%            | 94.90%            |
| NOVELLINO Geschäftsbesorgungs GmbH & Co. Verwaltungs KG   | Pullach/Germany                   | 94.90%            | 47.49%            |
| ORION Verwaltungsgesellschaft mbH & Co. Beteiligungs KG   | Pullach/Germany                   | 94.90%            | 94.90%            |
| PERNILLA Verwaltungsgesellschaft mbH & Co. Vermietungs KG | Pullach/Germany                   | sold              | 94.90%            |
| SINGULI Verwaltungsgesellschaft mbH                       | Pullach/Germany                   | 62.63%            | 94.90%            |
| VANESSA Verwaltungsgesellschaft mbH & Co. Vermietungs KG  | Pullach/Germany                   | 94.90%            | 94.90%            |

#### G.4 Deconsolidation

During the first six month of the financial year 2019, the following companies were deconsolidated from the Group due to share deals within our warehousing activities:

|                                         | Echo HoldCo 2<br>AIF S.á r.l. | Echo PropCo<br>S.à r.l. | Corestate<br>Opportunity I<br>Master S.à r.l. | Bochum<br>PropCo S.à<br>r.l. | Corestate<br>Residential<br>Germany<br>Fund III | <b>Total</b>  |
|-----------------------------------------|-------------------------------|-------------------------|-----------------------------------------------|------------------------------|-------------------------------------------------|---------------|
| € thousand                              |                               |                         |                                               |                              |                                                 |               |
| Date of sale                            | 26.06.2019                    | 26.06.2019              | 11.06.2019                                    | 28.06.2019                   | 12.04.2019                                      |               |
| Total proceeds from sale                | 27                            | 20,005                  | 10                                            | 12,911                       | 1                                               | 32,955        |
| thereof sales prices (cash)             | 0                             | 18,087                  | 10                                            | 11,888                       | 0                                               | 29,985        |
| thereof other consideration transferred | 27                            | 1,919                   | 0                                             | 1,024                        | 1                                               | 2,971         |
| Voting rights sold (%)                  | 69%                           | 90%                     | 100%                                          | 90%                          | 100%                                            | 0             |
| Inventories                             | 0                             | 43,844                  | 0                                             | 28,100                       | 0                                               | 71,944        |
| Receivables                             | 0                             | 475                     | 0                                             | 920                          | 0                                               | 1,395         |
| Other assets                            | 0                             | 0                       | 0                                             | 125                          | 0                                               | 125           |
| Cash and cash equivalents               | 0                             | 2,979                   | 10                                            | 507                          | 1                                               | 3,496         |
| <b>Total assets</b>                     | <b>0</b>                      | <b>47,298</b>           | <b>10</b>                                     | <b>29,652</b>                | <b>1</b>                                        | <b>76,961</b> |
| Financial liabilities due to banks      | 1                             | 28,004                  | 0                                             | 17,663                       | 0                                               | 45,669        |
| Other provisions                        | 0                             | 132                     | 0                                             | 150                          | 0                                               | 282           |
| Trade payables                          | 16                            | 79                      | 0                                             | 99                           | 0                                               | 193           |
| Other payables                          | 0                             | 136                     | 0                                             | 1,048                        | 0                                               | 1,185         |
| <b>Total liabilities</b>                | <b>16</b>                     | <b>28,351</b>           | <b>0</b>                                      | <b>18,961</b>                | <b>0</b>                                        | <b>47,329</b> |
| <b>Fair value of net assets sold</b>    | <b>(16)</b>                   | <b>18,946</b>           | <b>10</b>                                     | <b>10,691</b>                | <b>1</b>                                        | <b>29,632</b> |
| <b>Gain/(loss) from deconsolidation</b> | <b>43</b>                     | <b>1,059</b>            | <b>0</b>                                      | <b>2,221</b>                 | <b>0</b>                                        | <b>3,323</b>  |

## G.5 Fair value

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

|                                           |                                    | Measurement in accordance with |                                                        |                                                         |                   |                   |                               |
|-------------------------------------------|------------------------------------|--------------------------------|--------------------------------------------------------|---------------------------------------------------------|-------------------|-------------------|-------------------------------|
|                                           |                                    | IFRS 9                         |                                                        |                                                         | IAS 17            |                   |                               |
| € thousand                                | Carrying amount<br>30 June<br>2019 | Amortized cost                 | Fair value<br>recognised<br>through profit<br>and loss | Fair value<br>recognised<br>directly in<br>equity (OCI) | not<br>applicable | Amortized<br>cost | Fair value<br>30 June<br>2019 |
| Other Financial Instruments               | 105,648                            | 4,720                          | 100,928                                                | 0                                                       | 0                 | 0                 | 105,648                       |
| Long-term Receivables                     | 48,007                             | 15,201                         | 32,805                                                 | 0                                                       | 0                 | 0                 | 48,007                        |
| Long-term Loans to Associates             | 8,697                              | 0                              | 8,697                                                  | 0                                                       | 0                 | 0                 | 8,697                         |
| Receivables from Associates               | 5,554                              | 5,554                          | 0                                                      | 0                                                       | 0                 | 0                 | 5,554                         |
| Trade Receivables                         | 46,222                             | 46,222                         | 0                                                      | 0                                                       | 0                 | 0                 | 46,222                        |
| Other Short-term Receivables              | 7,906                              | 7,906                          | 0                                                      | 0                                                       | 0                 | 0                 | 7,906                         |
| Other Short-term Assets                   | 112,299                            | 112,299                        | 0                                                      | 0                                                       | 0                 | 0                 | 112,299                       |
| Restricted Cash                           | 2,498                              | 2,498                          | 0                                                      | 0                                                       | 0                 | 0                 | 2,498                         |
| Cash and Cash Equivalents                 | 42,228                             | 42,228                         | 0                                                      | 0                                                       | 0                 | 0                 | 42,228                        |
| <b>Total Financial Assets</b>             | <b>379,059</b>                     |                                |                                                        |                                                         |                   |                   | <b>0</b>                      |
| Long-term Financial Liabilities to Banks  | 17,748                             | 17,748                         | 0                                                      | 0                                                       | 0                 | 0                 | 17,748                        |
| Other Long-term Financial Liabilities     | 521,551                            | 521,551                        | 0                                                      | 0                                                       | 0                 | 0                 | 521,551                       |
| Other non-current Liabilities             | 31,448                             | 1,737                          | 16,549                                                 | 0                                                       | 13,162            | 0                 | 31,448                        |
| Short-term Financial Liabilities to Banks | 128,919                            | 128,919                        | 0                                                      | 0                                                       | 0                 | 0                 | 128,919                       |
| Short-term Liabilities to Associates      | 1,126                              | 1,126                          | 0                                                      | 0                                                       | 0                 | 0                 | 1,126                         |
| Trade Payables                            | 14,937                             | 14,937                         | 0                                                      | 0                                                       | 0                 | 0                 | 14,937                        |
| Other current Liabilities                 | 86,321                             | 86,321                         | 0                                                      | 0                                                       | 0                 | 0                 | 86,321                        |
| <b>Total Financial Liabilities</b>        | <b>802,050</b>                     |                                |                                                        |                                                         |                   |                   | <b>802,050</b>                |

|                                           |                                 | Measurement in accordance with |                                               |                                                |                |                |                            |
|-------------------------------------------|---------------------------------|--------------------------------|-----------------------------------------------|------------------------------------------------|----------------|----------------|----------------------------|
|                                           |                                 | IFRS 9                         |                                               |                                                | IAS 17         |                |                            |
| € thousand                                | Carrying amount<br>30 June 2018 | Amortized cost                 | Fair value recognised through profit and loss | Fair value recognised directly in equity (OCI) | not applicable | Amortized cost | Fair value<br>30 June 2018 |
| Other Financial Instruments               | 82,783                          | 14,636                         | 10,809                                        | 51,463                                         | 0              | 5,876          | 82,783                     |
| Long-term Receivables                     | 49,535                          | 49,535                         | 0                                             | 0                                              | 0              | 0              | 49,535                     |
| Long-term Loans to Associates             | 11,086                          | 11,086                         | 0                                             | 0                                              | 0              | 0              | 11,086                     |
| Short-term Loans to Associates            | 10,604                          | 10,604                         | 0                                             | 0                                              | 0              | 0              | 10,604                     |
| Trade Receivables                         | 33,028                          | 33,028                         | 0                                             | 0                                              | 0              | 0              | 33,028                     |
| Other Short-term Receivables              | 1,587                           | 1,587                          | 0                                             | 0                                              | 0              | 0              | 1,587                      |
| Other Short-term Assets                   | 30,965                          | 30,965                         | 0                                             | 0                                              | 0              | 0              | 30,965                     |
| Restricted Cash                           | 700                             | 0                              | 0                                             | 0                                              | 700            | 0              | 700                        |
| Cash and Cash Equivalents                 | 182,997                         | 0                              | 0                                             | 0                                              | 182,997        | 0              | 182,997                    |
| <b>Total Financial Assets</b>             | <b>403,286</b>                  |                                |                                               |                                                |                |                | <b>403,286</b>             |
| Long-term Financial Liabilities to Banks  | 164,651                         | 164,651                        | 0                                             | 0                                              | 0              | 0              | 164,651                    |
| Other Long-term Financial Liabilities     | 509,731                         | 509,731                        | 0                                             | 0                                              | 0              | 0              | 509,731                    |
| Long-term Derivatives                     | 4,393                           | 0                              | 0                                             | 0                                              | 4,393          | 0              | 4,393                      |
| Other non-current Liabilities             | 69,567                          | 67,544                         | 2,023                                         | 0                                              | 0              | 0              | 69,567                     |
| Short-term Financial Liabilities to Banks | 101,851                         | 101,851                        | 0                                             | 0                                              | 0              | 0              | 101,851                    |
| Short-term Derivatives                    | 1,442                           | 0                              | 0                                             | 0                                              | 1,442          | 0              | 1,442                      |
| Short-term Liabilities to Associates      | 1,419                           | 1,419                          | 0                                             | 0                                              | 0              | 0              | 1,419                      |
| Trade Payables                            | 9,392                           | 9,392                          | 0                                             | 0                                              | 0              | 0              | 9,392                      |
| Other current Liabilities                 | 28,256                          | 28,256                         | 0                                             | 0                                              | 0              | 0              | 28,256                     |
| <b>Total Financial Liabilities</b>        | <b>890,702</b>                  |                                |                                               |                                                |                |                | <b>890,702</b>             |

As in previous year the Group's fair value measurements of assets and liabilities are all within Level 3.

## G.6 Related party information

Parties are generally considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

Note G.3 provides information about the Group's structure, including details of the subsidiaries and the holding Company. CCH SA has identified these Group companies as well as the following entities and persons as related parties:

### Major shareholders and shareholders' related entities

| Related Parties                          | related to/ as                  |
|------------------------------------------|---------------------------------|
| W5 Group AG                              | Shareholder                     |
| W5 Group GmbH                            | Shareholder                     |
| W5 Group LLC                             | Shareholder                     |
| Norbert Ketterer                         | Shareholder                     |
| Ketom AG                                 | Shareholder                     |
| Helvetic Real Estate Financing AG (HREF) | Shareholder                     |
| Thalos                                   | Supervisory Board (M.Blattmann) |
| Vicenda                                  | Supervisory Board (M.Blattmann) |
| Felur Swiss Treuhand AG                  | Supervisory Board (U.Felder)    |
| Micha Blattmann                          | Supervisory Board               |
| Urs Felder                               | Supervisory Board               |
| Ulrich Plett                             | Supervisory Board               |
| Jonathan Lurie                           | Supervisory Board               |
| Realty Corporation Ltd                   | Supervisory Board (J. Lurie)    |
| Lars Schnidrig                           | Management Board                |
| Thomas Landschreiber                     | Management Board                |
| Sascha Wilhelm                           | Management Board until 2018     |
| Dr. Michael Bütter                       | Management Board until 2018     |

### CCH SA Key Management Personal:

On 21 March 2019, the Supervisory Board of CORESTATE Capital Holding S.A. appointed Lars Schnidrig as Chief Executive Officer of CORESTATE. Lars Schnidrig is in charge of CORESTATE Group's strategy, M&A activities, Finance, Investor Relations, Corporate Communication, Legal and HR.

- Lars Schnidrig (Chief Executive Officer of CORESTATE Capital Holding S.A. and a member of the Group's Investment Committee) – since 01 April 2019; from 01 July 2017 until 31 March 2019 Chief Financial Officer of CORESTATE Capital Holding S.A. and a member of the Group's Investment Committee
- Thomas Landschreiber (Chief Investment Officer of CORESTATE Capital Holding S.A. and a member of the Group's Investment Committee) – since 21 August 2015

- Dr Michael Bütter (Chief Executive Officer of CORESTATE Capital Holding S.A. and a chairman of the Group's Investment Committee) – since 01 May 2018 until 30 December 2018
- Sascha Wilhelm (Chief Executive Officer of CORESTATE Capital Holding S.A. and a chairman of the Group's Investment Committee) – since 21 August 2015 until 30 April 2018

In addition to the individually agreed base salary and annual bonus payments, 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 26 April 2019 appointed Jonathan Lurie as a new member 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 2021.

#### Member of the Supervisory Board:

- Micha Blattmann (Chairman, Manager, whose professional address is Hof 1, CH-6345 Neuheim/Switzerland) – since 23 September 2015
- Urs Felder (self-employed tax and accounting Expert, whose professional address is at FELUR Swiss Treuhand AG, Sihlramtsstrasse 5, CH-8001 Zurich/Switzerland) – since 21 August 2015
- Ulrich Plett (Wirtschaftsprüfer, whose professional address is Clausewitzstr. 7, D-10629 Berlin/Germany) – since 23 September 2015
- Jonathan Lurie (Real Estate professional, whose professional address is at Realty Corp., One Heddon Street, London W1B 4BD/UK) – since 26 April 2019

The current members of the Audit Committee are Micha Blattmann, Dr Urs Felder and Ulrich Plett as Chairman.

#### Associates (Co-Investments)

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

CC AG and CCH SA invests typically between 5% and 10% in each of its investment products alongside its investors as alignment capital investment. Since CC AG provides comprehensive real estate investment management services to, and is acting as asset manager for such investments structures, these investment structures qualify as an Associate under the IFRS regime. The revenues generated with such Associates are based on market-standard Joint-Venture and Co-Investments Agreements (JVCIA) as well as Asset Management Agreements (AMA), and are entered into with and approved by its investors. Note E.1. provides an overview of the Group's Investment in Associates.

#### Joint Venture (cooperation with local partners)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

## Transactions with shareholders and shareholder related entities

**Transactions with shareholders and shareholder related entities**

| € thousand                                                                | 01.01.2019 -<br>30.06.2019 | 01.01.2018 -<br>30.06.2018 |
|---------------------------------------------------------------------------|----------------------------|----------------------------|
| Fees paid to W5 Group/W5 Group LLC under consultancy agreements           | (213)                      | (282)                      |
| Cost reimbursements to W5 Group/W5 Group LLC                              | (161)                      | (158)                      |
| Compensation payment to W5 Group/W5 Group LLC under termination agreement | (1,985)                    | 0                          |
| Remuneration N. Ketterer as Chairman of the Board of Directors of HFS     | (150)                      | 0                          |
| Rental Costs to Vicenda                                                   | (6)                        | (6)                        |
| Co-Investment and Short-term Liabilities by Ketom and HREF                | 35,000                     | 0                          |
| Interest paid to Ketom and HREF                                           | (1,500)                    | 0                          |
| Payments made in connection with the acquisition of HFS                   | 0                          | (12)                       |
| Interests expenses from shareholder loans                                 | 0                          | (477)                      |
| Repayment of loans granted by shareholders                                | 0                          | (18,918)                   |
| Repayment other Liabilities to shareholders                               |                            | (39,000)                   |
| Dividends (including capital repayments) paid to shareholders             | (52,936)                   | (42,588)                   |
| Other Reimbursement from w5 Group                                         | 0                          | 17                         |

**G.6.1 Transactions with Key Management Personnel****Transactions with Key Management Personnel and members of Supervisory Board**

| € thousand                                       | 01.01.2019 -<br>30.06.2019 | 01.01.2018 -<br>30.06.2018 |
|--------------------------------------------------|----------------------------|----------------------------|
| Short-term employee benefits                     | (1,039)                    | (2,260)                    |
| Service Agreement termination benefits           | 0                          | (1,127)                    |
| share-based payment benefits                     | (500)                      | (1,533)                    |
| Compensation payments                            | (600)                      | (1,400)                    |
| Remuneration to members of the supervisory board | 0                          | (159)                      |
| EMC Bonus Awards contributed to MCIF             | 0                          | (166)                      |
| Reimbursement from key management Personnel      | 0                          | 1                          |

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

### G.6.2 Transactions with Associates (Co-Investments)

The terms and condition agrees with Associates for the services of CCH SA Group are negotiated and set out in the underlying documentation for each investment product entered into with the respective investor (JVCIA, AMA etc.). Hence, such terms and conditions are at arm's length.

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

| € thousand                                                 | 01.01.2019 -<br>30.06.2019 | 01.01.2018 -<br>30.06.2018 |
|------------------------------------------------------------|----------------------------|----------------------------|
| Revenue from Aquisition Related Fees                       | 2,178                      | 0                          |
| Revenue from Asset and Property Management                 | 4,981                      | 3,781                      |
| Management Expenses                                        | (1,936)                    | 0                          |
| Share of Profit or Loss from Associates and Joint Ventures | 7,218                      | 0                          |
| Proceeds from Selling Property Holding Companies           | 4,202                      | 429                        |
| General and Administrative Expenses                        | (1)                        | 0                          |
| Interest income from Associates                            | 267                        | 0                          |

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

| € thousand                    | 01.01.2019 -<br>30.06.2019 | 01.01.2018 -<br>30.06.2018 |
|-------------------------------|----------------------------|----------------------------|
| Receivables from Associates   | 14,251                     | 9,604                      |
| Trade receivables             | 6,188                      | 0                          |
| Long-term loans to associates | 8,697                      | 11,086                     |
| Liabilities to Associates     | 1,126                      | 1,419                      |

Receivables from Associates are related to acquisition fees as well as ongoing asset management fees under the asset management agreement. Short-term Liabilities to Associates are relate to overpaid fees.

### G.7 Significant events after the reporting date (subsequent events)

On 8 July, CORESTATE signed the contract to acquire STAM, a well-established real estate asset manager based in Paris, bringing € 1.9bn real estate assets under management to the Company. Closing of the deal is subject to the approval of the French regulatory authority, which is expected in Q4 of 2019 at the latest. The purchase price is not finally calculated at the moment.

Luxembourg, 12 August 2019

Lars Schnidrig  
Chief Executive Officer

Thomas Landschreiber  
Chief Investment Officer



## Report on the Review of Interim Condensed Consolidated Financial Statements

### *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 2019 to 30 June 2019, which comprise the interim consolidated statement of financial position as at 30 June 2019 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 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, 12 August 2019

# *Imprint*

## **PUBLICATION DATE**

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