



CORESTATE

Capital Group

*3- Month Financial Report
as of 31 March 2021*

Company Profile

Corestate Capital Holding S.A. (Corestate) is an investment manager and co-investor with approximately Euro 28 billion in assets under management. As a fully integrated real estate platform, Corestate offers its clients combined expertise in the areas of investment and Fund Management as well as real estate management services. The company operates as a respected business partner of institutional clients and wealthy private investors internationally. Corestate is headquartered in Luxembourg and has 42 offices, e.g. in Frankfurt, London, Madrid, Munich, Paris and Zurich. The company employs around 800 people and is listed in the Prime Standard (SDAX) of the Frankfurt Stock Exchange.

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Key figures

	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
Aggregate Revenues & Gains (€ m) ¹	37.3	51.7
EBITDA (€ m)	-2.0	20.9
Adjusted EBITDA (€ m)	0.7	20.9
Net Profit (€ m)³	-14.5	8.8
Adjusted Net Profit (€ m)²	-9.1	14.3
Earnings per Share (undiluted) (€)	-0.57	0.41
	31.03.2021	31.12.2020
Number of shares outstanding	25,666,025	25,666,025
Net Financial Debt Position (€ m)⁴	549	517
Net Financial Debt / EBITDA⁵	N.A.	33x
Assets under Management at End of Period (€ bn)	27.8	27.8
Number of Employees at End of Period (FTE)	741	757

¹ Aggregate Revenues & Gains include Revenues from Real Estate Equity segment, Real Estate Debt segment and other segments.

² 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).

³ Net Profit post minorities.

⁴ Adjusted by IFRS 16 financial liability.

⁵ EBITDA reflects Last Twelve Months (2020: € 16.6m; LTM as of end of March 2021 is negative).

Letter to our Shareholders

Dear Shareholders,
Ladies and Gentlemen,



The first three months of 2021 shaped another eventful, but also challenging quarter for Corestate. The COVID-19 pandemic and the publicly-endorsed measures to contain the spreading of the virus in Germany and other European countries again cast its shadow on the real estate transaction markets and on some pockets of the asset valuations, especially in value-add and opportunistic investments.

These various impact factors led to ongoing clients' focus on core and core+ investments, especially from institutional investors. We have prepared our setting accordingly since more than one year and we've refocused our product range and deliver now an attractive offer to the markets based on a more moderate risk-return profile – often linked with an innovative angle. Just to give you one example: We set up an open-end special AIF "Stadtquartiere I", the first of its kind in Germany for institutional investors.

Q1 operational results

As of 31 March 2021, our real estate assets under management stood at € 24.7bn. With this, our aggregated revenues and gains were at € 37.3m in the

first three months of 2021, our adjusted EBITDA stood at € 1m and our adjusted net profit came out at € -9.9m. These figures reflect in our real estate equity segment the typical seasonality of the transaction market, even fostered by the pandemic, and reduced acquisition based fees but also some minor value adaptations on commercial assets with opportunistic investment profiles effecting our alignment investments in this vehicle. Overall, we realized that the key drivers in our markets, compelled by megatrends like urbanization, zero-interest environment and the demographic changes, remain fully in place.

In our real estate debt segment, we realized solid new business figures and we expect this segment to deliver another very profitable year, driven by the acquisition of Aggregate Financial Services (AFS), the accompanying synergy effects and significantly restricted credit exposures at traditional banks in certain risk profiles, further accelerating the dynamic in needs for private debt.

In the centre of our operations remains the key aim of reducing our net debt by placement of assets and investments out of our balance sheet. We reiterate the target of a leverage ratio of between 2x and 3x net debt to EBITDA by the end of 2021.

New strategic set-up – financial outlook confirmed

In the last months, we have done our homework and prepared Corestate for the next steps and for benefitting from the expected upswing after the pandemic. Therefore, the company sees itself as a manager of the entire value chain from project to sale with a consistent focus of the investment portfolio on sustainable, future-proof asset classes.

To enhance our activities, our client reach and to further benefit from the still increasing investment-pressure at potential clients, we have streamlined, bundled and strengthened our sales approach with a strong focus on D-A-Ch region and this already bears fruits. And we have significantly fostered our real estate debt segment with the compelling AFS acquisition. But not only this deal will help us to extend our leading position in this segment: We have started the initial marketing campaign for the new "whole loan" product with remarkable success and quite significant levels of pre-commitments from clients. Driven also by enhanced synergy effects between debt and equity products as well as clients and gradually regressing COVID-19 impacts, we expect a remarkable upswing in our markets and our figures latest in H2. Against this backdrop we confirm our financial outlook 2021 of aggregate revenues and gains between € 235m and € 260m, adjusted EBITDA between € 90m and € 115m and adjusted net profit between € 50m and € 70m.

We want to take the opportunity to thank all our employees for the ongoing commitment to our company and our target of delivering best-in-class services and products for our clients.

So, dear Shareholders, to make it short and simple: Although the current times might still look a bit challenging, we have prepared your company for a bright and prospering future and we will benefit from the expected market upswing. We would like to invite you to continue taking the next steps with us.

René Parmantier
CEO

The Corestate Shares

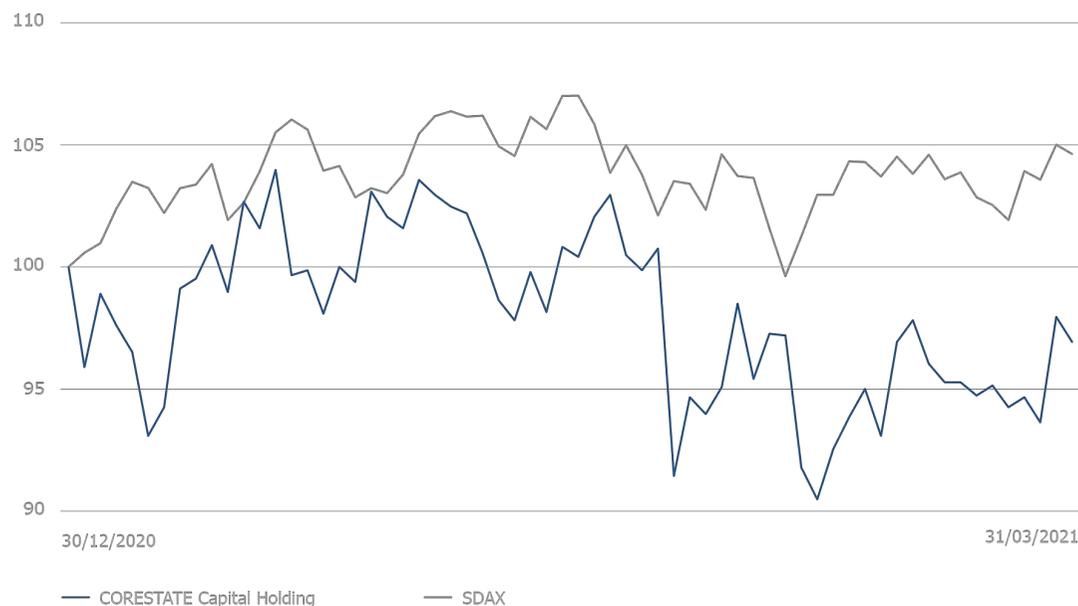
Share price development

The Corestate shares started the year 2021 at a price of € 14.80 and reached its period high of € 15.39 on 21 January and again on 03 February. On 24 February, the share traded at its period low of € 12.33. However, it was able to correct upwards again and closed at € 14.15 at the end of the quarter. Thus, the shares went down around 3% during the first quarter,

calculated from the closing price at the end of 2020 of € 14.60. On average, more than 151.000 Corestate shares were traded on Xetra during this period, which is a slight increase from last year's comparable quarter (146.000).

The SDAX, of which Corestate has been a member since March 2018, showed an increase of around 6.6% between January and March 2021.

Share price development till March 2021 in %



Basic Share Data

WKN / ISIN	A141J3 / LU1296758029
Ticker symbol / Reuters code	CCAP
Trading segment	Prime Standard
Stock exchange	Frankfurt
Type of stock	No-par value bearer shares
Number of shares	25,666,025
First day of trading	4 October 2016
Free float as of 31 March 2021	90.1%
Share price as of 30 December 2020	€ 14.60
Share price as of 31 March 2021	€ 14.15
Change in percentage	-3.04%
Period high (20 January 2021) ¹	€ 15.18
Period low (09 March 2021) ¹	€ 13.21
Index	SDAX

¹ Based on Xetra closing prices

Financial Calendar 2021

Preliminary results for FY 2020	24 February 2021
Annual financial report 2020	24 March 2021
Q1 2021 financial report	19 May 2021
Annual General Meeting	28 June 2021
H1 2021 financial report	11 August 2021
Q3 2021 financial report	10 November 2021
Capital Markets Day	19 November 2021

Interim Group Management Report Corestate Capital Holding S.A., Luxembourg

Preliminary Remarks

The interim management report and consolidated financial statements of Corestate Capital Holding S.A. (hereinafter "Corestate" or "the Company") cover the reporting period from 1 January 2021 until 31 March 2021, unless otherwise indicated. Information on market and product offering developments pertains to 3M 2021 as well, unless otherwise indicated.

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

Market Development

The market environment for the Corestate business showed slight signs of recovery in the first three months of 2021. The transaction volume on the real estate investment market in Germany fell by 41% year-on-year to EUR 16.5 billion. However, Q1 2020 had not yet been affected by the COVID-19 pandemic. The transaction volume in the first quarter 2021 was well below the traditionally high figure for the fourth quarter of 2020. Hence, the transaction volume increased compared to the second and third quarter 2020. In line with the market trends the transaction volume in the largest seven cities declined by 42% compared to Q1 2020. Investors continued to focus on safe core and core(+) properties. With a share of 45% of the transaction volume, the Living segment was the frontrunner, followed by office properties with 24%, where long-term leases and public sector tenants played a particularly important role. Yields remained at a low level. The development of the market for real estate investments is dependent on the further course of the COVID-19 pandemic. Nevertheless, investors are actively looking for investment opportunities in promising trends such as the reduction of CO₂ emissions, flexible workplace models and the rise of e-commerce.

Business and Product Offering Development

In Q1, Corestate continued to work on its business and product offering and broadened its footprint in the market. At the end of March 2021, Corestate had total assets under management of roughly € 28bn, stable since last year's end. The core business, real estate assets under management was kept merely stable at € 24.7bn. At the end of last year, this figure stood at € 24.6bn.

To give a few examples on the activities in the first three months: Corestate's subsidiary Hannover Leasing acquires state-of-the-art project development "Weitblick 1.7" in Augsburg for a special AIF, the company sets up an open-end special AIF "Stadtquartiere I" with a pure focus on city quarters, the first of its kind in Germany for institutional investors; Hannover Leasing acquires the new "Johannes-Quartier" office building for a special AIF and Corestate's subsidiary STAM Europe announced additional € 60m equity for its Opera Fund.

As another part of its comprehensive ESG strategy, Corestate developed together with the Green-Fintech "Sustainaccount" and the PropTech CAALA a unique forecast system that calculates the impact of transitory risks such as CO₂ pricing and physical climate change on real estate investments.

Results of Operations

Aiming to mirror the increased significance of the Real Estate Debt business, the former Real Estate Investment Management (REIM) segment is disaggregated into the two segments Real Estate Equity and Real Estate Debt.

“Real Estate Equity” now encompasses the revenues from acquisition fees, from asset management fees, from property management fees and from sales and promote fees realized.

The “Other Segments” encompass all line items from the previous segments “Alignment Capital Management” and “Real Estate Operations and Warehousing”.

Consolidated Total Revenues of the Group (including total revenues from real estate investment management, net rental income, revenue from service charges from real estate operations and warehousing and income from other warehousing activities) was at € 41.9m (previous year: € 47.6m).

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 were at € 37.3m (Q1 2020: € 51.7m).

m€	01.01.21 31.03.21	01.01.20 31.03.20
Revenue from Acquisition Fees	2.1	1.8
Revenue from Asset Management Fees	8.8	12.6
Revenue from Property Management Fees	7.9	7.5
Revenue from Sales and Promote Fees realised	0.0	0.0
<i>Total Revenues from Real Estate Equity Business</i>	<i>18.8</i>	<i>21.9</i>
Revenue from Asset Management Fees	3.9	5.0
Revenues from Performance Fees	8.2	10.9
Income from Bridge Loans	5.5	1.6
Revenue from Underwriting and Structuring Fees	3.7	5.9
<i>Total Revenues from Real Estate Debt Business</i>	<i>21.3</i>	<i>23.5</i>
Income from Rental Income and Service Charges	1.7	2.2
<i>Total Revenues from Warehousing & Real Estate Operations</i>	<i>1.7</i>	<i>2.2</i>
Consolidated Total Revenues of the Group	41.9	47.6
Share of Profit and Loss from Associates and Joint Ventures	-1.0	1.3
Dividends from other Alignment Capital	1.8	2.3
Gains/losses from fair value measurement of financial instruments related to real estate	-5.3	0.9
Net Gain from Selling Warehousing Assets	-0.1	-0.3
Aggregate Revenues and Gains	37.3	51.7

Real Estate Equity

The Real Estate Equity segment generated revenues of € 18.8m, down from € 21.9m in Q1 2020, driven by the pandemic-fostered usual seasonality.

Acquisition fees in this segment went up from € 1.8m in Q1 2020 to € 2.1m.

Revenues from Asset Management in Equity went down from € 12.6m in Q1 2020 to € 8.8m with a stable fee pattern in core and core+ asset management. Revenues from Property Management stood at € 7.9m and increased slightly from € 7.5m in Q1 2020.

Expenses in this segment stood at € 22.3m leading to total earnings from Real Estate Equity of € -3.5m (Q1 2020: € 1.8m).

Real Estate Debt

The total revenues from Real Estate Debt stood at € 21.3m, down from € 23.5m in last year's comparable quarter.

Revenues from Underwriting and Structuring Fees went down from € 5.9m in Q1 2020 to € 3.7m, Revenues from Asset Management Fees decreased from € 5.0m to € 3.9m and the Revenues from Performance Fees, including Coupon Participation Fees, stood at € 8.2m (Q1 2020: € 10.9m), mainly due to higher risk provisioning.

Driven by a short-term peak in lending, Income from Bridge Loans went up significantly from € 1.6m in Q1 2020 to € 5.5m.

Expenses in this segment ended up at € 2.6m leading to total earnings from Real Estate Debt of € 18.7m (Q1 2020: € 21.7m).

Other Segments

The Other Segments generated revenues of € -2.9m (Q1 2020: € 6.3m), mainly driven by valuation effects in the company's share of an opportunistic fund vehicle leading to a loss from fair value measurement of financial instruments related to real estate of € -5.3m (Q1 2020: € 0.9m).

Expenses in this segment amounted to € 2.9m (Q1 2020: € 4.2m). So, the total earnings in Other Segments came out at € -5.7m (Q1 2020: € 2.1m)

Earnings and Adjusted Earnings

G&A expenses in Q1 2021 were € 12.4m (Q 1 2020: € 7.1m) showing the impact of rising regulatory-driven back- and middle office costs and the preparation for the expected market upswing latest in H2 2021.

Other Income of € 0.9m mainly includes reversals of provisions.

The Group EBITDA came out at € -2.0m compared to € 20.9m in the first three months of 2020. Adjusted by one-off effects and transaction costs, the adjusted EBITDA stood at € 1m for Q1 2021.

Depreciation and amortization were characterized by the depreciation of around € 4.9m (Q1 2020: € 8.4m) mainly resulting from purchase price allocations of ATOS, HL, CRM and STAM (capitalized asset management contracts). The ppa effect from the acquisition of HFS is now running out.

The financial result came out at € -3.7m (Q1 2020: € -2.5m) and income tax expenses were € 3.9m.

The Group's Net Profit stands at € -14.5m, which translates into Earnings per Share of € -0.57 (Q1 2020: € 0.41).

Adjustments at Net Profit level comprise € 3.1m from capitalized management contracts, € -0.4m from deferred tax assets and € 2.7m from acquisition related expenses. Adjusted Net Profit was at € -9.1m (Q1 2020: € 14.3m).

m€	01.01.21 31.03.21	01.01.20 31.03.20
Reported EBITDA	-2.0	20.9
Acquisition related Expenses	2.7	-
Adjusted EBITDA	0.7	20.9
Reported Net Profit	-14.5	8.8
Acquisition related Expenses	2.7	-
Depreciation of Asset Management Contracts	3.1	6.3
Deferred Tax Assets	-0.4	-0.8
Adjusted Net Profit	-9.1	14.3

Balance Sheet

As of 31 March 2021, total assets amounted to € 1,451.8m, a slight decline compared to the figure as of 31 December 2020 (€ 1,465.0m).

Total non-current assets amounted to € 1,055.7m (end of 2020: € 1,056.6m), the largest component of which

is the goodwill created mainly in association with the acquisitions of HFS, HL, STAM and CRM with € 578.1m (end of 2020: € 577.7m) the variation mainly comes down to FX valuations at CRM.

Total current assets were at € 396.0m as of 31 March 2021 versus € 408.5m as of 31 December 2020. The Inventories went up slightly from € 73.8m at the end of 2020 to € 75.8m due to higher CAPEX expenditures.

Total equity amounted to € 675.5 at 31 March 2021 (end of 2020: € 688.5m). The equity ratio of Corestate was 46.5% at the end of the reporting period, compared with 47.0% at the end of 2020.

Current and non-current liabilities were kept stable at € 776.3m (Q1 2020: € 776.6m).

The total financial liabilities stood at € 639.4m as of 31 March 2021 and at € 635.6m as of 31 December 2020, net financial debt (including Cash and Cash Equivalents as well as Restricted Cash and adjusted by lease liabilities) at € 549.2m.

Material Events after the Reporting Date

None

Outlook

The company confirms its financial outlook 2021 of aggregate revenues and gains between € 235m and € 260m, adjusted EBITDA between € 90m and € 115m and adjusted net profit between € 50m and € 70m.

*Unaudited Interim Condensed
Consolidated Financial Statements
for the period from
1 January to 31 March 2021*

*Corestate Capital Holding S.A.,
Luxembourg*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

m€	31.03.2021	31.12.2020
Non-Current Assets		
Goodwill	578.1	577.7
Other Intangible Assets	84.6	87.8
Investment in Associates and Joint Ventures	121.7	120.8
Other Financial Instruments	158.0	153.9
Property, Plant and Equipment	21.9	22.3
Non-Current Receivables	54.3	53.7
Non-Current Loans to Associated Entities	16.6	19.6
Deferred Tax Assets	20.7	20.7
Total Non-Current Assets	1,055.7	1,056.6
Current Assets		
Inventories	75.8	73.8
Contract Assets	51.3	51.0
Trade Receivables	35.2	33.0
Receivables from Associated Entities	16.5	13.6
Other Current Financial Assets	135.1	126.7
Other Current Assets	17.5	16.6
Current Income Tax Assets	1.8	2.7
Restricted Cash	20.0	23.0
Cash and Cash Equivalents	43.0	68.2
Total Current Assets	396.0	408.5
TOTAL ASSETS	1,451.8	1,465.0

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

m€	31.03.2021	31.12.2020
Equity		
Share Capital	1.9	1.9
Other Reserves	686.1	752.9
Net Profit/(Loss) for the Period	(14.6)	(69.1)
Equity attributable to shareholders of parent company	673.4	685.8
Non-controlling Interests	2.1	2.7
Total Equity	675.5	688.5
Non-Current Liabilities		
Non-Current financial liabilities to bonds	492.1	491.0
Non-Current financial liabilities to banks	4.3	4.6
Other Non-Current financial liabilities	29.2	29.3
Other Non-Current Provisions	1.9	1.8
Other Non-Current Liabilities	9.4	9.2
Deferred Tax Liabilities	12.8	13.0
Total Non-Current Liabilities	549.7	548.8
Current Liabilities		
Other Current Provisions	8.9	10.1
Other Financial Liabilities to Banks	58.9	68.7
Current Liabilities to Associated Entities	7.9	9.3
Trade Payables	12.8	13.1
Current Income Tax Liabilities	33.2	36.0
Other Current Financial Liabilities	54.9	42.0
Other Current Liabilities	50.0	48.5
Total Current Liabilities	226.6	227.7
SUBTOTAL LIABILITIES	776.3	776.6
TOTAL EQUITY AND LIABILITIES	1,451.8	1,465.0

INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

m€	01.01.2021- 31.03.2021	01.01.2020- 31.03.2020
Revenue from Acquisition Fees	2.1	1.8
Revenue from Asset Management Fees	8.8	12.6
Revenue from Property Management Fees	7.9	7.5
Revenue from Sales and Promote Fees realised	0.0	(0.0)
<i>Total Revenue from Real Estate Equity Segment</i>	<i>18.8</i>	<i>21.9</i>
<i>Total Expenses from Real Estate Equity Segment</i>	<i>(22.3)</i>	<i>(20.1)</i>
Total Earnings from Real Estate Equity Segment	(3.5)	1.8
Revenue from Underwriting and Structuring Fees	3.7	5.9
Revenue from Asset Management Fees	3.9	5.0
Revenues from Performance Fees	8.2	10.9
Income from Bridge Loans	5.5	1.6
<i>Total Revenue from Real Estate Debt Segment</i>	<i>21.3</i>	<i>23.5</i>
<i>Total Expenses from Real Estate Debt Segment</i>	<i>(2.6)</i>	<i>(1.8)</i>
Total Earnings from Real Estate Debt Segment	18.7	21.7
Income from Rental Income and Service Charges	1.7	2.2
Net Gain from Selling Warehousing Assets	(0.1)	(0.3)
Share of Profit or Loss from Associates and Joint Ventures	(1.0)	1.3
Dividends from other Alignment Capital	1.8	2.3
Gains/losses from fair value measurement of financial instruments related to real estate	(5.3)	0.9
<i>Total Income from Other Segments</i>	<i>(2.9)</i>	<i>6.3</i>
<i>Total Expenses from Other Segments</i>	<i>(2.9)</i>	<i>(4.2)</i>
Total Earnings from Other Segments	(5.7)	2.1
Other Income	0.9	2.4
G&A and Other Expenses	(12.4)	(7.1)
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	(2.0)	20.9

m€	01.01.2021- 31.03.2021	01.01.2020- 31.03.2020
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	(2.0)	20.9
Depreciation and Amortisation	(4.9)	(8.4)
Earnings before Interest and Taxes (EBIT)	(6.9)	12.5
Financial Income	1.8	2.7
Financial Expenses	(5.6)	(5.1)
Earnings before Taxes (EBT)	(10.6)	10.0
Income Tax Expense	(3.9)	(1.2)
Net Profit/(Loss) for the Period	(14.5)	8.8
of which attributable to equity holders of parent company	(14.6)	8.7
of which attributable to non-controlling interests	0.1	0.1
Total Revenues ¹	41.9	47.6
Total Expenses ²	(40.2)	(33.2)

¹ not including: Share of Profit or Loss from Associates, Net Gain from Selling Warehousing Assets, Dividends from other Alignment Capital and Gains/losses from fair value measurement of financial instruments related to real estate

² excluding Financial Expenses and Depreciation and Amortisation

Other Comprehensive Income

	01.01.2021- 31.03.2021	01.01.2020- 31.03.2020
Earnings per Share (in €):		
Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent	-0.57	0.41
Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent	-0.57	0.41
Net Profit/(Loss) for the Period	(14.5)	8.8
Other Comprehensive Income (in k€)		
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):		
Exchange differences on translation of foreign operations	(0.0)	(0.2)
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods	(0.0)	(0.2)
Other Comprehensive Income/(Loss) for the Period, Net of Tax	(0.0)	(0.2)
Total Comprehensive Income for the Period, Net of Tax	(14.5)	8.6
of which attributable to equity holders of parent company	(14.6)	8.5
of which attributable to non-controlling interests	0.1	0.1

Imprint

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19 May 2021

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