



**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).

# Content

## *To Our Shareholders*

- 4** Letter to Our Shareholders
- 6** The CORESTATE Share

## *Interim Group Management Report as of 30 June 2019*

- 8** Preliminary Remarks
- 8** Market Development
- 8** Business and Product Offering Development
- 9** Management Changes
- 10** Aggregate Revenues and Gains by Income Lines
- 11** Earnings and Adjusted Earnings
- 12** Balance Sheet
- 12** Material Events after the Reporting Date
- 13** Outlook

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

- 15** Interim Consolidated Statement of Financial Position
- 17** Interim Consolidated Statement of Profit and Loss and other Comprehensive Income
- 19** Interim Consolidated Statement of Changes in Equity
- 20** Interim Consolidated Statement of Cash Flows
- 22** Selected explanatory Notes to the Interim Consolidated Financial Statements
- 56** Report on the Review of Interim Condensed Consolidated Financial Statements

## *Further Information*

- 57** Imprint

# Key Figures

	<b>01/01/2019– 30.06.2019</b>	01/01/2018– 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, Gains/Losses from fair value measurement of financial instruments related to real estate and Total Income from Real Estate Operations / Warehousing.

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

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

<sup>4</sup> 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

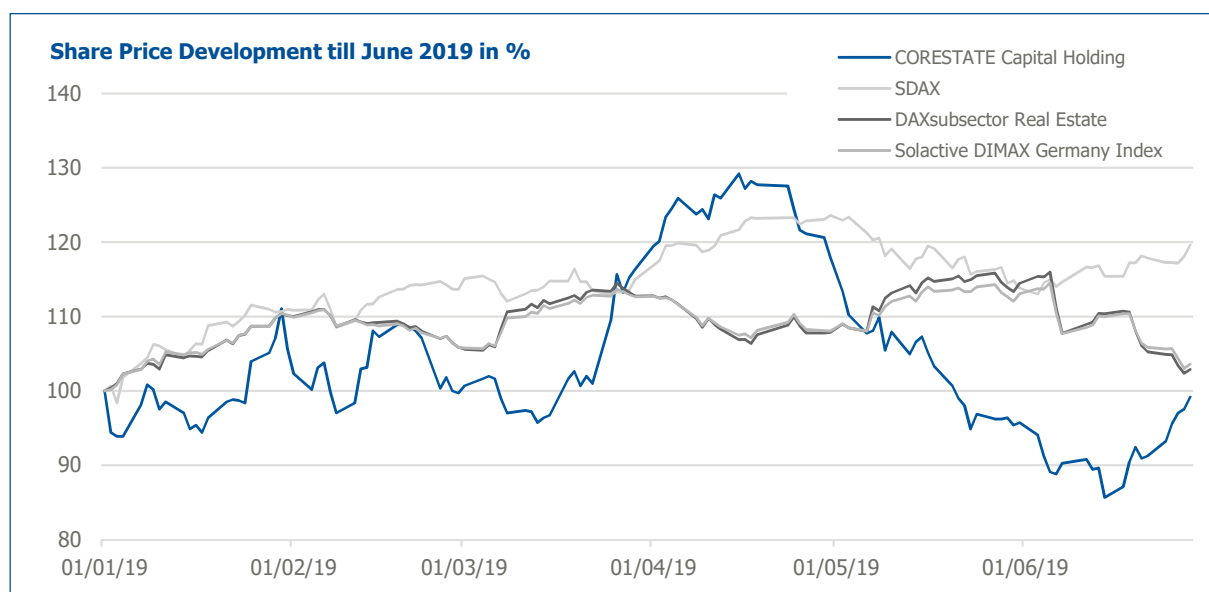
# The CORESTATE Share

## 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	<b>unaudited 30.06.2019</b>	<b>audited 31.12.2018</b>
<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	<b>unaudited</b> <b>30.06.2019</b>	<b>audited</b> <b>31.12.2018</b>
<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 01.01.2019– 30.06.2019	unaudited 01.01.2018– 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	<b>unaudited 01/01/2019– 30/06/2019</b>	<b>unaudited 01/01/2018– 30/06/2018</b>
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-CONTROLLING INTERESTS	TOTAL EQUITY
		<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>
		0	0	0	9,213	0	9,213	0	9,213	0	0	0	9,213
		0	0	0	0	0	0	42,342	42,342	0	442	442	42,784
		0	0	0	0	(2,640)	(2,640)	0	(2,640)	0	0	0	(2,640)
		0	0	0	0	(2,640)	(2,640)	42,342	39,702	0	442	442	40,144
		0	0	0	0	0	0	0	0	10,284	0	10,284	10,284
		0	0	0	0	0	0	0	0	41	0	41	41
		3	0	0	726	0	726	0	729	0	0	0	729
		0	0	0	(42,588)	0	(42,588)	0	(42,588)	0	0	0	(42,588)
		0	95	(273)	55,622	0	55,444	(55,717)	(273)	661	(718)	(57)	(330)
		<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>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>
		0	0	0	0	0	0	36,924	36,924	0	5	5	36,929
		0	0	0	0	(1,000)	(1,000)	0	(1,000)	0	0	0	(1,000)
		0	0	0	0	(1,000)	(1,000)	36,924	35,924	0	5	5	35,929
		(13)	0	(6,732)	0	0	(6,732)	0	(6,746)	0	0	0	(6,746)
	B.1	0	0	0	(52,936)	0	(52,936)	0	(52,936)	0	0	0	(52,936)
		0	66	0	105,065	0	105,131	(104,632)	499	(1,386)	1,319	(67)	432
		<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</b> <b>01.01.2019–</b> <b>30.06.2019</b>	unaudited 01.01.2018– 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	<b>unaudited 01.01.2019– 30.06.2019</b>	unaudited 01.01.2018– 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

A.	CORPORATE INFORMATION	23
B.	MAJOR EVENTS IN THE FIRST SIX MONTHS OF THE FINANCIAL YEAR 2019	24
	B.1 Company's annual general meeting	24
C.	SIGNIFICANT ACCOUNTING POLICIES	25
	C.1 Basis of preparation	25
	C.2 New standards, interpretations and amendments adopted by the Group	25
D.	SEGMENT INFORMATION	28
E.	NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (30 JUNE 2019 VERSUS 31 DECEMBER 2018)	30
	E.1 Other Intangible Assets	30
	E.2 Goodwill	30
	E.3 Investment in Associates and Joint Ventures	31
	E.4 Other financial instruments	34
	E.5 Long-term Receivables	34
	E.6 Inventories	34
	E.7 Structured Assets held for Sale	34
	E.8 Other Short-term Assets	35
	E.9 Restricted Cash, Cash and Cash Equivalents	35
	E.10 Share capital	35
	E.11 Other Reserves	35
	E.12 Non-controlling interests	35
	E.13 Long-term Financial Liabilities to Banks	35
	E.14 Other Long-term Financial Liabilities	36
	E.15 Other non-current Liabilities	36
	E.16 Other Short-term Provisions	36
	E.17 Short-term Financial Liabilities to Banks	36
	E.18 Other Current Liabilities	37
F.	NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (30 JUNE 2019 VERSUS 30 JUNE 2018)	38
	F.1 Revenue from Acquisition Related Fees	38
	F.2 Revenue from Asset and Property Management	38
	F.3 Total Expenses from Real Estate Investment Management	38
	F.4 Income from other Warehousing activities	38
	F.5 General and Administrative Expenses	38
	F.6 Other income	38
	F.7 Depreciation and Amortisation	38
G.	OTHER INFORMATION	39
	G.1 Earnings per share	39
	G.2 Commitments and contingencies	40
	G.3 Group entities	41
	G.4 Deconsolidation	49
	G.5 Fair value	50
	G.6 Related party information	52
	G.7 Significant events after the reporting date (subsequent events)	55

## 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 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	<b>unaudited</b> <b>01.01.2019–</b> <b>30.06.2019</b>
<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 Investment Management	Alignment Capital Management	Real Estate Operations/Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial 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>
Income/expenses							
Expenses from Real Estate Investment Management	(40,338)	0	0	(40,338)	0	0	(40,338)
Share of Profit or Loss from Associates and Joint Ventures	0	7,218	0	7,218	0	0	7,218
Dividends from other Alignment Capital	0	3,514	0	3,514	0	0	3,514
Gains/losses from fair value measurement of financial instruments related to real estate	0	5,669	0	5,669	0	0	5,669
Expenses from Management of Associates and Joint Ventures	0	(4,568)	0	(4,568)	0	0	(4,568)
Net Gain from Selling Property Holding Companies	0	0	4,202	4,202	0	0	4,202
Expenses from Real Estate 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 Administrative Expenses	0	0	0	0	(12,093)	0	(12,093)
Other income	0	0	0	0	15,128	0	15,128
Depreciation & Amortisation	(13,110)	0	0	(13,110)	(3,651)	0	(16,761)
Financial Income	0	0	0	0	3,770	0	3,770
Financial Expenses	0	0	(3,800)	(3,800)	(12,645)	0	(16,445)
Income Tax Expense	0	0	0	0	(2,577)	0	(2,577)
<b>Segment Net 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 (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 Liabilities (30 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 Associates and 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 Investment Management	Alignment Capital Management	Real Estate Operations/Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial 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 Real Estate Investment Management	(34,453)	0	0	(34,453)	0	0	(34,453)
Share of Profit or Loss from Associates and Joint Ventures	0	11,099	0	11,099	0	0	11,099
Share of Profit or Loss from other Capital Alignments	0	3,987	0	3,987	0	0	3,987
Expenses from Management of Associates and Joint Ventures	0	(3,830)	0	(3,830)	0	0	(3,830)
Net Gain from Selling Property Holding Companies	0	0	429	429	0	0	429
Expenses from Real Estate 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 Administrative Expenses	0	0	0	0	(13,447)	0	(13,447)
Other income	0	0	0	0	1,140	0	1,140
Depreciation & Amortisation	(10,596)	0	(4)	(10,600)	(2,328)	0	(12,928)
Financial Income	0	0	0	0	5,443	0	5,443
Financial Expenses	0	0	0	0	(12,143)	0	(12,143)
Income Tax Expense	0	0	0	0	(6,715)	0	(6,715)
<b>Segment Net 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 (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 Liabilities (30 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 Associates and 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 Total	2018 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	31Dec 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 I 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	31Dec 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/ Transfers	Share of profit/ (loss) for the period	Dividends and capital repayments received in cash	Disposals/ Transfers	Currency translation adjustment s	30 June 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 2019	31 December 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 - 30.06.2019	01.01.2018 - 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 - 30.06.2019	01.01.2018 - 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- 30.06.2019	01.01.2018- 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- 30.06.2019	01.01.2018- 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 Silhuettas	Lisboa/Portugal	100.00%	n.a.
Corestate Ben HoldCo GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%

		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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%

		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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 AcquiCo 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%

		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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%

		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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.
TRIIIPLE 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%

		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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)**

		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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.



		<b>30 June 2019</b>	<b>31 Dec 2018</b>
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 AIF S.á r.l.	Echo PropCo S.à r.l.	Corestate Opportunity I Master S.à r.l.	Bochum PropCo S.à r.l.	Corestate Residential Germany 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

€thousand	Carrying amount 30 June 2019	Measurement in accordance with					Fair value 30 June 2019
		IFRS 9			IAS 17		
		Amortized cost	Fair value recognised through profit and loss	Fair value recognised directly in equity (OCI)	not applicable	Amortized cost	
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	12,299	12,299	0	0	0	0	12,299
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>

€thousand	Carrying amount 30 June 2018	Measurement in accordance with					Fair value 30 June 2018
		IFRS 9			IAS 17		
		Amortized cost	Fair value recognised through profit and loss	Fair value recognised directly in equity (OCI)	not applicable	Amortized cost	
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 - 30.06.2019	01.01.2018 - 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 - 30.06.2019	01.01.2018 - 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 - 30.06.2019	01.01.2018 - 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 - 30.06.2019	01.01.2018 - 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**

13 August 2019

## **PUBLISHER**

CORESTATE Capital Holding S. A.  
4, rue Jean Monnet  
L-2180 Luxembourg  
[www.corestate-capital.com](http://www.corestate-capital.com)

## **EDITORS & TYPESETTING**

Instinctif Deutschland GmbH  
Berlin, Frankfurt, Köln, München  
[www.instinctif.de](http://www.instinctif.de)