Application of alternative Performance Indicators

Corestate applies during its regular and mandatory publication alternative performance indicators which are or can be so called non-GAAP-Measures. These Indicators are not defined according to US-GAAP and IFRS.

Corestate uses non-GAAP-measures as important performance indicators to internally steer the Group.

To judge financial position and Earnings situation these alternative Performance Indicators should not be considered in isolation or as an alternative to those financial indicators that are disclosed in accordance with US-GAAP and IFRS in the annual financial statements.

The applied alternative performance indicators will be explained as follows:

Adjustments

To improve the comparison of operational performance over multiple periods, financial indicators might be customized by adjustments. Reasons for the Use of Adjustments could result from Acquisition / Divesture or from first time adoption of new financial reporting standards.

Reconciliation statements are presented separately in the annual report and describe the composition of the Adjustments.

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is defined as Earnings before Interest, Taxes, Depreciation and Amortization.

The EBITDA is calculated as follows:

Net Profit/(Loss) for the Period

+ Income Tax Expense

+ Financial Expenses

- Financial Income

+ Depreciation and Amortization

= EBITDA

EBITDA-Margin

The EBITDA-Margin results from dividing EBITDA by aggregated Revenues and Sales.

Cashflow

Economic Ratio that outlines periodic net inflow of cash and cash equivalents.

Cashflow from Operating Activities

Cashflow from Operating Activities is an economic indicator that outlines cash inflow from operations. It results from deducting the difference between non-cash related income and non-cash related expenses from Net Income and is adjusted for income taxes and the financial result.

Cashflow from Investing Activities

Cash flow from investing activities is an economic indicator that compares payments for the acquisition of fixed assets (warehousing) and capital contributions (alignment capital) and the granting of loans with payments from the sale of fixed assets (warehousing) and repayments of capital (alignment capital) and loans.

Cashflow from Financing Activities

Cashflow from Financing Activities is an economic indicator that points out how Investing Activities during the reporting period were financed.

It is calculated from the repurchase of own shares minus dividend payments plus additions by outside creditors (loans, bonds, etc.) minus redemption payments for loans, bonds or similar debt instruments. The cash flow from financing activities also takes into account interest paid and received.

Net Financial Debt Position / EBITDA

The ratio Net Financial Debt Position/EBITDA explains Corestate's ability to fulfill its payment obligations. EBITDA is calculated for the last twelve months.

Calculation Net Financial Debt Position:

Long- term Financial Liabilities to Banks

+ Other Long- term Financial Liabilities

+ Short- term Financial Liabilities to Banks

+ Other Short- term Financial Liabilities

= Gross Debt

- Cash, Cash Equivalents and Restricted Cash

= Net Financial Debt Position

Net Financial Debt Position /EBITDA, adjusted for IFRS 16 liabilities

The ratio Net Financial Debt Position /EBITDA, adjusted for IFRS 16 liabilities, reduces net financial liabilities by rental and lease liabilities, as these are not allocated to bank liabilities.

Calculation of Net Financial Debt Position, adjusted for IFRS 16 liabilities:

Long- term Financial Liabilities to Banks

+ Other Long- term Financial Liabilities

+ Short- term Financial Liabilities to Banks

+ Other Short- term Financial Liabilities

- IFRS 16 Liabilities

= Gross Debt

- Cash, Cash Equivalents and Restricted Cash

= Net Financial Debt Position

Aggregated Revenues & Gains

The key figure Aggregated Revenues & Gains is calculated as follows:

Total revenues 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

+ Net Gain from Selling Property Holding Companies

= Aggregate Revenues & Gains

Adjusted net profit

The adjusted net profit is calculated as follows:

Net Profit

+ Depreciation of Asset Management Contracts

- Net Effect of Deferred Taxes

= Adjusted Net Profit