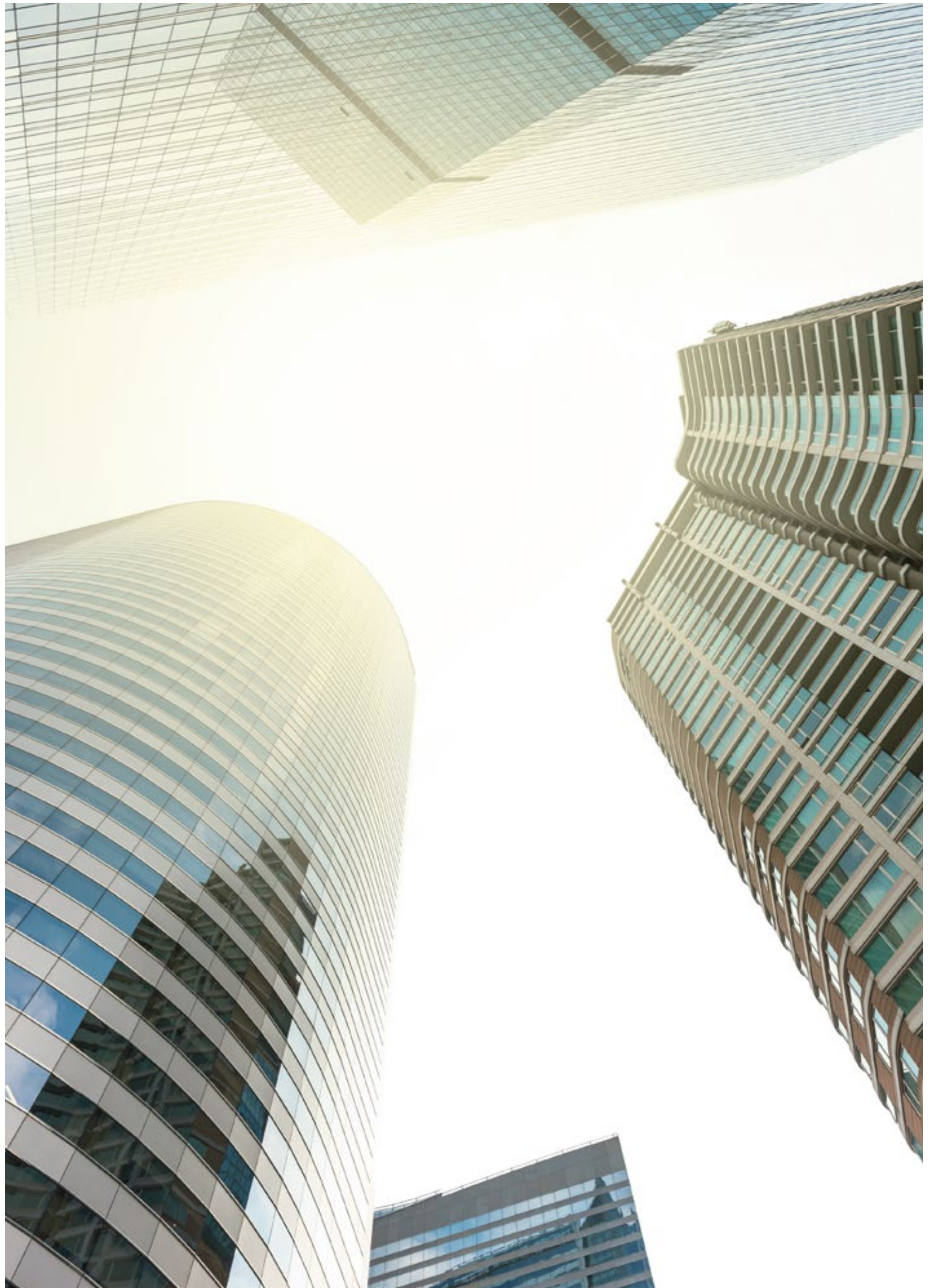
CORESTATE
Capital Group

QUARTERLY STATEMENT AS OF 30 JUNE 2022

HALF YEAR **2022**

COMPANY PROFILE

Corestate is an investment manager and co-investor with around € 18.8bn in assets under management, thereof € 15.8bn assets under management in its core business real estate equity and real estate debt. The Company sees itself as a manager for the entire length of the real estate value chain. Thanks to its fully integrated real estate platform, it is able to offer investors a wide range of services, especially the opportunity to invest in large-scale societal trends such as urbanization, demographic shifts or sustainability – trends that will continue to have a decisive influence on the living and working environment in the long term. The consistent focus on asset classes that will be successful in the long run constitutes a central cornerstone of the Company's strategy. At Corestate, all concepts are supported with ESG expertise that is unique to the industry. With more than 500 experts, Corestate offers clients and investors a full range of services and consultation from a single source, from project financing and real estate management to sales. Corestate is listed on the Frankfurt Stock Exchange and operates as a respected business partner for institutional and semi-institutional investors as well as high-net-worth private investors in 11 countries across Europe, with offices in Luxemburg, Frankfurt, Vienna, Zurich, Paris, Madrid and London.



KEY FIGURES Q2 2022

		H1-2022	H1-2021
Aggregated Revenue and Gains	€ million	22.9	98.3
EBITDA	€ million	-125.4	35.7
Net Profit	€ million	-521.8	3.2
Adjusted Net Profit[1]	€ million	-150.5	17.2
Earnings per Share	€	-15.28	0.11

		30.06.2022	31.12.2021
Number of Shares outstanding		34,193,808	34,193,808
Equity Ratio	%	11.8	44.3
Cash and Cash Equivalents	€ million	61.0	62.8
Net Debt	€ million	553.1	526.5
Net Debt / EBITDA (LTM)		-	12.04
Assets under Management at End of Period	€ billion	18.8	27.8
Number of Employees at End of Period	FTE	504	811

[1] Adjusted for one-off effects net of deferred taxes, incl. M&A charges (in FY 2021), depreciation and impairments on purchase price allocation (PPA) items

CORESTATE
Capital Group

TO OUR SHAREHOLDERS

LETTER FROM THE MANAGEMENT

Dear Shareholders, Ladies and Gentlemen,

The development in the first half of 2022 marked the turning point in the investment cycle. Falling and persistently low interest rates have been a key driver of the high momentum in the real estate investment market for years. This momentum has cooled rapidly in recent weeks and the recovery from the consequences of the pandemic, which had been gathering momentum since the beginning of last year, was abruptly interrupted.

The war in Ukraine and its outcome further pushed up inflation, which was already high, and also ensured that the turnaround in interest rates occurred earlier and was more pronounced than had previously been expected. A long phase of low credit costs thus came to an end.

Amid market volatility and high inflation, lenders are now increasingly focused on mitigating risk. This has led to a shift in the markets which, combined with the rise in key interest rates, has increased the cost of debt for borrowers, bringing pricing back into focus. The cost of debt more than doubled, reaching a level roughly equivalent to, and in some cases higher than, prime yields in many segments. The increased financing costs also led to many investors re-calculating in ongoing bidding processes and reducing their willingness to pay. This delayed many processes and, in some cases, properties were taken off the market again by the seller because the sales price expectation could not be realized. In addition, some investors are refraining from purchases altogether for the time being. The thinned-out buyer base in turn is now causing many owners to postpone planned sales.

Times are serious. We are experiencing three severe crises at the same time. This has never happened before in Germany. The effects of the Corona pandemic, Russia's war of aggression in Ukraine and, of course, the fight against climate change. All of us know only too well that the war is having the effect of an amplifier: Supply shortages have reached a new dimension, price increases are at the level of massive inflation. Wage, energy and material costs are going through the roof - all this while interest rates are rising. The negative factors lead to a dynamic that can quickly lead further downwards.

Taking these general conditions into account, Corestate showed a very subdued business course in the first half of 2022, as expected. At € 22.9m, aggregate revenue and gains from continuing operations in the first six months were significantly below the level of the previous year.

This half-year report clearly mirrors the magnitude of the measures we have initiated to improve our financial governance. After the company had already impaired balance sheet items in the previous financial year, the Management Board had to decide in the second quarter of 2022 to adjust the goodwill and current balance sheet items with critical maturities once again. The starting point for this decision was on the one hand the worsening external framework conditions, but above all the restructuring discussions that had begun regarding the Stratos II Fund, managed by HFS. Against the backdrop of the significant deterioration in the macroeconomic environment we had to adjust the goodwill of Corestate Bank as well. In view of the great economic importance of the fund and the financing activities of the Corestate Bank for the business prospects of the Group, this inevitably led to an adjustment of the corresponding balance sheet items.

The significant impact on our results is very clear. EBITDA from continuing operations is now minus € 125.4 million in the first half of 2022. After considering the significantly increased depreciation and amortization, the Group's net profit from continuing operations in the reporting period amounts to minus € 521.8m. After offsetting the PPA effects, goodwill impairments and other one-off charges, the adjusted net profit from continuing operations is minus € 150.5m. With the repeated revaluation of our balance sheet values as well as the extensive risk provisioning, we want to create the necessary conditions for a new start of the Group.

Nevertheless, the Management Board is consistently pursuing its strategic agenda. This means that internal structures and processes are being consistently reviewed with the aim of significantly reducing complexity in the business units as well as in the organization as a whole. These measures are part of the efficiency program initiated at the beginning of the year, which has since been significantly expanded. We are currently working at all levels to make our company flexible and efficient and to position it for a successful new start.

The high degree of general uncertainty in the real estate market, in conjunction with the open refinancing on the corporate side, is leading to a significant burden on our operating business with negative consequences, especially for new commitments but also in the existing portfolio with our customers. The Management Board and Supervisory Board of Corestate therefore decided in May to withdraw the forecast for 2022 and the corresponding dividend statement for 2023 until further notice.

We are working at full speed to implement the ongoing cost-cutting measures. To this end, we have already bundled operational areas, consistently reduced duplicate functions and overheads; we are also in the process of closing offices and putting all material costs and other expenses to the test. On the earnings side, the savings will already be noticeable in the fourth quarter of 2022 and will then be fully reflected in the coming year.

The goal is to implement a structural adjustment of the Group towards an efficient and effective investment house with the existing focus on real estate equity and real estate debt by the end of the year.

In addition to revitalizing and developing our investment business, a major challenge for us in the current difficult market environment is to reduce the Group's financial liabilities, free up liquidity and explore possible restructuring solutions for the two bonds. We will work hard on these goals in the coming weeks and months while looking for alternative ways to improve our financial risk profile to ensure our company's full ability to act.

Dear shareholders, Corestate is still on a difficult course. In view of the major challenges in a dynamic market environment and the demanding situation on the corporate side, we as the new Management Board are challenged every day to weigh up and make even unpleasant decisions. Personally, this is not always easy and costs a lot of energy as well as time. However, it is more important that we set the course now so that the company can successfully operate again in the future. In order to make such a new start possible, we have rigorously adjusted numerous risk positions in the balance sheet. We are now working intensively on a solid solution for our restructuring and on the implementation of our strategic agenda.

Luxembourg, 08 August 2022

Stavros Efremidis
Chief Executive Officer

Udo Giegerich
Chief Financial Officer

Izabela Danner
Chief Operating Officer

Ralf Struckmeyer
Chief Investment Officer

CORESTATE
Capital Group

THE CORESTATE SHARE

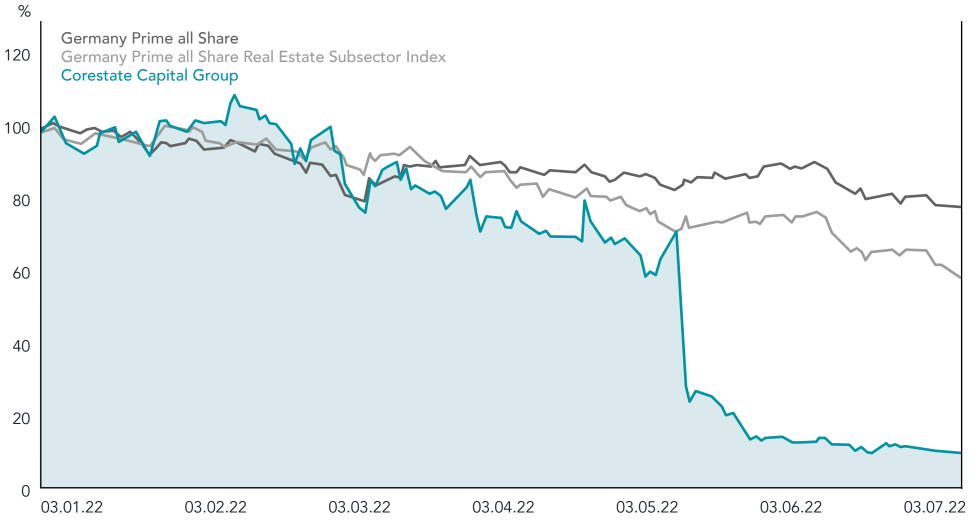
THE CORESTATE SHARE

PERFORMANCE

After a promising start to the year, stock trading was characterized by a very volatile environment, particularly in the second quarter. Increasing uncertainty was caused by persistently high inflation, a rapid turnaround in interest rates and the associated fears of recession. In addition, news focused on the economic consequences of major trouble spots such as the Ukraine war, supply chain problems and the energy price explosion. The negative effects were also reflected in economic data, most of which disappointed. Prices on the stock markets came under massive pressure in this environment. Sentiment remained poor, sending the stock markets into a tailspin at the end of the first half of the year. The German stock market barometers suffered the heaviest losses, with the TecDAX down 26.5% and the MDAX and SDAX down over 27.2%. The DAX lost 20.2%.

The Corestate share was also unable to escape this environment. In addition, the Management Board also withdrew the financial outlook for 2022 when it published its first-quarter results in May, which sent the share price completely into a tailspin. Following the company's announcement that it would work with advisors to explore a solution for the upcoming bond maturities, the share price fell further. After starting the year with an opening price of € 11.32 on the first day of trading on 3 January 2022, the share price ultimately ended trading at € 1.35 on 30 June. On average, 124.354 (previous year: 127.151) Corestate shares were traded per day on the XETRA during the first six months of 2022.

Share Price Development January to June 2022



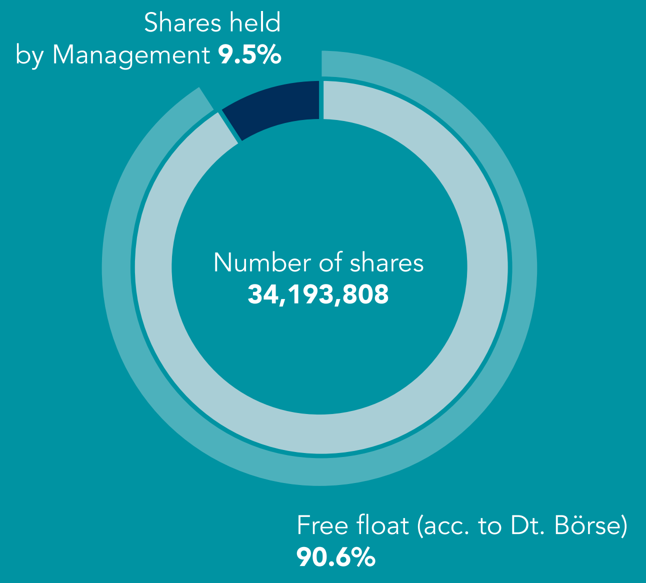
ANNUAL GENERAL MEETING

Due to the pandemic, the Annual General Meeting took place virtually again, on 28 June. A total of 29.85% of the share capital was represented at the Shareholders Meeting. The appointment of the Supervisory Board members with Dr. Bertrand Malmendier as Chairman and Dr. Roland Folz as Deputy Chairman were adopted with a vast majority.

SHAREHOLDER STRUCTURE

The company received several voting rights notifications in the first six months of 2022. A detailed list can be found in the shareholders section of the CORESTATE website. For example, at the end of June Corestate received a voting rights notification from Karl Ehlerding indicating that his shareholding has fallen from 6.21% to 0%. The company´s shareholder structure, as according to latest publications comprises Mr Stavros Efremidis who own 9.36%. The other members of the Management Board hold 48,601 shares.

Shareholder Structure (acc. to latest Public Filing)



Shares held by Management

3,200,000
Stavros Efremidis

32,601
Ralf Struckmeyer

16,000
Udo Giegerich

ANALYST COVERAGE

Due to the temporary discontinuation of forecast reporting by the Company's Management Board and the restructuring measures initiated for the two bonds, the majority of analysts terminated coverage of the Corestate share in the course of the second quarter or suspended it until further notice.

BASIC SHARE DATA

WKN / ISIN	A141J3 / LU1296758029
Ticker Symbol / Reuters Code	CCAP
Trading Segment	Prime Standard
Stock Exchange	Frankfurt
Type of Stock	No-par Value Bearer Shares
Number of Shares	34,193,808
First Day of Trading	4 October 2016
Share Price (Dec 30, 2021)	€ 11.28
Share Price (June 30, 2022)	€ 1.35
Change	-88.03%
Period High (Feb 10, 2022)	€ 12.95
Period Low (June 16, 2022)	€ 1.35
Market Capitalization (June 30, 2022)	€ 46.2m

FINANCIAL CALENDAR 2022

9 AUGUST 2022
H1-2022 interim financial report

8 NOVEMBER 2022
9M-2022 quarterly financial statement

CORESTATE
Capital Group

INTERIM GROUP MANAGEMENT REPORT

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" or "the Group") cover the reporting period from 1 January 2022 until 30 June 2022, unless otherwise indicated. Information on market and product offering developments refers to 6M 2022 as well, unless otherwise indicated.

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

Global real estate markets had a positive start to the year, with an ongoing recovery in occupier market take-up, and capital market investment volumes setting a new high in Q1. Effects from the pandemic are now waning, but other headwinds have emerged including high and rising inflation, tightening monetary policy, and mounting geopolitical risk created by the war in Ukraine. There had been minimal impact on overall global market activity during the first quarter, though sentiment has significantly shifted in the second quarter.

The outbreak of the Ukraine war, the inflation trend and the interest rate turnaround forced investors to realign their strategies. According to CBRE, values in the more equity-dominated segment for high-street properties remained stable, as did those for shopping centers. According to Savills' observations, the price expectations on the buyer and seller side have risen further in the core segment than in the value-add segment due to the higher interest rate sensitivity.[1]

Following an already subdued start to the year, transaction volumes in the German residential investment market weakened further overall. According to figures from BNPPRE, CBRE, JLL, NAI Apollo and Savills, only around € 3bn was invested in the second quarter, around a third less than in the previous year. At around € 7bn, half-year take-up is around 30% down on the previous year's result.[2]

Sources:

[1] https://www.jll.de/en/trends-and-insights/research/global/gmp; https://www.savills.de/research_articles/260049/329649-0

[2] https://www.thomas-daily.de/td-morning-news/1498912-wohn-investoren-werden-vorsichtiger/

Although the German commercial real estate market achieved its second-best half-year result in the last ten years with a transaction volume of around € 30bn, this was only due to the strong opening quarter. For the second quarter, by contrast, brokers reported sales of around € 10bn, as low as in the period immediately after the outbreak of the Corona crisis. The share of forward deals and project sales remained relatively stable at € 3.1bn (previous year: € 3.6bn).

Supply-demand imbalance continues to be a key theme in major logistics markets across the globe, supporting robust rental growth in the first half of 2022. Retail spending and an increase in travel was helping to support a recovery in the retail and hotels markets although it remains market and sub-sector specific.

BUSINESS AND PRODUCT OFFERING DEVELOPMENT

At the end of the first half of 2022, Corestate managed real estate assets in the core business totalling € 15.8bn. In comparison, this figure was € 17.2bn at the end of 2021.[1] Divided into the reporting segments, assets under management in the real estate equity segment declined from € 12.4bn at the end of the year to currently € 11.7bn. The main reason for this was the disposal of some smaller commercial and micro-living portfolios. In addition, two funds specializing in office properties regularly expired in the spring.

Assets under management in the debt segment dropped slightly from € 4.8bn at the end of 2021 to € 4.1bn as at 30 June 2022, mainly resulting from discounts due to deteriorated market environment. In parallel, the general valuation methodology for real estate development projects at HFS has been adjusted and further refined in the first half of 2022. The current project phase is the main indicator used to define the applicable valuation method for the respective project. Any projects before reaching the construction phase are recognized at the underlying residual value, whereas projects from the construction phase onwards are recognized at the gross development value (GDV).

During the first six months, we carried out several transactions and investments, such as the takeover of an office building project in Augsburg, the acquisition of a residential quarter in Kiel's "Am alten Bootshafen" for the "Residential Germany Fund II" or the "Fünf-Häuser-Quartier" project in the centre of the Sprendlingen district in Dreieich for the open-ended investment fund „Stadtquartiere I" for around € 43m. Other selected highlights in the operating business were, for example, the acquisition of the future-oriented office building in the first zero-carbon district of Paris or the repositioning and successful leasing of an office building at Frankfurt Airport.

On the other hand, due to the departure of three asset management contracts which will take effect in the third quarter, the number of the assets under management in the real estate equity business will be noticeably reduced.

[1] Change in the valuation methodology

Corestate is gradually divesting activities that are no longer part of its core business in line with its new strategy. Thus, the sale of the aircraft and media funds was successfully completed right at the beginning of 2022. This is also the reason for the decline in AuM in the non-real estate portfolio from € 8.5bn last year to currently € 3.1bn as of 30 June 2022.

In addition, the company was able to close the sale of the property management activities under the Capera brand to the Austrian Soravia Group in May, which was initiated at the beginning of the year. The cash inflow from the transaction amounts to around € 13.4m. With the sale, approximately € 2.5bn AuM and just under € 30m in turnover were transferred to the acquirer. These portfolio measures are an important strategic step towards simplifying the business model and reducing complexity.

CHANGES IN MANAGEMENT AND SUPERVISORY BOARD

The Supervisory Board resolved on 07 February 2022 to remove Johannes Märklin and Sebastian Ernst from the Management Board of Corestate and all other group functions.

On 07 March 2022 the Supervisory Board decided to strengthen the governance structure and resolved to appoint the Chairman of the Supervisory Board Stavros Efremidis as CEO with immediate effect. The former CEO René Parmantier left the Group's Management Board to fully focus his activities on Corestate's Real Estate Debt business. In addition, the Group's Management Board was extended to four members by Izabela Danner as Chief Operating Officer (COO) and Ralf Struckmeyer as Chief Investment Officer (CIO). The new members of the Management Board are appointed for a term of three years.

On Supervisory Board level, the Deputy Chairman Dr Bertrand Malmendier took over as Chairman of the Supervisory Board. As a new member Dr Roland Folz joined the Supervisory Board on 07 March 2022.

RESULTS OF OPERATIONS

The statement is adjusted in line with IFRS 5 Discontinued Operations for the reporting period in 2022 and for the previous year figures 2021. For further information on the transaction rationale and the planned divestment see Note B.2.3 to the consolidated financial statements in the annual report 2021 on page 102ff.

RESULTS OF OPERATIONS

In the first half of 2022 consolidated total revenue of the Group (including total revenue from real estate equity business, total revenue from real estate debt business and income from rental income and service charges) came to € 41.0m (prior year: € 98.5m).

AGGREGATE REVENUES AND GAINS BY INCOME LINES

Including the revenue from real estate equity, revenue from real estate debt and the income from other segments, the Group's aggregate revenues and gains fell sharply to € 22.9m (prior year: € 98.3m).

Real Estate Equity

In the first six months 2022 the real estate equity segment generated income of € 24.1m, only slightly below the previous year figure of € 26.7m. Acquisition fees in this segment went down from € 4.6m to € 2.0m, due to the lower transaction volume. Revenue from asset management in real estate proved to be a relatively stable component in an uncertain environment. These fees improved slightly to € 17.3m from € 16.8m in the first half 2021. Revenue from property management also increased from € 1.8m to € 2.4m, mirroring higher occupancy rates at many properties post-Covid pandemic. On the opposite, revenue from sales and promote fees realized decreased to € 0.7m (prior year: € 2.0m). Revenue from development fees was almost stable at € 1.7m (prior year: € 1.5m).

Expenses in this segment came to € 47.3m from € 30.8m last year and also include provisions for onerous contracts of projects that are no longer being pursued due to prevailing conditions. Taking all this into account, total earnings from real estate equity in the first six months 2022 amounted to minus € 23.2m (prior year: minus € 4.1m).

€ million	H1-2022	H1-2021
Revenue from Acquisition Fees	2.0	4.6
Revenue from Asset Management Fees	17.3	16.8
Revenue from Property Management Fees	2.4	1.8
Revenue from Sales and Promote Fees realized	0.7	2.0
Revenue from Development Fees	1.7	1.5
Total Income	**24.1**	**26.7**
Total Expenses	(47.3)	(30.8)
Total Earnings	**(23.2)**	**(4.1)**

Real Estate Debt

The total income from real estate debt went down considerably by 80.9% to € 13.1m (prior year: € 68.5m).

From January to June 2022 revenue from underwriting and structuring fees as well as income from trading activities - representative for the entire credit business - were rather weak and fell from € 27.9m to € 1.6m mainly driven by project postponements and a very weakish private debt market in the period covered by the report. Due to the temporary suspension of dividends and payments of the Stratos II fund, no income from the successful management of the private debt funds could be recognized in the first half of 2022 - € 22.2m was still generated in the first six months 2021. Income from bridge loans reduced from € 10.0m to € 3.9m, mainly attributable to the maintained and increased risk provision including interest. Revenue from asset management fees were almost stable at € 7.6m (prior year: € 8.4m).

Expenses in this segment ended up at € 90.0m (prior year € 7.1m) leading to total earnings from real estate debt of minus € 76.9m (prior year: € 61.4m), particularly due to impairments on receivables with critical maturities.

€ million	H1-2022	H1-2021
Revenue from Underwriting and Structuring Fees	0.2	27.9
Revenue from Performance Fees	-	22.2
Income from Mezzanine Loans	3.9	10.0
Revenue from Asset Management	7.6	8.4
Income from Trading Activities	1.4	0.0
Total Income	**13.1**	**68.5**
Total Expenses	(90.0)	(7.1)
Total Earnings	**(76.9)**	**61.4**

Other Segments

Despite the minor improvements in income from rental and service charges with € 3.8m (prior year: € 3.2m) and in dividends from other alignment capital structures, which increased to € 2.3m from € 1.8m, the other segments generated in total an income of minus € 14.3m (prior year: € 3.1m). Mainly caused by higher construction costs in the first half 2022, leading to a loss from co-investment activities of € 2.8m (prior year: € 1.0m). Losses from fair value measurement amounted to € 17.1m, up from € 2.8m last year, which was mainly due to extraordinary value adjustments in the Stratos funds.

Expenses in this segment dropped to € 4.1m (prior year: € 5.0m). So, the total earnings in other segments came to minus € 18.5m (prior year: minus € 1.9m).

€ million	H1-2022	H1-2021
Income from Rental Income and Service Charges	3.8	3.2
Net Gain from selling Warehousing Assets	(0.5)	(0.1)
Share of Profit or Loss from Associates and Joint Ventures	(2.8)	1.0
Dividends from other Alignment Capital	2.3	1.8
Gains/Losses from Fair Value Measurement of Financial Instruments related to Real Estate	(17.1)	(2.8)
Total Income	**(14.3)**	**3.1**
Total Expenses	(4.1)	(5.0)
Total Earnings	**(18.5)**	**(1.9)**

EARNINGS POSITIONS

G&A and Other expenses in the reporting period amounted to € 24.1m and were thus almost stable at the same level as in 2021 (prior year: €23.9m).

In addition to the subdued revenue development and the significant increase in expenses as a result of some one-time operating expenses, also the comprehensive risk provisioning and the corresponding impairments on financial assets and receivables in particular led to a Group EBITDA from continued operations in the reporting period of minus € 125.4m compared with € 35.7m in 2021. Depreciation and amortization went up significantly to € 382.8m from € 15.4m, mainly driven by impairment of the goodwill of the HFS and Corestate Bank. Furthermore, this position also includes depreciation and impairments of intangible assets recognized in business combinations.

The financial result improved slightly from minus € 9.6m in 2021 to minus € 6.5m in the current reporting period. Due to the aforementioned business course and the value adjustments respectively risk provisions undertaken by the management Corestate's net profit from continued operations decreased from € 3.2m in the previous year to minus € 521.8m in the current reporting period, which translates into earnings per share of minus € 15.28 (previous year: € 0,11). Adjustments at net profit level comprises € 377.9m impairment of goodwill and other intangible assets, € 2.0m in effects from 'Purchase Price Allocation' and minus € 8.7m in deferred tax liabilities. Adjusted net profit from continued operations ended up at minus € 150.5m (previous year: € 17.2m).

€ million	H1-2022	H1-2021
Reported EBITDA	**(125.4)**	**35.7**
Acquisition-related Expenses	-	4.8
Adjusted EBITDA	**(125.4)**	**40.6**
Reported Net Profit	**(521.8)**	**3.2**
Impairments	377.9	-
Depreciation of intangible Assets recognized in Business Combinations	2.0	12.3
Deferred Tax Assets / (Liabilities)	(8.7)	(3.2)
Acquisition-related Expenses	-	4.8
Adjusted Net Profit	**(150.5)**	**17.2**

FINANCIAL AND ASSET POSITIONS

As of 30 June 2022, total assets amounted to € 873.3m, decreased from € 1,413.6m as of 31 December 2021. Total non-current assets were down to € 536.3m (2021: € 990.9m). The most significant change occurred in the position goodwill and other intangible assets, mainly driven by the impairments of HFS and Corestate Bank in our debt business. Also, not to be neglected, the investments in associates and joint ventures dropped by € 40.5m to € 105.5m (2021: € 145.9m), mainly attributable to the disposal of projects. In addition, for the partial placement of an investment in a Hanover Leasing project (totaling € 22.5m), the remaining amount of € 10.0m has been reclassified to other financial instruments.

Total current assets came to € 320.7m as of 30 June 2022 (2021: € 399.2m). Inventories, i.e. assets held for warehousing, went up from € 100.0m to € 134.2m in particular due to the temporary appropriation of an office project in Augsburg as well as the final CAPEX measures at the Giessen property. Trade receivables were down from € 47.2m at the end 2021 to € 25.0m as of 30 June 2022, primarily related to the payments for a residential and an office project in Germany. Due to the risk provisioning in the HFS business and the restructuring talks initiated for the Stratos II fund, the contract assets decreased by € 32.1m to € 26.4m as the end of the reporting period. The carrying amount of other current financial assets has been reduced from € 86.5m to € 44.6m, mainly driven by further provisions for expected credit losses on bridge loans in the real estate debt segment.

Cash and cash equivalents amounted to € 61.0m as of 30 June 2022 and were thus relatively stable on the level at the end of last year with € 62.8m. The restricted cash decreased from € 12.9m to € 0.4m mainly due to the contractually committed capex expenditure for the warehousing asset (Giessen).

Against the backdrop of the negative earnings development as well as the value adjustments and risk provisions made, the total equity has drastically reduced to € 102.9m at the end of the reporting period (2021: € 626.2m). The equity ratio of Corestate therefore dropped to 11.8% at the end of the first half of 2022, compared with 44.3% on 31 December 2021.

Current and non-current liabilities added up to € 765.4m (2021: € 778.5m) absent any major movements while the first six months 2022, only the straight bond has been classified as current financial liabilities from bonds due to the maturity date in April 2023.

The total financial liabilities stood at € 632.5m as of 30 June 2022 (2021: € 622.0m). Net financial debt (including cash and cash equivalents as well as restricted cash and adjusted by lease liabilities) were slightly up at € 553.1m from € 526.5m as at the end of the last year. The increase is predominantly the result of the transitory acquisition of an office building project in Augsburg, which is expected to be placed in the course of the year.

The cash outflow from operating activities of continued operations increased to € 34.6m as of June 30, 2022 (prior year: € 19.7m). This increase was chiefly attributable to the clearly reduced fee volume despite the yet to be adjusted cost structure across all segments. At the end of June 2022, net cash flows from investing activities of continued operations came to € 30.2m (prior year: € 6.8m). In the reporting period, they were largely influenced by the sale of the media fund at the beginning of the year and the disposal of the property management activities under the Capera brand. Net cash flows from financing activities of continued operations amounted to minus € 9.9m in the first six months 2022 (prior year: minus € 13.2m) and were particularly influenced by a slightly higher net figure of proceeds and payments from loans and borrowings.

OUTLOOK

In addition to the increased macro-economic and geostrategic uncertainties there is yet an unresolved question of the company's refinancing issue with potentially adverse implications for new business in the current year. Given the apparent decrease in income as a result, particularly in association with acquisition and performance-related fees in the core markets and products, the company no longer considered it likely to achieve the targets originally planned and published for the financial year. The Management Board had therefore decided in May to withdraw the forecast for the 2022 financial year until further notice.

Beyond the operational and market challenges, securing liquidity and reducing the Group's debt have top priority. In the coming weeks, the company will explore possible restructuring solutions for the two expiring major financial instruments with the noteholders. With an agreement on a solution to the upcoming financing issue, the Management Board can start further measures to safeguard the future of the company.

Luxembourg, 8 August 2022

CORESTATE
Capital Group

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	Notes	30 June 2022	31 Dec 2021
Non-Current Assets			
Goodwill	D.1	162.1	487.2
Other Intangible Assets	D.2	29.6	84.8
Investment in Associates and Joint Ventures	D.3	105.5	145.9
Other Financial Instruments	D.4	140.6	151.5
Property, Plant and Equipment		12.0	13.4
Non-Current Receivables		42.2	51.7
Non-Current Loans to Associated Entities		15.1	14.9
Deferred Tax Assets		29.2	41.5
Total Non-Current Assets		**536.3**	**990.9**
Current Assets			
Inventories	D.5	134.2	100.0
Trade Receivables		25.0	47.2
Contract Assets	D.6	26.4	58.5
Receivables from Associated Entities		16.2	16.8
Other Current Financial Assets	D.7	44.6	86.5
Other Current Assets		10.5	12.1
Current Income Tax Assets		2.5	2.5
Restricted Cash		0.4	12.9
Cash and Cash Equivalents		61.0	62.8
Total Current Assets		**320.7**	**399.2**
Assets Held for Sale from Discontinued Operations		16.3	23.5
TOTAL ASSETS		**873.3**	**1,413.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	Notes	30 June 2022	31 Dec 2021
Equity			
Share Capital	D.8.1	2.6	2.6
Other Reserves	D.8.2	621.7	821.7
Net Profit/(Loss) for the Period		(524.3)	(201.1)
Equity attributable to Shareholders of Parent Company		100.0	623.2
Non-controlling Interests		2.8	3.0
Total Equity		**102.9**	**626.2**
Non-Current Liabilities			
Non-Current Financial Liabilities from Bonds		-	298.0
Non-Current Financial Liabilities to Banks		-	3.5
Other Non-Current Financial Liabilities		18.1	19.9
Other Non-Current Provisions		1.6	1.2
Other Non-Current Liabilities		10.5	8.9
Deferred Tax Liabilities		8.6	17.5
Total Non-Current Liabilities		**38.8**	**349.1**

€ million	Notes	30 June 2022	31 Dec 2021
Current Liabilities			
Current Financial Liabilities from Bonds	D.9	486.8	190.9
Other Current Provisions	D.10	29.3	13.6
Other Current Financial Liabilities to Banks	D.11	82.4	68.3
Current Liabilities to Associated Entities		8.1	18.1
Trade Payables		12.2	27.6
Current Income Tax Liabilities		23.4	29.5
Other Current Financial Liabilities		45.2	41.4
Other Current Liabilities		39.3	40.0
Total Current Liabilities		**726.6**	**429.4**
Liabilities Held for Sale from Discontinued Operations		4.9	8.9
TOTAL EQUITY AND LIABILITIES		**873.3**	**1,413.6**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

€ million	Notes	01.01.2022-30.06.2022	01.01.2021-30.06.2021[1]
Revenue from Acquisition Fees		2.0	4.6
Revenue from Asset Management Fees		17.3	16.8
Revenue from Property Management Fees		2.4	1.8
Revenue from Sales and Promote Fees realised		0.7	2.0
Revenue from Development Fees		1.7	1.5
Total Revenue from Real Estate Equity Segment	*C.1*	*24.1*	*26.7*
Total Expenses from Real Estate Equity Segment		*(47.3)*	*(30.8)*
Total Earnings from Real Estate Equity Segment		**(23.2)**	**(4.1)**
Revenue from Underwriting and Structuring Fees		0.2	27.9
Revenues from Performance Fees		-	22.2
Income from Mezzanine Loans		3.9	10.0
Revenue from Asset Management Fees		7.6	8.4
Income from Trading Activities		1.4	0.0
Total Revenue from Real Estate Debt Segment	*C.1*	*13.1*	*68.5*
Total Expenses from Real Estate Debt Segment		*(90.0)*	*(7.1)*
Total Earnings from Real Estate Debt Segment		**(76.9)**	**61.4**
Income from Rental Income and Service Charges		3.8	3.2
Net Results from Property Holding Warehousing Exits		(0.5)	(0.1)
Share of Profit or Loss from Associates and Joint Ventures		(2.8)	1.0
Dividends from other Alignment Capital		2.3	1.8
Gains/losses from fair Value Measurement of Financial Instruments related to Real Estate		(17.1)	(2.8)
Total Income from Other Segments	*C.1*	*(14.3)*	*3.1*
Total Expenses from Other Segments		*(4.1)*	*(5.0)*
Total Earnings from Other Segments		**(18.5)**	**(1.9)**

€ million	Notes	01.01.2022-30.06.2022	01.01.2021-30.06.2021[1]
Other Income	C.1	17.2	4.2
G&A and Other Expenses	C.2	(24.1)	(23.9)
Earnings before Interest, Taxes, Depreciations and Amortisation (EBITDA)		**(125.4)**	**35.7**
Depreciation, Amortization & Impairment	C.3	(382.8)	(15.4)
Earnings before Interest and Taxes (EBIT)		**(508.2)**	**20.3**
Financial Income		5.7	1.9
Financial Expenses		(12.2)	(11.5)
Earnings before Taxes (EBT)		**(514.7)**	**10.7**
Income Tax Expense	C.4	(7.1)	(7.5)
Net Profit/(Loss) for the Period from continued Operations		**(521.8)**	**3.2**
Net Profit/(Loss) for the Period from discontinued Operations		**(2.4)**	**(2.7)**
Net Profit/(Loss) for the Period		**(524.1)**	**0.5**
Of which attributable to Equity Holders of Parent Company		(524.3)	0.3
Of which attributable to Non-controlling Interests		0.1	0.2
Total Revenues[2]		**41.0**	**98.5**
Total Expenses[3]		**(165.5)**	**(66.8)**
Earnings per Share based on Net Profit/Loss attributable to Equity Holders of Parent Company (in €):			
Earnings per Share from Continued Operations	F.1	(15.28)	0.11
Earnings per Share from Discontinued Operations	F.1	(0.07)	(0.10)

1 The statement of comprehensive income is adjusted in line with IFRS 5 Discontinued Operations for half-year 2022 and 2021

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

3 Excluding Financial Expenses and Depreciation and Amortisation

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

€ million	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Net Loss for the Period	**(524.1)**	**0.5**
Other Comprehensive Income		
Other Comprehensive Income to be reclassified to Profit or Loss in subsequent Periods (Net of Tax):		
Exchange Differences on Translation of foreign Operations	(0.2)	1.4
Other Differences	-	-
Net Other Comprehensive Income to be reclassified to Profit or Loss in subsequent Periods	(0.2)	1.4
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent Periods	(0.0)	-
Deferred Tax Effect	0.0	-
Other Comprehensive Income/(Loss) for the Period, Net of Tax	**(0.2)**	**1.4**
Total Comprehensive Income for the Period, Net of Tax	**(524.4)**	**1.9**
Of which attributable to Equity Holders of Parent Company	(524.5)	1.7
Of which attributable to Non-controlling Interests	0.1	0.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	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
Balance of Equity Accounts as at 01 Jan 2021 (audited)	**1.9**	**0.2**	**515.2**	244.2	(6.6)	752.9	(69.1)	685.9	2.5	0.2	2.7	688.5
Profit for the Period	-	-	-	-	-	-	0.3	0.3	-	0.2	0.2	0.5
Other Comprehensive Income	-	-	-	-	1.4	1.4	-	1.4	-	-	-	1.4
Total Comprehensive Income for the Period	-	-	-	-	1.4	1.4	0.3	1.7	-	0.2	0.2	1.9
Issue of New Capital	0.6	-	129.0	-	-	129.0	-	129.6	-	-	-	129.6
Acquisition and Sale of non-controlling Interests	-	-	-	0.6	(0.4)	0.2	-	0.2	(0.2)	-	(0.2)	-
Equity-settled share-based Payment	-	-	1.8	-	-	1.8	-	1.8	-	-	-	1.8
Reclassification/Others	-	0.1	-	(69.2)	-	(69.1)	69.1	-	(0.0)	(0.2)	(0.2)	(0.2)
Closing Balance of Equity Accounts as at 30 Jun 2021 (unaudited)	**2.6**	**0.3**	**645.9**	**175.6**	**(5.5)**	**816.2**	**0.3**	**819.1**	**2.3**	**0.2**	**2.5**	**821.5**
Balance of Equity Accounts as at 01 Jan 2022 (audited)	**2.6**	**0.3**	**647.6**	**175.4**	**(1.6)**	**821.7**	**(201.1)**	**623.2**	**2.0**	**1.0**	**3.0**	**626.2**
Profit for the Period	-	-	-	-	-	-	(524.3)	(524.3)	-	0.1	0.1	(524.1)
Other Comprehensive Income	-	-	-	-	(0.2)	(0.2)	-	(0.2)	-	-	-	(0.2)
Total Comprehensive Income for the Period	-	-	-	-	(0.2)	(0.2)	(524.3)	(524.5)	-	0.1	0.1	(524.4)
Acquisition of non-controlling Interests	-	-	-	0.2	(0.0)	0.2	-	0.2	(0.2)	-	(0.2)	-
Equity-settled share-based Payment	-	-	1.1	-	-	1.1	-	1.1	-	-	-	1.1
Reclassification/Others	-	-	-	(201.1)	-	(201.1)	201.1	-	0.1	(0.2)	(0.1)	(0.1)
Closing Balance of Equity Accounts as at 30 Jun 2022 (unaudited)	**2.6**	**0.3**	**648.7**	**(25.5)**	**(1.8)**	**621.7**	**(524.3)**	**100.0**	**1.9**	**0.9**	**2.9**	**102.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	01.01.2022-30.06.2022	01.01.2021-30.06.2021[1]
Earnings before Interest and Taxes (EBIT)	**(508.2)**	**20.3**
Depreciation/Write-ups of non-current Assets	382.8	15.4
Equity-settled share-based Payment	4.3	1.8
Net loss/(gain) on disposal of non-current Assets	(8.7)	-
Changes in Provisions	16.0	(0.7)
Share of Results from Associates and Joint Ventures	2.8	(3.2)
Changes from Purchase and Sale of Inventories and advanced Payments	(11.8)	(4.7)
Gains/Losses from Fair Value Measurement of Financial Instruments related to Real Estate	17.1	-
Changes in Receivables and other Assets that are not attributable to investing Activities	98.1	(26.5)
Thereof Impairments	*75.9*	-
Changes in Liabilities that are not attributable to financing Activities	(17.5)	(14.5)
Income Taxes received/(paid)	(9.6)	(7.5)
Net Cash Flows from operating Activities of continued Operations	**(34.6)**	**(19.7)**
Net Cash Flows from operating Activities of discontinued Operations	***0.3***	***(0.3)***
Net Cash Flows from operating Activities	***(34.4)***	***(20.0)***

€ million	01.01.2022-30.06.2022	01.01.2021-30.06.2021[1]
Acquisition of Subsidiaries	-	7.5
Sale of Subsidiaries	16.6	-
Outflow for Alignment Capital Investments	(0.1)	(1.0)
Inflow from Repayment of Alignment Capital Investments	9.6	0.1
Payments for Acquisition of PPE	(0.1)	0.2
Proceeds from Sale of PPE	0.0	(0.1)
Payments for Acquisition of intangible Assets	(0.1)	(0.0)
Purchase of other financial Instruments	-	(1.8)
Sale of other financial Instruments	**4.2**	**2.0**
Net Cash Flows generated from/(used in) investing Activities of continued Operations	**30.2**	**6.8**
Net Cash Flows generated from/(used in) investing Activities of discontinued Operations	***0.2***	***(0.6)***
Net cash flows generated from/(used in) investing Activities	***30.5***	***6.3***

1 The statement of comprehensive income is adjusted in line with IFRS 5 Discontinued Operations for half-year 2022 and 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	01.01.2022-30.06.2022	01.01.2021-30.06.2021[1]
Repayment of Lease Liabilities	(2.7)	(2.2)
Proceeds from Loans and Borrowings	20.6	0.0
Repayment of Loans and Borrowings	(22.2)	(3.4)
Finance Expenses	(7.9)	(8.1)
Finance Income	2.3	0.5
Net Cash Flows (used in)/from Financing Activities of continued Operations	**(9.9)**	**(13.2)**
Net Cash Flows (used in)/from Financing Activities of Discontinued Operations	***0.0***	***(0.6)***
Net Cash Flows (used in)/from Financing Activities	***(9.9)***	***(13.8)***
Cash and Cash Equivalents at Begin of Period of Continued Operations	**75.7**	**87.6**
Net Change in Cash and Cash Equivalents of Continued Operations	(14.3)	(26.1)
Cash and Cash Equivalents at End of Period of Continued Operations	**61.4**	**61.6**

1 The statement of comprehensive income is adjusted in line with IFRS 5 Discontinued Operations for half-year 2022 and 2021

CORESTATE
Capital Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 07 Sep 2015.

CCH SA was established on 21 Aug 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 Oct 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 02 Nov 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

CCH SA is a real estate investment manager specializing in the creation and subsequent realization of real estate related investments in Europe for institutional and private clients. CCH SA and its subsidiaries (the Group) are active as facilitator of real estate financing and investment opportunities in various risk-levels, as asset and property manager and as a co-investor focusing on residential and commercial (primarily retail and office) real estate as well as micro-living projects. Geographically, the Group primarily concentrates on the German speaking countries but also is selectively active in other attractive markets in Europe such as UK, the BeNeLux, Spain, Poland or Italy. Its investment product offering covers the entire life-cycle of a real estate investment and 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. Also, as part 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 2022, the Group employs about 504 FTE across 25 offices in 11 countries, providing direct access to local markets.

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 2022 were authorized for issue in accordance with a resolution of the Management Board on 08 Aug 2022.

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. BASIS OF PREPARATION & CONSOLIDATION

B.1 BASIS OF PREPARATION

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standard IAS 34 (Interim Financial Reporting) as adopted by the European Union. 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 of 31 Dec 2021.

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.

Given the still unknown future impact that COVID-19 and its repeatedly occurring mutations might have on the real estate market and the difficulty in differentiating between short-term impacts and long-term structural changes as well as the changed macroeconomic situation, in particular due to the uncertainty from the ongoing war in Ukraine and the rising interest rate environment, some valuations of investment properties held by associates under joint ventures and co-investment agreements are and might be in future subject to further material valuation uncertainties as previously set out in the RICS Valuation – Global Standards in prior years. This uncertainty adversely affects demand, with marketing voids increasing and rental levels under pressure. But for the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the uncertainty statement has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

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 million Euros (m€), except where otherwise indicated. The use of automatic data processing 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.

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 Dec 2021. New standards, interpretations and amendments that have been applied for the first time in 2022 had no significant impact on the Group's financial statements. New standards, interpretations and amendments that have been published by the IASB but have not become effective in 2022 are not expected to have a significant impact on the Group's financial statements in the future. Moreover, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

B.2 DECONSOLIDATION

In May 2022, the Group successfully sold the property management business of Capera for € 13.4m in cash. With the intention to sell the company since November 2021, the business of Capera, initially part of the Real Estate Equity segment, has been shown as discontinued operations up to the point of sale. The profit of the deconsolidation is part of the Groups' Other Income and comprises the following items:

€ million	Capera Immobilien Service GmbH
Voting rights sold	**100%**
Property, Plant & Equipment	2.5
Intangible Assets	1.6
Trade Receivables	1.4
Other Assets	0.4
Cash and Cash Equivalents	0.3
Total Assets	**6.2**
Other Provisions	1.4
Liabilities to CCH SA	0.3
Trade Payables	0.3
Other Liabilities	2.5
Total Liabilities	**4.6**
Fair Value of Net Assets sold	**1.6**
Sale Price	**13.4**
Net Loss until Date of Deconsolidation	**(1.5)**

C. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

C.1 TOTAL EARNINGS BY INCOME LINE

The total earnings by income line comprise both revenues and other income items including corresponding expenses to provide comprehensive insight in the respective earnings for Real Estate Equity, Real Estate Debt, and Other Segments. The following revenues and income types determine the three segments' top line (for further information regarding segment reporting please refer to Note E).

Revenue Stream	Description	Recognition of Revenues, other Income, and Gains and Losses
Real Estate Equity		
Acquisition Fees	Fees are earned upon successful acquisition of assets	point in time (IFRS 15)
Asset & Property Management Fees	Fees are earned over the holding period of the respective asset for providing both asset and property management services (series of distinct services), including success fees earned from managed equity funds above a certain hurdle rate	over time (IFRS 15)
Sales/Promote Fees	Sales fee is a percentage of the asset value upon sale (net project returns); promote fees are gained once the overall return surpasses a certain hurdle rate	point in time (IFRS 15)
Development Fees	Fees are earned by providing technical expertise with regard to (re-)positioning real estate estates,	over time (IFRS 15)
Real Estate Debt		
Underwriting & Structuring Fees	Fees are earned upon successful structuring [placement] of real estate debt financing products	point in time (IFRS 15)
Asset Management Fees	Fees are earned over the holding period of the respective asset for providing asset management services	over time (IFRS 15)
Performance Fee	Success fee that allows the company to participate in the performance of its managed debt funds above a certain hurdle rate (coupon participation fee)	over time (IFRS 15)
Income from Mezzanine Loans	Interest income yielding from short-term bridge financing via mezzanine loans for development companies	measurement of financial assets (IFRS 9)
Income from Trading Activities	Margin income resulting from short-term trading activities of financing tranches	measurement of financial assets (IFRS 9)
Other Segments		
Income from Rental Income and Service Charges	Income resulting from acting as lessor for assets that are in a warehousing structure	lease income (IFRS 16)
Net Results from Property Holding and Warehousing Exits	Occasional income/expense that results from sale of warehousing structures in share deals, liquidation of property holding structures after asset deals, and similar transactions	measurement of gain or loss on deconsolidation (IFRS 10); measurement of financial assets (IFRS 9)
Share of Profit or Loss from Associates	Income results from the subsequent measurement of Corestate's share in the net profit of its associated entities	share of net profit (IAS 28)
Dividends from other Alignment Capital	Income results from dividends paid by Corestate's associated entities	dividends (IAS 28)
Gains & Losses from Fair Value Measurement of Financial Instruments	Changes in fair value of Corestate's other financial instruments that are measured at fair value in line with the eligible IFRS 9 categories	measurement of financial assets (IFRS 9)

Total revenues from real estate equity segment

Revenues from real estate equity - including acquisition fees, asset and property management fees, development fees and sales/promote fees – amount to € 24.1m (30 June 2021: € 26.7m) for the first six months of 2021 and therefore are close to prior year levels.

Acquisition fees decrease from € 4.6m to € 2.0m due to the lower volume of transactions. Asset management fees in the Real Estate Equity segment prove to be a stable component in an uncertain environment; they rose slightly to € 17.3m compared to € 16.8m at 30 June 2021. Revenues from property management also increase from € 1.8m to € 2.4m at 30 June 2022. The increase in revenues from property management is due to the less corona measures since April 2022, resulting in higher utilization of hotel and student housings. By contrast, as a result of the overall decrease in transaction volume revenues from sales and promote fees fall to € 0.7m (30 June 2021: € 2.0m). Development fees remain virtually stable at € 1.7m (30 June 2021: € 1.5m).

Total revenues from real estate debt segment

Total revenue and gains in the Real Estate Debt segment are down to € 13.1m (30 June 2021: € 68.5m) which is mainly attributable to the very low level of revenues from underwriting and structuring fees amounting to € 1.6m (2021: € 27.9m) and the non-existing revenues from performance fees (30 June 2021: € 22.2m). The decrease is mainly due to a significantly reduced transaction volume in the private debt market in general and, exclusively for HFS, due to the current hold-up of the Stratos II Fund which also negatively affects the short-term bridge loan business. The hold-up of Stratos II Fund reside in the fact of the decision of the fund manager (Kapitalverwaltungsgesellschaft) of Stratos Funds to suspend the redemption of unit certificates for the Stratos II Fund advised by HFS until further notice and to prepare a possible restructuring and continuation of the fund. The latter is also the reason why the coupon participation fees shown as of 31 Mar 2022 were dissolved as of 30 June 2022, as the currently expected fund performance is below the required minimum performance for the coupon participation fee.

Total income from other segments

Despite the minor improvements in both income from rental and service charges with € 3.8m (30 June 2021: € 3.2m) and dividends from other alignment capital structures increasing to € 2.3m from € 1.8m, the other segments generate a total income of € -14.3m (30 June 2021: € 3.1m).

In addition to the decline in shares in loss from co-investment activities from € 1.0m to € -2.8m in the first half of 2022, the fair value measurement of financial instruments strongly decreases to € -14.3m (30 June 2022: € -17.1; 30 June 2021: € -2.8m).

Other Income

The other income of € 17.2m (30 June 2021: € 4.2m) predominantly comprises the deconsolidation gain on the sale of Capera amounting to € 11.8m (see Note B.2).

C.2 G&A AND OTHER EXPENSES

General and administrative expenses of € 24.1m (30 June 2020: € 23.9m) include both personnel and overhead expenses not allocated to any of the segments and were thus almost stable at the same level as in the first six month of 2021.

C.3 DEPRECIATION AND AMORTIZATION

€ million	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Goodwill	325.1	-
Other Intangible Assets	44.2	4.7
Intangible Assets from Order Backlog	2.2	8.2
Intangible Assets from Customer Relationships	8.9	0.6
Rights of Use	1.7	1.4
Property, Plant and Equipment	0.4	0.4
Sundry	0.4	0.3
Total	**382.8**	**15.6**

The total depreciation and amortization in the first six months of 2022 amount to € 382.8m (30 June 2021: € 17.1m), including impairment expenses of € 366.8m for the first six months of 2022.

The impairment of both the HFS and Corestate Bank goodwill is related to the Real Estate Debt segment (see Note D.1). The depreciation of order backlog and customer relationships mainly results from the impairment of the order backlog and customer relationships identified during the acquisition of Corestate Bank (for further information see Note D.2). The depreciation for the other intangible assets mainly includes the impairment of the HFS brand in full as a result of the strategic realignment of HFS (€ 41.7m). The remaining depreciation on other intangible assets results from acquired asset management contracts and one brand with a defined useful life.

C.4 INCOME TAXES

Income tax expenses at € -7.1m (30 June 2021: € -7.5m), including both current income taxes and deferred taxes, result mainly from tax prepayments of CORESTATE Bank.

In addition to the deferred tax income resulting from the impairment of intangible assets (see also Note D.2), the tax expense also includes deferred tax expense from the reassessment of the usability of loss carryforwards in the German tax group in almost the same amount.

D. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

D.1 GOODWILL

As at 30 June 2022, the goodwill of € 162.1m (2021: € 487.2m), allocates to multiple CGUs within both the Real Estate Equity and Real Estate Debt segment, comprises the following individual positions:

€ million	30 June 2022	31 Dec 2021
HFS Helvetic Financial Services AG	71.8	345.4
Corestate Bank GmbH	43.1	94.6
STAM Europe	32.2	32.2
HANNOVER LEASING GmbH & Co. KG	15.0	15.0
Total	**162.1**	**487.2**

The further increase in uncertainty in the real estate sector is currently leading to a decline in transaction volumes in the overall market due to the high dynamics of the interest rate and inflation spiral. This is linked to an extension of valuation spreads for real estate across almost all risk and asset classes. On the corporate side, this raises the burdens on the operating business and results in an increase in valuation risks. Additionally, the independent fund manager (Kapitalverwaltungsgesellschaft) of the Stratos Funds decided to suspend the redemption of unit certificates for the Stratos II Fund advised by HFS until further notice and to prepare a possible restructuring and continuation of the fund.

Corestate reflects both the changed market environment for both the Real Estate Equity and particularly the Real Estate Debt CGUs, and the changed circumstances for the Stratos Funds for impairment test purposes, including an update of the most relevant other input parameters.

The following major assumptions have been applied for determining value in use:

	30 June 2022	31 Dec 2021
CGU HFS Helvetic Financial Services AG		
Discount Rate (before Tax)	10.2%	8.9%
Growth Rate after Year 5	1.0%	1.0%
CGU Hannover Leasing GmbH & Co. KG		
Discount Rate (before Tax)	8.3%	7.0%
Growth Rate after Year 5	1.0%	1.0%
CGU STAM SAS		
Discount Rate (before Tax)	9.1%	7.5%
Growth Rate after Year 5	1.0%	1.0%
CGU Corestate Bank GmbH		
Discount Rate (before Tax)	10.2%	9.1%
Growth Rate after Year 5	1.0%	1.0%

Due to the above-mentioned redemption of unit certificates and the restructuring in Stratos II Fund, the fee situation will be significantly reduced in HFS's short to medium-term business prospects. This results in an impairment of additional € 273.6m after € 174.8m at year-end 2021. The remaining goodwill for HFS amounts to € 71.8m (2021: € 345.4m).

The significant changes in the macroeconomic environment and particularly in the private debt market for developments are also reflected in Corestate Bank's entity value. A short- and medium-term but also significant deterioration in expected performance leads to a reduction in the value in use, which is below the carrying amount. Therefor the goodwill had to be impaired by € 51.6m.

For all other CGUs no need for impairment or significant reduction in headroom was identified.

The following table shows an analysis at what percentage the main assumptions must change to reach a headroom of zero, which results in no relevant data for HFS given the impairments recognized on 31 Dec 2021 and 30 June 2022:

	EBITDA		WAAC post Tax		Growth Rate	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
HFS	-	-	-	-	-	-
Corestate Bank	-	-40.8%	-	13.1%	-	-4.9%
HL	-62.3%	-56.4%	14.8%	11.3%	-13.1%	-7.0%
STAM	-19.5%	-36.6%	9.0%	9.4%	-1.2%	-3.6%

D.2 OTHER INTANGIBLE ASSETS

The decrease in other intangible assets to € 29.6 (2021: € 84.8m) is driven by the management decision to strategically realign the market presence of HFS, that includes a rebranding resulting in an impairment of the recognized brand name amounting to € 41.7m. The remaining impairment amounting to € 9.1m is attributable to order backlog and customer relationships recognized within the business combination of Corestate Bank in May 2021.

€ million	30 June 2022	31 Dec 2021
Acquisition Cost		
As at 01 January	205.2	181.6
Additions from Business Combinations	-	36.7
Additions	0.1	0.2
Disposals / Reclassifications	-	(13.3)
As of 30 June / 31 Dec	**205.3**	**205.2**
Amortisation and Impairment Losses		
As at 01 January	120.4	93.8
Additions to Cumulative Amortization	4.5	20.2
Impairment	50.8	14.5
Disposals / Reclassifications	-	(8.0)
As of 30 June / 31 Dec	**175.7**	**120.4**
Total (Carrying Amount)	**29.6**	**84.8**

D.3 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The decrease in investments in associates and joint ventures to € 105.5m (2021: € 145.9m) in the first six months of 2022 is mainly driven by several disposals of projects amounting to € 15.3m. Moreover, Hannover Leasing placed the last Vision One project shares among institutional investors, hence only a minority share is held back which is therefore reclassified to other financial instruments (see also Note D.4).

The main disposal within the joint ventures relates to the Moviestar project. Here, an interest amounting to € 10.2m was sold.

Movement in carrying value - period ending on 30 June 2022 (€m)

Project	Participation Quote 01 Jan 2022	Participation Quote 30 June 2022	01 Jan 2022	Additions/ Transfers	Share of Profit/ (Loss) for the Period	Dividends and Capital Repayments received in Cash	Disposals/ Transfers	Currency Translation Adjustments	30 June 2022
LIVER	35.1%	35.1%	20.7	-	(0.0)	-	-	0.0	20.8
QUARTIER WEST	31.7%	31.7%	13.3	-	(0.0)	-	-	-	13.3
HIGHSTREET VIII	21.6%	21.6%	10.4	-	0.5	-	-	-	10.9
ECHO	38.1%	38.1%	10.4	-	(0.5)	(0.0)	-	-	9.9
TEMPELHOF TWINS	10.1%	10.1%	8.1	0.1	0.0	(0.1)	-	-	8.1
TABLAS	48.5%	48.5%	6.5	-	(0.1)	-	-	-	6.4
TURICUM	6.0%	6.0%	5.6	-	(0.0)	-	-	-	5.6
HIGHSTREET VI	10.0%	10.0%	5.0	-	(0.4)	-	-	-	4.7
PALLARS	48.6%	48.6%	4.8	-	(0.4)	-	-	-	4.5
HIGHSTREET PII	10.0%	10.0%	3.9	-	(0.1)	-	-	-	3.9
OLYMPIC	10.5%	10.5%	3.4	-	0.0	-	-	-	3.4
PLUTOS	11.5%	11.5%	2.7	-	(0.0)	(0.0)	-	-	2.7
BAIN	10.0%	10.0%	2.6	-	(0.0)	-	-	-	2.6
BOCHUM	10.1%	10.1%	1.8	0.1	0.0	-	-	-	1.9
CONDOR	10.5%	10.5%	1.7	-	0.0	-	-	-	1.7
ISABELA	11.1%	11.1%	1.5	-	(0.2)	(0.9)	-	-	0.4
Associates, Subtotal			**102.4**	**0.2**	**(1.0)**	**(1.0)**	**-**	**0.0**	**100.5**

Project	Participation Quote 01 Jan 2022	Participation Quote 30 June 2022	01 Jan 2022	Additions/ Transfers	Share of Profit/ (Loss) for the Period	Dividends and Capital Repayments received in Cash	Disposals/ Transfers	Currency Translation Adjustments	30 June 2022
Associates, Subtotal			**102.4**	**0.2**	**(1.0)**	**(1.0)**	**-**	**0.0**	**100.5**
CASSANDRA	11.0%	11.0%	1.3	-	0.0	-	-	-	1.3
ANNAPURNA	10.3%	10.3%	1.3	-	(0.0)	-	-	-	1.3
DONALD	5.1%	5.1%	1.0	-	0.0	(0.0)	-	-	1.0
VENLOER4711	10.1%	10.1%	0.8	-	(0.1)	-	-	-	0.7
HABANA	49.0%	49.0%	0.1	-	(0.0)	-	-	-	0.1
KING	10.6%	10.6%	0.0	-	(0.0)	-	-	-	0.0
POSEIDON	10.4%	10.4%	1.0	-	(1.0)	(0.0)	(0.0)	-	0.0
VISION ONE	21.5%	9.7%	22.5	-	-	-	(22.5)	-	-
NEUSS	26.6%	-	3.5	-	0.1	-	(3.6)	-	-
ROSE	5.4%	-	0.2	-	(0.1)	-	(0.1)	-	-
ACROSS	5.5%	-	0.3	-	1.1	-	(1.4)	-	-
Associates, Total			**134.5**	**0.1**	**(1.0)**	**(1.1)**	**(27.6)**	**0.0**	**105.0**
RAW	45.0%	45.0%	1.1	-	(0.7)	-	-	-	0.4
SCORE	50.0%	50.0%	0.1	-	-	-	-	-	0.1
ACCONTIS EXPORO	50.0%	50.0%	0.0	-	(0.0)	-	-	-	0.0
MOVIESTAR	18.0%	-	10.2	-	-	-	(10.2)	-	-
Joint Venture, Total			**11.4**	**-**	**(0.7)**	**-**	**(10.2)**	**-**	**0.5**
Total			**145.9**	**0.1**	**(1.7)**	**(1.1)**	**(37.8)**	**0.0**	**105.5**

D.4 OTHER FINANCIAL INSTRUMENTS

The other financial instruments mainly comprise minority shares in various financial instruments which are invested in real estate themselves. The main items comprise the following: the Stratos Funds are products of HFS providing real estate debt financing to real estate investments, the Opportunity fund invests in mixed residential and commercial objects, and further HL products including HL's Private Invest Fund that facilitates private investors to participate in global private equity investments.

The other financial instruments amount to € 140.6m (2021: € 151.5m) whereas movement is mainly caused by a reclassification from JVCIA to the other financial instruments; the remaining shares for Vision One amount to € 10.0m (see also Note D.3). In addition, a negative valuation effect on the Stratos Funds amounts to € 14.0m.

€ million	30 June 2022	31 Dec 2021
Opportunity Fund	47.2	48.6
Stratos Funds	20.4	37.5
Vision One	10.0	-
Private Invest	7.7	7.5
Bel Air	7.4	7.4
Weitblick Augsburg	5.0	5.0
Covent Garden	4.9	4.9
Johannis Quartier Chemnitz	3.9	3.9
HeWiPPP	2.2	2.3
Nigresco	2.3	2.3
Herschel	0.1	3.2
Sundry	29.5	28.8
Total	**140.6**	**151.5**

D.5 INVENTORIES

€ million	30 June 2022	31 Dec 2021
Highstreet Giessen PropCo S.à r.l. (Property located in Giessen)	83.4	75.7
LAUREA KG (Property located in Augsburg)	40.9	-
Wallhalla PropCo S.à.r.l. (Property located in Bremen)	-	14.9
Bego PropCo I S.L. (Property located in Spain)	5.4	5.4
Gabriela PropCo S.L. (Property located in Spain)	4.5	4.0
Total (Carrying Amount)	**134.2**	**100.0**

Inventories comprise individual assets which are to be converted into investment products by way of selling them into independent investment structures. The increase amounting to € 34.2m is mainly due to the purchase of a property located in Augsburg by Hannover Leasing as well as ongoing CAPEX measures for project Giessen.

The closing of the sale of the Wallhalla asset was completed on 31 May 2022 and led to a decrease in inventories by € 14.9m. With the disposal, the corresponding liabilities were also repaid in full.

The closing for Augsburg Offices (Laurea KG) was on 01 Apr 2022. In addition to a loan in the amount of € 20.5m, equity capital already deposited by investors in the fund was used to pay the purchase price. However, since the fund has not yet been fully placed (placement status as of 30 June 2022: € 6.0m of € 18.5m placement volume, corresponding to 24.6%), an equity bridge of € 14.7m was provided by HL KG. The Group expects the asset to be fully placed among investors within 2022.

D.6 CONTRACT ASSETS

The contract assets decrease to € 26.4m (2021: € 58.5m). As the Stratos II Fund is in restructuring and the redemption of unit certificates is suspended (see Note D.1), no relevant performance is expected in the current business year which leads to a strong decline in already accrued performance fees of the fund for the fiscal year beginning as at 01 Nov 2021. In addition, management assumes that the coupon performance fees earned to date can only be serviced subordinately to the funds to be distributed to the fund investors, so that at the present time it is unclear whether these can be serviced at all. Accordingly, the corresponding contract assets were fully impaired.

For contract assets an expected credit loss amounting to € 36.0m (2021: € 3.2m) is recognized (see also Note F.3).

D.7 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets amounted to € 44.6m (2021: € 86.5m) and are mainly defined by loans granted to third parties as well as a finance lease receivable at the level of CE Bad Honnef Betriebsgesellschaft mbH.

In 2021, other current financial assets included loans granted by Corestate Capital Services GmbH (CCS) for bridge financing activities amounted to € 60.5m. Thereof, an amount of € 20.0m has been repaid to CCS in the first half of 2022 and an amount of € 43.9m (2021: € 38.5m) has been provisioned for expected credit losses (see Note F.3). The risk provisions mirror mainly the fact that management decided for all loans granted by CCS an assessment of the recoverability and concluded that the collectability is currently not foreseeable.

Additionally, an amount of € 10.0m is recognized from issuance business of Corestate Bank. On the other hand, a financial liability amounting to € 9.1m results from this transaction. The transaction took place on 04 Jul 2022 and the financial asset and financial liability have been settled accordingly (for the risk management of such transactions see Note F.3).

D.8 SHARE CAPITAL

€ million	2022	2021
As at Beginning of Period (01 Jan)	**2.6**	**1.9**
Issue of Share Capital (Contribution in Cash)	-	0.6
As at End of Period (30 June/31 Dec)	**2.6**	**2.6**

In respect to changes in share capital and other reserves we refer to the interim consolidated Statement of Changes in Equity.

D.8.2 OTHER RESERVES

The other reserves decreased by € 200.0m to € 621.7m (2021: € 821.7m) mainly relating to the transfer of the prior year's group net loss amounted to € -201.1m as well as to the increase of € 1.1m resulting from this year's LTI tranches.

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 has 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%.

The Company's annual general meeting acknowledged that the Company made a loss based on CCHSA's stand-alone financial statements with respect to the financial year 2021 in an aggregate amount of € -89.0m and resolved to carry forward the entire loss after the mandatory transfer share to the legal reserve to the next financial year. Furthermore, the annual general meeting resolved that there will be no dividend distribution to the shareholders for the financial year 2021.

D.9 NON-CURRENT AND CURRENT FINANCIAL LIABILITIES FROM BONDS

Taking into account the short-term maturities of the two bonds, both bonds are now reclassified in the balance sheet position current financial liabilities from bonds as at 30 June 2022. The convertible bond stands at € 188.0m (2021: € 190.9m) and the senior bond at € 298.8m (2021: € 298.0m) resulting in current financial liabilities of € 486.8m (2021: € 190.9m).

D.10 OTHER CURRENT PROVISIONS

Other current provisions increased by € 15.7m mainly due to a risk provisioning for an onerous contract amounting to € 17m. This is partially offset by utilizations of € 1.6m, of which € 0.8m are mainly from provisions for restructuring. In addition, the sundry provisions decreased to € 2.8m (2021: € 3.3m).

€ million	01 Jan 2022	Utilization	Reversals	Transfer	Additions	30 June 2022
Litigation Costs	2.5	(0.0)	-	-	-	2.5
Restructuring	7.5	(0.8)	-	-	0.0	6.7
Rental Guarantees	0.3	-	-	-	-	0.3
Onerous Contracts	-	-	-	-	17.0	17.0
Sundry	3.3	(0.7)	(0.1)	(0.5)	0.8	2.8
Total	**13.6**	**(1.6)**	**(0.1)**	**(0.5)**	**17.8**	**29.3**

D.11 OTHER CURRENT FINANCIAL LIABILITIES TO BANKS

€ million	30 June 2022	31 Dec 2021
Highstreet Giessen PropCo S.à r.l. (Financing for a Property located in Giessen)	48.0	54.0
LAUREA KG (Financing for a Property located in Augsburg)	20.5	-
HFS (Lombard Loan)	8.0	10.0
Sundry	5.9	4.3
Total (Carrying Amount)	**82.4**	**68.3**

The „Campus Augsburg project (Laurea KG)" is currently placed among investors; hence, the corresponding debt will be resolved once the relevant threshold of 50% placed among investors is reached.

E. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on its assets and services and therefor reports the three following segments:

– Real Estate Equity,

– Real Estate Debt, and

– Other segments, comprising the Group's business in Alignment Capital Management and Real Estate Warehousing and Operations.

The segment definition and reporting in the Group corresponds to internal reporting to the chief operating decision-maker and is based on operating business divisions („management approach"). The chief operating decision-maker ("CODM") is the Group's Management Board.

The Group's management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITDA and is measured consistently with profit or loss in the consolidated financial statements. The Group's General and Administrative Expenses, other income and Income Taxes (including Deferred and Current Taxes) are managed on a Group basis and are not allocated to operating segments.

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

The "Real Estate Debt" segment summarizes the revenue streams underwriting and structuring fees, asset management fees, performance fees, income from mezzanine loans and trading activities. Hence, this segment comprises the HFS and genost business as well as the Corestate Bank business.

The "Other segments" incorporate all line items from the segments "Alignment Capital Management" and "Real Estate Operations and Warehousing".

The Group's revenues comprise the revenues from its segments Real Estate Equity and Real Estate Debt as well as the net rental income and the revenues from service charges from Real Estate Operations/ Warehousing.

The 2021 comprehensive income has been restated due to the designation of CRM and Capera as discontinued operations in line with IFRS 5.

The following tables present information on the Group's operating segments for the six months ended 30 June 2022 and 2021, respectively. Operating results are monitored for the purpose of making decisions about resource allocation and performance assessment by the Executive Board as Chief Operating Decision Maker (CODM).

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

F.1.2 SEGMENT INFORMATION

Segment Information for the period from 01 Jan to 30 June 2022

€ million	Real Estate Equity Segment	Real Estate Debt Segment	Other Segments	Total Segments	Overhead (not allocated)	Consolidated Financial Statements[1]
Revenues						
Total Revenues	**24.1**	**13.1**	**3.8**	**41.0**	**-**	**41.0**
Income/Expenses						
Expenses from Real Estate Equity Segment	(47.3)	-	-	(47.3)	-	(47.3)
Expenses from Real Estate Debt Segment	-	(90.0)	-	(90.0)	-	(90.0)
Net Gain from Selling Warehousing Assets	-	-	(0.5)	(0.5)	-	(0.5)
Share of Profit or Loss from Associates and Joint Ventures	-	-	(2.8)	(2.8)	-	(2.8)
Dividends from other Alignment Capital	-	-	2.3	2.3	-	2.3
Gains/Losses from Fair Value Measurement of Financial Instruments related to Real Estate	-	-	(17.1)	(17.1)	-	(17.1)
Expenses from Other Segments	-	-	(4.1)	(4.1)	-	(4.1)
Total Earnings	**(23.2)**	**(76.9)**	**(18.5)**	**(118.5)**	**-**	**(118.5)**
General and Administrative Expenses	-	-	-	-	(24.1)	(24.1)
Other Income	-	-	-	-	17.2	17.2
EBITDA	**(23.2)**	**(76.9)**	**(18.5)**	**(118.5)**	**(6.9)**	**(125.4)**
Depreciation & Amortisation	(2.2)	(378.3)	-	(380.6)	(2.3)	(382.8)
Financial Income	-	-	-	-	5.7	5.7
Financial Expenses	-	-	-	-	(12.2)	(12.2)
Income Tax Expense	-	-	-	-	(7.1)	(7.1)
Segment Net Profit/(Loss)	**(25.4)**	**(455.2)**	**(18.5)**	**(499.1)**	**(22.7)**	**(521.8)**
Total Assets (30 June 2022)	**214.7**	**204.8**	**411.5**	**831.0**	**26.1**	**857.1**
Total Liabilities (30 June 2022)	**143.4**	**170.7**	**377.1**	**691.2**	**35.5**	**726.6**
Investment in Associates and Joint Ventures	**-**	**-**	**105.5**	**105.5**	**-**	**105.5**
Investment in Associates	-	-	105.5	105.5	-	105.5

[1] The statement of comprehensive income is adjusted in line with IFRS 5 Discontinued Operations for the half-year reporting 2022 and 2021

Segment Information for the period from 01 Jan to 30 June 2021

€ million	Real Estate Equity Segment	Real Estate Debt Segment	Other Segments	Total Segments	Overhead (not allocated)	Consolidated Financial Statements[1]
Revenues						
Total Revenues	**26.9**	**68.4**	**3.2**	**98.5**	**0.0**	**98.5**
Income/Expenses						
Expenses from Real Estate Equity Segment	(30.8)	-	-	(30.8)	-	(30.8)
Expenses from Real Estate Debt Segment	-	(7.1)	-	(7.1)	-	(7.1)
Net Gain from Selling Warehousing Assets	-	-	(0.1)	(0.1)	-	(0.1)
Share of Profit or Loss from Associates and Joint Ventures	-	-	1.0	1.0	-	1.0
Dividends from other Alignment Capital	-	-	1.8	1.8	-	1.8
Gains/Losses from Fair Value Measurement of Financial Instruments related to Real Estate	-	-	(2.8)	(2.8)	-	(2.8)
Expenses from Other Segments	-	-	(5.0)	(5.0)	-	(5.0)
Total Earnings	**(3.9)**	**61.3**	**(1.9)**	**55.5**	**-**	**55.5**
General and Administrative Expenses	-	-	-	-	(23.9)	(23.9)
Other Income	-	-	-	-	4.2	4.2
EBITDA	**(3.9)**	**61.3**	**(1.9)**	**55.5**	**(19.7)**	**35.7**
Depreciation & Amortisation	(2.4)	(10.5)	(1.9)	(14.8)	(0.6)	(15.4)
Financial Income	-	-	-	-	1.9	1.9
Financial Expenses	-	-	-	-	(11.5)	(11.5)
Income Tax Expense	-	-	-	-	(7.5)	(7.5)
Segment Net Profit/(Loss)	**(6.4)**	**50.8**	**(3.8)**	**40.6**	**(37.4)**	**3.2**
Total Assets (30 June 2021)	**233.3**	**925.1**	**401.4**	**1,559.8**	**37.1**	**1,596.9**
Total Liabilities (30 June 2021)	**105.9**	**479.4**	**172.3**	**757.6**	**43.2**	**800.8**
Investment in Associates and Joint Ventures	**-**	**-**	**123.2**	**123.2**	**-**	**123.2**
Investment in Associates	-	-	123.2	123.2	-	123.2

[1] The statement of comprehensive income is adjusted in line with IFRS 5 Discontinued Operations for the half-year reporting 2022 and 2021

F.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 & diluted)

	30 June 2022		30 June 2021	
€ million	Number of Shares	Days	Number of Shares	Days
Calculation of Shares (diluted & undiluted)				
Shares at the Beginning of the Period	**34,193,808**		**25,666,025**	**180**
Issue of new Shares on 25 May 2021		-	8,500,000	37
Shares at the End of the Period	**34,193,808**	**-**	**34,166,025**	**-**
Weighted Average Number of Shares for the Period (diluted & undiluted)	**34,193,808**		**27,413,247**	**-**

Earnings per share, both undiluted as well as diluted are calculated as follows; neither in 2022 nor in 2021 any dilutions were to be considered; hence the undiluted and diluted EPS are identical:

Earnings per share (undiluted & diluted)

€ million	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Loss attributable to Ordinary Equity Holders of the Parent:		
Continuing Operations	-521.9	3.0
Discontinued Operations	-2.4	-2.7
Loss attributable to Ordinary Equity Holders of the Parent for basic Earnings	**-524.3**	**0.3**
Weighted average Number of Ordinary Shares (undiluted):		
Share Capital	34,193,808	27,413,247
Weighted Average Number of Ordinary Shares (total)	**34,193,808**	**27,413,247**
Earnings per Share from discontinued Operations	-0.07€	-0.10€
Earnings per Share from continued Operations	**-15.28€**	**0.11€**
Earnings per Share	**-15.34€**	**0.01€**

F.2 COMMITMENTS AND CONTINGENCIES

The 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

€ million	30 June 2022	31 Dec 2021
Loan Commitment	9.8	29.8
Placing and Takeover Obligations	0.9	36.1
Obligations under Guarantees and Warranty Agreements	41.3	45.3
Total Contingencies	**52.0**	**111.2**

The loan commitments mainly relate to CLEMITA KG € 2.9m (2021: -), HL FI 51 Investment Ltd. € 1.4m (2021: € 1.6m), Kanada Haus KG € 1.2m (2021: € 1.2m) and CADMUS GmbH € 1.1m (2021: € 1.1m).

The decrease in the contingent liabilities is mainly the result of the Hannover Leasing projects "Campus Augsburg (HL Augsburg Office KG)" and "Vision One (HL Vision One KG)". For both projects Hannover Leasing acts as the placement warrantor. Compared to 2021, the project "Vision One" has now been fully placed and HL Augsburg Office KG is fully consolidated, the placing and takeover obligations are reduced by € 24.6m and € 11.0m.

The obligations under guarantees and warranty agreements are almost unchanged and essentially reflect the project "Hessen Agentur (CLEMITA KG)" (€ 40.3m, 2021: € 40.3m).

F.3 FINANCIAL INSTRUMENTS INFORMATION

In the Real Estate Debt segment, Corestate Bank has commenced issuing business. For this purpose, Corestate Bank is subject to a number of regulatory provisions, which are frequently monitored by the bank. For the execution of such transactions, capital and liquidity requirements of the bank have to be fulfilled, for which the relevant parameters are checked on a transaction-by-transaction level before the transaction is executed.

As of 30 June 2022, an amount of € 10.0m is recognized as other current financial assets (see Note D.7) and a corresponding financial liability of € 9.1m are included in the Group from such a transaction. The transaction was executed on 04 July 2022, and the corresponding assets and liabilities have been settled accordingly.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments:

Fair value of financial instruments

		Measurement in Accordance with IFRS 9			
€ million	**Carrying Amount 30 Jun 2022**	**Amortized Cost**	**Fair Value recognized through Profit and Loss**	**not applicable**	**Fair Value 30 Jun 2022**
Other Financial Instruments	140.6	4.0	136.6	-	140.6
Non-current Receivables	42.2	16.6	19.0	6.6	35.6
Non-current Loans to Associates	15.1	8.6	6.5	-	15.1
Other current Financial Assets	44.6	41.1	-	3.4	41.1
Contract Assets	16.2	16.2	-	-	16.2
Receivables from Associates	26.4	26.4	-	-	26.4
Trade Receivables	25.0	25.0	-	-	25.0
Restricted Cash	0.4	0.4	-	-	0.4
Cash and Cash Equivalents	61.0	61.0	-	-	61.0
Total Financial Assets	**371.5**	**199.3**	**162.1**	**10.0**	**361.5**
Other non-current Financial Liabilities	18.1	4.1	-	14.0	4.1
Current Financial Liabilities from Bonds	486.8	486.8	-	-	97.3
Current Financial Liabilities to Banks	82.4	82.4	-	-	82.4
Other current Financial Liabilities	45.2	41.2	-	4.0	41.2
Current Liabilities to Associates	8.1	8.1	-	-	8.1
Trade Payables	12.2	12.2	-	-	12.2
Total Financial Liabilities	**652.8**	**634.8**	**-**	**18.0**	**245.3**

€ million	Carrying Amount 31 Dec 2021	Measurement in Accordance with IFRS 9			Fair Value 31 Dec 2021
		Amortized Cost	Fair Value recognized through Profit and Loss	not applicable	
Other Financial Instruments	151.5	4.9	146.6	-	151.5
Non-current Receivables	51.7	16.1	18.6	17.1	34.7
Non-current Loans to Associates	14.9	4.1	10.8	-	14.9
Other current Financial Assets	86.5	84.4	-	2.0	84.4
Contract Assets	58.5	58.5	-	-	58.5
Receivables from Associates	16.8	16.8	-	-	16.8
Trade Receivables	47.2	47.2	-	-	47.2
Restricted Cash	12.9	12.9	-	-	12.9
Cash and Cash Equivalents	62.8	62.8	-	-	62.8
Total Financial Assets	**502.7**	**307.6**	**176.0**	**19.1**	**483.6**
Non-current Financial Liabilities to Banks	3.5	3.5	-	-	3.5
Other non-current Financial Liabilities from Bonds	298.0	298.0	-	-	259.5
Other non-current Liabilities	19.9	4.9	-	15.0	4.9
Current Financial Liabilities from Bonds	190.9	190.9	-	-	155.9
Current Financial Liabilities to Banks	68.3	68.3	-	-	68.3
Other current Financial Liabilities	41.4	36.8	-	4.5	36.8
Current Liabilities to Associates	18.1	18.1	-	-	18.1
Trade Payables	27.6	27.6	-	-	27.6
Total Financial Liabilities	**667.8**	**648.2**	**-**	**19.5**	**574.7**

Non-applicable items predominantly relate to leasing receivables amounting to € 10.1m (2021: € 11.1m) and corresponding leasing liabilities (€ 18.1m; 2021: € 19.5m) that are considered in the context of IFRS 16.

The following table shows the assignment of fair values to the individual measurement levels as defined by IFRS 13 for financial instruments measured at fair value. For most of the other financial instruments the Group uses third-party pricing information without adjustment. The fair values for the remaining positions of € 15.7m (2021: € 19.1m) are calculated by applying a DCF approach. The Group performed a sensitivity analysis by reasonably changing relevant input parameters (+/- 10% in cashflows and +/- 100bp in interest rate) which provides a range of fair values between € 13.9m and € 17.6m.

€ million	Total	Level 1	Level 2	Level 3
Assets measured at Fair Value and for which Fair Values are disclosed				
Other Financial Instruments	140.6	-	4.0	136.6
Non-current Receivables	35.6	-	35.6	-
Non-current Loans to Associates	15.1	-	15.1	-
Liabilities for which Fair Values are disclosed				
Current Financial Liabilities from Bonds	**97.3**	**97.3**	**-**	**-**

The table below reconciles all level 3 financial instruments from the opening balance to the closing balance including transfers between levels 2 and 3:

€ million	Other financial instruments
Fair Value as at 01 Jan 2022	**146.6**
Additions / Disposals	4.1
Changes in the Fair Value Valuation through Profit and Loss	-15.5
Gains/Loss to Exchange Rate Differences	0.6
Fair Value as at 30 June 2022	**135.8**

The table below shows all recognized expected credit losses per asset class for all financial assets designated at amortized costs:

€ million	Net Carrying Amount as amortized Cost 30 June 2022	Total ECL 31 Dec 2021	ECL Step I	ECL Step II	ECL Step III	Total ECL 30 June 2022
Other Financial Instruments	4.0	-	-	-	-	-
Non-current Receivables	16.6	0.1	-	-	-	0.1
Non-current Loans to Associates	8.6	9.5	0.1	-	-	9.6
Other current Financial Assets	41.1	38.5	-0.1	-	43.9	82.3
Contract Assets	26.4	3.2	-0.1	-	36.0	39.1
Receivables from Associates	16.2	6.3	-	0.2	-	6.5
Trade Receivables	25.0	10.5	-	-0.6	0.3	10.2
Restricted Cash	0.4	-	-	-	-	-
Cash and Cash Equivalents	61.0	-	-	-	-	-
Total Financial Assets / ECL	**199.3**	**68.1**	**-0.1**	**-0.4**	**80.2**	**147.8**

F.4 RELATED PARTY INFORMATION

CCH SA has identified all Group companies as related parties as well as the following entities and persons as related parties:

Major shareholders and shareholders' related entities

Related Parties as at 30 June 2022	related to/as
Dr Bertrand Malmendier	Supervisory Board
Dr Roland Folz	Supervisory Board
Dr Friedrich Oelrich	Supervisory Board
Stavros Efremidis	Management Board
Izabela Danner	Management Board
Ralf Struckmeyer	Management Board
Udo Giegerich	Management Board

Former Related Parties as at 30 June 2022	related to/as
Friedrich Munsberg	Supervisory Board until 2021
Prof. Dr Hermann Wagner	Supervisory Board until 2021
René Parmantier	Management Board until 2022
Johannes Märklin	Management Board until 2022
Sebastian Ernst	Management Board until 2022
Lars Schnidrig	Management Board until 2021
Nils Hübener	Management Board until 2021
Daniel Löhken	Management Board until 2021
RP Verwaltungsgesellschaft mbH	Management Board (R. Parmantier) until 2022
RP Vermögensverwaltungsgesellschaft mbH	Management Board (R. Parmantier) until 2022
Meiyo Capital Partners AG	Management Board (R. Parmantier) until 2022
Leonis Capital Management GmbH	Management Board (J. Märklin) until 2022
Leonis Real Estate GmbH	Management Board (J. Märklin) until 2022
Dach Finance GmbH	Management Board (J. Märklin & S. Ernst) until 2022
Dach Real Estate GmbH	Management Board (J. Märklin & S. Ernst) until 2022
Feldmannhof Capital GmbH	Management Board (S. Ernst) until 2022

CCH SA Key Management Personal

The Supervisory Board of Corestate Capital Holding S.A. resolved on 07 Feb 2022 to remove Johannes Märklin and Sebastian Ernst from the Management Board of Corestate Capital Holding S.A. and all further group functions. On 08 Feb 2022, the Group announced that René Parmantier assumes full responsibility for the Real Estate Debt segment in addition to his role as CEO of Corestate, and thus also the management of Corestate Bank. On 07 Mar 2022 the Supervisory Board decided to strengthen the governance structure and resolved to appoint the former Chairman of the Supervisory Board Stavros Efremidis as CEO with immediate effect. The former CEO René Parmantier left the Group's Management Board to fully focus his activities on Corestate's Real Estate Debt business, incl. HFS and Corestate Bank, until his departure in July 2022.

In addition, the Group's Management Board was extended to four members by Izabela Danner as Chief Operating Officer (COO) and Ralf Struckmeyer as Chief Investment Officer (CIO). The new members of the Management Board are appointed for a term of three years.

- **Stavros Efremidis** (Chief Executive Officer of CORESTATE Capital Holding S.A.) – since 07 Mar 2022
- **Izabela Danner** (Chief Operating Officer of CORESTATE Capital Holding S.A.) – since 07 Mar 2022
- **Ralf Struckmeyer** (Chief Investment Officer of CORESTATE Capital Holding S.A.) – since 07 Mar 2022
- **Udo Giegerich** (Chief Financial Officer of CORESTATE Capital Holding S.A.) – since 01 Aug 2021
- **René Parmantier** (Chief Executive Officer of CORESTATE Capital Holding S.A.) – 01 Dec 2020 until 07 Mar 2022
- **Johannes Märklin** (Chief Debt Financing Officer of CORESTATE Capital Holding S.A.) – 14 Jan 2021 until 07 Feb 2022
- **Sebastian Ernst** (Chief Debt Investment Officer of CORESTATE Capital Holding S.A.) – 14 Jan 2021 until 07 Feb 2022

In addition to the individually agreed base salary, annual bonus payments, and long-term share-based incentives, 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 business-related travelling costs and incidental expenses.

Member of the Supervisory Board:

- **Dr Bertrand Malmendier** (Chairman) – since 01 Jan 2022 (Chairman since 08 Mar 2022)
- **Dr Roland Folz** (Deputy Chairman) – since 08 Mar 2022
- **Dr Friedrich Oelrich** (Member) – since 30 Nov 2020
- **Stavros Efremidis** (Chairman) – 01 Jan 2022 until 07 Mar 2022

Dr Roland Folz heads the audit committee and is considered the independent financial expert.

F.4.1 TRANSACTIONS WITH ASSOCIATES (CO-INVESTMENTS)

The terms and conditions agreed with associates for the services of the Group are negotiated and set out in the underlying documentation for each investment with the respective investor (JVCIA, AMA etc.). Such terms and conditions are at arm's length.

Transactions with associates (Co-Investments)

€ million	01.01.22 - 30.06.22	01.01.21 - 30.06.21
Revenue from Asset and Property Management	3.8	4.4
Management Expenses	-	(2.4)
Share of Profit or Loss from Associates and Joint Ventures	(2.8)	1.0
Gains/Losses from Selling Property Holding Companies	(0.5)	(0.1)
General and Administrative Expenses	0.0	(0.1)
Interest Income from Associates	0.6	0.1
Interest Expenses from Associates	(0.1)	(0.0)

Balance with associates (Co-Investments)

€ million	30 June 2022	31 Dec 2021
Receivables from Associates	16.2	23.0
Receivables from Affiliated Companies	1.2	4.1
Non-current Trade Receivables	0.5	0.5
Other current Receivables	2.7	0.4
Non-current Loans to Associates	15.1	17.6
Loans granted from Associates	(0.1)	(0.1)
Liabilities to Associates	(8.1)	(18.1)
Liabilities from Affiliated Companies	(3.0)	(3.3)

F.5 MATERIAL EVENTS AFTER THE REPORTING DATE

There have been no events of particular significance for the net assets, financial position or results of operations of the Group.

Luxembourg, 08 August 2022

Stavros Efremidis
Chief Executive Officer

Udo Giegerich
Chief Financial Officer

Izabela Danner
Chief Operating Officer

Ralf Struckmeyer
Chief Investment Officer

RESPONSIBILITY STATEMENT OF CONDENSED SET OF CONSOLIDATED ACCOUNTS CORESTATE CAPITAL HOLDING S.A.

We confirm in accordance to Article 4 (2) c of the Luxembourg Law on Transparency requirements for the Issuers, to the best of our knowledge, that the condensed set of consolidated financial statement of Corestate Capital Holding S.A. and its subsidiaries ("Group") which have been prepared in accordance with the International Financial Reporting Standard applicable to the interim financial reporting as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities, uncertainties and risks associated with the expected development for the remaining six months of the financial year of the Group.

Luxembourg, 08 August 2022

Stavros Efremidis
Chief Executive Officer

Udo Giegerich
Chief Financial Officer

Izabela Danner
Chief Operating Officer

Ralf Struckmeyer
Chief Investment Officer

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