

CORESTATE  
CAPITAL Holding S.A.

ANNUAL REPORT

2022

# CONTENT

Highlights 2022

To Our Shareholders

Corporate Governance

Group Management Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Annual Accounts

# HIGHLIGHTS 2022

## COMPANY PROFILE

As of the FY 2022, Corestate Capital Holding S.A. (hereinafter collectively with its subsidiaries “Corestate”, “the Company” or “the Group”) is an investment manager and co-investor with around € 18.4bn in assets under management, thereof € 18.2bn assets under management in its core business real estate equity and real estate debt. The Company saw itself as a manager for the entire length of the real estate value chain. Based upon its fully integrated real estate platform, it was 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 constituted a central cornerstone of the Company’s strategy. Corestate offered 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 business partner for institutional and semi-institutional investors as well as international high-net-worth private investors.

## KEY FIGURES 2022

		2022	2021 <sup>1</sup>
Aggregated revenue and gains <sup>2</sup>	€ million	55.8	227.4
EBITDA	€ million	(168.1)	24.4
Net loss from Continued Operations	€ million	(742.6)	(199.0)
Adjusted net profit (loss) <sup>3</sup>	€ million	(223.4)	22.8
Earnings per share	€	(21.76)	(6.49)

		31 Dec 2022	31 Dec 2021
Number of Shares outstanding		34,193,808	34,193,808
Equity Ratio	%	(18.50)	44.3
Cash and Cash Equivalents	€ million	56.1	62.8
Net Debt <sup>4</sup>	€ million	541.0	526.5
Net Debt / EBITDA		n/a	21.5x
Assets under Management at End of Period	€ billion	18.4	27.4
Number of Employees at End of Period	FTE	415	811

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

<sup>2</sup> Aggregated Revenues & Gains include revenue streams from all three segments (Real Estate Equity, Real Estate Debt and Other, comprising of Rental Income and Service Charges). See section “Alternative Performance Measures” for details.

<sup>3</sup> Adjusted net profit (loss) is calculated based on the net profit or loss from continued operations adjusted for extraordinary effects such as goodwill impairment. See section “Alternative Performance Measures” for details.

<sup>4</sup> Adjusted by IFRS 16 Leases. See section “Alternative Performance Measures” for details.

## ALTERNATIVE PERFORMANCE MEASURES

Corestate uses Alternative Performance Measures (APM) to provide more clarity on its business model as well as internal steering and controlling. These APM are designed to allow stakeholders adequate benchmarking and comparability with its peers in the real estate industry.

In disclosing its APM to stakeholders, Corestate follows the Guidelines on Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

### Aggregated Revenues and Gains

The APM “aggregated revenues and gains” measures the performance of the three segments of the Group, which are Real Estate Equity, Real Estate Debt and Other. It is thus closely aligned with total revenues but also includes gains or losses from individual items within the “other” segment, such as at equity valuations of associates and joint ventures or results from fair value measurements. In contrast, total revenue from other segment covers only rental income and service charges.

Since these items are relatively volatile, aggregated revenues and gains tend to fluctuate more heavily than total revenues and may exceed or fall below total revenues, depending particularly on valuation results or sales of assets or shares. Nevertheless, since these items result from transactions that form an integral part of Corestate’s business model and are used as part of internal steering and controlling, aggregated revenues and gains are considered to provide useful information to investors and stakeholders.

The following table illustrates the relation between total revenues and aggregated revenues and gains:

€ million	2022	2021 <sup>1</sup>
Total Revenue from Real Estate Equity Segment	57.7	89.5
Total Revenue from Real Estate Debt Segment	25.9	121.9
Total Revenue from Other Segment <sup>2</sup>	9.2	6.3
<b>Total Revenue from continued operations</b>	<b>92.8</b>	<b>217.7</b>
Share of profit or loss from associates and joint ventures	(23.2)	2.5
Dividends from other alignment capital	2.7	12.8
Fair value measurement of financial instruments	(16.1)	(2.9)
Net gain from entity sales	(0.4)	(2.7)
<b>Aggregated revenues and gains from continued operations</b>	<b>55.8</b>	<b>227.4</b>

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

<sup>2</sup> Total Revenue from Other Segment covers only Rental Income and Service Charges.

Aggregated revenues and gains have been measured and disclosed consistently throughout the last fiscal years.

### Earnings Before Interest, Taxes and Depreciation or Amortization (EBITDA)

The APM “EBITDA” is a measure used to evaluate the operational performance of the group. It is based on aggregated revenues and gains but covers other operational income as well, such as from written-down receivables or from reversals of provisions or other income. It also includes all operational expenses, whether these expenses are allocated to business segments or not.

EBITDA does not cover non-operational items, such as depreciation or amortization, financial income or expenses, or tax expenses.

Overall, EBITDA is a widely used performance indicator and provides useful information to investors and stakeholders since it illustrates the operational performance of the group.

€ million	2022	2021 <sup>1</sup>
<b>Aggregated revenues and gains from continued operations</b>	<b>55.8</b>	<b>227.4</b>
Total expenses from Real Estate Equity Segment	(80.1)	(86.5)
Total expenses from Real Estate Debt Segment	(128.6)	(66.0)
Total expenses from Other Segment	(26.0)	(7.3)
Reversal of Written-Down Receivables	30.7	3.4
Income from Reversal of Provisions	9.0	5.5
Other Income	39.3	7.4
G&A and Other Expenses	(68.2)	(59.5)
<b>EBITDA from continued operations</b>	<b>(168.1)</b>	<b>24.4</b>

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

EBITDA has been measured and disclosed consistently throughout the last fiscal years.

### Adjusted net profit/(loss)

The APM “Adjusted net profit/(loss)” measures the performance of the overall earnings position of Corestate. It is based on net profit/(loss) but adjusts this measure for significant individual items, such as impairments on goodwill or other intangible assets, M&A related costs as well as expenditures for transformation and efficiency programme.

Adjusted net profit/(loss) provides relevant information to investors and stakeholders to better understand the overall earnings position of the group and improves comparability across multiple fiscal years.

€ million	2022	2021 <sup>1</sup>
<b>Net profit/(loss) from continued operations</b>	<b>(742.6)</b>	<b>(199.0)</b>
Goodwill Impairment	450.0	177.3
Other Intangibles Impairment and Amortization	58.8	36.2
Inventory Impairment	19.8	0.0
M&A and restructuring related costs	0.0	17.4
Deferred Tax effects	(9.4)	(9.1)
<b>Adjustments to net profit/(loss) from continued operations</b>	<b>519.2</b>	<b>221.8</b>
<b>Adjusted net profit/(loss) from continued operations</b>	<b>(223.4)</b>	<b>22.8</b>

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

Adjusted net profit/(loss) has been measured and disclosed consistently throughout the last fiscal years.

## Net Debt

The APM “Net Debt” is a measure of indebtedness that is based on financial liabilities (net of cash) of the group but adjusted for leasing liabilities according to IFRS 16.

Net debt provides useful information to investors and shareholders by focusing on liquidity risk related items that are commonly used to measure debt covenants.

€ million	2022	2021
<b>Gross debt/financial liabilities</b>	<b>633.1</b>	<b>621.7</b>
<i>thereof long term financial liabilities</i>	<i>55.4</i>	<i>321.3</i>
<i>thereof short term financial liabilities</i>	<i>577.7</i>	<i>300.4</i>
Less: cash and cash equivalents	56.5	75.7
Less: leasing liabilities (IFRS 16)	35.6	19.5
<i>thereof long term leasing liabilities</i>	<i>32.7</i>	<i>15.0</i>
<i>thereof short term leasing liabilities</i>	<i>2.9</i>	<i>4.5</i>
<b>Net Debt</b>	<b>541.0</b>	<b>526.5</b>

Net debt has been measured and disclosed consistently throughout the last fiscal years.

# TO OUR SHAREHOLDERS

## LETTER FROM THE MANAGEMENT

Dear Shareholders,

Esteemed Business Partners and Friends of Corestate, Ladies and Gentlemen,

As we reflect on the fiscal year 2022 from our vantage point in November 2025, it is apparent that it was a year marked by significant upheaval and transformation within the global real estate sector. The confluence of sharply rising interest rates by central banks and geopolitical tensions arising from the conflict in Ukraine introduced a severe and abrupt disruption to what had been a decade-long growth super cycle. This shift thrust the market into a turbulent phase, significantly affecting asset valuations across the industry, including ours.

Throughout 2022, Corestate faced these headwinds with a strategic resolve, focusing on realignment and operational efficiency to navigate the challenging landscape. By the end of that year, our assets under management had fallen to € 18.4bn from € 27.4bn in 2021, reflecting the departure of several institutional clients amid the destabilized market conditions. A significant strategic decision was the restructuring of the Stratos (II and IV) funds, which led to our subsidiary, Helvetic Financial Services AG (hereinafter “HFS”), ceasing its role as investment advisor for Stratos II and subsequently in 2023 also for Stratos IV – a move that reshaped our Debt Segment’s strategy and asset management approach.

The financial results of 2022 painted a stark picture of the challenges we faced. Aggregated revenues and gains closed the year at € 55.8m, a substantial decline from € 227.4m in the previous year. This downturn was driven by decreased transaction-based income and diminished performance fees from our Stratos funds business. In response, substantial risk provisioning was necessary, culminating in a consolidated EBITDA of minus € 168.1m for the year, compared to positive € 24.4m in 2021. Furthermore, the strategic discontinuation of our involvement with the Stratos funds necessitated a full impairment of the related goodwill of HFS, significantly impacting our net profit, which resulted in a loss of € 744.1m.

In December 2022 and thereafter, significant changes were made to our Management Board and Supervisory Board in order to better align them with our strategic realignment and governance practices. Mr. Stavros Efremidis ceased his activities as Chief Executive Officer (CEO) as of 31 December 2022 and thereby resigned from the Management Board.

Dr. Nedim Cen, previously Chairman of the Supervisory Board, was appointed to the Management Board effective 4 May 2023, and in this capacity assumed the position of



Chief Executive Officer (CEO). Mr. Udo Giegerich left the Management Board as of 31 May 2023. Responsibility for the finance department thereafter lay with Dr. Nedim Cen (CEO and CFO).

Following preparatory measures initiated in 2022, the Management Board substantially advanced and successfully implemented a comprehensive operational restructuring program in 2023. The focus was on simplifying the Group's organizational structure, streamlining business units, and significantly reducing costs to improve flexibility and operational efficiency in a challenging economic environment. As part of these efforts, shareholders approved the issuance of new shares and the creation of authorized capital, which was crucial to enable the pro rata conversion of bonds into equity. Building on this foundation, the Management Board successfully concluded negotiations with bondholders and their advisors, which led to the approval and implementation of a comprehensive debt restructuring plan in August 2023. This plan significantly reduced financial liabilities from € 535.0m to € 142.5m through a strategic debt-to-equity swap, substantially broadened the equity base, and following a capital reduction, resulted in the issuance of 132 million new shares in July 2023, of which 115.5 million were allocated to bondholders. This positioned the Group well for a sustainable operational restart.

In September 2023, the Management Board resolved to discontinue the regulated banking operations of Corestate Bank GmbH and initiated the formal withdrawal of its securities trading license with BaFin, the German Federal Financial Supervisory Authority. This strategic decision reflects the Group's ongoing efforts to streamline its business model and focus on core activities. Consequently, the remaining goodwill associated with Corestate Bank GmbH, which amounted to € 13.1m as of 31 December 2022, was fully impaired in the 2023 financial year.

In the course of 2023, Corestate successfully completed asset sales amounting to approximately € 29m. These strategic sales were an integral part of the Company's broader efforts to optimize its asset portfolio and strengthen liquidity.

Throughout 2024, Corestate successfully completed asset sales totalling approximately € 39m, including the divestment of CRM Students Ltd. and UPARTMENTS Real Estate GmbH. This step formed part of the strategic focus on Corestate's core competencies in asset and investment management, accompanied by the decision to exit non-core operational property management activities in the student and serviced apartments segment. The transaction resulted in a liquidity inflow of approximately € 13m, including the repayment of internal group financing and working capital positions, thereby strengthening the Group's financial flexibility and supporting its overall deleveraging strategy.

KPMG Audit S.à r.l., Luxembourg, ("KPMG") will be formally appointed as statutory auditor for the consolidated financial statements for FY2022, FY2023, and FY2024 at the upcoming annual general meeting. This appointment will represent a key step in

reinforcing Corestate's commitment to transparency, financial discipline, and strong corporate governance. Partnering with a globally recognized audit firm underscored the progress made in restoring confidence in our financial reporting and marked an important signal of continuity and trust to our stakeholders as we moved forward with the final phase of our restructuring efforts.

In September 2025, Corestate successfully completed the sale of STAM Europe SAS, Paris, France, ("STAM Europe") and its subsidiaries, including AIFM STAM France Investment Managers. This transaction marked another strategic milestone in optimizing our Group structure and concentrating on core markets and competencies.

Following the closing of the STAM Europe sale, Corestate resolved to make an early partial repayment of € 17.5m on the outstanding Super Senior Note (ISIN DE000A3LJQY6), effective 14 October 2025 - further demonstrating our commitment to proactive debt reduction and prudent financial management.

This partial redemption of the Super Senior Notes marks yet another key milestone in Corestate's ongoing financial recovery and restructuring journey. It reflects our continued focus on disciplined capital management and the gradual reduction of financial liabilities. With the significant deleveraging steps already taken and the realignment of our business well underway, we are confident that Corestate is now on a more resilient footing. We remain dedicated to stabilizing our core operations, strengthening investor confidence, and positioning the Group for sustainable long-term growth.

Looking back, the steps taken in 2022 and 2023 have proven instrumental in stabilizing the Company and positioning it for future growth. We are grateful for the continued support and trust that you, our shareholders, have placed in us during these challenging times. Your partnership is invaluable as we continue to adapt and strive for a return to strength and profitability.

Thank you for your continued confidence in our journey towards a stable and prosperous future.

Yours sincerely

Luxembourg, 16 December 2025

Dr Nedim Cen  
Chief Executive Officer  
Chief Financial Officer

## REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

The year 2022 has brought some serious changes for Corestate. It was important that a general agreement was reached with our bondholders by end of November 2022, thus clearing the way for a sustainable financial restructuring of the Company. Subsequent negotiations with bondholders led to the approval and implementation of a comprehensive debt restructuring plan in August 2023. This is even more important since we must be able to fully concentrate on the challenges and opportunities in a demanding market environment.

### Collaboration within the Management Board

In the reporting year, the Supervisory Board performed the tasks incumbent upon it in accordance with the law, the articles of association and bylaws. The Management Board included the Supervisory Board extensively and at an early stage in all decisions that were fundamental for the Company. The Management Board also informed the Supervisory Board regularly, both verbally and in writing, about all issues regarding business and profitability development, the risk situation, risk management and compliance that were relevant to the Company and Group, as well as about the general economic position of the Company. The Management Board used detailed reports to inform the Supervisory Board about material transactions and organisational changes and discuss them in detail at plenary or committee meetings. The Supervisory Board examined the issues in considerable detail and was available to advise the Management Board on the decision-making process at all times.

When the Management Board needed approval from the Supervisory Board for specific measures in line with statutory rules, the articles of associations or its bylaws, the Supervisory Board granted its approval after carrying out a thorough review and exhaustive deliberations. The Management Board complied with its statutory reporting obligations in full.

In the past financial year, the focus of the Supervisory Board's deliberations was on the measures initiated to prepare for and implement the financial restructuring. These included, among other things, the continuation of the cost reduction program as well as the negotiations initiated with the representatives of the bondholders and the extension of the maturity of our outstanding bonds, originally issued in 2017 and 2018 and due in 2022 and 2023 respectively.

## Supervisory Board Meetings and Committee

### Meetings

During the reporting year, the Supervisory Board held four ordinary meetings and 18 extraordinary meetings. All members of the Supervisory Board, the Audit Committee and the Corporate Governance Committee took part in all ordinary and extraordinary meetings throughout their board affiliation in 2022. Attendance at these meetings was therefore 100%. There were also four ordinary meetings as well as two extraordinary meetings of the Audit Committee and four ordinary meetings of the Corporate Governance Committee.

Between meetings, the Supervisory Board was also in regular exchange with the Management Board. In particular, the Chairman of the Supervisory Board discussed with the Management Board issues relating to current business development, planning, the risk situation, risk management and compliance of the Company. The Management Board also informed the Supervisory Board without undue delay, in writing or verbally, of important issues that were of material importance for the assessment of the position and performance, and for the fulfilment of its duties at Corestate. The members of the Supervisory Board also maintained a close internal exchange outside the meetings and regularly coordinated their views on the relevant issues.

### Particular matters for the Supervisory Board

#### Deliberations

In all of the regular meetings, the Supervisory Board addressed the detailed reports from the Management Board on the course of business, in particular the latest developments in aggregated revenues and gains, liquidity and the results, as well as the position of the Company, including the financial and risk situation. These included an extensive review and discussion of the respective quarterly reports. Matters recurring in more than one meeting in addition to the ongoing financial restructuring and the running consultations with bondholders, were the explanations and discussions on the business position, liquidity development, IT security and corporate compliance. Heads of divisions joined the meetings as guests and reported from their sectors on individual agenda items.

The key points of the accounts review meeting on 20 April 2022 with the former auditor Ernst and Young (“EY”) in in-person attendance were the preparation, approval and audit of the annual accounts and the consolidated financial statements of Corestate for the financial year 2021. The Supervisory Board approved the annual accounts and the consolidated financial statements following a thorough review and at the recommendation of the Audit Committee were adopted. After in-depth deliberations, the Supervisory Board agreed to the Management Board’s net profit distribution proposal.

In the extraordinary meetings, the Supervisory Board addressed topics such as, inter alia, the change of auditor, the financial restructuring and the associated measures and the changes in the Management Board.

## Work in the Committees

In the reporting period, the Audit Committee held four ordinary meetings.

The Supervisory Board has set up a total of three committees to ensure the efficient performance of its tasks. In the reporting year 2022, these committees were headed as follows:

### *Audit Committee*

From 1 January 2022 to 7 March 2022 – Chairman: Dr Bertrand Malmendier

From 7 March 2022 to 3 December 2022 – Chairman: Dr Roland Folz

From 3 December 2022 to year end – Chairman: Dr Sven-Marian Berneburg

### *Corporate Governance Committee*

From 1 January 2022 to 3 December 2022 – Chairman: Dr Friedrich Oelrich

From 3 December 2022 to year end – Chairman: Dr Bertrand Malmendier

### *Nomination and Remuneration Committee*

From 1 January 2022 to 7 March 2022 – Chairman: Stavros Efremidis

From 7 March 2022 to 3 December 2022 – Chairman: Dr Bertrand Malmendier

From 3 December 2022 to year end – Chairman: Dr Nedim Cen

An overview of the current composition of each committee can be found on the Company's website at <https://www.corestate-capital.com/en/supervisory-board-committees/>

Representatives of EY also took part in the first Audit Committee meeting of the year, held on 7 March 2022 and in another meeting held on 20 April 2022. The main activities of the Audit Committee's deliberations were the audit of the annual accounts and consolidated financial statements of the financial year 2021, an extensive commentary on the management report, and a detailed commentary on the reports concerning risk management and internal audit work. Throughout these activities, special attention was given to the effectiveness and further development of the risk management, internal control and compliance management systems, as well as the latest issues and proposals from Internal Audit. As a result of these commentaries, the plenary meeting approved the annual accounts.

In the other meetings held during the year, the Audit Committee focused, among other things, on the quarterly financial statements, the assessment of business development and the liquidity situation, especially with a view to the redemption of the Company's

bonds maturing in 2022 and 2023. The Audit Committee was also informed about the latest issues concerning risk management and internal audit work.

The recurring subjects of accounting / impairments, risk management, internal audit work and liquidity planning were covered by the audit committee regularly in all meetings.

The Corporate Governance Committee held four meetings throughout the past financial year. Deliberations regularly covered specific developments of the German Corporate Governance Code and internal Compliance issues of the Group.

Conflicts of interest that must be disclosed to the plenary meeting did not occur during the past financial year. The annual general meeting would have been informed about such conflicts of interest in this report.

The Supervisory Board members are responsible for undertaking any training or professional development measures necessary to fulfil their duties. If required, the company will support the members of the Supervisory Board through sufficient refund of expenses or through the forwarding of information about selected events. The Company supports new members upon their appointment.

## Annual Accounts and Consolidated Financial Statements

After an in-depth audit, and in line with the announcement made in the annual general meeting of the shareholders on 28 June 2022, the Supervisory Board resolved to change the auditor of the financial statements for the financial year 2022 at its meeting on 5 May 2022. At this meeting, it was resolved that there will be a structured, Europe-wide tender process with the aim of finding a new auditor. However, despite intensive efforts, it was not possible to engage a suitable new auditor to audit the annual financial statements for the 2022 financial year by the end of the reporting period.

## Changes to the Management Board and Supervisory Board

At the beginning of the year 2022, the Corestate Supervisory Board removed Johannes Märklin and Sebastian Ernst from the Group's Management Board with immediate effect and released them from all further functions. Shortly thereafter in March, Stavros Efremidis stepped down from the Supervisory Board to join the Company's Management Board as Chief Executive Officer. In addition, Izabela Danner was newly appointed to the Group's Management Board as Chief Operating Officer and Ralf Struckmeyer as Chief Investment Officer. The previous Corestate CEO, René Parmantier, left the holding company's Management Board in this context in order to take over further responsibility in the development of Corestate's Real Estate Debt segment.

Following the first creditors' meetings on 28 November 2022 and in accordance with the conditions of the agreed restructuring concept, the Group Management Board was supplemented with the position of a Chief Restructuring Officer; Stephan Götschel joined the Management Board respectively, beginning his term at 1 January 2023. At the end of

the year 2022, Stavros Efremidis and Ralf Struckmeyer left the Management Board at their own request.

As a result of the creditors' meetings resolutions in November, Dr Nedim Cen and Dr Sven-Marian Berneburg were appointed as new members of the Supervisory Board on 3 December 2022 with immediate effect. Prior to this, the previous Supervisory Board members Dr Roland Folz and Dr Friedrich Oelrich had resigned from office. Dr Cen was also appointed Chairman of the Supervisory Board at the first constituent Supervisory Board meeting on 16 January 2023 retroactively and Dr Berneburg was elected to be his Deputy.

### Subsequent changes in 2023 and 2024

In the course of the 2023 financial year, further personnel changes were made within the Supervisory Board. Following the implementation of the financial restructuring measures, Dr Nedim Cen, previously Chairman of the Supervisory Board, was appointed to the Management Board as Chief Executive Officer with effect from 4 May 2023. Dr Sven-Marian Berneburg, who had previously served as Deputy Chairman, assumed the position of Chairman of the Supervisory Board. At the same time, Dr Carlos E. Mack was appointed as a new member of the Supervisory Board by way of co-optation.

During the 2024 financial year, the composition of the Supervisory Board was again adjusted in line with the Company's ongoing transformation process. On 17 December 2024, it was announced that Dr Carlos E. Mack and Dr Bertrand Malmendier would step down from the Supervisory Board as of 31 December 2024. At the same time, the Supervisory Board was strengthened by the appointment of Andreas Paul Uelhoff and Wolfgang Bauer, both of whom bring many years of experience in the financial and real estate sectors and will contribute their expertise in finance, auditing and corporate management to the further development of Corestate.

In close cooperation between the Management Board and supervisory bodies, we will work to further secure the continued existence of the company. In addition, one of our most important goals is to gradually regain the confidence of the market and our customers.

The Supervisory Board would like to thank all employees at Corestate for their trusting cooperation in recent months.

Luxembourg, 16 December 2025

For the Supervisory Board

Dr Sven-Marian Berneburg  
Chairman

Andreas Paul Uelhoff  
Deputy Chairman

Wolfgang Bauer  
Member



## CORPORATE GOVERNANCE

### COMPLIANCE

Corestate Capital Holding S.A. remains fully committed to the principles of good corporate governance as the foundation for responsible, transparent, and sustainable corporate management. Although not legally required, the Company has voluntarily most widely aligned itself with the German Corporate Governance Code (GCGC) since 2018 and has implemented numerous measures – including modern rules of procedure, the establishment of nomination and remuneration committees, as well as rules on age limits, term limits, and conflicts of interest.

Compliance remains a core element of our corporate governance. The compliance management system is regularly reviewed and continuously developed to ensure adherence to applicable laws, regulatory requirements, and internal policies. Its purpose is to prevent risks, avoid legal violations, and promote compliance awareness throughout the organization.

### FOUNDATIONS ON CORPORATE GOVERNANCE

Corestate operates under a three-tier governance structure comprising the Annual General Meeting, the Supervisory Board, and the Management Board, based on Luxembourg corporate law and the Company's Articles of Association.

Shareholders exercise their rights at the Annual General Meeting, deciding on key matters such as profit allocation, capital measures, amendments to the Articles, and the discharge of board members. They also vote in a non-binding manner on the Company's remuneration policy and report. All relevant documents and voting results are made publicly available on the Company's website.

Due to ongoing COVID-19 measures, board and shareholder meetings were held virtually until the end of 2022.

The Management Board manages the Company independently and defines its corporate strategy in close coordination with the Supervisory Board. The Supervisory Board oversees and advises the Management Board but is not involved in operational decisions, despite from certain business transactions which, according to the Company's Articles of Association, require the approval of the Supervisory Board. It also appoints Management Board members and sets their compensation via its nomination- and remuneration Committee.



## COMPETENCIES OF SUPERVISORY BOARD

The composition of the Supervisory Board of Corestate is based on a clearly defined profile of competencies. The aim is to ensure that the Board, as a whole, is equipped to effectively monitor and advise the Management Board, while meeting regulatory expectations and supporting sustainable, responsible corporate development.

### Core Areas of Competency

#### *Management & Leadership Experience*

Long-standing executive experience in complex organizations to support sustainable corporate development.

#### *Real Estate & Investment Expertise*

In-depth knowledge of real estate markets, investment products, transactions, and financing structures to accurately assess opportunities and risks.

#### *Regulatory Framework & Asset Management*

Familiarity with regulatory requirements in asset and investment management, as well as financing structures.

#### *Accounting & Auditing*

Expertise in accounting, controlling, and audit processes especially relevant for the Audit Committee's oversight function.

#### *Capital Markets & Corporate Finance*

Experience with capital market transactions, M&A, and international financial structures.

#### *Compliance & Risk Management*

Proficiency in modern compliance, internal control systems, and sustainable risk governance.

#### *Sustainability & Governance*

Strong awareness of environmental and social responsibility, stakeholder expectations, and ethical governance standards.

### Current Status

In the course of the (re)appointments to the Supervisory Board in 2022, the defined competency profile was once again fully considered. The current composition meets these requirements both individually and collectively. The members' qualifications complement each other and ensure a forward-looking, effective oversight of the Company's management.

Detailed information on the individual members' backgrounds can be found on the Company's website.

## INDEPENDENCE

To protect the rights of minority shareholders, the majority of the members of the Supervisory Board are independent in accordance with the criteria of both the German Corporate Governance Code and the Ten Principles. This means that members do not hold any advisory or executive functions with clients, suppliers, lenders, or other third parties, nor do they have any personal relationships with the Company or its executive bodies that could give rise to conflicts of interest. Furthermore, no member of the Supervisory Board holds a significant shareholding in the Company. All members of the Supervisory Board are considered independent according to these standards.

## COMPOSITION, POWERS AND OPERATING PROCEDURES OF THE MANAGEMENT BOARD

The Management Board currently consists of one member, who is appointed by the Supervisory Board. The Supervisory Board also determines the remuneration and term of office of the Management Board member. The term of office is limited to a maximum of three years, and reappointment is possible. The Management Board member may be removed or replaced by resolution of the Supervisory Board at any time, with or without cause.

When making appointments, the Supervisory Board places great importance on professional qualifications, proven track records, and management skills. Increasing the proportion of women in leadership positions remains a central objective.

The Management Board member bears overall responsibility for managing the Company and reports regularly to the Supervisory Board.

The Management Board is responsible for the sustainable increase of the Company's value, develops the Company's strategy, coordinates it with the Supervisory Board, and ensures its implementation. It is vested with the broadest powers necessary to fulfill the Company's purpose, except for powers reserved by law, the articles of association, or the general meeting.

Decisions are made at regular meetings of the Management Board or in coordination with the Supervisory Board. The Management Board provides the Supervisory Board with quarterly written reports on the business performance and outlook and immediately reports any significant events.

## GOVERNANCE STRUCTURE

In 2022 Corestate's strategy was defined and implemented by the following steering committees: Executive Committee ("ExCom"), Investment Committee ("IC") (until September 2022), the ESG Committee ("ESG Committee") and the Risk Committee ("RC"). The committees supported the entire Corestate Group in its efforts to act effectively on an operational level.

The ExCom – consisting of the Management Board Members and relevant Group functions to be invited depending on the individual agenda – addresses the most important topics surrounding strategy, acquisitions, Group finance, the capital market, legal, compliance and governance.

The Operating Committee, which was in place until the end of 2021, was discontinued in 2022 in order to streamline process structures and enhance the significance of the ExCom.

The IC, which existed until September 2022, was the central decision-making body that deals with all major buying and selling decisions. It consisted of voting and non-voting members. Its composition ensured that all decisions are made on a sufficiently informed basis and that all relevant functions were involved in the decision-making process in terms of investments. The IC's decisions were the basis on which the Management Board resolves on acquisitions and disposals as well as other transactions. In September 2022, as part of a further streamlining of process structures, the Management Board decided to discontinue the IC as a separate Committee and that investment decisions would in future be made at ExCom meetings, which all relevant stakeholders attend anyway, if necessary.

The ESG Committee supported core Group divisions and Group subsidiaries regarding the review and implementation of environmental, social and corporate governance standards.

Corestate had set up a Group Risk Committee ("Risk Committee") that met every six months and which was chaired by the Group's Chief Risk Officer. The Risk Committee was composed of the members of the Management Board and the heads of fundamental Group functions. The Risk Committee aimed to assess and manage the Group's main risks and to discuss and implement the respective measures to be taken.

## FURTHER CORPORATE GOVERNANCE PRACTICES

### Risk Management

Corestate maintains an advanced Group-wide risk management system that covers the risks of the Company as well as its subsidiaries. All reported risks from Corestate entities are consolidated into quarterly Group risk reports submitted to the Management Board

and the Supervisory Board. Relevant risks are also communicated on an ad-hoc basis as needed to ensure active risk management. For regulated companies within the Group, local risk management systems comply with the requirements of the respective supervisory authorities. According to the “Three Lines of Defense” model, Corestate’s risk management forms the second line of defense and meets the highest market standards. Local risk managers report functionally to the Group Chief Risk Officer, who oversees all Group risks supported by an IT system. Further details are included in the Group management report.

## Transparency

As a company listed in the regulated market of the Frankfurt Stock Exchange in the General Standard segment, Corestate places great emphasis on complete and consistent disclosure to inform capital market participants and the interested public in a timely and comprehensive manner. Economic developments and material events are regularly published via press releases and ad-hoc announcements, usually simultaneously in German and English on the company website. Key events such as the annual general meeting, relevant real estate conferences, and financial reports are listed in the financial calendar on the website.

## Managerial Transactions

In accordance with the Market Abuse Regulation (EU) No 596/2014, members of the Management Board, Supervisory Board, and other insiders properly fulfill their notification obligations regarding trading in shares or other relevant instruments. These transactions are disclosed on the Corestate website. In 2022, members of both the Supervisory Board and Management Board continued to acquire Corestate shares. Details on directors’ dealings are available on the Company’s website under <https://corestate-capital.com/en/aktionaere/share/>.

## Accounting and Independent Audit

The consolidated financial statements for the fiscal year ended 31 December 2022, were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The separate financial statements of the Group companies comply with the respective local accounting standards (local GAAP). KPMG Audit S.à r.l., Luxembourg, (“KPMG”) will be formally appointed as statutory auditor for the consolidated financial statements for FY2022, FY2023, and FY2024. Corestate has been a public-interest entity since 2016.

## Diversity

The Company applies diversity policy. Diversity is an important value and integral to sound governance and sustainable business practices of the Company. The Company

engaged to foster a broad range of perspectives and competences within its leadership and enhance effective oversight.

The Company's diversity policy specifically addresses age, gender, educational and professional backgrounds, geographical provenance, minority/vulnerable groups, and disability.

The key objectives of the diversity policy include:

- Enhancing decision-making: bringing diverse perspectives to facilitate independent opinions and constructive discussion.
- Effective risk oversight: Ensuring the board is equipped to identify and manage a broad spectrum of risks.
- Talent attraction/retention: fostering an inclusive culture to attract and retain high-quality talent.
- Compliance: meeting legal and regulatory requirements for diversity disclosure.
- Reflecting stakeholder diversity: ensuring the board's composition reflects the company's employees, customers, and the broader society it operates in.

The diversity policy has been well implemented in the Company during various business activities:

- Recruitment and selection: incorporating diversity considerations into the search and nomination process for new board members.
- Monitoring: regularly benchmarking the current diversity within the management bodies against set targets.
- Training: providing training to board members and management on diversity and inclusion best practices.
- Succession planning: ensuring a diverse pipeline of potential future leaders is considered.

As of the end of the financial year 2022 the Company achieved

- 25% of board members are women and 20% of employees are women.
- The average age of board members is 51 years. The average age of employees is 51 years.
- Board members possess professional backgrounds spanning consulting, finance, legal, technology and human resource.

## DISCLOSURE TO ART. 11 LUX LAW

### DISCLOSURE PURSUANT TO ARTICLE 11 OF THE LUXEMBOURG LAW ON TAKEOVERS OF 19 MAY 2006

The information required by article 10.1 of Directive 2004/25/EC on takeover bids, as implemented by article 11 of the Luxembourg law on takeovers of 19 May 2006 (as amended), is set forth below:

- a. The Company continues to have a single category of shares (ordinary shares). For the latest information on the capital structure, please refer to [www.corestate-capital.com](http://www.corestate-capital.com) under “Shareholders” → “Share” → “Shareholder Structure”, where the shareholding structure chart is regularly updated.
- b. The articles of association of the Company do not contain any restrictions on the transfer of shares. Certain senior management members may hold shares subject to lock-up periods as part of compensation packages.
- c. The shareholding structure, showing all shareholders owning 5% or more of the Company’s capital, is available on the Company’s website.
- d. Control rights of shares issued under employee share schemes are exercised directly by the respective employees. Accordingly, no specific control mechanisms apply to such schemes.
- e. The articles of association contain no restrictions on voting rights.
- f. No known shareholder agreements exist that would restrict the transfer of securities or voting rights within the meaning of the Transparency Directive.
- g. Appointment and replacement of Management Board members and amendments to the articles of association remain as follows:
  - Management Board members are appointed by the Supervisory Board or, in case of a vacancy, by the remaining Management Board members until the next Supervisory Board meeting.
  - Terms of office do not exceed three years, with eligibility for reappointment.
  - Management Board members may be removed or replaced at any time by resolution of the Supervisory Board.
  - Amendments to the articles require a general meeting with specific quorum and voting requirements as set out by law and the articles.
- h. Powers of the Management Board remain unchanged:
  - The Management Board manages the Company under the supervision of the Supervisory Board.

- It has the broadest powers to act within the Company's purpose, except for those powers reserved by law, the articles, the Supervisory Board, or the general meeting.
- Certain transactions require prior Supervisory Board approval.
- The Management Board may appoint persons or committees to carry out specific functions.
- Share issuance and buyback authorizations remain valid as previously granted, subject to the specified limits and conditions.

i. There are no significant agreements that would be triggered or changed by a change of control following a takeover bid.

j. No agreements exist with Management Board members or employees providing compensation upon resignation, dismissal without cause, or cessation due to a takeover bid, beyond mandatory severance under Luxembourg law.

## REMUNERATION REPORT

The Remuneration Report explains the structure and amount of the remuneration of the Management Board and Supervisory Board. The Report is based on the recommendations of the German Corporate Governance Code (GCGC) as amended on 28 April 2022, and on the requirements of the German Commercial Code (HGB) and German accounting standards.

### Preliminary remark

The following overview provides a composition and changes that took place within the Management Board in the financial year.

#### *René Parmantier*

René Parmantier's assignment as a member of the Management Board of CORESTATE Capital Holding S.A. in the role as Chief Executive Officer (CEO) was prematurely terminated on 7 March 2022. The service agreement initially concluded with René Parmantier provided for an appointment until 31 December 2023. The Supervisory Board and René Parmantier mutually agreed on the premature termination allowing René Parmantier to focus on his duties as Corestate's Head of Real Estate Debt as of this date.

#### *Johannes Märklin*

Johannes Märklin's assignment as a member of the Management Board of CORESTATE Capital Holding S.A. in the role as Chief Debt Financing Officer (CDFO) was prematurely terminated on 7 February 2022. The service agreement initially concluded with Johannes Märklin provided for an appointment until 15 January 2024.

### *Sebastian Ernst*

Sebastian Ernst's assignment as a member of the Management Board of CORESTATE Capital Holding S.A. in the role as Chief Debt Investment Officer (CDIO) was prematurely terminated on 7 February 2022. The service agreement initially concluded with Sebastian Ernst provided for an appointment until 15 January 2024.

### *Stavros Efremidis*

Stavros Efremidis took over the Management Board position of Chief Executive Officer (CEO) previously held by René Parmantier. He was appointed by the Supervisory Board with effect from 7 March 2022 initially until 28 February 2025. The Supervisory Board and Stavros Efremidis mutually agreed on the premature termination of his contract as a member of the Management Board with effect from 31 December 2022.

### *Ralf Struckmeyer*

The Management Board position of Chief Investment Officer (CIO) was taken over by Ralf Struckmeyer, who was appointed in his new role by the Supervisory Board with effect from 7 March 2022 until 28 February 2025. The Supervisory Board and Ralf Struckmeyer mutually agreed on the premature termination of his contract as a member of the Management Board with effect from 31 December 2022.

### *Izabela Danner*

The Management Board position of Chief Operating Officer (COO) was taken over by Izabela Danner, who was appointed in her new role by the Supervisory Board with effect from 7 March 2022. From 1 January 2023, she also held the position as Chief Investment Officer (CIO). Mrs. Danner's appointment as a member of the Management Board ended regularly at the end of the contractually agreed term on 31 December 2024.

### *Udo Giegerich*

The Management Board position of Chief Operating Officer (CFO) was carried out by Udo Giegerich, whose service contract was prematurely terminated as of 31 May 2023.

## Remuneration System of the Management Board

### *Main elements*

In general, Corestate's remuneration system takes into account the financial performance and success of the Company as well as the personal performance of the Management Board member in order to ensure the sustainable success of the Company.

The remuneration system is performance and success-oriented, with the criteria of long-term orientation, appropriateness and sustainability being of decisive importance.

The remuneration of the Management Board for the entire financial year 2022 consists of a fixed remuneration component (basic remuneration), a variable remuneration component with a short-term incentive function (Short-Term Incentive, STI) and a variable



remuneration component with a medium to long-term incentive function (Long-Term Incentive, LTI).

The respective contractually regulated annual target values of the individual remuneration components are as follows:

€	Stavros Efremidis 7.3.2022 - 31.12.2022	Ralf Struckmeyer 7.3.2022 - 31.12.2022	Izabela Danner since 7.3.2022	Udo Giegerich	René Parmantier until 7.3.2022	Sebastian Ernst until 7.2.2022	Johannes Märklin until 7.2.2022
Basic Salary	850,000	450,000	400,000	600,000	900,000	850,000	850,000
STI	550,000	250,000	300,000	360,000	600,000	540,000	540,000
LTI	-	-	-	490,000	800,000	810,000	810,000
Entire Remuneration	1,400,000	700,000	700,000	1,450,000	2,300,000	2,200,000	2,200,000
Entire Remuneration Cap	4,310,000	2,250,000	1,500,000	1,500,000	2,450,000	2,440,000	2,440,000

The remuneration system requires that the total remuneration corresponds with market conditions on the basis of a vertical and horizontal comparison. The horizontal comparison is based on the market environment of the Company, taking into account such criteria as industry, size and country. The Supervisory Board used the available remuneration data of comparable listed companies in the real estate sector taking into account Corestate's market position, structure and size. In addition, the Supervisory Board considered the development of the Management Board remuneration in relation to the compensation of Corestate's workforce in a vertical comparison.

The appropriateness review of Management Board compensation has shown that the remuneration resulting from target achievement in the financial year 2022 is appropriate.

#### *Basic remuneration components*

The basic remuneration is paid to the Management Board members monthly in twelve equal instalments.

The members of the Management Board are reimbursed for the cost of their private health insurance and their private long-term care insurance, limited to the amount of the employer's contributions that would notionally be payable in the event of a statutory social security obligation.

In the event of illness or incapacity to work during the service agreement through no fault of the Management Board member, the Management Board member is entitled to continued payment of the pro rata fixed salary and the pro rata average annual variable remuneration for six months, but no longer than until the end of the service agreement.

### Fringe Benefits

In addition to the basic remuneration, the members of the Management Board are contractually granted fringe benefits that are individually defined in some cases.

### Assumption of tax consulting costs by the Company

Members of the Management Board (with the exception of Stavros Efremidis, Ralf Struckmeyer, Udo Giegerich and Izabela Danner) are also reimbursed by the Company for tax consulting costs incurred in connection with their annual income tax return for Luxembourg up to a maximum amount of € 5,000.

### Bahncard 100

The Company bears the annual costs for a Deutsche Bahn Bahncard Business 100 valid for 1st class.

### Company car

The Board Members Sebastian Ernst and Johannes Märklin are each entitled to receive a company car for company and private usage. The tax incurring on this remuneration in kind must be paid by the respective Board Member. The car usage is limited to the duration of the service agreement.

### Group accident insurance

Furthermore, the members of the Management Board participate in a Group accident insurance policy of the Company that covers both professional and private accidents. The benefits granted by the insurance to the insured person or his or her legal heirs, amount to a maximum of € 1,000,000 in the event of death or a maximum of € 3,750,000 in the event of full disability.

### D&O insurance

A D&O (Directors & Officers) liability insurance policy without a deduction has also been set up for the members of the Management Board.

### *Short-term variable remuneration component (Short-Term Incentive, STI)*

The short-term incentive is an annual, pro rata temporis payment.

In the case of Udo Giegerich, the amount is determined by the degree of achievement of the following three STI targets:

- **Earning targets** in accordance with the business plan for the entire CORESTATE Group prepared annually by the Company's Management Board and approved by the Supervisory Board.
- **Share price:** Development of the Company's share price or a share-price-related performance indicator in accordance with the individual regulations agreed to between the member of the Management Board and the Supervisory Board. In the case of the board member Udo Giegerich this STI target component merely focuses on the Company's share price.

- The **personal performance** of the individual member of the Management Board.

The short-term incentive of the Management Board members Stavros Efremidis, Ralf Struckmeyer and Izabela Danner is determined annually by the Supervisory Board at its reasonable discretion (limited by the individual caps), in accordance with the provisions of the applicable compensation policy.

Similar agreements on the short-term incentives had been in place for the resigned Management Board Members. These, however, were overruled by the restructuring and termination agreements as laid out further below.

Due to the restructuring of the Company, no STI was made to the members of the Management Board in 2022 with the exception of Udo Giegerich with an amount of EUR 212,500.

#### *Long-Term variable remuneration component (Long-Term Incentive, LTI)*

The Long-Term-Incentive remuneration component for Udo Giegerich, René Parmantier, Sebastian Ernst and Johannes Märklin is structured as an entitlement to shares in the Company to which some of the Management Board members (see table above) are entitled under certain conditions (so-called LTI criteria).

These LTI criteria are defined as following:

- **Earning targets** in accordance with the business plan for the entire Corestate Group prepared annually by the Company's Management Board and approved by the Supervisory Board of the Group
- Development of the Company's **share price**
- **The achievement of qualitative and quantitative targets** including safeguarding good Corporate Governance and sustainable development of the CORESTATE Group in the case of Udo Giegerich, Sebastian Ernst and Johannes Märklin. And the implementation of ESG measures in the case of René Parmantier.

For the Management Board members Stavros Efremidis, Ralf Struckmeyer and Izabela Danner the implementation of an LTI-program in the form of share-price-based performance compensation with a multi-year assessment basis was foreseen. The specific terms and entry into force of this scheme were dependent on the approval of the Supervisory Board and, in the event of a necessary change in the current compensation policy, also the approval of the Annual General Meeting.

Due to the special situation in the fiscal year 2022, there was no approval by the Supervisory Board. In such an event, the service agreement of the Management Board members foresees that the LTI is determined by the Supervisory Board in accordance with the terms of the currently applicable compensation policy at its reasonable discretion.

Accordingly, due to the restructuring of the Company however, no LTI was given to any of the members of the Management Board in 2022.

### *Clawback provision*

The Supervisory Board is entitled to recover from the Management Board member all or part of the variable compensation that has already been paid out as well as to withhold any variable compensation that has not yet been paid out. The precondition for this is the occurrence of one of the following three events:

- Serious violations by the Management member against his statutory obligations
- Serious violations by the Management member against corporate guidelines on conduct
- other negative performance-related factors

### *Compensation-related provisions on the termination of service agreements*

#### *Provisions in the event of premature termination of the service agreement*

In the event of termination by the Company with good cause, the Management Board member is not entitled to variable compensation of any kind for the current financial year.

In the event of premature termination of the service agreement without good cause, the following principles will apply.

Any outstanding variable remuneration components attributable to the period up to the termination of the agreement will be paid out in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the service agreement or in the intended agreement on a LTI with a multi-year assessment basis.

In general, the respective Management Board member is not entitled to a guaranteed payment of a 'golden parachute'. Notwithstanding this principle, the Management Board member may be entitled to a severance payment in accordance with market practice and compensation policy.

However, in the case of Izabela Danner any severance payments may not exceed the lower of two years' compensation (fixed salary, STI and LTI) or the annual compensation for the remaining term of the service contract (severance payment cap).

#### *Provisions in the event of premature termination of the service agreement due to death*

In the event of premature termination due to death Izabela Danner is entitled to continued payment of the pro rata fixed salary and the pro rata average annual variable remuneration for the month of death and the three subsequent months, but no longer than until the end of the service agreement.

*Total remuneration of Management Board*

The following remuneration amounts were granted in the financial year 2022:

€	Stavros Efremidis 7.3.2022 - 31.12.2022	Ralf Struck- meyer 7.3.2022 - 31.12.2022	Izabela Danner since 7.3.2022	Udo Giegerich	René Parmantier until 7.3.2022	Sebastian Ernst until 7.2.2022	Johannes Märklin until 7.2.2022
Fixed Amount	632,219	366,580	325,848	600,000	166,841	92,846	93,698
Additions	54,696	4,637	4,024	5,010	3,982	10,851	14,890
Total Fixed Payments	686,915	371,217	329,872	605,010	170,823	103,697	108,588
STI	-	-	-	212,500	-	-	-
LTI	-	-	-	-	-	-	-
Total Variable Payments	-	-	-	212,500	-	-	-
Total Fix & Variable Payments	686,915	371,217	329,872	817,510	170,823	103,697	108,588
Compensation Payments			-	-	1,200,000	-	-
Total one-off Payments	-	-	-	-	1,200,000	-	-
<b>Total Remuneration</b>	<b>686,915</b>	<b>371,217</b>	<b>329,872</b>	<b>817,510</b>	<b>1,370,823</b>	<b>103,697</b>	<b>108,588</b>

In addition, an income of reversal of prior year's LTI-provision in the amount of € 3.5m was recognized.

*Benefits on the occasion of the termination of Management Board activities***René Parmantier**

The Management Board service contract as Chief Executive Officer (CEO) of René Parmantier was terminated with effect from 7 March 2022. All claims resulting from the termination of his service agreement (including STI and LTI) were settled by a final payment of € 1,200,000.

**Other Management Board members**

The termination of the service contracts for the former Management Board members Stavros Efremidis, Sebastian Ernst, Johannes Märklin und Ralf Struckmeyer were settled with no STI- and LTI-payments.

**Remuneration system for the Supervisory Board***Statutes*

From 1 January 2022 to 31 December 2022, the Supervisory Board of the Company had three members at each point in time.

The chairmanship was held by Stavros Efremidis from 1 January 2022 until 7 March 2022, followed by the chairmanship of Dr. Bertrand Malmendier from 7 March 2022 until

3 December 2022. As of 3 December 2022 until year end, the chairmanship of the Supervisory Board was held by Dr. Nedim Cen.

The Articles of Association provide for the following remuneration for the members of the Supervisory Board. The Chairman of the Supervisory Board is entitled to annual remuneration of € 150,000 and the Deputy Chairman of the Supervisory Board to annual remuneration of € 100,000. The third member of the Supervisory Board is entitled to a remuneration of € 75,000. The remuneration is aligned with the recommendations of the German DCGK-Codex. This means that the Supervisory Board members are getting no remuneration based on success of the Company but solely a fixed sum.

In addition to the annual remuneration, each member of the Supervisory Board is entitled to a meeting allowance of € 750 for each meeting the member attends in person, per telephone or videoconference. The Supervisory Board Members shall further be reimbursed for all reasonable and properly documented costs incurred as part of their mandate. Further, every Supervisory Board Member shall benefit from a market-standard D&O insurance.

The Chairman of the Company's Audit Committee and the Chairman of the Company's Nomination and Remuneration Committee are entitled to an additional annual remuneration of € 10,000. The Chairman of any other Company committee (i.e. in case of the Company, the Corporate Governance Committee), should there be one, shall be entitled to additional annual remuneration of € 10,000. Each other member of the Company's Audit Committee, Nomination and Remuneration Committee and any other company committees, should there be one, shall be entitled to an additional annual remuneration of € 5,000.

According to the Articles of Association, the annual remuneration (after deduction of all taxes due) is payable in a single lump sum within ten days after the end of each financial year. Supervisory Board members who have been members of the Supervisory Board or a committee of the Supervisory Board for only part of the financial year receive corresponding pro rata (act/365) remuneration for that financial year.

#### *Total remuneration of Supervisory Board*

The remuneration amounts for the Supervisory Board have been granted as stated hereinafter. Deviations to the foreseen annual amounts are related to individual agreements on premature contract assignment terminations.

Dr. Bertrand Malmendier (since 1 January 2022): € 209,500

Stavros Efremidis (1 January through 7 March 2022): € 38,393

Dr. Roland Folz (7 March through 3 December 2022): € 204,500

Dr. Friedrich Oelrich (until 3 December 2022): € 173,000

Dr. Nedim Cen (since 3 December 2022): € nil

Dr. Sven-Marian Berneburg (since 3 December 2022): € 8,219

# GROUP MANAGEMENT REPORT

## PRELIMINARY REMARKS

The management report and consolidated financial statements of Corestate Capital Holding S.A. (hereinafter “Corestate” or “the Company”) cover the reporting period from 1 January 2022 until 31 December 2022, unless otherwise indicated. Information on market and product offering developments pertains to 2022 as well, unless otherwise indicated. The 2022 financial statements have been subject to an external audit by KPMG Audit S.à r.l., Luxembourg. Certain statements contained herein may be statements of future expectations and/or other forward-looking statements that are based on our current views and assumptions. These involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those expressed or implied in such statements. Corestate does not intend and does not undertake any obligation to revise these forward-looking statements.

A non-financial statement for Corestate was prepared for the reporting period 1 January 2022 until 31 December 2022 and will be disclosed on the Company’s website. The non-financial statement has been prepared based on Luxembourg corporate law without any additional frameworks applied. The non-financial statement was presented to KPMG Audit S.à r.l., Luxembourg, but was not subject to an audit.

## COMPANY BACKGROUND

Corestate Capital Holding S.A. and its subsidiaries (collectively “the Group”) was until the year end 2022 an investment manager for real estate equity and debt specializing in the creation and subsequent realization of real estate related investments in Europe for private and institutional clients. Corestate offered a fully integrated business model, being active as a co-investor and asset and property manager and was focused on residential and commercial (primarily office, mixed use and retail) real estate as well as micro-living projects. Geographically, the Group primarily concentrated on the German market but also is selectively active in other attractive markets in Europe such as France, United Kingdom, Austria, Switzerland, Poland and Spain. The investment product offering covered 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.

Our business reporting for 2022 is divided into three segments: (i) “Real Estate Equity”, (ii) “Real Estate Debt” and (iii) “Other”.

- (i) The Real Estate Equity Segment encompassed the sourcing and acquisition of relevant real estate opportunities and investments. It covered ongoing and day-to-day asset and property management and other related services as well as project monitoring over the holding period with the aim of actively enhancing value and optimizing the relevant assets. It also encompassed management of the realization of the value of investment products through multiple eligible exit channels (e.g. asset-by-asset sales, portfolio sales, auctions). The products were held in separate vehicles established by respective clients together with Corestate.

Revenues were generated through acquisition fees, asset management fees, property management fees (in equity products) and sales and promote fees. The asset and property management services that were provided during the holding period support the investment strategy deployed from the early sourcing phase through business planning. Such early involvement allowed e.g. for an efficient implementation of value enhancing measures such as capex investment, rent increases, vacancy reductions and operational cost optimization programmes, all based on an experienced real estate management team’s in-depth understanding of each deal and its underlying assets. This business provided commercial and technical property management services including service charge accounting to their clients. The asset management services also included ongoing financial and real estate reporting for clients and banks.

- (ii) The Real Estate Debt Segment for 2022 contained structures and implements investment products via Corestate Bank. Furthermore, with our Group subsidiary HFS (Helvetic Financial Services) we offered mezzanine financing for residential and commercial real estate developments in Germany, Austria, Switzerland as well as Spain and seek to gain cross-selling opportunities from being involved in our clients’ development from a very early stage.

The core business was to act as an initiator focusing on investments via debt securities. The fund capital was used to acquire bonds which are issued by the bond issuer, typically a real estate development company, for the early stages of a real estate development, usually as equity-replacing bridge financing until certain milestones (e.g. the building permit or construction progress) have been achieved and the follow-on financing for the entire project has been secured.

- (iii) The Other Segments comprised alignment capital management activities as well as real estate operations and assets held for warehousing purposes, i.e. assets which were acquired on our own balance sheet for a certain short-term period in order to convert them into investment products and – to a lesser extent – assets



owned by non-client third parties, with the aim of actively value-enhancing and optimizing the assets and, ultimately, structuring the exit from such real estate investments.

As part of its business purpose, Corestate has no technological research and development activities and is not dependent on licenses and patents.

Our integrated business model enabled the Company to cover the entire lifecycle of investments in real estate equity and debt. The focus of our business strategy is on core and core+ investments. The diversification offered additional business opportunities while mitigating business risks at the same time.

The Company has, historically, concentrated on the German-speaking countries, Germany, Switzerland and Austria (“GSA” or the “GSA region”). Germany is and will remain the main market for Corestate. However, the Company was also selectively looking at other attractive real estate markets in Europe such as Austria, Switzerland, France, the UK, Spain and the Benelux countries. Corestate operated principal offices in Germany, Switzerland, Spain, France and the UK, as well as a German network of branch offices of its property management platform Capera. As at 31 December 2022, the Group employed 415 FTEs (previous year: 811 FTEs). Some changes to the Management Board occurred in the financial year 2022 and beyond (see Note F.6).

At the beginning of the year, the Corestate Supervisory Board removed Johannes Märklin and Sebastian Ernst from the Group’s Management Board with immediate effect and released them from all further functions. Shortly thereafter in March, Stavros Efremidis stepped down from the Supervisory Board to join the Company’s Management Board as Chief Executive Officer. In addition, Izabela Danner was newly appointed to the Group’s Management Board as Chief Operating Officer and Ralf Struckmeyer as Chief Investment Officer. In this Context, René Parmantier, the previous CEO, left the Company’s Management Board.

Following the creditors’ meetings on 28 November 2022, in connection with the conditions from the agreed restructuring concept, Stephan Götschel joined the Management Board in the new role of Chief Restructuring Officer. At the end of the year 2022, Stavros Efremidis and Ralf Struckmeyer left the Management Board at their own request.

As a result of the creditors’ meetings in November 2022, Dr Nedim Cen and Dr Sven-Marian Berneburg were appointed as new members of the Supervisory Board with immediate effect. Prior to this, the previous Supervisory Board members Dr Roland Folz and Dr Friedrich Oelrich had resigned from office. Dr Cen was also appointed Chairman of the Supervisory Board at the first constituent Supervisory Board meeting on 16 January 2023 retroactively and Dr Malmendier was elected to be his Deputy.

## CONTROL SYSTEM

The Company's control system is geared toward the corporate strategy and is therefore consistently aligned with the Group's short to medium-term objectives. The Management Board is responsible for overall planning and thus for achieving the stated objectives as part of the strategic corporate development.

With the involvement of the Executive Committee (ExCom), the Management Board used a strategy process to steer the development of the business segments and monitors the implementation of defined measures. On the basis of global trends, growth paths are defined, opportunities and risks are evaluated, portfolio decisions were made, and the focus of in-house market research was determined at annual strategy meetings. Strategy and planning meetings provided a planning basis for the following year and in medium-term Group planning.

A planning forecast for the coming year and a five-year period was made annually based on the corporate strategy and based on the market-driven strategic planning in the segments. The "counter flow method" is used for planning (bottom up – top down). In the course of a year, the planning for that period was updated in several forecast cycles.

Weekly Board meetings were used for operational control. There the division heads reported to the Management Board on the development of transactions and customer relationships, the competitive situation and any exceptional business transactions. They employed standardized reporting methods largely involving performance indicators, information variables and qualitative assessments, which are then used to define further operating and strategic measures to achieve the objectives in the event of planning deviations. The internal reports – which are prepared monthly – provided aggregated financial and non-financial information for the segments and the holding company, which was used as a basis to allocate resources in a targeted manner, and pass resolutions on the Management Board.

Corestate is mainly managed based on the aggregated revenue & gains and EBITDA (on adjusted and reported basis). Furthermore, assets under management, fund volume, investment return, net profit, earnings per share, cash flow, net financial debt as well as specific financial ratios associated to the key performance indicators are usually used by management to measure operating performance and for steering the Company. We use these metrics as a basis for strategic planning and forecasting, and they represent measures that we believe are widely used by certain investors, securities analysts and other parties as supplemental measures of operating and financial performance. Corestate's non-financial performance indicators include maturity profile, attrition rate as well as asset allocation and ESG-related performance measures. Furthermore, Corestate utilizes planning tools such as corporate planning as well as rolling liquidity planning, which are used to steer operational business development.

## TARGETS AND STRATEGIES

In 2022 and 2023, Corestate Capital Holding S.A. transitioned to a streamlined structure centered on its operating subsidiaries, while divesting non-core assets. In September 2023, Corestate decided to discontinue the banking business consolidated under Corestate Bank GmbH and return its securities license, positioning itself as a management holding with distinct operating subsidiaries.

The strategic realignment is complemented by a rigorous cost-cutting program, which reduces non-essential expenditures and streamlines operations. This initiative, alongside the Company's comprehensive restructuring, aligns operational costs with its newly defined asset management-focused strategy.

In essence, Corestate's strategic realignment aims to bolster liquidity and recalibrate its business strategy toward investment and asset management mandates.

## MARKET DEVELOPMENT

The year 2022 was a turning point for the German real estate investment market in many respects. The initial catalyst was the reversal in interest rates, which was swiftly followed by a reversal in turnover and returns. In total, approximately € 66.0bn in real estate was traded in Germany in 2022.

Of this, about € 51.6bn was for commercial property and about € 14.4bn for residential property. This represents a decrease of 12% and 72% respectively, compared to the previous year. After initial uncertainty, the realization grew among market participants that the turnaround in interest rates has not only changed the market environment in the short term, but that the return of interest rates represents a paradigm shift for the real estate investment markets – at least compared to the last ten years.

In the course of the year, a widespread between the price expectations of buyers and sellers was observed. The diverging price expectations are a major reason why both sides are acting very cautiously. This was reflected in the significantly reduced transaction volume and the decline in the overall number of transactions. There were numerous instances where sales processes were terminated prematurely or remained incomplete. Those who were compelled to sell during this period often resorted to off-market transactions by selectively approaching a limited number of potential investors. However, the reluctance of many investors also opened up opportunities for those who were less affected by the turnaround in interest rates or who did not get a chance in the intense bidding war of previous years. These include, above all, buyers with a strong equity base. Private investors (incl. family offices) and sovereign wealth funds are among the few investor types whose net purchase volume of commercial real estate was above the respective five-year average in 2022. Both Groups invested more than € 800m on balance. The market environment also became more attractive for investors with an affinity [and appetite] for risk, especially in the value-add segment. Because most institutional core

investors were no longer willing to compromise in the current environment. As a result, the playing field for value-add investors became larger again.

The general downturn in the investment market had a significant impact on all types of use in 2022. Only mixed-use properties (+12%) recorded slight increases in turnover compared to 2021. Despite a drop in turnover of more than a quarter, office property was by far the strongest type of use in terms of turnover (€ 22.0bn), down by 20%, followed by residential property (€ 14.4bn), which recorded a drop in volume of around 72%. Industrial/logistics properties (€ 9.6bn) less by 6%, defended the third place they had captured the year before, ahead of retail properties (€ 9.4bn). The decline in turnover particularly hit the project developers suffering under the changed market conditions.

Germany's office rental market showed no signs of weakness in 2022. The current situation had only slightly dampened the sentiment. This describes the past year in terms of economic trends and Germany's office rental market. 2022 ended with an office take-up of 3.5 million sqm in the country's seven major real estate strongholds, exceeding the same period the year before by 6.5%. Few had expected such a robust growth in the market in the face of numerous challenges. The market has become more differentiated than ever before, with a decoupling of prime office rents and vacancy rates observed in major cities. Today, it is no longer a paradox that both are rising in parallel. Whilst fierce competition for ultra-modern and ESG-compliant space is driving up rents in prime locations, it is proving increasingly difficult to find occupiers for peripheral locations with lower quality space, which is leading to a rise in availability.

All the indicators that regularly survey the mood of consumers and companies show a rather gloomy picture at the end of the year. Nonetheless and to the surprise of most experts, some facts have turned out much better than expected. These included economic growth, which has not declined in the last two quarters 2022 but still registered a slight increase. In 2022, real GDP in the European Union (EU-27) increased by around 3.5% compared to the previous year, while GDP in the eurozone also risen by around 3.5%.

## RESULTS OF OPERATIONS

Unless otherwise stated, only information on continuing operations is provided in the following sections.

In general, the markets were confronted with a macroeconomic environment that was unique in this constellation. After two exceptional years, the real estate market in 2022 was significantly dominated by the interest rate shock and the new energy regulations. In addition, the business development of Corestate 2022 was also influenced by the uncertainties that arose in connection with the restructuring measures that have been initiated.

Total revenue as a result of our operation are shown in the table below:

€ million	2022	2021 <sup>1</sup>
Total Revenue from Real Estate Equity Segment	57.7	89.5
Total Revenue from Real Estate Debt Segment	25.9	121.9
Total Revenue from Other Segment <sup>2</sup>	9.2	6.3
<b>Total Revenue</b>	<b>92.8</b>	<b>217.7</b>

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

<sup>2</sup> Total Revenue from Other Segment covers only Rental Income and Service Charges.

## REAL ESTATE EQUITY

The real estate equity segment experienced a mixed performance in 2022. Revenues from asset management fees declined to € 30.4m from € 37.0m in the previous year due to the loss of several mandates. Conversely, property management fees increased to € 21.1m (2021: € 17.2m) mainly due to higher occupancy rates in student housing assets managed by UPARTMENTS and CRM.

Other revenue streams experienced notable shifts. Acquisition fees decreased to € 2.2m from € 9.7m, while sales and promotion fees declined significantly to € 0.7m from € 23.1m. Both declines were a result of reduced transaction volumes. On the other hand, development fees increased to € 3.2m from € 2.5m due to increased project management and development coordination services.

€ million	2022	2021 <sup>1</sup>
Revenue from Acquisition Fees	2.2	9.7
Revenue from Asset Management Fees	30.4	37.1
Revenue from Property Management Fees	21.1	17.2
Revenue from Sales and Promote Fees realised	0.8	23.1
Revenues from Development Fees	3.2	2.5
<b>Total</b>	<b>57.7</b>	<b>89.6</b>

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

Total expenses from the segment increased to € 80.1m from € 86.5m, primarily due to higher personnel costs including expenses for LTIs and retention plan.

## REAL ESTATE DEBT

In 2022, the real estate debt segment underwent significant changes, particularly within the HFS business. After reaching an agreement between the fund manager and investors on restructuring the Stratos II fund, a liquidation agreement was signed to dissolve the fund by the end of 2025. Additionally, a termination agreement ended HFS's advisory role for Stratos II as of 1 January 2023, resulting in the loss of performance-based fees.

The underwriting and structuring fees experienced a sharp decline, falling by € 35.0m to € 1.0m from € 36.0m in 2021. This reduction was primarily due to project delays and cancellations that heavily impacted Corestate Bank, and HFS's inability to generate underwriting fees because the Stratos funds lacked the liquidity to structure new bonds. Furthermore, no performance fees were earned in 2022, contrasting sharply with the € 49.5 m recorded in 2021. This was primarily due to reduced transaction volumes in the private debt market and liquidity issues in the Stratos II and IV funds, which did not meet the necessary hurdle rate.

Income from mezzanine loans decreased to € 6.9m, down from € 18.1m in 2021, due to increased risk provisions across nearly all loans. A provision of € 6.1m was recorded in expenses due to the uncertain recoverability of the remaining bridge financing loans. Asset management fees declined slightly to € 15.1m from € 17.3m, reflecting reduced fund volumes during 2022. However, income from trading activities increased to € 2.9m, up from € 1.0m, generated exclusively through Corestate Bank's proprietary trading of real estate debt products.

€ million	2022	2021
Revenue from Underwriting and Structuring Fees	1.0	36.0
Revenue from Performance Fees	-	49.5
Income from Mezzanine Loans	6.9	18.1
Revenue from Asset Management Fees	15.1	17.3
Income from Trading Activities	2.9	1.0
<b>Total</b>	<b>25.9</b>	<b>121.9</b>

Total expenses for the real estate debt segment increased to € 128.6m from € 66.1m in 2021. This was driven by heightened risk provisions for trade receivables and contract assets at the HFS level, primarily linked to Stratos II. This increase reflected the segment's efforts to address market shifts and optimize financial stability in the context of evolving market conditions.

## OTHER SEGMENT

Total income from the other segment reversed to a negative balance of € -27.8m in 2022, compared to € 15.9m in previous year. This decline was primarily driven by reduced profit/loss contributions from Associates due to negative valuation impacts, lower dividend payments and valuation losses on financial instruments.

Net rental income rose to € 9.2m from € 6.3m, benefiting from the new warehousing and operational asset in Augsburg. The net result from warehousing exits improved slightly to € -0.4m (2021: € -2.7m), reflecting margins from warehousing activities, valuation adjustments and costs related to asset liquidation.

The share of profit/loss from Associates and Joint Ventures for the year amounted to € -23.2m (2021: € 2.5m), reflecting the Group's results from Associates and Joint Ventures using the equity method. The sharply negative earnings contribution was due to significant devaluations across asset classes resulting from changing market circumstances and rising capital costs.

Dividends from other alignment capital declined to € 2.7m (2021: € 12.8m) due to the underperformance of the underlying structures. Fair value measurements of financial instruments led to an overall loss of € -16.1m (2021: € -2.9m), primarily due to negative valuation effects on Stratos funds (€ -14.7m) and Corestate's Opportunity Fund (€ -3.6m), partially offset by positive effects tied to HANNOVER LEASING.

€ million	2022	2021
Rental Income and Service Charges	9.2	6.3
Net result from property holding and warehousing exits	(0.4)	(2.7)
Share of Profit/Loss from Associates and Joint Ventures	(23.2)	2.5
Dividends from other Alignment Capital	2.7	12.8
Gains/Losses from Fair Value measurement of financial instruments	(16.1)	(2.9)
<b>Total income from Other Segment</b>	<b>(27.8)</b>	<b>15.9</b>

Expenses from other segment reached € 26.0m (2021: € 7.3m) due to direct costs related to asset operations, personnel, and overhead expenses. This increase was mainly driven by the divestment of alignment capital, particularly legacy assets where immediate liquidity was prioritized over continued holding.

## EARNINGS POSITION

Other income increased to € 79.0m (2021: € 15.5m). The main drivers are the reversal of previously written-down receivables (€ 30.7m), income from the reversal of provisions (€ 9.0m) as well as several individual items within other income (€ 39.3m), such as the sale of Corestate's former property management business in Capera (€ 11.6m), the short-term settlement of a contingent receivable in relation to a HL-managed airplane fund (€ 9.4m) and the reversal of formerly granted LTI shares where management members are no longer entitled to receive shares (€ 3.6m).

General and Administrative Expenses of € 68.2m (2021: € 59.5m) include both personnel and overhead expenses not allocated to the segments Real Estate Equity, Real Estate Debt Segment or Other Segment. The expenses increased particularly due to the higher personnel costs as a result of the organizational transformation related to the financial restructuring currently being undertaken.

In addition, prior year, one-off expenses in the context of the acquisition of Corestate Bank and due to transformation measures, provisioning for the efficiency enhancement



program as well as severance payments for management board members were still reflected here. In addition to the subdued development of turnover and the increase in operating expenses, the comprehensive risk provisions and the corresponding impairments on financial assets and receivables led to a Group EBITDA of € -168.1m in the reporting period, after € 24.4m in the previous year.

Further, in 2022, depreciation, amortization and impairment expense in the amount of € 535.8m (prior year: € 218.8m) contains goodwill impairment charges of € 450.0m which were recognized due to the significantly lower income expectations for most of Corestate's goodwill-carrying CGUs. The impairment of both the HFS and Corestate Bank goodwill is related to the Real Estate Debt segment. In addition, an impairment had to be recognized on the STAM goodwill which is related to the Real Estate Equity segment (see also Note E.1 for more details on the individual impairments).

All in all, key financial data from continued operations of the period is as follows:

€ million	2022	2021 <sup>1</sup>
EBITDA	(168.1)	24.4
EBIT	(703.9)	(194.3)
EBT	(718.5)	(212.7)
Loss from Continued Operations	(742.6)	(199.0)
Earnings per Share in Euros	(21.72)	(6.45)

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial year 2021 (see Note A.2).

The financial result mainly includes the bond-related interest expense in the amount of € 17.3m offset by foreign currency gains of € 3.2m (prior year: € 17.6m and € 3.6m, respectively). Due to the aforementioned business course and the value adjustments and changes in risk provisions, Corestate's net loss from continued operations increased further from € -199.0m in the previous year to € -742.6m in 2022, which translates into earnings per share of € -21.72 (previous year: € -6.45).



## BALANCE SHEET POSITION

The table below summarizes the key data per balance sheet :

€ million	2022	2021
Non-Current Assets	378.5	990.9
Current Assets	271.9	399.2
Assets held for sale	-	23.5
<b>Total Assets</b>	<b>650.4</b>	<b>1,413.6</b>
Total Equity	(120.3)	626.2
Non-Current Liabilities	84.7	349.1
Current Liabilities	686.0	429.4
Liabilities held for sale	-	8.9
<b>Total Equity and Liabilities</b>	<b>650.4</b>	<b>1,413.6</b>

As of 31 December 2022, total non-current assets were down to € 378.5m (2021: € 990.9m). The most significant change occurred in the position goodwill and other intangible assets, mainly driven by the impairments at HFS, Corestate Bank and STAM in the Corestate's debt business. Also, the investments in associates and joint ventures dropped to € 84.6m (2021: € 145.9m), mainly attributable to the disposal of the projects Vision One and Moviestar as well as loss participations in several other projects. See Note E.3 for additional details.

Total current assets amount to € 271.9m as of 31 December 2022 (2021: € 399.2m). Inventories, i.e. assets held for warehousing, went up from € 100.0m to € 121.1m, in particular due to the temporary appropriation of an office project in Augsburg as well as the ongoing CAPEX-measures at the Giessen property. This was offset by the sale of a micro living project in Bremen in the amount of € 14.9m. Trade receivables went down from € 47.2m at the end 2021 to € 26.2m as of the current balance sheet date, primarily related to the payments for a residential and an office project in Germany. Further on, due to the risk provisioning in the HFS business and the restructuring initiated for the Stratos II fund, the contract assets decreased from € 58.5m to € 3.0m at the end of 2022. The carrying amount of other current financial assets has been reduced from € 86.5m to € 31.1m, mainly driven by further provisions for expected credit losses on bridge loans in the Real Estate Debt Segment.

Cash and cash equivalents amounted to € 56.1m as of 31 December 2022 (2021: € 62.8m). The restricted cash decreased from € 12.9m to € 0.5m mainly due to the contractually committed CAPEX-expenditure for a warehousing asset (Neustädter Tor, Giessen).

Overall, as at 31 December 2022 the Group's equity position became negative and amounted to € -120.3m (2021: positive equity of € 626.2m) which is mainly driven by the significant impairment charges related to Corestate's real estate debt business.

Current and non-current liabilities added up to € 770.7m (2021: € 778.5m) without any major movements during the reporting period, other than the 2018 senior unsecured bond having been classified as current financial liabilities from bonds due to the maturity date in April 2023.

## CASH FLOW ANALYSIS

Cash flows from operating activities decreased from € 30.5m to € 0.7m in the reporting period in line with the operative earnings development.

Cash flows from investing activities amounted to € 17.5m (previous year: € 9.7m) primarily reflecting increased divestment activities related to subsidiaries and other financial assets in 2022. Such activity was mainly related to the sale of the participations in Capera Property Management Platform (sale of subsidiaries) and Moviestar GmbH (inflow from repayment of alignment capital investments) in 2022. As an opposing effect, the investment in other securities (other financial instruments) led to a cash outflow of € 18.1m.

On this basis, the free cash flow decreased from € 40.2m in prior year to € 18.2m in the fiscal year 2022.

Cash outflows from financing activities declined to € -37.3m from € -55.7m in the year before. The repayment of the HFS Lombard of € 10.0m and the pro rata repayment for the Highstreet Giessen (Ginova) project with € 13.5m and the redemption of the convertible loan with an amount of € 4.0m besides interest payments on the bond as well as on bank loans are the main cash outflows in 2022, whereas in prior year higher loan repayments were recorded thus leading to higher outflows then. As a partly offsetting effect, the Company received cash inflows of € 9.9m from the increase of the bridge loan in 2022.

## RISK REPORT

### Risk Management

Corestate has established a risk management system at Group level which considers the risks of the holding company as well as the risks of the subsidiaries. For this purpose, Corestate has appointed a Group Chief Risk Officer, to whom a team is assigned, but who can also draw on dedicated persons in all subsidiaries of Corestate. In accordance of the "three lines of defense" theory, the risk management department operates within the second line of defense.

*Definition of Risk*

Risks are related to specific causes and result from the uncertainty of future events and a mostly incomplete level of information. In terms of impact, a risk is (mostly) reflected in a negative deviation from a defined target value.

*Concept, objective and fundamental orientation of Risk Management*

Risk management is seen as the totality of all organizational regulations and measures for identifying and handling risks. The term risk management thus encompasses all methods, systems and systematic measures for identifying, analyzing, assessing, controlling and monitoring significant risks that affect the objectives and expectations of the Group. It also includes the further development of risk management instruments and cross-process monitoring and control.

The aim of risk management is, on the one hand, to sustainably secure or increase the value of the Company, to secure the strategic and operative corporate objectives, to secure the future success of the Company and to optimize the medium and long-term risk costs by dealing with risks appropriately.

Only by recording all the risks to which the Company is exposed can the necessary level of transparency be achieved. Prior to a business transaction or implementing any new process, all potentially inherent risks are assessed and evaluated. However, there are risks that are not acceptable to the Group as a matter of principle. These risks are in particular:

- Risks resulting from actions that violate applicable laws (laws, ordinances, regulations);
- Risks resulting from actions that violate the internal guidelines of the Group or, at the level of individual companies, also the internal guidelines of the respective individual subsidiary;
- Risks resulting from actions that cannot be reconciled with market practices in markets where Corestate operates and therefore entail a not inconsiderable reputational risk;
- Risks resulting from actions that could endanger the continued existence of Corestate or individual companies of Corestate.

The Group ensures that all identified risks are supervised by the Management Board of Corestate, specially the liquidity risks, to keep the Group ongoing.

*Risk concentrations and diversification*

Concentrations of risk (e.g. concentration exclusively on the real estate market of a single city) are avoided at all levels wherever possible. Where this is not possible, special attention is paid to such concentrations, and measures to reduce such concentrations are continuously reviewed and – where appropriate – implemented.

Risk diversification, e.g. spreading the investments across various asset classes, markets or addressing different groups of investors (family offices, institutional investors, investors from the DACH region, from Asia, Africa, Russia, the Americas), is implemented where possible to keep dependencies as low as possible.

### *Risk Management and Controlling Process*

To ensure effective risk management, appropriate risk management and controlling processes have been set up in all individual companies to identify, assess, manage, monitor and communicate material risks and associated risk concentrations.

The risk management and controlling processes ensure that the material risks – including those of outsourced activities and processes – are identified at an early stage, fully recorded and presented in an appropriate manner.

The following sub-processes exist for Corestate in the area of risk management and risk controlling activities:



The main functions involved in this process are as follows:

Function	Duty
Process Owners	Identification and assessment of risks
	Mitigation of risks
	Risk control
	Risk monitoring
Risk Management	Review and analysis of risks and risk assessments
	Risk reporting
	Review of risk control and risk monitoring performed by risk owners
Group Risk Committee	Review on group risks and according mitigation measures
Management Board	Final assessment of group risks
Audit Committee	Evaluation of material group risks
Supervisory Board	

The risk management and controlling processes are adjusted promptly to changing conditions as required. Accordingly, the documentation specifying the risk process is updated if necessary.

Risks are also regularly reviewed to determine whether they are acceptable in the context of the respective business. In case of doubt, the responsible member of the management body or Group risk management is consulted.

Risks that are within unacceptable limits are examined to see whether they can be reduced or whether the risk acceptance needs to be changed. If neither of these is the case, it is examined whether the transaction based on such a risk can be continued or should be terminated.

### *Risk Identification*

Risk identification is an ongoing process and deals with the question of what risks exist.

The following risk type scheme, which is based on the regulatory minimum requirements for the regulated subsidiaries and is therefore also applied at Group level, serves as the identification grid. Accordingly, a distinction is made between the following types of risk, which are defined for Corestate as shown below. All identified risks are meaningfully sorted into one of the following four risk categories.

#### **Market price risks**

Market price risks relate to the possibility of negative changes in value due to unexpected changes in the underlying market parameters. The term market price risk therefore covers risks that arise because investments initiated by Corestate do not develop as forecast. This directly affects investments made by a group company itself, i.e. separate investment funds are out of scope (see below). These investments can be used to be sold into an investment fund later (so-called warehousing). Risks of investments of investment funds do not affect individual companies or Corestate per se. These risks only have relevance beyond the investment assets if they radiate to the companies of Corestate, e.g. via damage to reputation or lost legal disputes. In these cases, the radiance to Corestate is usually accompanied by a previous product, system or process deficiency or by human error within Corestate. Consequently, such risks are included in the category “operational risk”.

Market price risks can comprise all investment classes (i.e. real estate, other real assets, equities, commodities, fixed income and credit). They therefore include interest rate risks.

Within market price risks, general market risk must be distinguished from investment-specific risks (specific market risk and event risk). General market risk is the risk arising from the development of the market in which Corestate operates.

Specific market risk and event risk relates to developments in individual companies or assets or sub-groups of companies or assets.

#### **Counterparty default risks**

Counterparty default risks are defined as risks that involve the danger of partial or complete default of contractually agreed payments. They include counterparty risk.

As with market price risks, counterparty default risks in the investment assets (e.g. default of tenants in commercial properties or lessees of moveable assets) do not affect Corestate per se for the time being. Only if there are suspected spillover effects on Corestate are corresponding risks included in this category.

### Liquidity risks

Liquidity risks are dangers that arise from the lack of sufficient financial resources. On the one hand, this includes liquidity risk in the narrower sense, which consists of the risk that Corestate companies will not be able to meet their current and future payment obligations in full or on time (e.g. due to the loss of existing sources of financing). On the other hand, it contains risks resulting from the increase in the cost of financing sources (funding risk).

Here, too, a corresponding distinction is made between risks of the investment assets and risks of Corestate, as already mentioned.

### Operational risks

Operational risks (including compliance risks) are defined as the risk of losses caused by the inadequacy or failure of technology and infrastructure, employees, internal processes or external influences. The definition includes legal risks, because the business activities of Corestate are subject to the general conditions of tax, environmental, investment, rental and construction law, among others.

Operational risk generally consists of many possible risk scenarios that are attributable to very different failure aspects of individual risk causes, or several of those at the same time.

A sub-risk is so-called compliance risk. This involves the risk of violation or infringement of internal or external rules. Risk consequences can be:

- monetary losses resulting from inadequate procedures or processes (e.g. fines or loss of licenses and approvals)
- damage to reputation (e.g. because companies of Corestate are subject of official investigation proceedings).

### Risks related to the COVID-19 Pandemic

Risks that relate to the COVID-19 pandemic are incorporated in the given risk framework either by considering such risks in existing risks or by adding newly identified risks to the risk inventory. The main risks due to the COVID-19 pandemic are on the market and on the liquidity side.

Corestate is one of the main managers of student apartments and the temporary letting of micro-apartments, which are usually rented by long-distance commuting professionals and their employers. During the COVID-19 pandemic, universities tend to offer mostly distance learning, which led to demand for student apartments falling sharply. Travel was restricted, so international students could not travel to their universities. Many countries ordered to work from home wherever possible to reduce contacts during commuting and in offices the closure of hotels and similar accommodation. This caused demand for micro-apartments and other similar facilities to drop to nearly zero.

Corestate also manages a high number of malls and high street assets. During the pandemic, malls, shops, bars and restaurants were ordered to close several times, and sometimes for a longer period. In addition, access to such malls and shops was restricted by government measures (e.g. access only for vaccinated or recovered persons). The revenues of the malls and shops dropped accordingly, as tenants were not always able to pay full rents, or they terminated contracts partially or completely.

This all led to the situation that the annual valuation of these assets was lower than before, which made it difficult (if not impossible) to sell them at the originally expected price. Investors refrained also from investing in such asset classes, resulting in less opportunities to initiate new projects.

In addition, Corestate is usually remunerated based on the value of the assets managed. Therefore, any lower valuations resulted in lower fee income.

### *Risk Assessment*

Risk assessment is of crucial importance for risk management measures. It describes the importance of the individual risks and is determined from the probability of occurrence (measure of the probability of the risk occurring), the impact (potential damage before measures are taken) and the measures already implemented and planned (control options). It thus represents the basis for planning and controlling risks.

### *Procedure for identifying sub-risk types and individual risks*

The existence and exact nature of the risk types described above and the sub-risks to be subsumed under them are checked by means of risk identification. As part of risk identification, the causes and effects of the risk are described in each case.

### *Classification of ESG risks*

In accordance with various supervisory bodies that provide guidance on managing ESG risks, Corestate considers these risks within the framework of the existing risk landscape and risk inventory, as well as in case of new risks as a part of these. Only in those cases where the risks are purely ESG risks and there is no relation to existing risks are these risks newly and separately registered and integrated into the existing risk landscape using the existing risk categories.

### *Loss event database*

Incidents of damage that have occurred can provide a basis for identifying and assessing risks. Claims are therefore recorded. A loss event is the occurrence of an operational risk (no matter whether or not already registered) which is claimed in the form of a loss.

Known loss events above a certain amount are considered when assessing operational risks. In addition to the costs incurred, opportunities in the form of additional internal expenses and measures to limit or avoid damage are also recorded.

### Entry and update cycle

The initial recording of a risk is carried out ad hoc when it is identified. An update must be carried out no later than twelve months after the date of its entry or last update. If necessary, the data is entered or updated ad hoc.

In the event of a significant change in the risk situation, a written ad hoc report is submitted to the risk management of Corestate.

### General valuation rules

Risks are assessed net, i.e. considering measures that have been implemented. To determine an expected loss, the formula

- Damage equals probability of occurrence
- multiplied by the expected loss frequency in the event of a loss according to the Poisson distribution
- multiplied by the average amount of damage

is applied. In the case of risks that can only occur individually, the factor for the expected frequency of losses in the event of a claim is always 1, in order to rule out overestimation of risks.

### Quantitative risk assessment

The quantitative risk assessment requires precise figures for the amount of loss (impact) in the respective currency (e.g. €, USD) and the probability of occurrence in % for the basic data.

Individual risks are assessed based on their probability of occurrence and the impact/loss they cause. Wherever possible, historical values or planned figures and relevant indicators are used for this purpose. In cases where no corresponding data basis is available, the best educated guesses of the decentralized risk managers are used. If a single risk event can occur more than once or in several cases, this circumstance is appropriately considered in the probability of occurrence and the amount of loss, using the Poisson distribution.

### Quantification via qualitative risk assessment

Qualitative assessment is used if it is not possible to quantify a risk objectively or “subjectively” in a reliable manner.

### Combination of quantitative and qualitative risks

If risks are assessed both qualitatively and quantitatively, the highest category of both assessments must be used for the overall risk categorization.



### Control priorities

All risks are depicted on a 5x5 matrix in a standardized manner regarding the extent of damage and probability of occurrence. The matrix itself is structured as follows:

Likelihood of occurrence: This is divided into class 1 to class 5 with the following ranges:

Class	Meaning	Likelihood of occurrence	
		from more than	up to including
1	very low	0%	1%
2	low	1%	5%
3	medium	5%	50%
4	high	50%	95%
5	very high	95%	100%

Impact: This is also divided into class 1 to class 5 with the following ranges:

Class	Meaning	amount of damage	
		from	up to including
1	very low	€ 1	€ 50 000
2	low	€ 50 001	€ 450 000
3	medium	€ 450 001	1.5% of EBITDA
4	high	1.5% of EBITDA	5% of EBITDA
5	very high	5% of EBITDA	

### Risk Mitigation

Risk management comprises the timely, situation-dependent, appropriate, and efficient selection and implementation of risk management tools.

Corestate applies various management approaches in dealing with risks, namely avoiding, spreading, limiting, minimizing/reducing, passing on and accepting the respective risk.

Major risks – at Group level, risks are considered material if they have a high control priority, although non-substantial risks are of course also included in the risk management process.

#### MITIGATION OF RISKS

Risks are mitigated by way of:

- risk avoidance, e.g. planned activities are ultimately not carried out because the risk/reward profile is not positive;
- risk reduction, e.g. on process level by automating processes or observing dual control principles; process changes are analyzed and implemented usually by the process owners;
- risk transfer, usually by taking out appropriate insurance policies; this process is usually initiated by the relevant process owner in consultation with Group Corporate Insurance to ensure that similar policies are not taken out multiple times to avoid unnecessarily high prices, that insurance policies cover all relevant departments and companies and that such policies are in line with the Group's corporate insurance approach;
- risk diversification, e.g. by avoiding risk accumulations and not being dependent on only a few customers, markets, assets, etc., and by identifying new markets. This is usually done by the Management Board and division heads.

## Risk Reporting

### *Regular Reporting*

Reports on the risk situation are submitted to the Management Board at least quarterly. This includes the top risks as well as the significant risks, for which a detailed risk description is provided, including changes to the last report.

The Supervisory Board is informed about the risk situation at least every quarter. This report also includes the top risks as well as the significant risks, for which a detailed risk description is provided, including changes to the last report.

### *Ad-Hoc-Reporting*

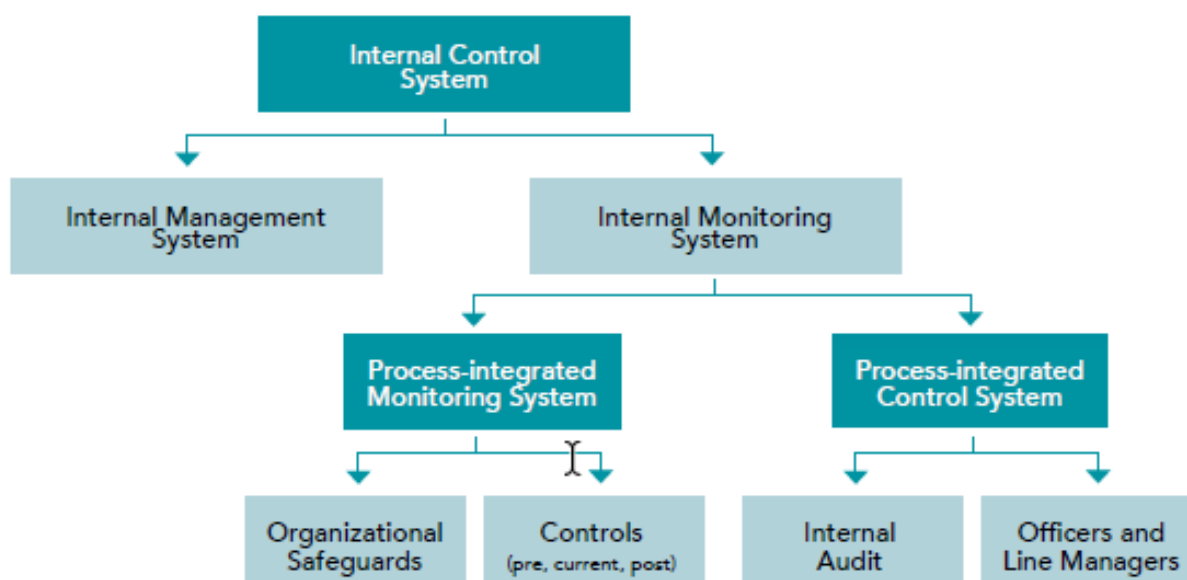
Both significant risks identified outside the reporting dates and known risks whose assessment changes after a reporting date in such a way that the risk is classified as “material“ are reported ad hoc to the Management Board and, if applicable, to the Supervisory Board.

## Internal Control System

### *Elements of the Control System*

The internal control system (ICS) consists of regulations for managing the activities of Corestate (internal management system) and regulations for monitoring compliance with these regulations (internal monitoring system). It is structured as required by management and set up by the departments responsible and process owners. Its functionality and effectiveness are periodically reviewed and adjusted. The internal monitoring system includes process-integrated (organizational security measures, controls) and process-independent monitoring measures, which are primarily carried out by Internal Audit.

By defining objectives and controls to provide assurance, management can gradually explore the overall need for controls.



### *Organizational Measures*

Organizational security measures are carried out by automated facilities. They comprise error-preventing measures that are integrated into both the structural and procedural organization of the companies and are intended to guarantee a specified level of security (e.g. separation of functions, access restrictions in the IT area, payment guidelines).

### *Controls*

Controls are carried out by means of measures that are embedded as a process in the work and operating procedures of the Corestate companies.

Checks may be carried out before, during or after the operation to be checked. They can be carried out both by process-dependent persons and by automatic facilities, especially by IT (e.g. plausibility checks). The control associated with the work process has the aim of finding and preventing errors, if possible before the work process (or parts of it) is

completed. As far as possible, upstream controls should therefore be preferred to downstream controls.

#### *Documentation of the Controls*

The controls are defined, established and documented in the processes. As part of risk management, the decentralized risk managers identify, record, assess, regularly review and update risks in a regular process and in cooperation with the respective specialist departments. The risks are regularly recorded by the decentralized risk managers. Regular reports on the risks are provided.

Special focus has been put on the regulated entities of the Corestate Group while at the same time a best practice risk-based audit plan for all entities has been worked out.

#### *Overall Risk Situation of the Group*

The overall risk situation of the entire Group as at 31 December 2022 is “medium-high” (31 December 2021: “low-medium”). The following top 10 individual risks have been assessed as having a very high impact (category 5) and a medium to high likelihood of occurrence (category 3 to 4):

1. Variable returns from co-investments
2. Settlement of individual invoices
3. Impairment of funds
4. Variable returns from segments
5. Changing business environment
6. Individual placement guarantee
7. Tax risks/RETT
8. Litigation risks
9. Credit risks
10. Individual placement guarantee

The risk inventory shows that all relevant risks have been properly identified and assessed. Risks are managed accordingly. Material risks are appropriately examined by both the Management Board and the Supervisory Board, and measures taken are reviewed regularly. Overall, in view of the current assessment and measures taken, there are no risks that endanger the continued existence of the Group.

## MATERIAL EVENTS AFTER THE REPORTING DATE

In January 2023, the suspensive conditions from the bondholder resolutions of 28 November 2022, regarding Corestate's 2022 convertible bond and 2023 bond, were fulfilled.

In March 2023, Corestate reached an agreement with the bank financing the Highstreet Giessen project to partially repay € 5.8m of the debt. This was necessitated by a breach of the debt service coverage ratio, driven by interest rate fluctuations as of 31 December 2022. As part of the agreement, the remaining loan was extended until 30 June 2025.

A creditors' meeting was held on 14 April 2023 to address both the senior unsecured and convertible bonds, resulting in their extension until 31 July 2023. Interest payments were deferred, and certain termination rights were waived to allow Corestate additional time to implement critical reorganization steps necessary for financial restructuring. In May 2023, backed by bondholders, investors, and shareholders, the Management Board approved an alternative restructuring concept. This included an increase in bridge financing from € 25m to € 35m, involving both existing and new investors.

In May 2023, Corestate resolved to implement the alternative restructuring concept and announced changes to the Management and Supervisory Boards: Dr. Nedim Cen was appointed to the Management Board as CEO, Stephan Götschel stepped down, and Dr. Carlos Enrique Mack was co-opted onto the Supervisory Board.

In June 2023, the creditors' meetings approved, by a large majority, amendments to the bond terms, including a reduction of the total nominal volume from €488.3 million to approximately €105.5m, modifications to the bond conditions, and a request to transfer the stock market listing from the Prime Standard to the General Standard segment.

In July 2023, Corestate placed over 50% of the shares in HL Augsburg Offices with investors, leading to a reclassification into Investments in Associates and Joint Ventures. The inventory (€ 43.8m) and related liabilities, including non-controlling interests (€43.7m), were deconsolidated accordingly. By December 2023, all shares in HL Augsburg Offices were fully placed among investors, and the remaining RETT ("Real Estate Transfer Tax") blocker was reclassified into Other Financial Instruments.

In August 2023, the debt restructuring and recapitalization were completed, based on the resolutions passed by the creditors' meeting and General Meetings in June and July 2023. This included a reduction in the financial liabilities from bonds by around 78% waiver by creditors of bond obligations for an amount of € 394.1m out of which € 382.8m is related to bond nominal amounts and € 11.6m relates to interest due and an extension of the term until 31 December 2026. Further, a capital reduction was executed, decreasing the Group's issued share capital by € 2,558,497.50 to € 6,174.00, without any cancellation of shares or any payments to shareholders. Immediately thereafter, a capital increase

was carried out, raising the share capital by € 23,826.00 to € 30,000.00 through the issuance of 132 million new shares to the bondholders and to the management.

In September 2023, the Management Board decided to discontinue the regulated operations of Corestate Bank GmbH and initiated the withdrawal of its license as a securities trading bank with BaFin (the German Federal Financial Supervisory Authority). Consequently, the remaining goodwill of Corestate Bank GmbH, valued at € 13.1m as of 31 December 2022, was fully impaired in 2023.

In October 2023, Corestate Capital Holding S.A. transitioned from the Prime Standard to the General Standard segment of the Frankfurt Stock Exchange.

Throughout 2023, Corestate successfully completed asset sales including three development projects and two student residences in Spain with a combined (transaction/book) value of € 29.3m.

At the Company's Supervisory Board meeting held on 29 August 2024, the Management Board of CCH SA has accepted the commercial offer of KPMG Audit S.à r.l. in Luxembourg to mandate KPMG as sole auditor for the consolidated and standalone annual accounts of Corestate for the financial year 2022.

Throughout 2024, Corestate completed asset sales worth about € 39m including the sale of CRM Students Ltd. / UPARTMENTS Real Estate GmbH for about € 12m.

In December 2024, Corestate settled all claims related to the Cologne-based Laurenz Carré project with an out-of-court payment of € 5.5m. This resolution ended the legal disputes, limited financial exposure, and allowed the Group to refocus on its project development strategy. The project had originally been the subject of a forward purchase agreement signed in December 2021, contingent on building permits, with an expected purchase price of around € 320m. After notarisation errors were identified and Corestate withdrew from the contract, subsequent lawsuits were interrupted by the sellers' insolvency, leading to the final settlement in 2024.

In January 2025, HANSAINVEST Hanseatische Investment GmbH ("HANSAINVEST") filed a claim for damages against HFS Helvetic Financial Services AG ("HFS") at the Hamburg Regional Court (Landgericht), accusing HFS of breaching its obligations (i) under consulting agreements between (among others) HFS and HANSAINVEST, and (ii) under trust agreements (indirectly) in favour of HANSAINVEST in relation to 18 bond issues for real estate project developments, which were subscribed by the special-AIF (Alternative Investment Fund) Stratos Immobilienanleihefonds II and the special AIF Stratos Immobilienanleihefonds IV in the period from 2017 to 2021.

HFS has assessed the aforementioned claims internally as well as together with two renowned law firms and concluded the prospects of success of such claim to be around a maximum of 20%. In order to avoid lengthy legal proceedings, the associated costs and expenses, and to eliminate any financial risks despite the low prospects of success, both

parties have agreed to settle the legal dispute amicably by way of an out-of-court settlement in November 2025.

In the settlement agreement, HFS has agreed to assign certain assets to HansaInvest with a value of € 28.7m as of 31 December 2022, € 20.2m as of 31 December 2023 and € 16.0m as of 31 December 2024 in the consolidated statement of financial position. Such settlement agreement is subject to the condition precedent that these assets, which are currently pledged as part of the security package in relation to the financial liabilities of CCH SA under its outstanding bonds, shall be released and free of any encumbrances. The Company has received written instructions by the necessary 75% majority of noteholders in each of their outstanding bonds to release the relevant assets. Therefore, fulfillment of the condition precedent and closing of the transaction is expected to occur by end of December 2025.

In April 2025, Corestate signed an exclusive agreement with the French investment Group Atland for the sale of STAM Europe SAS (Paris) and its subsidiaries, including AIFM STAM France Investment Managers.

In July 2025 CCH SA successfully sold its approximately 35% stake in the investment vehicle Liver Building Co, which owns the Royal Liver Building in Liverpool, United Kingdom, through its subsidiary HANNOVER LEASING to the Princes Group, one of the leading food and beverage companies in the United Kingdom. The sale price is around GBP 57m. After deducting all bank liabilities, including a shareholder loan, Corestate received a net amount of approximately € 16m.

In September 2025, Corestate closed its sale of STAM Europe SAS (Paris) and its subsidiaries, including AIFM STAM France Investment Managers to the French investment Group Atland. Following the closing of the STAM Europe sale, Corestate resolved to make an early repayment of € 17.5m on the Super Senior Note (ISIN DE000A3LJQY6) effective 14 October 2025.

In November 2025, the Group has reached an agreement with investment firms holding in excess of 75% of its two outstanding Senior Notes to extend their maturities by two years. Under the agreed amendment, the interest rate on the Senior Notes will increase from 8% to 12% in 2027 and to 15% in 2028. Supporting noteholders have executed a lock-up agreement, and creditors' meetings to pass the formal resolutions are scheduled for December 2025. This extension provides Corestate with the necessary time to continue its asset disposal program without sales pressure and to maximize value.



## OUTLOOK

Many of the issues that were sources of uncertainty in the market in 2022, supply bottlenecks, rising inflation, sustainability, and the future of work, remain unresolved. Overall, investors are continuing to focus on safe core properties in the face of high investment pressure and are taking ESG criteria into account. As a result, declining yields will contribute to a market revival in the non-core segment in the long term. At the same time, the further development of the European Central Bank's interest rate policy remains uncertain. Hence, the environment for real estate transactions remains challenging, although it may be observed that the market plunge has reached its bottom.

Corestate will continue to pursue its strategic agenda rigorously and sustainably by concentrating on the Company's core business asset management within the real estate equity segment and consolidating the activities by reducing property management activities and the real estate debt segment, particularly discontinuing the banking business. Besides value-driving portfolio effects the Management Board's focus is to secure the cash position and further to continue stabilizing the business by implementing restructuring measures eliminating double structures and gaining efficiencies through reengineered processes. All in all, the return to profitable margins through a clear concentration on the core business asset management as well as the operational restructuring is expected to lead to profitable sustainable results again.

As for the performance in 2023 (including the later divested entities CRM Students Ltd. and UPARTMENTS Real Estate GmbH), the Company records a preliminary net revenue of € 11.5m, which includes extraordinary effects of financial asset impairment of € 555.5m, hence preliminary revenue on normalized basis for the financial year 2023 amounts to € 67.0m. This reflects the discontinuation of the property management and the real estate debt segment becomes visible. For 2024 Management Board recorded (unaudited) aggregate revenue and gains on a normalized basis of € 36.6m based on an unadjusted figure of € 16.0m and extraordinary write-downs in financial assets of € 20.6m. Like in 2023, in 2024 the real estate equity segment has further been focussed on the real estate asset management business while the real estate debt business will further be driven down as a whole. Following the turnaround and based on the thereby achieved leaner portfolio structure, new investments will be made to enable future profitable growth again.

During the turnaround phase, EBITDA in 2023 (including the later divested entities CRM Students Ltd. and UPARTMENTS Real Estate GmbH) amounts to € 282.0m on a preliminary basis, which contains an extraordinary gain from the debt waiver in the amount of € 393.8m as well as partly offsetting extraordinary expenses for restructuring (€ 32.8m) and financial asset impairment (€ 52.0m). For the financial year 2024, Management Board expects an unadjusted EBITDA of € -26.5m, which comes to € -7.0m restated by extraordinary effects for valuation (€ 5.0m) and restructuring (€ 14.5m) charges.



While the year 2025 is considered to be another year in the turnaround phase in which measures are expected to generate increasing contributions, subject to the actual future development of the real estate market as well as the overall economy in the light of all known and unknown circumstances EBITDA break-even of the Group is expected for 2026.

Corestate took the general decision not to pay a dividend to the shareholders for the time being. The Management Board believes that in the current time it is crucial for the Company to maintain stable capital resources in order to achieve sustainable organic growth and increase value for its shareholders. Therefore, the Company does not intend to propose any dividend payment until the outstanding bonds are fully repaid.

Luxembourg, 16 December 2025

Dr. Nedim Cen  
Chief Executive Officer  
Chief Financial Officer

## CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	Notes	31 Dec 2022	31 Dec 2021
<b>Non-Current Assets</b>			
Goodwill	E.1	45.0	487.2
Other Intangible Assets	E.2	27.2	84.8
Investments in Associates and Joint Ventures	E.3	84.6	145.9
Other Financial Instruments	E.4	151.1	151.5
Property, Plant and Equipment	E.5	33.7	13.4
Non-Current Receivables	E.6	9.7	51.7
Non-Current Loans to Associated Entities	E.7	11.7	14.9
Deferred Tax Assets	D.14	15.5	41.5
<b>Total Non-Current Assets</b>		<b>378.5</b>	<b>990.9</b>
<b>Current Assets</b>			
Inventories	E.8	121.1	100.0
Trade Receivables	E.9	26.2	47.2
Contract Assets	E.10	3.0	58.5
Receivables from Associated Entities	E.11	10.9	16.8
Other Current Financial Assets	E.12	31.1	86.5
Other Current Assets	E.13	12.6	12.1
Current Income Tax Assets	D.14	10.4	2.5
Restricted Cash	E.14	0.5	12.9
Cash and Cash Equivalents	E.14	56.1	62.8
<b>Total Current Assets</b>		<b>271.9</b>	<b>399.2</b>
Assets Held for Sale	B.1, B.3	-	23.5
<b>TOTAL ASSETS</b>		<b>650.4</b>	<b>1,413.6</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

€ million	Notes	31 Dec 2022	31 Dec 2021
<b>Equity</b>			
Share Capital	E.15	2.6	2.6
Other Reserves	E.15	618.5	821.7
Net Loss for the Year		(743.8)	(201.1)
Equity attributable to shareholders of Parent Company		(122.7)	623.2
Non-Controlling Interests		2.4	3.0
<b>Total Equity</b>		<b>(120.3)</b>	<b>626.2</b>
<b>Non-Current Liabilities</b>			
Non-Current Financial Liabilities from Bonds	E.16	-	298.0
Non-Current Financial Liabilities to Banks	E.17	20.5	3.5
Other Non-Current Financial Liabilities	E.18	35.0	19.9
Other Non-Current Provisions	E.19	1.5	1.2
Other Non-Current Liabilities		12.8	8.9
Deferred Tax Liabilities	D.14	14.9	17.5
<b>Total Non-Current Liabilities</b>		<b>84.7</b>	<b>349.1</b>
<b>Current Liabilities</b>			
Current Financial Liabilities from Bonds	E.20	502.0	190.9
Other Current Provisions	E.21	24.4	13.6
Other Current Financial Liabilities to Banks	E.22	42.7	68.3
Current Liabilities to Associated Entities		9.0	18.1
Trade Payables	E.23	18.8	27.6
Current Income Tax Liabilities	D.14	10.2	29.5
Other Current Financial Liabilities	E.24	33.0	41.4
Other Current Liabilities	E.25	45.9	40.0
<b>Total Current Liabilities</b>		<b>686.0</b>	<b>429.4</b>
Liabilities Held for Sale	B.1, B.3	-	8.9
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>650.4</b>	<b>1,413.6</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€ million	Notes	2022	2021 <sup>1</sup>
Revenue from Acquisition Fees	D.2	2.2	9.7
Revenue from Asset Management Fees	D.2	30.4	37.1
Revenue from Property Management Fees	D.2	21.1	17.2
Revenue from Sales and Promote Fees realized	D.2	0.8	23.1
Revenue from Development Fees	D.2	3.2	2.5
<i>Total Revenue from Real Estate Equity Segment</i>	<i>D.2</i>	<i>57.7</i>	<i>89.6</i>
<i>Total Expenses from Real Estate Equity Segment</i>	<i>D.3</i>	<i>(80.1)</i>	<i>(86.5)</i>
<b>Total Earnings from Real Estate Equity Segment</b>		<b>(22.4)</b>	<b>3.1</b>
Revenue from Underwriting and Structuring Fees	D.4	1.0	36.0
Revenues from Performance Fees	D.4	-	49.5
Income from Mezzanine Loans	D.4	6.9	18.1
Revenue from Asset Management Fees	D.4	15.1	17.3
Income from Trading Activities	D.4	2.9	1.0
<i>Total Revenue from Real Estate Debt Segment</i>	<i>D.4</i>	<i>25.9</i>	<i>121.9</i>
<i>Total Expenses from Real Estate Debt Segment</i>	<i>D.5</i>	<i>(128.6)</i>	<i>(66.1)</i>
<b>Total Earnings from Real Estate Debt Segment</b>		<b>(102.7)</b>	<b>55.8</b>
Rental Income and Service Charges	D.6	9.2	6.3
Net Result from Property Holding and Warehousing Exits	D.6	(0.4)	(2.7)
Share of Profit or Loss from Associates and Joint Ventures	D.6	(23.2)	2.5
Dividends from other Alignment Capital	D.6	2.7	12.8
Gains/(Losses) from Fair Value Measurement of Financial Instruments	D.6	(16.1)	(2.9)
<i>Total Income/(Losses) from Other Segment</i>	<i>D.6</i>	<i>(27.8)</i>	<i>16.0</i>
<i>Total Expenses from Other Segment</i>	<i>D.7</i>	<i>(26.0)</i>	<i>(7.3)</i>
<b>Total Earnings from Other Segment</b>		<b>(53.8)</b>	<b>8.7</b>
Reversal of Written-Down Receivables	D.8	30.7	3.4
Income from Reversal of Provisions	D.9	9.0	5.5
Other Income	D.10	39.3	7.4
General and Administrative (G&A) and Other Expenses	D.11	(68.2)	(59.5)
<b>Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)</b>		<b>(168.1)</b>	<b>24.4</b>
Depreciation, Amortization and Impairment	D.12	(535.8)	(218.8)
<b>Earnings before Interest and Taxes (EBIT)</b>		<b>(703.9)</b>	<b>(194.3)</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

€ million	Notes	2022	2021 <sup>1</sup>
<b>Earnings before Interest and Taxes (EBIT)</b>		<b>(703.9)</b>	<b>(194.3)</b>
Financial Income	D.13	8.2	7.3
Financial Expenses	D.13	(22.8)	(25.7)
<b>Earnings before Taxes (EBT)</b>		<b>(718.5)</b>	<b>(212.7)</b>
Income Tax Expense	D.14	(24.1)	13.7
<b>Net Loss for the Year from Continued Operations</b>		<b>(742.6)</b>	<b>(199.0)</b>
<b>Net Loss for the Year from Discontinued Operations</b>	B.3	<b>(1.5)</b>	<b>(1.1)</b>
<b>Net Loss for the Year</b>		<b>(744.1)</b>	<b>(200.1)</b>
of which attributable to Equity Holders of Parent Company		(743.8)	(201.1)
of which attributable to Non-Controlling Interests		(0.3)	1.0
<b>Total Revenues<sup>2</sup></b>		<b>92.8</b>	<b>217.7</b>
<b>Total Expenses<sup>3</sup></b>		<b>(302.9)</b>	<b>(219.4)</b>
<b>Earnings per share based on net profit/loss attributable to equity holders of Parent Company (in €):</b>			
Loss per share from continued operations	D.15	<b>(21.72)</b>	<b>(6.45)</b>
Loss per share from discontinued operations	D.15	<b>(0.04)</b>	<b>(0.04)</b>

<sup>1</sup> The Consolidated Statement of Profit or Loss is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial 2021 (see Note A.2).

<sup>2</sup> Not including: Share of Profit or Loss from Associates and Joint Ventures, Net Result from Property Holding and Warehousing Exits, Dividends from other Alignment Capital, and Gains/(Losses) from Fair Value Measurement of Financial Instruments .

<sup>3</sup> Excluding Financial Expenses and Depreciation, Amortization and Impairment.

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

€ million	Notes	2022	2021
<b>Net Loss for the Year</b>		<b>(744.1)</b>	<b>(200.1)</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Exchange differences on translation of foreign operations		(1.2)	4.4
<i>thereof recycled</i>		-	2.5
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods		(1.2)	4.4
Remeasurement Gains/(Losses) on Defined Benefit Plans		0.9	-
Deferred Tax effect		-	(0.1)
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods		0.9	1.1
<b>Other Comprehensive (Loss)/Income for the Year, Net of Tax</b>		<b>(0.3)</b>	<b>5.4</b>
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>(744.4)</b>	<b>(194.7)</b>
of which attributable to equity holders of Parent Company		(744.1)	(195.7)
of which attributable to non-controlling interests		(0.3)	1.0

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Notes	SHARE CAPITAL	Legal Reserve	Additional Paid-In Capital	Retained Earnings	Other Revaluations	OTHER RESERVES	Net Loss for the Year	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF PARENT COMPANY	NCI in Paid-In Capital and Capital Reserve	NCI in Loss for the Year	NON-CONTROLLING INTERESTS (NCI)	TOTAL EQUITY
<b>Balance as at 31 December 2020</b>		<b>1.9</b>	<b>0.2</b>	<b>515.2</b>	<b>244.2</b>	<b>(6.6)</b>	<b>752.9</b>	<b>(69.1)</b>	<b>685.8</b>	<b>2.5</b>	<b>0.2</b>	<b>2.7</b>	<b>688.5</b>
Loss for the Year		-	-	-	-	-	-	(201.1)	(201.1)	-	1.0	1.0	(200.1)
Other Comprehensive Income		-	-	-	-	5.4	5.4	-	5.4	-	-	-	5.4
Total Comprehensive Loss for the Year		-	-	-	-	5.4	5.4	(201.1)	(195.7)	-	1.0	1.0	(194.7)
Issue of new capital	<b>E.15</b>	<b>0.6</b>	-	129.0	-	-	129.0	-	129.6	-	-	-	129.6
Acquisition and Sale of NCI		-	-	-	0.4	(0.4)	-	-	-	(0.0)	-	(0.0)	(0.0)
Equity-settled share-based payment		-	-	3.5	-	-	3.5	-	3.5	-	-	-	3.5
Reclassification/ Others		-	0.1	-	(69.2)	-	(69.1)	69.1	-	(0.5)	(0.2)	(0.7)	(0.7)
<b>Balance as at 31 December 2021</b>		<b>2.6</b>	<b>0.3</b>	<b>647.6</b>	<b>175.4</b>	<b>(1.6)</b>	<b>821.7</b>	<b>(201.1)</b>	<b>623.2</b>	<b>2.0</b>	<b>1.0</b>	<b>3.0</b>	<b>626.2</b>
Loss for the Year		-	-	-	-	-	-	(743.8)	(743.8)	-	(0.3)	(0.3)	(744.1)
Other Comprehensive Loss		-	-	-	-	(0.3)	(0.3)	-	(0.3)	-	-	-	(0.3)
Total Comprehensive Loss for the Year		-	-	-	-	(0.3)	(0.3)	(743.8)	(744.1)	-	(0.3)	(0.3)	(744.4)
Acquisition and Sale of NCI	<b>C.14</b>	-	-	-	0.2	(0.0)	0.2	-	0.2	(0.2)	-	(0.2)	0.0
Equity-settled share-based payment	<b>C.14</b>	-	-	(3.5)	-	-	(3.5)	-	(3.5)	-	-	-	(3.5)
Reclassification/ Others		-	-	-	(198.2)	(1.3)	(199.5)	201.1	1.6	0.9	(1.0)	(0.1)	1.5
<b>Balance as at 31 December 2022</b>		<b>2.6</b>	<b>0.3</b>	<b>644.1</b>	<b>(22.6)</b>	<b>(3.2)</b>	<b>618.6</b>	<b>(743.8)</b>	<b>(122.7)</b>	<b>2.7</b>	<b>(0.3)</b>	<b>2.4</b>	<b>(120.3)</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	Notes	2022	2021 <sup>1</sup>
<b>Earnings before Interest and Taxes (EBIT)</b>		<b>(703.9)</b>	<b>(194.3)</b>
Adjustments for:			
Depreciation, amortization and impairment of non-current assets	D.12	516.0	218.8
Impairment of inventories	D.12	19.8	-
Net (gain)/loss on disposal of non-current assets	B.3	(7.4)	2.4
Losses from fair value measurement of financial instruments	D.6	16.1	2.9
Share of results from Associates and Joint Ventures	D.6	23.2	(2.5)
Equity-settled share-based payment transactions		(3.4)	3.5
Changes in:			
Changes from purchase and sale of inventories and advanced payments	E.8	(14.3)	(18.6)
Changes in receivables and other assets that are not attributable to investing activities	E.6, E.9, E.10, E.11, E.12	179.9	24.3
Changes in liabilities that are not attributable to financing activities	E.23	(8.5)	17.8
Changes in provisions	E.21	5.2	3.6
<b>Cash generated from operating activities</b>			
Interest paid	A.2	(0.6)	(0.7)
Income taxes paid	D.14	(21.4)	(26.7)
<b>Net cash flows from operating activities</b>		<b>0.7</b>	<b>30.5</b>
Acquisition of Subsidiaries		-	7.5
Sale of Subsidiaries	B.3	13.3	-
Outflow for Alignment Capital Investments		(0.8)	(1.7)
Inflow from repayment of Alignment Capital Investments	E.3	9.9	0.2
Payments for acquisition of PPE		(0.5)	(0.6)
Proceeds from sale of PPE		0.1	1.6
Payments for acquisition of intangible assets		(0.1)	(0.5)
Proceeds from sale of other intangible assets		0.6	-
Purchase of other financial instruments	E.4	(18.1)	-
Sale of other financial instruments	E.4	13.1	3.2
<b>Net cash flows generated from investing activities</b>		<b>17.5</b>	<b>9.7</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

€ million	Notes	2022	2021 <sup>1</sup>
<b>Net cash flows generated from investing activities</b>		<b>17.5</b>	<b>9.7</b>
Repayment of lease liabilities	A.2	(4.2)	(4.5)
Proceeds from loans and borrowings	E.20	10.6	0.8
Repayment of loans and borrowings	E.20	(31.3)	(39.5)
Interest Expenses	D.13	(14.1)	(14.6)
Interest Income		1.7	2.1
<b>Net cash flows used in financing activities</b>		<b>(37.3)</b>	<b>(55.7)</b>
<b>Cash and cash equivalents at the beginning of the Year</b>		<b>75.7</b>	<b>91.2</b>
Net decrease in cash and cash equivalents		(19.1)	(15.5)
<b>Cash and cash equivalents at the end of the Year</b>		<b>56.6</b>	<b>75.7</b>

<sup>1</sup> The Consolidated Statement of Cash Flows is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial 2021 (see Note A.2).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## A. CORPORATE INFORMATION & BASIS OF PREPARATION

### A.1 Corporate Information

Corestate Capital Holding S.A. (hereafter “CCH SA” or “the Company”) is a limited liability company (Société Anonyme) incorporated under Luxembourg law, with registered office at 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. The Company was registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés) under number B 199 780 on 7 September 2015.

Since 2017 the Company’s shares are traded on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

CCH SA is an investment manager for real estate equity and debt specializing in the creation and subsequent realization of real estate related investments in Europe for private and institutional clients. CCH SA and its subsidiaries (collectively “the Group” or “Corestate”) offered a fully integrated business model, are active as a co-investor and asset and property manager and are focused on residential and commercial (primarily office, mixed use and retail) real estate as well as micro-living projects. Geographically, the Group primarily concentrated on the German market but also was selectively active in other attractive markets in Europe such as France, United Kingdom, Austria, Switzerland, Poland and Spain. Its investment product offering covered the full range of the risk / return curve, i.e. from value-add / opportunistic to core, and, in each case, was tailor made to the specific requirements of its clients. As a key element of its business model, the Group was 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 31 December 2022, the Group employs 415 FTE (2021: 811 FTE) in 6 countries with main offices in Luxembourg, Frankfurt, Pullach, Madrid, Paris, Oxford, and Pfäffikon, providing direct access to local markets. These employees are mainly based in Germany (221 FTE), United Kingdom (113 FTE), Luxembourg (22 FTE), France (21 FTE), Switzerland (18) and others.

The consolidated financial statements of CCH SA and its subsidiaries for the year ended 31 December 2022 were authorized for issue in accordance with a resolution of the Management Board and the Supervisory Board on 16 December 2025. The consolidated

financial statements are subject to approval by the Annual General Meeting of Shareholders.

The consolidated financial statements of CCH SA 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. Please note that on 1 August 2025 the Company's offices moved to 9-11, Grand-Rue, L-1661 Luxembourg. Additionally, the annual accounts under Luxembourg GAAP of the Company will be filed with the Companies Register and an extract will be published in the Recueil Electronique des Sociétés et Association in accordance with Luxembourg Company Law.

## A.2 Basis of Preparation

### *General principles*

The consolidated financial statements of CCH SA for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as adopted by the European Union ("EU").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value (see Note F.5 Fair Value Assets and Liabilities). The consolidated financial statements are presented in Euro, which is the presentation currency of the Group and the functional currency of the Parent Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

All values are rounded to the nearest million (€m), except when otherwise indicated. Due to rounding, numbers presented may not add up precisely to totals provided. The consolidated financial statements provide comparative information in respect of the previous period.

The Group presents assets and liabilities in its consolidated statement of financial position based on current/non-current classification. Assets and liabilities are classified as current when the Group expects them to be realized or settled in the normal operating cycle (e.g., inventories from warehousing or other current financial assets), the Group holds the asset or liability primarily for the purpose of trading, the Group expects them to be realized or settled within twelve months after the reporting date and does not have the right (at the end of the reporting period) to defer settlement of the liability for at least twelve month after the reporting period (e.g., trade receivables/payables), or the asset is cash or cash equivalent unless restricted.

All other assets and liabilities are classified as non-current, incl. deferred tax assets and liabilities.

Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in these 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.

### *European Single Electronic Format (“ESEF”)*

The consolidated financial statements of Corestate Capital Holding S.A. for the financial year ended 31 December 2022 have been prepared in accordance with the requirements of the European Single Electronic Format (“ESEF”). In line with the applicable regulatory framework, the Group has prepared its primary financial statements in valid xHTML format and applied XBRL tagging using the relevant core taxonomy to ensure consistent, transparent and machine-readable digital reporting.

Corestate Capital Holding S.A. has duly submitted and published the ESEF-compliant annual financial report, including the xHTML document and the accompanying XBRL tags, in accordance with the filing and disclosure obligations applicable in the European Union. The Company is committed to maintaining high-quality digital reporting standards and ensuring full compliance with the ESEF Regulation for the benefit of investors and other stakeholders.

### *Going concern basis*

The Management Board is responsible for the assessment of the Group’s ability to continue as a going concern. In the evaluation, the Management Board considered the inherent risks to the Group’s business model, including the ongoing conflict in Ukraine, the current interest rate environment and wider macroeconomic landscape. The Management Board analyzed how these risks might affect the Group’s financial resources or ability to continue operations in the foreseeable future.

As at 31 December 2022, the Group is in a net current liability position of € 414.1m (2021: € 30.2m). This is primarily due to amounts owed to bondholders of the Group for an amount of € 502.0m, classified as “Current Financial Liabilities from Bonds” (2021: € 488.9m), see also Note E.20. These liabilities were restructured post-year-end and will no longer be repaid in 2023. Due to various impairments and necessary individual value adjustments (incl. risk provisions) in 2022, the Group is also in a negative net equity position of € 120.3m as at year end (2021: positive net equity of € 626.2m). “Cash and cash equivalents” amount to € 56.1m, excluding restricted cash of € 0.5m (2021: € 62.8m).

In assessing the Group’s ability to continue as a going concern, the Management Board has considered the Group’s capacities in generating positive future cash flow results. Based upon the resolutions passed by the creditors’ meeting and General Meetings in June and July 2023, the debt restructuring and recapitalization were completed in August

2023. This included a reduction in the financial liabilities from bonds by around 78% through waiver by creditors of bond obligations for an amount of € 394.1m, out of which € 382.5m is related to bond nominal amounts and € 11.6m relates to interest due, and an extension of the bond repayment deadline until 31 December 2026. Further, a capital reduction was executed, decreasing the Group's issued share capital by € 2,558,498.50 to € 6,174.00, without any cancellation of shares or any payments to shareholders. Immediately thereafter, a capital increase was carried out, raising the share capital by € 23,826.00 to € 30,000.00 through the issuance of 132 million new shares to the bondholders and to the management. These measures together with the period's operations of 2023 led to a preliminary (unaudited) positive net equity of € 107.3m and a cash position of € 39.3m as of 31 December 2023.

In addition, the operational restructuring of Corestate including an extensive cost-cutting program has been successfully implemented by end of 2024. With the liquidation of Corestate Bank as well as the sale of CRM and STAM, the Group structure will consist in the future of Corestate as a holding company and Hannover Leasing as operating subsidiary with a clear focus on investment and asset management.

In November 2025, the Group reached agreement with a majority of holders of its two outstanding senior notes amounting to € 64.8m and to € 40.7m, to further extend the bonds' maturities to 31 December 2028. As of 31 December 2022, before the financial restructuring, the senior notes were referred to as senior unsecured and convertible bonds.

More than 75% of the noteholders support the planned adjustments, which include, among other things, an extension of the maturity until the end of 2028. Under the agreed amendment, the interest rate on the senior notes will be 8%, 12% and 15% in 2026, 2027 and 2028 respectively. A corresponding lock-up agreement has been signed by the main noteholders. The creditors' meetings for formal resolution are scheduled for the end of December 2025. This extension gives Corestate the necessary time to implement the ongoing asset disposal program without sales pressure and thus maximize value.

Refer to Note F.9 Significant Events after the Reporting Date for further details.

In summary, the circumstances that lead to a material going concern uncertainty relate primarily to the Group's assumptions and liquidity forecast. The key assumptions for the going concern are the following:

- a) the full repayment of the Super Senior Bonds through its remaining asset disposals by end of 2026;
- b) the extension of the Senior Bonds until end of 2028 and the partial repayment of those notes through the remaining asset disposals; and
- c) the Group's capacities in generating positive future EBITDA / cash flow results and therefore its ability to repay or refinance the remaining bond values by end of 2028.

Overall, considering the above assumptions, as at the date of the issuance of these consolidated financial statements, the Management Board expects that the Group will have adequate resources to meet its cash flow requirements for at least the next twelve months. These consolidated financial statements were prepared using the going concern assumption that the Group will continue its operations for the foreseeable future. The Group plans to repay its liabilities using proceeds from assets expected to be disposed of in the future. However, uncertainty remains for the next twelve months from the approval of these financial statements in the future fair value of the assets. The above circumstances, nevertheless, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

### *Comparatives*

#### *Consolidated Statement of Cash Flows*

For 2021 the presentation of cash payments for the interest portion of lease payments amounting to € 0.7m has been changed to show it as a cash flow from operating activities under "Interest paid" within the Consolidated Statement of Cash Flows, rather than as a cash flow from financing activities within "Repayment of lease liabilities" in order to achieve more appropriate presentation and to ensure comparability with the balances for the financial year ended 31 December 2022. Such regrouping or reclassification did not affect previously reported balances.

#### *Consolidated Statement of Profit or Loss*

##### *Other income*

The presentation of Other Income in 2021 has been changed to show the additional line items Reversal of Written-Down Receivables in the amount of € 3.4m and Income from Reversal of Provisions in the amount of € 5.5m, rather than to include both amounts in the line-item Other Income in order to ensure comparability with the balances for the financial year ended 31 December 2022. Such regrouping or reclassification did not affect previously reported balances.

#### *Representation of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*

##### *Consolidated Statement of Cash Flows*

The net cash flows from operating and investing activities for 2021 were represented according to the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations to show CRM in continued operations rather than in discontinued operations. The changes of the net cash flows from operating activities related to the following line items: Earnings before Interest and Taxes (EBIT) (€ -6.4m), Depreciation, amortization and impairment of non-current assets (€ 4.5m), Share of results from Associates and Joint Ventures (€ -2.7m), Changes in receivables and other assets that are not attributable to investing activities (€ 2.9m), Changes in liabilities that are not attributable to financing activities (€ 0.6m) and Income taxes paid (€ 0.6m) resulting in a change of Net cash flows from operating activities of € -0.5m. The changes of the net cash flows from investing activities related to the following line items: Payments



for acquisition of PPE (€ -0.2m) resulting in a change of net cash flows from investing activities of € -0.1m. Such representation did not affect previously reported balances.

#### *Consolidated Statement of Profit or Loss*

The presentation of Net loss for the Year from Discontinued Operations for 2021 of € 7.2m was changed to € 1.1m to show the revised strategy concerning the sale of CRM. Due to the fact that it is no longer seen as held for sale and consequently to show it as a continued operation, CRM was represented from the Net Loss for the Year from Discontinued Operations to the respective “Total Revenue from Real Estate Equity Segment” (€ 11.9m), “Total Expenses from Real Estate Equity Segment” (€ -15.1m), “Total Expenses from Other Segment” (€ 0.2m), “Other Income” (€ 0.8m), “Depreciation, Amortization and Impairment” (€ -4.4m) and “Income Tax Expense” (€ 0.3m) line items and ultimately to the Net Loss for the Year from Continued Operations for 2021 (€ -6.1m) following the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Such representation did not affect previously reported balances.

However, the strategic options for CRM were re-evaluated by management in 2022 and it is no longer seen as held for sale since the quarter-end close 30 September 2022. Due to these circumstances the net loss for the year from discontinued operations for 2021 related to CRM was represented to the net loss for the year from continued operations.

### **A.3 General Remarks on Macro-Economic Circumstances**

Overall, Corestate faces an increasingly complex and uncertain macroeconomic and geopolitical environment, including potential energy and gas shortages or supply disruptions. In addition, there is less predictable and increasing volatility in commodity and financial markets, including equity and currency prices, due to rising interest rates and inflation rates, and increasing fears of a possible economic downturn.

The impact of the coronavirus pandemic (COVID-19) on Corestate's consolidated financial statements was considered dependent on the further development of virus variants and their threat, the progress of global vaccinations, the effectiveness of vaccines and, related to this, the continued imposition of lockdowns. The impact varied significantly by region and customer industry.

The business environment in 2022 required Corestate to address COVID-19, the war in Ukraine and the sanctions imposed on Russia, in addition to considering potential countermeasures by Russia.

Uncertainties in forecasts continue to exist, leading to the use of estimate- and assumption-sensitive accounting policies and management judgements. These may have a negative impact on the fair values and carrying amounts of assets and liabilities as well as the amount and timing of Corestate's profit realisation and cash flows. The severity and duration are critical to the extent of potential impacts to Corestate's consolidated



financial statements. The Company based its estimates and assumptions on currently available knowledge and the best information available.

Despite the uncertainties, management expects a stabilized outlook for the next years compared to 2021. This is also reflected in the planning periods of the Group's CGUs (cash-generating-units; for goodwill and impairment test issues see Note C.4 and E.1).

In addition, the large-scale business disruptions caused by the aforementioned macro-economic uncertainties may give rise to (temporary) liquidity issues for some entities within product structures. Deterioration in credit quality of loan portfolios and trade receivables (amongst other items) as well as the uncertainty caused by COVID-19 may have a non-negatable impact on the fair value measurements explicit for all financial instruments and for all impairment testing assets in the Group.

#### A.4 New and revised IFRS Accounting Standards in issue but not yet effective

The amendments presented in the following table had no material effect on the consolidated financial statements of Corestate:

Standard / Interpretation	Title and date of issuance	Date of endorsement	Date of publication in the Official Journal
Amendments to IFRS 3	"Business Combinations": Amendment to References to the Conceptual Framework (issued on 14 May 2020)	28 June 2021	2 July 2021
Amendments to IAS 16	"Property, Plant and Equipment": Proceeds before Intended Use (issued on 14 May 2020)	28 June 2021	2 July 2021
Amendments to IAS 37	"Provisions, Contingent Liabilities and Contingent Assets": Onerous Contracts – Cost of Fulfilling a Contract (issued on 14 May 2020)	28 June 2021	2 July 2021
Annual improvements to IFRS 2018–2020	Amendments to  IFRS 1 "First-time adoption of International Financial Reporting Standards": Subsidiary as a First-Time Adopter"  IFRS 9 "Financial Instruments": Fees in the "10% Test" for Derecognition of Financial Liabilities  IFRS 16 "Leases": Lease Incentives  IAS 41 "Agriculture": Taxation in Fair Value Measurements  (issued on 14 May 2020)	28 June 2021	2 July 2021

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and in some cases have not yet been adopted:

Standard / Interpretation	Title and date of issuance	EU effective date	Date of endorsement	Date of publication in the Official Journal
New Standard IFRS 19	“Subsidiaries without Public Accountability: Disclosures” (issued on 9 May 2024)	1 January 2027	Not yet endorsed	Not yet published
Amendments to IFRS 19	“Subsidiaries without Public Accountability: Disclosures” (issued on 21 August 2025)	1 January 2027	Not yet endorsed	Not yet published
New Standard IFRS 18	“Presentation and Disclosure in Financial Statements” (issued on 9 April 2024)	1 January 2027	Not yet endorsed (expected for Q1/2026)	Not yet published
Annual Improvements Volume 11	<p>Improvements include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards:</p> <p>IFRS 1 “First-time Adoption of International Financial Reporting Standards”: Hedge accounting by a first-time adopter</p> <p>IFRS 7 “Financial Instruments: Disclosures”:</p> <p>a) Gain or loss on derecognition;</p> <p>b) deferred difference between fair value and transaction price;</p> <p>c) credit risk disclosures;</p> <p>IFRS 9 “Financial Instruments”:</p> <p>a) Lessee derecognition of lease liabilities</p> <p>b) Transaction price</p> <p>IFRS 10 “Consolidated Financial Statements”; Determination of a ‘de facto agent’</p> <p>IAS 7 “Statement of Cash Flows”: Cost method</p> <p>(issued on 18 July 2024)</p>	1 January 2026	9 July 2025	10 July 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Standard / Interpretation (continued)	Title and date of issuance	EU effective date	Date of endorsement	Date of publication in the Official Journal
Amendments to IFRS 9 and IFRS 7	“Financial Instruments”: Contracts Referencing Nature-dependent and Electricity (issued on 18 December 2024)	1 January 2026	30 June 2025	1 July 2025
Amendments to IFRS 9 and IFRS 7	“Financial Instruments”: Classification and Measurement of Financial Instruments (issued on 30 May 2024)	1 January 2026	27 May 2025	28 May 2025
Amendments to IAS 21	“The Effects of Changes in Foreign Exchange Rates”: Determination of Exchange Rates in the Event of Lack of Exchangeability (issued on 15 August 2023)	1 January 2025	12 November 2024	13 November 2024
Amendments to IAS 7 and IFRS 7	“Statement of Cash Flows” and “Financial Instruments: Disclosures”: Disclosure requirements in connection with supplier finance arrangements (issued on 25 May 2023)	1 January 2024	15 May 2024	16 May 2024
Amendments to IAS 1	“Presentation of Financial Statements”  – Classification of Liabilities as Current or Noncurrent (issued on 23 January 2020)  – Deferral of Effective Date (issued on 15 July 2020)  – Classification of Noncurrent Liabilities with Covenants (issued on 31 October 2022)	1 January 2024	19 December 2023	20 December 2023
Amendments to IFRS 16	“Leases”: Accounting of a Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	1 January 2024	20 November 2023	21 November 2023
Amendments to IAS 12	“Income taxes”: International Tax Reform – Pillar Two Model Rules (issued on 23 May 2023)	Immediately and 1 January 2023	8 November 2023	9 November 2023
Amendments to IFRS 17	“Insurance contracts”: Initial Application of IFRS 17 and IFRS 9: Comparative Information (issued on 9 December 2021)	1 January 2023	8 September 2022	9 September 2022

Standard / Interpretation (continued)	Title and date of issuance	EU effective date	Date of endorsement	Date of publication in the Official Journal
Amendments to IAS 12	“Income Taxes”: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023	11 August 2022	12 August 2022
Amendments to IAS 1	“Presentation of Financial Statements” and IFRS Practice Statement 2: “Disclosure of Accounting policies” (issued on 12 February 2021)	1 January 2023	2 March 2022	3 March 2022
Amendments to IAS 8	“Accounting policies, Changes in Accounting Estimates and Errors”: Definition of Accounting Estimates (issued on 12 February 2021)	1 January 2023	2 March 2022	3 March 2022
New Standard IFRS 17	“Insurance Contracts” (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023	19 November 2021	23 November 2021

The Group is still in the process of assessing the impact of the accounting standards IFRS 19 Subsidiaries without Public Accountability: Disclosures; the Amendments to IFRS 19; Annual Improvements Volume 11 (including amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7); the Amendments to IFRS 9 and IFRS 7 Financial Instruments: Contracts Referencing Nature-dependent and Electricity; the Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments; the Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates; the Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements; the Amendments to IAS 1 Presentation of Financial Statements; the Amendments to IFRS 16 Leases: Sale and Leaseback; the Amendments to IAS 12 Income Taxes: Pillar Two Model Rules; the Amendments to IFRS 17 Insurance Contracts; the Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction; the Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies; the Amendments to IAS 8 Definition of Accounting Estimates; IFRS 17 Insurance Contracts and IFRS 18 Presentation and Disclosure in Financial Statements, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for management-defined performance measures (MPMs).

## B. SCOPE OF CONSOLIDATION AND BUSINESS COMBINATIONS

### B.1 Consolidation Scope

The consolidated financial statements comprise the financial statements of CCH SA and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

In the reporting period 2021, the property management businesses of Capera (Capera Immobilien Service GmbH) and CRM (a boutique comprising the following entities: CRM Students Ltd., Hartly Invest S.L.U, Cisnes e Silhuetas Unipessoal Lda and CRM MICRO LIVING SERVICES Italy S.R.L.) were classified and reported as held for sale in the consolidated financial statements in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (refer to Note A.2). In May 2022, the Group successfully sold the property management business of Capera for € 13.3m in cash (refer to Note B.3).

Eleven additions to the consolidated entities were made in 2022. A notable impact on the consolidated financials only resulted from the warehousing asset located in Augsburg (i.e., LAUREA Verwaltungsgesellschaft mbH & Co. Vermietungs KG). This entity was deconsolidated in 2023 following the disposal of all remaining shares to external investors (full market placement of the warehousing asset).

The following table shows the movements of consolidated entities:

	2021	First consol- idation	Deconsol- idation	Merger	2022
<b>Consolidated Entities</b>	<b>118</b>	<b>11</b>	<b>13</b>	<b>12</b>	<b>104</b>
thereof Germany	55	7	4	7	51
thereof Other Countries	63	4	9	5	53

Seventeen associated companies have been disposed of during the reporting period.

The following table shows the movements of associated entities:

	2021	Additions	Disposals	Merger	2022
<b>Associated Entities</b>	<b>98</b>	-	<b>17</b>	<b>1</b>	<b>80</b>
thereof Germany	17	-	3	-	14
thereof Other Countries	81	-	14	1	66

Overall, the Group acquired a total of net assets amounting to € 3.8m (2021: € 40.0m) through first-time consolidation of nine entities presented below. Accordingly these acquisitions are considered immaterial individually and collectively. Net assets acquired primarily consist of tangible assets while other asset types or liabilities are considered insignificant. No goodwill arose as a result of these business combinations. These entities were consolidated in line with IFRS 3 “Business combination” as a result of gaining control via majority of the votes. In total, these first-time consolidated entities account for revenues in the amount of € 1.2m (2021: € 27.1m) and net results of € 0.8m (2021: € -4.4m).

Name of Acquired Company	Seat and Country of Incorporation	Acquisition date	Equity Interest
HANNOVER LEASING Finance GmbH	Pullach / Germany	28 Feb 2022	94.90%
HL Augsburg Offices GmbH & Co. geschlossene Investment-KG	Pullach / Germany	30 Apr 2022	53.43%
King AIF 1 S.à r.l.	Luxembourg	31 Dec 2022	100.00%
King AIF 2 S.à r.l.	Luxembourg	31 Dec 2022	100.00%
King OpCo S.à r.l.	Luxembourg	31 Dec 2022	100.00%
King PropCo S.à r.l.	Luxembourg	31 Dec 2022	100.00%
LAUREA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	30 Apr 2022	57.62%
MITHRAS Verwaltungsgesellschaft mbH	Pullach / Germany	31 Aug 2022	85.31%
NIGELLA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	31 Jul 2022	82.53%

Two former non-consolidated entities, CORNALES Verwaltungsgesellschaft mbH & Co. Vermietungs KG and LIVIA Verwaltungsgesellschaft mbH, were consolidated for the first time.

The following table includes the number of companies that have been excluded from consolidation due to their immaterial effects on the Group's net assets, financial position, and results of operations. These are predominantly shelf companies without any operating business or general partner limited liability companies without any further business operations.

Number of Companies	2022	2021
<b>Not consolidated companies due to immaterial effects</b>		
Subsidiaries	143	166
Associates & Joint Ventures	51	52

25 entities presented below have been deconsolidated during the year. Thirteen formerly full-consolidated entities (9 of them liquidated, 4 sold) led to a total net result of € 10.0m (2021: € 0.0m). This was mainly due to a positive effect of € 11.6m from the sale of Capera (see also Notes B.3 and D.10). 12 formerly fully consolidated entities have been merged within the Group.

Name of Deconsolidated Company	Seat and Country of Incorporation	Equity Interest
Aggregate Debt Advisory GmbH	Frankfurt on Main / Germany	merged
Corestate Capital International S.à r.l.	Luxembourg	merged
Corestate Capital Investors (Europe) GmbH	Frankfurt on Main / Germany	merged
Corestate Capital Sales Holding S.à r.l.	Luxembourg	merged
Corestate Marketing GmbH	Frankfurt on Main / Germany	merged
Corestate Shelf 11 S.à r.l.	Luxembourg	merged
Dedan AIF S.à r.l.	Luxembourg	merged
GALENA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	merged
JOYN Vermietungsgesellschaft mbH	Frankfurt on Main / Germany	merged
Livision GmbH	Frankfurt on Main / Germany	merged
Madison HoldCo S.à r.l.	Luxembourg	merged
NOVELLINO Geschäftsbesorgungs GmbH & Co. Verwaltungs KG	Pullach / Germany	merged
Corestate Capital Italy S.R.L.	Milan / Italy	liquidated
Corestate Capital Partners UK Ltd.	London / United Kingdom	liquidated
Court PropCo S.à r.l.	Luxembourg	liquidated
Freizeitgeräte Leasing GmbH i. L.	Pullach / Germany	liquidated
LOMBARDO Verwaltungsgesellschaft mbH	Pullach / Germany	liquidated
Mariggo Investments sp.z.o.o.	Warsaw / Poland	liquidated
Paolia sp.z.o.o.	Warsaw / Poland	liquidated
Wallhalla PropCo S.à r.l.	Luxembourg	liquidated

Name of Deconsolidated Company (continued)	Seat and Country of Incorporation	Equity Interest
Wallhalla HoldCo S.à r.l.	Luxembourg	liquidated
Capera Immobilien Service GmbH	Neu-Isenburg / Germany	sold
CE Bad Honnef Betriebsgesellschaft mbH	Frankfurt on Main / Germany	sold
HARBOUR AcquiCo 1 AIF S.à r.l.	Luxembourg	sold
Rose HoldCo S.à r.l.	Luxembourg	sold

## B.2 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquisition. The Group as acquirer measures the identifiable assets acquired and the liabilities assumed (including contingent liabilities) at their acquisition-date fair values. For each business combination, the Group measures the non-controlling interests in the acquisition at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the respective expense category (e.g. legal and consulting costs) as well as segment reporting. The Group as acquirer recognises goodwill as of the acquisition date measured as the excess of (a) the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over (b) the net of the acquisition-date amounts of the identifiable assets acquired, and the liabilities assumed measured in accordance with IFRS 3.

The acquisition of an asset or a group of assets that does not constitute a business: in such cases the acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent liabilities recognised in a business combination are initially measured at fair value at acquisition date. After initial recognition and until the liabilities are settled, cancelled or expired, these liabilities are measured at the higher of (a) the amount that would be recognised in accordance with IAS 37; and (b) the amount initially recognised less, if appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.



### B.3 Deconsolidation

In May 2022, the Group successfully sold the property management business of Capera for € 13.3m in cash. The purchase price was reduced by € 0.1m compared to the quarterly statement as of 30 June 2022 due to the contractually stipulated assumption of the generated loss of Capera in the amount of 30% until the date of sale. The amount of the loss absorption is based on the annual financial statements of Capera for the short financial period from 1 January 2022 to 31 May 2022, which were prepared and audited on 18 November 2022. 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
<b>Voting rights sold</b>	<b>100.0%</b>
Property, Plant & Equipment	2.5
Intangible Assets	1.6
Trade Receivables	1.4
Other Assets	0.4
Cash and Cash Equivalents	0.3
<b>Total Assets</b>	<b>6.2</b>
Other Provisions	1.4
Liabilities to CCH SA	0.3
Trade Payables	0.3
Other Liabilities	2.5
<b>Total Liabilities</b>	<b>4.6</b>
<b>Net Assets sold</b>	<b>1.6</b>
<b>Sale Price</b>	<b>13.3</b>
<b>Gain from Deconsolidation</b>	<b>11.6</b>
Revenues until Date of Deconsolidation <sup>1</sup>	7.4
Net Loss until Date of Deconsolidation <sup>2</sup>	(1.5)

<sup>1</sup> Amount is presented under Net (gain)/loss on disposal of non-current assets in the Consolidated Statement of Cash Flows

<sup>2</sup> Amount is presented as Net Loss for the Year from Discontinued Operations in the Consolidated Statement of Profit or Loss

## C. SIGNIFICANT ACCOUNTING & VALUATION POLICIES

### C.1 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's 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 in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have significant effect on the amounts recognized in the consolidated financial statements:

#### *Business Combinations*

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair value. One of the most significant estimates relates to the determination of the fair value of these asset and liabilities. Land, buildings and equipment are usually independently appraised while marketable securities are valued at market price. If any intangible assets identified, depending on the type of intangible asset and the complexity of determining its fair value, the Group either consults with an independent external valuation expert or develops the fair value internally, using an appropriate valuation technique which is generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by the Group's management regarding the future performance of the assets concerned and any changes in the discount rate applied (see Note E.1).

#### *Recoverability of Goodwill and brand names*

The Group tests annually and, in addition, if any internal or external indicator exists, whether goodwill and brand names with indefinite useful lives need to be impaired. If an indicator prevails, the recoverable amount of the affected cash-generating unit(s) has to be estimated which is determined as the greater of the fair value less costs to sell and the value in use. The determination of the recoverable amount involves making judgements and estimates related to the projection and discounting of future cash flows. Although the Group's management believes the assumptions used to calculate recoverable amounts

are appropriate, any unforeseen changes in these assumptions could result in an impairment to goodwill or brand names in the future which could adversely affect the future financial position and operating results (see Note E.1).

#### *Other Financial Instruments*

For other financial instruments that are measured at fair value, there is estimation uncertainty in determining the fair value. Depending on the level of fair values, the estimation uncertainty is being regarded as significant. This particularly relates to level 3 fair values for which the lowest level input that is significant to the fair value measurement is unobservable.

#### *Expected Credit Loss*

For financial assets measured at amortized cost a provision for expected credit losses (ECLs) is recognized. The determination of the ECL follows a 3-stage approach:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (ECL Stage 1)
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (ECL Stage 2) – this step also applies to trade receivables, for which a simplified approach starting with ECL Stage 2 is applied
- If the financial asset's credit risk increases to the point where it is considered credit-impaired, a loss allowance is still required for credit losses expected over the remaining life of the exposure, however, interest revenue is then calculated based on the loan's amortized cost (ECL Stage 3)

The provision rates are based on multiple inputs (i.e. depending on geographical region, product type, customer type and rating, and collateral). The calculation of the provision reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In particular for financial assets that are considered credit impaired (ECL Stage 3) the determination of the provision of ECL is subject to significant estimation uncertainty relating to assumptions on the expected timing of cash flows and the value of credit enhancements (such as collateral). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note F.4.

#### *Assessing significant influence on Associates and Joint Ventures*

Generally, entities are classified as Associates in case the Group holds more than 20% and less than 50% of the voting rights. However, the Group classifies entities also as an Associate if it holds less than 20% of the voting rights and considers that it has a

significant influence on such entity based on the underlying investment documentation. Significant influence is usually evidenced in one or more of the following ways:

- Representation on the Board of directors or equivalent governing body of the investee,
- Participation in policy-making processes, including participation in decisions about dividends or other distributions,
- Material transactions between the entity and its investee,
- Interchange of material personnel,
- Provision of essential technical information.

With regard to providing real estate investment management services the Group regularly enters into asset management agreements with all parties involved. A significant part of these asset management services is to provide the investee with the Group's expertise which also involves technical services, i.e., market information, asset management and business plan expertise. Hence, the provision of technical services through an asset management contract to associated entities as investees is considered a supplementary indicator (see Note E.3).

#### *Valuation of Investment properties of Associates and Joint Ventures, and Inventories*

The fair value of investment property as the main assets of the Associates and Joint Ventures, and Inventories (real estate properties in "Real Estate Operations and Warehousing" as part of other segments) is determined by using recognised valuation techniques. Such fair value measurement has a significant impact on the Group's Investment in Associates, and Inventories. The valuation technique comprises mainly the income method (DCF (dis- counted cash flow) based). Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the property's cash inflows and outflows over its life including estimated rental income and an exit or terminal value. This involves the projection of future cash flows which are discounted by a market-derived discount rate in order to determine the property's fair value. For the purpose of IFRS 13, the fair value measurement of investment property and inventories is considered to be a Level 3 method (see Note C.2).

Main key input parameters used in the DCF models include:

- Discount rate
- Cap rate
- Market rents
- Vacancy rate (current/long-term)
- Annual rent adaptation

- Maintenance costs
- Inflation rate
- Costs to sell

The net cash flow for the planning period is discounted to the valuation date using an appropriate discount rate for each property. The capitalization rate is used to forecast future cash flows into perpetuity following the ten-year planning period (as it is assumed that properties are held for a 10-year period). Key input parameters may vary depending on the real estate property usage (i.e., commercial or residential building, student homes and developments), on the location and condition of the property and market trends.

If the property market or general economic situation develops negatively, there is a risk that the measurements might have to be adjusted. If the real estate assets decline in value, this would have a negative effect on the Group's Investment in Associates and Joint Ventures, Loans to Associates and Joint Ventures and Receivables from Associates or Joint Ventures (for further information see Note A.3 and a sensitivity analysis of the effect of changes in the value of the Associates and Joint Ventures see Note E.3).

#### *Promote and Coupon Participation Fee*

In some projects, the Group is entitled to receive a success fee ("promote fee") equalling from 15% to 20% of the net project returns. The claim for the promote fee is only recognised when the relevant transaction documentation resulting in a net project return has been validly entered into (signed) and becomes only payable after all investor commitments have been fully repaid to the investors. At this time, it is probable that the promote fee will flow to the Group. Promote fees represent a compensation for the Group's investment management services rendered in relation to a particular investment and predominantly is an element in the fee pattern of investment products for private clients. In case certain amounts of the net project return are withheld at closing of a transaction for escrow purposes, the payment of the pro-rated promote fee is also deferred until the amounts in escrow are released.

Coupon Participation Fees, included in Revenue from Sales and Promote Fees realised line item, are generated through sustainable and significant excess returns of HFS products (mezzanine financing) above a certain pre-agreed hurdle rate. The Group's contracts with customers for these types of services generally include one performance obligation. The Group has concluded that revenue from Coupon Participation Fees should be recognized over time when the services are provided because the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group uses an output method to measure progress towards complete satisfaction of the return on investment of the HFS Funds based on monthly fair value measurement of the mezzanine financing (see Note C.18).

*Provisions and contingent liabilities*

Provisions are liabilities of uncertain amount or due date. The recognition of a provision generally requires a present obligation as a result of a past event, that a corresponding outflow of resources is probable and that the amount of this outflow of resources can be reliably estimated. This can inter alia include obligations from restructuring activities or litigation cases. Provisions are measured using the best estimate of the extent of the obligation.

Contingent liabilities are possible obligations for which the event has not occurred, or the probability of a settlement is not more likely than not at the reporting date. This amongst others can include obligations to make additional financial contributions to investments or obligations from guarantees or letters of comfort. Contingent liabilities are measured using the best estimate of the extent of the obligation.

**C.2 Fair Value Measurement**

The Group measures some financial instruments such as derivatives and some non-financial assets such as investment properties in Associates at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following Notes:

<b>Disclosure</b>	<b>Note</b>
Disclosures for valuation methods, significant estimates and assumptions	Note F
Disclosures of fair value measurement hierarchy	Note F
Investment properties	Note C.6
Inventories	Note C.10
Investment in unquoted equity shares	Note F
Financial instruments (including those carried at amortized cost)	Note F

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities,

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (comparable transactions),

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (valuation models).

For assets and liabilities that are measured at fair value on a recurring basis in the financial statements, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Executive Management ("Group's management") determines the policies and procedures for both recurring fair value measurement, such as investment properties and certain financial assets.

At each reporting date, the Group's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Generally external valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by the Group's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### C.3 Foreign Currencies

The Group's presentation currency is the Euro (€), which is the presentation currency of the Group and the functional currency of the Parent Company and for the majority of the subsidiaries which are fully consolidated. The Group's performance and its liquidity management is evaluated in Euro. Therefore, the Euro is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As the sole exception, for CRM the functional currency is the British Pound (GBP).

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

On consolidation, the assets and liabilities of foreign operations (i.e. CRM) are translated into Euro at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### C.4 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses (see also Note C.1). As such, goodwill as well as other long-lived assets (see Note C.5) are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. In determining an asset's value in use, the estimated future cash flows are discounted using a pre-tax rate that reflects the market's current assessment of the cost of money for the investment period and the specific risk profile of the asset. The



recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are identifiable cash flows (CGU's).

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU's or groups of CGU's that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquisition are assigned to those units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### C.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Amortization is calculated on a straight-line basis over the estimated useful lives of the intangible assets with a finite life, as follows:

- Software 3 to 5 years
- Asset Management Agreements 2 to 17 years
- Order Backlog up to 2 years
- Customer Relationships 4 years
- Corporate brand 'YOUNIQ' 14 years

Intangible assets with indefinite useful lives relate to goodwill and brand names, since both of them are not being worn down throughout a lifespan and are not being used together with specific other assets that have a finite usage period. Goodwill and brand names are not amortized but are tested for impairment annually at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

## C.6 Investments in Associates & Joint Ventures

### *Recognition and subsequent measurement*

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

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

The Group's investments in its Associates and Joint Venture are accounted for using the equity method. Under the equity method, the investment in an Associate or a Joint Venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the Associate or Joint Venture since the acquisition date. Goodwill relating to the Associate or Joint Venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the Associate or Joint Venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the Associate or Joint Venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the Associate or Joint Venture are eliminated to the extent of the interest in the Associate or Joint Venture.

The aggregate of the Group's share of profit or loss of an Associate or a Joint Venture is shown in Share of Profit or Loss from Associates or Joint Venture on the face of the consolidated statement of profit or loss. All balance sheet items and line items in the consolidated statement of other comprehensive income that are related to the associated entities belong to the Alignment Capital Management segment.

The financial statements of the Associate or Joint Venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Typically, adjustments are made to account for the investment properties held by the Associates or Joint Venture at fair value rather than at cost (see below).

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its Associate or Joint Venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the Associate or Joint Venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associate or Joint Venture and its carrying amount and then recognizes the loss as Share of Profit or Loss from Associates or Joint Ventures in the consolidated statement of profit or loss.

Upon loss of significant influence over the Associate or joint control over the Joint Venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Associate or Joint Venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### *Investment properties*

Investment properties are only held indirectly as at equity investment and are shown in investment in associates and joint ventures.

Investment properties as the main assets of the associates are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Council (Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards ( "Red Book"). In case of investment properties being measured at cost (e.g. based on local GAAP requirements), the investment property value is being adjusted to fair value before equity accounting pick-up.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

## **C.7 Financial Assets**

#### *Initial recognition and measurement*

Financial assets are recognized when the entity becomes party to the contractual provisions of the instruments. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, the Group's financial assets are classified in the following categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss

#### *Financial assets at amortized cost*

The Group measures financial assets at amortized cost if both of the following conditions are met

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables, other receivables and cash and cash equivalents.

See Notes F.4 and F.5 for additional details.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as fair value through profit or loss if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as fair value through profit or loss unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

This category includes non-current receivables, other financial instruments (see also Note E.4) and non-current loans to Associated Entities.

See Notes F.4 and F.5 for additional details.

#### *Derecognition*

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, risks and rewards are transferred or when a financial instrument is written off. Therefore, a financial asset is derecognized when there is no reasonable expectation of recovering the contractual cash flows.

#### *Impairment of financial assets*

Further disclosures relating to impairment of financial assets are also provided in Note C.1

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Group determines that a debt instrument has significantly increased in credit risk when its contractual cash flows and the underlying contractual agreements are amended adversely (see also C.1 Expected credit loss).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for mass business transactions that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment as well as supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables relating to one single debtor that constitute more than ten percent of total balance as of respective year-end date are separated and evaluated either on individual credit ratings if available or based on corresponding sector indices.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector where the Group operates, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Credit assessment is performed on a regular basis both by accounting department as well as fund and asset management in consent with executive management.

## C.8 Property, Plant and Equipment

Property, plant and equipment is recognized at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Owner-occupied buildings 33 to 50 years,
- Cars 3 to 5 years,
- IT equipment 2 to 3 years,
- Office equipment 3 to 10 years.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on sale of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is presented net in the Income statement.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## C.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

### *Group as a Lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option,



depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

The Group's right-of-use assets are included in tangible assets, i.e. in the same line item as that within which the corresponding underlying assets would be presented if they were owned.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **C.10 Inventories**

Inventories are primarily related to the Group's warehousing activities and comprise real estate acquired with the intention of selling it within the normal business cycle in the normal course of our warehousing business. In this respect, except for individual cases the "normal business cycle" generally comprises a period of up to three years.



Inventories are valued at the lower of cost and net realizable value. The costs include freehold and leasehold rights for land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs. Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## C.11 Contract Balances

### *Contract Assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets are predominantly related to the Coupon Participation Fee of HFS (see also Note C.18).

### *Contract Liabilities*

A contract liability is an entity's obligation to transfer goods or services to a customer for which the Group has received consideration. If a customer of the Group pays consideration or has a right to an amount of consideration that is unconditional, before the Group transfers its goods or services to the customer, a contract liability is recognized.

## C. 12 Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and are classified as financial assets at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## C.13 Discontinued operations

The Group classifies all subsidiaries as a discontinued operation when the entity either has been disposed of or met the requirements as held for sale and represents a separate major business line or a geographical area of operation, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or it is a subsidiary acquired exclusively with a view to resale. The classification of assets and liabilities as held for sale is met if their carrying amounts will be recovered principally through a sale transaction than through continuing use. Such assets and liabilities are measured at the lower of their carrying amount and fair value less cost to sell which

comprise the incremental costs directly attributable to the disposal, excluding finance costs and income tax expense.

#### *Non-Current Assets Held for Sale and Discontinued Operations*

For classification as held for sale the sale of the underlying entity is highly probable, it is available for immediate distribution in its present condition and the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Property, plant, and equipment as well as intangible assets are not depreciated or amortised once classified as held for sale.

All assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

### **C.14 Share-based Payments**

#### *Equity-settled transactions*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a

market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note D.15 and F.6). The share-based compensation plan was discontinued in 2022.

#### *Cash-settled transactions*

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

### C.15 Financial Liabilities

#### *Initial recognition and measurement*

At initial recognition, financial liabilities are classified as

- “financial liabilities at fair value through profit or loss” (financial liabilities at FVTPL)
- “financial liabilities at amortized cost”, or
- derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

The Group’s financial liabilities include mainly:

- long-term and short-term financial liabilities to banks,
- other long-term and short-term liabilities (mainly bonds),
- trade payables,
- other non-current and current Liabilities (mainly loans)

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

### Financial Liabilities at amortized cost

This is the category most relevant to the Group. After initial recognition, the respective liabilities (e.g. interest-bearing payables, loans and other liabilities, bonds) are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

### Financial liabilities at FVTPL

Financial liabilities are classified as fair value through profit or loss if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as fair value through profit or loss unless they are designated as effective hedging instruments.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

## C.16 Provisions

### *General*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When

discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

#### *Restructuring provisions*

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

### **C.17 Revenue from Real Estate Equity segment**

Revenues from Real Estate Equity segment result from fees from the operating equity business of the Group, such as:

- Acquisition Fees,
- Asset and Property Management Fees,
- Development Fees,
- Sales Fees,
- Promote Fees

and are recognized with reference to the relevant individual contractual terms and on accrual basis.

Acquisition Fees and Sales Fees relate to fees earned in relation to the acquisition or divestment of real estate assets by the Associates or third parties. Acquisition related fees vary from 0.8% to 1.5% of the purchase price depending on the contract. In certain situations a lump-sum on-Boarding fee amounting to up to € 0.5m is agreed with the clients. These fees are paid for sourcing and structuring of the transaction, conducting the due diligence, administrating and supervising the step-by-step acquisition of the real estate asset or the establishment of real estate products and are typically received and paid at the conclusion of the transaction documentation. The Group's contracts with customers for these types of services generally include one performance obligation. Revenue from Acquisition related Fees and Sales Fees is recognized at a point in time when the services are provided because none of the criteria in IFRS 15.35 is met.

Asset Management Fees are determined monthly/quarterly in a range of 0.35% to 0.60% of the value of the real estate assets of the projects and third-party assets managed and differ between investment products offered to private clients and those offered to institutional clients. Property Management Fees are derived from the provision of property management services. These fees are also recognized on an accrual basis over the time when the services are rendered. The Group's contracts with customers for these types of

services generally include a single performance obligation as stipulated in the property management contract along with the property management fee charged per year.

The Group has concluded that revenue from these services should be recognized over time when the services are provided because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. As the Group's efforts and inputs are expended evenly throughout the performance period, the Group recognizes revenues on a straight-line basis. Development Fees are generated by providing development services for the construction of new or the repositioning of an existing property. This includes services like planning, coordination, technical management and economical administration as well as supervising work. The Group's contracts with customers for these types of services typically include one performance obligation that is predominantly fulfilled over time.

Development fees usually result from the performance obligation to develop real estate property. The transaction price is often a percentage based on construction costs of the property.

In certain transactions, the Group is entitled to receive Promote fees that regularly amount to 15%-20% of the net project return at the end of the life of a fund or deal structure. The promote fees might be tied to a certain hurdle rate. The performance obligation is thus the promotion of the property and the transaction price is variable depending on the success of the promotion. Revenue is being recognized point-in-time.

Net project returns are defined as operating income, aggregate proceeds from sales and re-financing proceeds, in each case net of all principal repayments, working capital requirements and after any debt service, and irrespective of whether these will be paid by way of capital repayment, dividends or by any other means to the investors (Promote fees are basically being paid out as a disproportional profit allocation).

### C.18 Revenue from Real Estate Debt Segment

Revenues from Real Estate Debt segment result from fees from the operating equity business of the Group, such as:

- Performance (Coupon Participation) Fees,
- Underwriting & Structuring Fees,
- Asset Management Fees (see Note C.1),
- Income from Mezzanine loans,
- Income from Trading Activities

Coupon Participation Fees are generated through sustainable and significant excess returns of mainly HFS products (mezzanine financing). The performance obligation results from consulting costs during the set up and structuring of the funds. The

transaction price is depending on the performance of the fund and typically tied to a certain pre-agreed hurdle rate. The Group's contracts with customers for these types of services generally include one performance obligation. Revenue is being recognized point-in-time.

Underwriting & structuring fees are determined in a range from 0.5% to 2.5% of the value of the real estate debt financing product. The fees are recognized at a point in time when the debt financing product is issued to the customer. The service of structuring real estate debt financing products is offered to institutional as well as private clients.

Income from Mezzanine Loans comprises the interest income from short-term bridging activities of Mezzanine Loans to Real Estate development Companies in the German speaking region. Such loans are intended to be transferred to the Mezzanine Funds managed by the Group as soon as a corresponding cash return or equity contribution in the funds takes place.

Income from trading activities is recognized from Corestate Bank's underwriting business and proprietary trading. In the underwriting business, a bearer bond or a promissory note loan is generated for a customer and is recognized as financial asset at Corestate Bank. After successful issuance, the sale of the financial asset to the customer takes place. The delta between the amount of the financial instrument on inception date and the amount of the financial instrument on date of sale is recognized as trading income. The measurement of the financial instruments follows the requirements of IFRS 9 (see Note F.4 for details).

## C.19 Alignment Capital

### *Share of Profit or Loss from Associates and Joint Ventures*

Share of Profit or Loss from Associates and Joint Ventures relates to the Group's alignment capital investments and comprises the Group's share of the results of operations of the Associates using the equity method as well as gains and losses from the disposal of shares in Associates (see D.6). The periodic results of operations of the Associates typically include the recurring result from rental operations as well as results from sales of real estate assets and potential fair value adjustments of the underlying properties, net of costs, financial expenses and taxes.

Dividends from other Alignment Capital reflect the Group's share of the cash distribution of the investment and are recognized in the consolidated statement of profit or loss when the right of payment has been established. This is generally when shareholders approve the dividend.

## C.20 Total Income/(Losses) from Other Segment

### *Rental Income and Service Charges*

Rental Income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms. Contingent rental income is recognized when it arises. Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Income arising from expenses recharged to tenants (Revenue from Service Charges) is recognized in the period in which the respective services are rendered. Service and management charges and other such receipts are recorded separately gross of the related costs, as the directors concluded that the Group acts as a principal in this respect.

### *Net Results from Property Holding and Warehousing Exits*

Net Results from Property Holding and Warehousing Exits comprises the proceeds from selling real estate holding companies/inventories, less selling costs, less carrying amount of the assets and liabilities.

Such real estate holding companies were established to purchase investment property for the sale in the ordinary course of business in the course of the Group's warehousing activities.

The net gain/loss is recognized when control over the relevant real estate holding Company is transferred to the buyer.

## C. 21 Financial Income and Financial Expenses

Financial Income comprises interest income from bank balances and loans granted and gains on the disposal of financial assets as well as foreign currency gains and losses. Interest income is recognized as it accrues in profit or loss, using the effective interest rate method (EIR method).

Financial Expenses mainly comprise interest expenses on financial liabilities, fees incurred in connection with the arrangement of debt facilities, foreign currency gains and losses, impairment losses recognized on financial assets (other than trade receivables) and financial expenses attributable to partnership NCIs.

## C.22 Income Taxes

### *Current income taxes*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to



situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, Associates and interests in Joint Ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, Associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## D. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### D. 1 Total Earnings by Income Line

The total earnings by income line comprise both revenues and other/net 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 segments' top line (for further information regarding the Group's segment reporting please refer to Note F.1).

Revenue stream	Description	Recognition
<b>Real Estate Equity</b>		
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	The fees are earned by providing technical expertise with regard to (re-)positioning real estate estates, including refurbishment, change in asset class, or other measures	over time (IFRS 15)
<b>Real Estate Debt</b>		
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)
<b>Other Segment</b>		
Rental income and service charges	Rental income for assets that are in a warehousing structure	rental income
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)

Revenue stream	Description	Recognition
<b>Other Segment (continued)</b>		
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)

## D. 2 Total Revenue from Real Estate Equity Segment

€ million	2022	2021
Revenue from Acquisition Fees	2.2	9.7
Revenue from Asset Management Fees	30.4	37.1
Revenue from Property Management Fees	21.1	17.2
Revenue from Sales and Promote Fees realized	0.8	23.1
Revenues from Development Fees	3.2	2.5
<b>Total</b>	<b>57.7</b>	<b>89.6</b>

### *Revenue from Acquisition Fees*

The revenue from acquisition fees in 2022 fell to € 2.2m (2021: € 9.7m). The decline is caused by a lower level of transaction volume.

### *Revenues from Asset and Property Management Fees*

The revenues from asset management fees amounting to € 30.4m (2021: € 37.1m) are below prior year's level primarily due to the loss of several asset management mandates throughout the fiscal year 2022.

The property management fees increased to € 21.1m (2021: € 17.2m) which is mainly due to higher occupancy rates in student housing assets managed by UPARTMENTS and CRM.

### *Revenue from Sales and Promote Fees realised*

Revenue from sales and promote fees realised changed significantly to € 0.8m (2021: € 23.1m). The decrease is, similarly to the reduced acquisition fees, caused by the overall decline in transaction volumes within the real estate market.

### *Revenues from Development Fees*

The revenue from development fees increased to € 3.2m (2021: € 2.5m) due to a slightly higher volume of services performed in project management and development coordination.

### D. 3 Total Expenses from Real Estate Equity Segment

Expenses from real estate equity segment of € 80.1m (2021: € 86.5m) include both personnel and overhead expenses (e.g., rent and leasing expenses, IT and telecommunication expenses, travel expenses, provisions for expected credit losses, legal and other advisory fees) relating to the Group's Real Estate Equity activities.

### D.4 Total Revenue from Real Estate Debt Segment

In 2022, the real estate debt segment underwent a significant change related to HFS business. After an agreement was found between the HansalInvest - Hanseatische Investment GmbH Kapitalverwaltungsgesellschaft ("KVG", the "fund manager") and the investors on the necessary restructuring of STRATOS Immobilienanleihefonds II (hereafter the "Stratos II fund"), a liquidation agreement was signed between the fund manager and the investors which foresaw liquidation of Stratos II fund by the end of 2025. Furthermore, a termination agreement was concluded between the fund manager and HFS regarding the advisory agreement of HFS; consequently, HFS is no longer active in an advisory capacity for Stratos II as of 1 January 2023 and is therefore not entitled to any (performance-based) fees any longer. Since 2022 the liquidation of the fund continues. So far no significant returns for the investors were generated, which likely will result in a prolongation of the liquidation of the fund beyond end of 2025.

For additional events related to the real estate debt segment after the balance sheet date, please refer to the information in Note F.9 Significant events after the reporting date.

#### *Revenue from Underwriting and Structuring Fees*

€ million	2022	2021
Revenue from Underwriting and Structuring Fees	1.0	36.0
Revenue from Performance Fees	-	49.5
Income from Mezzanine Loans	6.9	18.1
Revenue from Asset Management Fees	15.1	17.3
Income from Trading Activities	2.9	1.0
<b>Total</b>	<b>25.9</b>	<b>121.9</b>

The Underwriting and Structuring fees decreased significantly by € 35.0m to € 1.0m (2021: € 36.0m).

Moreover, HFS also was not able to generate further underwriting fees as all managed Stratos funds did not receive due payments and, therefore, did not have the necessary liquidity to structure new bonds.

*Revenue from Performance Fees*

In 2022, no performance fees (2021: € 49.5m) were earned. 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 illiquidity of Stratos II and IV caused by unsettled bond repayments and/or even default status of several bonds in both funds. Hence, the performance of both funds also did not achieve the necessary hurdle rate for any performance fees.

*Income from Mezzanine Loans*

Income from Mezzanine Loans is recognized as interest income from short-term bridging activities through Mezzanine Loans to Real Estate developers. These bridging activities were partially deemed to secure the project pipeline for the Stratos funds. The decrease in income from Mezzanine Loans to € 6.9m (2021: € 18.1m) is primarily driven by the increased risk provisions across almost all loans.

Management assessed all remaining bridge financing loans for recoverability and concluded that the collectability is currently not foreseeable. This leads to a corresponding risk provision (ECL) of € 6.1m which is recognized in the total expenses from Real Estate Debt segment (for further information of the risk provision see Notes D.5, E.11 and F.4).

*Revenue from Asset Management Fees*

Revenue from asset management fees in the real estate debt segment amounted to € 15.1m (2021: € 17.3m) and are slightly below prior year corresponding to further reduced fund volumes throughout fiscal year 2022.

*Income from Trading Activities*

Income from trading activities increased by € 1.9m to € 2.9m (2021: € 1.0m). Trading income is exclusively generated by Corestate Bank and its proprietary trading of real estate debt financing products.

**D.5 Total Expenses from Real Estate Debt Segment**

Expenses from real estate debt segment of € 128.6m (2021: € 66.1m) include both personnel and overhead expenses (e.g. rent and leasing expenses, IT and telecommunication expenses, travel expenses, provisions for expected credit losses, legal and other advisory fees) relating to the Group's Real Estate Debt activities.

The increase in expenses in 2022 compared with prior year is mainly driven by individually significant risk provisions, such as a value adjustment on a loan (€ 47.1m) or a write off for expected credit losses for contract assets (€ 34.7m). See note E.10 for details.

## D.6 Total Income from Other Segment

Overall, total income from Other Segment was visibly reversed to € -27.8m (2021: € 16.0m). The main differences result from the significant effect of the Share of Profit or Loss from Associates and Joint Ventures which was particularly affected by negative valuation impacts in 2022, reduced dividend payments, and valuation losses on financial instruments.

€ million	2022	2021
Rental Income and Service Charges	9.2	6.3
Net Result from Property Holding and Warehousing Exits	(0.4)	(2.7)
Share of Profit or Loss from Associates and Joint Ventures	(23.2)	2.5
Dividends from other Alignment Capital	2.7	12.8
Gains/(Losses) from Fair Value Measurement of Financial Instruments	(16.1)	(2.9)
<b>Total</b>	<b>(27.8)</b>	<b>16.0</b>

### *Rental Income and Service Charges*

Net rental income of € 9.2m (2021: € 6.3m) primarily relates to income from one operational asset held as inventory. In 2022, the net rental income is particularly higher due to the new warehousing but also operational asset in Augsburg which is currently placed among investors.

### *Net Result from Property Holding and Warehousing Exits*

The net result from warehousing exits of € -0.4m (2021: € -2.7m) reflects primarily the realized margin from the Group's warehousing activities, eventual adjustments to the net realizable value to warehousing assets under development, and costs incurred in connection with the liquidation of previously used structures.

### *Share of Profit or Loss from Associates and Joint Ventures*

Share of profit or loss for the year of € -23.2m (2021: € 2.5m) comprises the Group's share of the results of operations of the Associates and Joint Ventures using the equity method as well as gains and losses from the disposal of shares in Associates and Joint Ventures.

The significant negative contribution to earnings in 2022 results from the substantial devaluations that were determined on the basis of external valuation reports. The main drivers for this can be found in the significantly declining yield expectations across almost all asset classes given the changed market circumstances as well as the overall increase in refinancing and capital costs due to the changed market environment.

### *Dividends from Other Alignment Capital*

Dividends from other Alignment Capital amounting to € 2.7m (2021: € 12.8m) were significantly reduced due to the decreased performance of the underlying structures.

*Gains or losses from Fair Value Measurement of Financial Instruments*

Gains/(Losses) from Fair Value Measurement of Financial Instruments cumulated to € -16.1m (2021: € -2.9m) and comprise the Group's results of operations that are allocated to financial instruments measured at fair value through profit and loss. The overall loss results primarily from negative valuation effects on Stratos funds by € 14.7m and Corestate's Opportunity Fund amounting to € 3.6m, which was partially offset by positive € 3.3m valuation effects related to the investments of Hannover Leasing.

**D.7 Expenses from Other Segment**

Expenses from Other Segment totalled to € 26.0m (2021: € 7.3m) and include direct expenses in relation to the operation of the assets as a concurrent effect with the development of rental income as well as personnel and overhead expenses allocated to the Management of Associates.

Compared to 2021 the increase was mainly driven by the reclassification of project RAW (creation of building rights for the project site "RAW-East") from G&A and Other Expenses to Total Expenses from Other Segment (€ 7.9m) as well as increased expenses within the following entities: Ginova PropCo S.à r.l. € 5.9m and King PropCo S.à r.l. € 5.2m.

**D.8 Reversal of Written-Down Receivables**

The Income from Written-Down Receivables amounting to € 30.7m (2021: € 3.4m) results from the reversal of previously risk-provisioned receivables.

**D.9 Income from Reversal of Provisions**

The reversal of provisions of € 9.0m (2021: € 5.5m) mainly results from reversals of restructuring provisions, provisions for cash settled payments for former members of the Management Board and provisions for Bonus, as well as litigation costs.

**D.10 Other Income**

Other Income increased to € 39.3m (2021: € 7.4m). The main drivers were the sale of Corestate's former property management business in Capera (€ 11.6m) (see Note B.3), the short-term settlement of a contingent receivable in relation to an airplane fund (Flight Invest 51 KG) managed by Hannover Leasing (€ 9.4m) and the reversal of formerly granted LTI shares where management members are no longer entitled to receive shares (€ 3.6m).

**D.11 General and Administrative (G&A) and Other Expenses**

G&A and Other Expenses of € 68.2m (2021: € 59.5m) include both personnel and overhead expenses not allocated to the segments Real Estate Equity, Real Estate Debt Segment or Other Segment.



The allocation of G&A expenses across segments follows a detailed methodology that takes into account the business characteristics, individual item allocation as well as the distribution of overhead expenses.

The increase in the share of G&A expenses not allocated to Real Estate Equity, Real Estate Debt or Other segments resulted mainly from restructuring-related expenses such as personnel costs (particularly severance payments) as well as consulting costs.

On 29 August 2024, with the consent of the Supervisory Board, the Management Board of Corestate Capital Holding S.A. has accepted the commercial offer to mandate the auditing firm KPMG Audit S.à r.l. in Luxembourg as auditor for the consolidated financial statements and standalone annual accounts of CCH SA for the financial years 2022, 2023 and 2024.

KPMG will be recommended to the Company's shareholders for election at the upcoming Annual General Meeting (foreseen for Q1 2026). At this Annual General Meeting, it is also intended to submit the audited consolidated financial statements and standalone annual accounts for the 2022 financial year for approval.

The following table shows the breakdown of audit and audit-related services that are presented in the audit and accounting expenses, as well as tax and other services rendered by KPMG audit firm network and the predecessor auditor:

€ million	2022	2021
<b>Predecessor auditor - Ernst &amp; Young Luxembourg</b>		
Audit fees	(0.6)	(0.3)
Audit-related fees	-	(0.3)
<b>KPMG Audit S.à r.l.</b>		
Audit fees	(1.0)	-
Other Audit related fees	(0.0)	-
<b>Total</b>	<b>(1.6)</b>	<b>(0.6)</b>

The audit fees expensed in 2022 in relation to the predecessor auditor relate to the year ended 31 December 2021.

The services provided by the external auditor for the year ended 31 December 2022 mainly included services for the annual financial audit and, to a lesser extent, audit-related services as well as for tax consultation services. The fees for annual audit services related to expenses for the audit of the consolidated financial statements of the Corestate Group and the standalone annual accounts of Corestate.

## D.12 Depreciation, Amortization and Impairment

€ million	2022	2021
Goodwill impairment	(450.0)	(177.3)
Customer relationships impairment and amortization	(8.9)	(16.6)
Order backlog impairment and amortization	(2.2)	(9.0)
Other intangible assets impairment and amortization	(47.7)	(10.6)
Property, plant and equipment depreciation	(1.0)	(1.2)
Rights of Use depreciation	(4.2)	(3.4)
Inventory impairment	(19.8)	-
Others depreciation	(2.0)	(0.7)
<b>Total</b>	<b>(535.8)</b>	<b>(218.8)</b>

Depreciation, Amortization and Impairment mainly result from impairment expenses on goodwill (€ 450.0m), on other intangible asset impairment (€ 47.7m) and on inventories (€ 19.8m).

For goodwill total impairment expenses of € 450.0m (2021: € 177.3m) were recognized in 2022 due to the significantly lower income expectations for most of Corestate's goodwill-carrying CGUs. The impairment of both the HFS and Corestate Bank goodwill is related to the Real Estate Debt segment. In addition, a first impairment had to be recognized on the STAM goodwill which is related to the Real Estate Equity segment (see also Note E.1 for more details on the individual impairments).

The depreciation for the other intangible assets mainly results from the impairment of the HFS brand in full as a result of the strategic realignment of HFS (€ 41.7m) and from acquired asset management contracts (€ 6.0m).

Impairment on inventories include the Ginova PropCo S.a.r.l (€ 16.0m), Gabriela (€ 2.0m) and Bego (€ 1.8m).

The decrease 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 E.2).

### D.13 Financial Income and Expenses

In 2022, financial income increased by € 0.9m to € 8.2m (2021: € 7.3m). Income from currency translation effects decreased by € 0.4m which is due to slightly weaker foreign exchange rate developments. In contrast, interest income increased by € 1.3m (2021: € 0.6m) resulting from € 0.7m interest from associates and € 0.6m from income from financial instruments.

€ million	2022	2021
Interest income	5.0	3.7
Foreign currency income	3.2	3.6
Other financial income	0.1	0.0
<b>Total</b>	<b>8.2</b>	<b>7.3</b>

Financial expenses decreased in 2022 by € 2.9m to € 22.8m (2021: € 25.7m). The main portion of Interest expenses is related to the two corporate bonds issued in 2017 and 2018 that amount to interest expenses of € 17.3m in 2022 (2021: € 17.6m). At the end of 2022, the Company issued senior secured bonds in an aggregate principal amount of € 10.0m. These bonds were issued in bearer form with a principal amount of € 100,000 each, which rank pari passu among themselves. The senior secured bonds were provided by a group of bond holders to bridge the immediate need of the Group for fresh money in December 2022.

The secured bonds have an initial maturity until 15 April 2023 which can be subject to prolongation if the restructuring needs more time; they were placed with a coupon of 8.0% per annum. The Company has provided collateral comprising first-priority pledges in certain subsidiaries, certain bank accounts and notes as well as assignments of current and future intra-group and external receivables vis-à-vis third parties

Expenses from currency translation were € 0.8m lower than in the previous year. Other financial expense mainly comprises bank charges.

€ million	2022	2021
Interest expenses	(22.3)	(23.2)
Other financial income	1.2	(0.2)
Foreign currency expenses	(1.0)	(1.8)
Other financial expense	(0.6)	(0.5)
<b>Total</b>	<b>(22.8)</b>	<b>(25.7)</b>

## D.14 Income Taxes

The following table separates income taxes into current and deferred tax (expense) or benefit:

€ million	2022	2021 <sup>1</sup>
Current income tax expense	(0.1)	(14.3)
Deferred taxes	(24.0)	28.0
<b>Total</b>	<b>(24.1)</b>	<b>13.7</b>

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial 2021 (see Note A.2).

Current taxes decreased to € 0.1m mainly as a result of a loss situation in the Group's entities thus leaving almost no room for a current taxation. Deferred tax expense mainly results from the write-down of deferred tax assets on loss carry forwards from the previous and current year. Further, the deferred tax expense is partly offset by income from deferred taxes, which is mainly due to changes in temporary valuation differences primarily related to impairment of assets.

### *Tax rate reconciliation*

The tax reconciliation statement below describes the relationship between the effective tax expense/benefit as recorded in the Group's Consolidated Statement of Profit or Loss and the originally expected tax expenses based on the consolidated Earnings before Taxes (EBT) according to IFRS by applying the statutory income tax rate of 24.94% (2021: 24.94%) for CCH SA in Luxembourg.

€ million	2022	2021 <sup>1</sup>
Consolidated Earnings before Taxes (EBT)	(718.5)	(212.7)
Luxembourg statutory income tax rate for CCH SA	24.94%	24.94%
<b>Projected income tax (gain)</b>	<b>(179.2)</b>	<b>(53.0)</b>
Adjustments in respect of income tax of previous years	(1.0)	1.6
Current tax losses for which no deferred tax asset has been recognized	88.9	1.9
Effect from permanent differences	52.9	25.4
Effect from different tax rates	58.9	12.6
Effect from dividends and other income exempt from taxation or non-deductible expenses	3.6	(1.8)
Other differences	(0.0)	(0.4)
<b>Income tax reported in the consolidated statement of profit or loss</b>	<b>24.1</b>	<b>(13.7)</b>
Effective tax rate	-3.4%	6.4%

<sup>1</sup> Prior year is represented in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the financial 2021 (see Note A.2).

The main reconciling effects are due to goodwill impairment charges (“Effect from permanent differences”), recognizing additional valuation allowance on prior year’s net operating losses and current year’s losses not capitalized (“Current tax losses for which no deferred tax asset has been recognized”) and effects from different tax rates.

#### *Deferred tax assets recognition*

No deferred tax assets have been recognized on tax loss carry-forwards related to German Corporate taxes of € 124.2m (2021: € 23.3m), German trade tax on income of € 241.6m (2021: € 83.6m) and other income taxes of € 1,123.2m (2021: € 129.3m). These tax loss carry-forwards are indefinitely available with the exception of those related to other income taxes in an amount of € 0.2m expiring after five years, € 142.2m expiring after seven years and in an amount of € 948.2m which expire after 17 years.

Deferred taxes on tax loss carry-forwards and temporary differences are recognized only to the extent that sufficient future taxable income is expected to be generated against which the losses and temporary differences can be utilized based on a tax planning or to the extent of the reversal of existing taxable temporary differences. As such, the carrying amounts of the deferred tax assets related to tax loss carry-forwards have been reduced in accordance with IAS 12.56 to the full extent. The total amount of accordingly unrecognized deferred tax assets is € 306.3m (2021: € 39.9m). For the year ended 2021, management anticipates that the Group will generate profits in the future and benefit from the deferred tax assets.

The benefit arising from previously unrecognized tax loss that is used to reduce deferred tax expense amounts to € 0.6m (2021: € 13.0m). Deferred tax expense arising from the write-down of a deferred tax asset amounts to € 26.1m (2021: € 2.7m).

#### *Current tax assets and liabilities*

The following table shows current taxes in the statement of financial position:

€ million	2022	2021
Current income tax assets	10.4	2.5
Current tax liabilities	(10.2)	(29.5)
<b>Total, net</b>	<b>0.2</b>	<b>(27.0)</b>

The increase in current tax assets mainly relates to increased tax refund receivables of Corestate Capital Group GmbH in the amount of € 4.5m (2021: € 0.5m) and Corestate Bank GmbH in the amount of € 4.0m (2021: € nil).

Current tax liabilities decreased primarily due to increased losses compared to prior year.

*Deferred tax assets and liabilities*

Deferred tax assets and liabilities by nature are shown in the following table:

€ million	2022	2021
<b>Deferred tax assets</b>		
from tax loss carryforward	0.0	26.1
from temporary differences on accruals	1.7	2.4
from temporary differences on liabilities	2.7	0.9
from temporary differences on shares in subsidiaries	8.1	8.5
from temporary differences on properties	0.3	0.0
from temporary differences on intangible assets	0.9	1.0
from temporary differences on financial assets	13.6	4.2
from temporary differences on receivables	1.4	1.0
from valuation of other assets	0.8	0.3
from temporary differences on financial liabilities	8.6	3.8
<b>Set-off of deferred tax liabilities</b>	<b>(22.6)</b>	<b>(7.4)</b>
<b>Total</b>	<b>15.5</b>	<b>41.5</b>
<b>Deferred tax liabilities</b>		
from temporary differences on financial assets	13.3	6.2
from at-equity valuation of Associates	0.1	0.2
from temporary differences on liabilities	5.1	1.2
from temporary differences on receivables	0.6	0.1
from temporary differences on accruals	2.2	1.8
from temporary differences on properties	8.3	1.8
from temporary differences on intangible assets	7.3	12.1
from temporary differences on other assets	0.6	1.5
<b>Set-off of deferred tax assets</b>	<b>(22.6)</b>	<b>(7.4)</b>
<b>Total</b>	<b>14.9</b>	<b>17.5</b>

Deferred taxes assets capitalized as of 31 December 2022 primarily result from temporary differences on financial assets which have increased to € 13.6m in 2022 from € 4.2m mostly due to higher impairments recorded under IFRS for specific financial assets which are considered long-term in nature and thus deemed to be recoverable. Further, deferred tax assets include temporary differences on financial liabilities, however relating to deferred tax liabilities on properties, which are both mainly derived out of IFRS 16 “Leases” and subject to an offset in the balance sheet.

## D. 15 Earnings/(Loss) 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:

	31 Dec 2022		31 Dec 2021	
	number of shares	days	number of shares	days
<b>Calculation of undiluted shares</b>				
Shares at the beginning of the period	34,193,808	365	25,666,025	365
Issue of new shares on 25 May 2021	-	-	8,500,000	221
Issue of new shares on 07 July 2021	-	-	27,783	178
Shares at the end of the period	34,193,808		34,193,808	
<b>Weighted average number of shares for the period (undiluted)</b>	<b>34,193,808</b>		<b>30,826,149</b>	
<b>Calculation of diluted shares</b>				
<b>Weighted average number of shares for the period (diluted)</b>	<b>34,193,808</b>		<b>30,826,149</b>	

The effect from potential ordinary shares from the conversion of convertible bonds was ignored for determining dilutive EPS as the conversion price set out in the terms and conditions for the convertible bond is fixed as € 61.958 per share (only subject to anti-dilution adjustments), which is significantly higher than the average market price of Corestate's shares during 2022. The Group's management considered the convertible bonds to be anti-dilutive. Also, the 200m shares in the 2022 authorized capital (see also E.14) are not recognized in the measurement as the mere passing of a resolution does not give rise to any rights of entitlement. Earnings/(Loss) per share, both diluted as well as undiluted, are calculated as follows:

€	2022	2021
Loss for the Year from Continued operations (m€)	(742.6)	(199.0)
Loss for the Year from Discontinued operations (m€)	(1.5)	(1.1)
Loss for the Year	(744.1)	(200.1)
Loss attributable to ordinary equity holders of the Parent:	(743.8)	(201.1)
Profit/(Loss) attributable to non-controlling interests:	(0.3)	1.0
<b>Loss attributable to ordinary equity holders of the Parent for basic earnings</b>	<b>(743.8)</b>	<b>(201.1)</b>
<b>Weighted average number of ordinary shares (undiluted):</b>		
Share Capital	34,193,808	30,826,149
<b>Weighted average number of ordinary shares (total)</b>	<b>34,193,808</b>	<b>30,826,149</b>
Loss per share from discontinued operations	(0.04) €	(0.04) €
<b>Loss per share from continued operations</b>	<b>(21.72) €</b>	<b>(6.45) €</b>
<b>Loss per share</b>	<b>(21.76) €</b>	<b>(6.49) €</b>

## E. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### E.1 Goodwill

As at 31 December 2022 the goodwill of € 45.0m (2021: € 487.2m), which is allocated to multiple CGUs within both the Real Estate Equity and Real Estate Debt segment, comprises the following individual positions:

€ million	2022	2021
<b>Real Estate Debt</b>		
HFS Helvetic Financial Services AG	-	345.4
CORESTATE Bank GmbH	13.1	94.6
<b>Real Estate Equity</b>		
STAM Europe	9.1	32.2
HANNOVER LEASING GmbH & Co. KG	15.0	15.0
CRM Students Ltd.	7.8	-
<b>Total</b>	<b>45.0</b>	<b>487.2</b>

CGUs have been established within the reporting segments of IFRS 8 based on different criteria. HFS Helvetic Financial Services AG and STAM Europe cover geographical regions (Switzerland and France). Other CGUs, such as CORESTATE Bank GmbH, cover specific business models (here: banking).

In the reporting period 2021, CRM, with goodwill of € 8.3m, was classified and reported as held for sale in the consolidated financial statements in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. However, the strategic options for CRM were reevaluated by management in 2022 and it is no longer seen as held for sale since the quarter-end close 30 September 2022. Therefore, as at 31 December 2022 the CRM goodwill is presented under “Goodwill” (see Notes A.2).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€ million	2022	2021
<b>Acquisition cost</b>		
As of 1 January	683.7	599.4
Changes in scope of consolidation	7.8	84.3
<i>Thereof additions</i>	-	94.6
<i>Thereof disposals / reclassification</i>	8.4	(10.3)
<i>Thereof Currency translation effects</i>	(0.6)	-
<b>As of 31 December</b>	<b>691.5</b>	<b>683.7</b>
<b>impairment losses</b>		
As of 1 January	196.5	21.7
Impairment for the year	450.0	174.8
<b>As of 31 December</b>	<b>646.5</b>	<b>196.5</b>
<b>Total (Carrying amount)</b>	<b>45.0</b>	<b>487.2</b>

The Group performed its annual impairment test at year end. The Group determines whether goodwill and other intangible assets with indefinite useful lives are impaired at least on an annual basis. Since brand names do not generate independent cashflows they generally form part of the assets within the respective CGUs which are tested for impairment.

The following major assumptions have been applied for determining value in use for the remaining goodwill-carrying CGUs:

<b>CGU HFS Helvetic Financial Services AG ("HFS")</b>	<b>2022</b>	<b>2021</b>
Discount rate (before Tax)	10.7%	8.9%
Growth rate after year 5	0.0%	1.0%
<b>CGU Hannover Leasing GmbH &amp; Co. KG ("HL")</b>	<b>2022</b>	<b>2021</b>
Discount rate (before Tax)	9.0%	7.0%
Growth rate after year 5	0.0%	1.0%
<b>CGU STAM</b>	<b>2022</b>	<b>2021</b>
Discount rate (before Tax)	9.0%	7.5%
Growth rate after year 5	0.0%	1.0%
<b>CGU CORESTATE Bank</b>	<b>2022</b>	<b>2021</b>
Equity Costs	12.3%	9.1%
Growth rate after year 5	0.0%	1.0%

<b>CGU CRM</b>	<b>2022</b>	<b>2021</b>
Discount rate (before Tax)	11.1%	11.1%
Growth rate after year 5	0.0%	0.0%

Short term cashflows up to year 5 have been determined based on management estimates.

The recoverable amounts (value in use) of HFS, STAM and Corestate Bank were below their respective carrying value. Therefore, the goodwill-carrying CGUs had to be impaired as follows:

€ million	<b>2022</b>	<b>2021</b>
<b>Real Estate Debt</b>		
CGU HFS Helvetic Financial Services AG	345.4	174.8
CGU CORESTATE Bank GmbH	81.5	-
<b>Real Estate Equity</b>		
CGU STAM Europe SAS	23.1	-
<b>Total</b>	<b>450.0</b>	<b>174.8</b>

The Group's most recent budget and forecast as well as extrapolations for periods beyond budgeted projections includes a detailed budget for 2023 as well as a medium-term projection of 4 years for each CGU until 2027. The Group generally expects the number of transactions to normalize to pre-pandemic and pre-war levels across all asset classes in the following years; however, given the structural change in real estate asset comparative attractiveness due to the increase in interest rates in particular this might take longer than previously expected. This is mirrored in the Group's planning assumptions via a slower recovery in transaction volumes and a growth-rate of 0.0% (2021: 1.0%).

In the first half of 2022, the redemption of unit certificates and the restructuring in Stratos II Fund led to a significant reduction of the expected fee situation in HFS's short to medium-term business prospects and a first impairment recognized on 14 June 2022 (€ 273.5m). In the second half of 2022, at the end of Q3 2022, the fund manager and HFS agreed on the termination of the HFS advisory contract as at year-end 2022, hence the income situation for HFS was substantially deteriorated as of 2022 which led to a further impairment at CGU-level "HFS" on 30 September 2022 (€ 71.4m). Considering the full impairment of GENOST of € 0.5m (included in the CGU 'HFS'), there did not remain any further goodwill allocated to the CGU "HFS" as at 31 December 2022.

For HL, the Group expects a continued focus on business with semi-institutional investors and expects the budgeted sales to be on a level of the year 2022. In addition, the Group intends to bundle all of its new business in the DACH region with institutional and semi-institutional investors at HL subgroup level (including all HL entities) which should provide HL subgroup with additional growth potential compared to prior years.

For STAM, actual revenues do not fully meet the expectations, therefore the Group recorded an impairment of the goodwill amounting to € 23.1m.

With the intention to sell the CGU in 2021, goodwill on CRM was reported as Assets Held for Sale from discontinued operations in accordance with IFRS 5. In 2022 management re-evaluated CRM's strategic fit to the Group and decided that CRM should remain with the Group. In October 2023, the decision was revised, and CRM was placed for divestment and finally sold in April 2024 (see also Note F.9 Significant Events after the Reporting Date).

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 led to a reduction for the medium-term projections and profitability. To reflect the deteriorated economic outlook, additional impairment losses of € 450.0m were recorded in 2022.

A sensitivity analysis was performed on the major assumptions for the impairment test; no sensitivity is provided for CGUs that had an impairment at the respective reporting date. The following table shows an analysis at what percentage these assumptions must change to reach a headroom of zero.

CGU	EBITDA		WAAC post Tax		Growth Rate	
	2022	2021	2022	2021	2022	2021
CORESTATE Bank	-	-40.8%	-	13.1%	-	-4.9%
HL	-38.2%	-56.4%	12.9%	11.3%	-6.4%	-7.0%
STAM	-	-36.6%	-	9.4%	-	-3.6%
CRM	-13.1%	-	13.2%	-	-9.1%	-

## E.2 Other Intangible Assets

The decrease in other intangible assets to € 27.2m (2021: € 84.8m) is mainly driven by impairments, particularly the impairment of the HFS brand name amounting to € 41.8m. The recoverable amount of the other intangible assets that have been impaired was zero.

This impairment followed the management decision to strategically realign the market presence of HFS which served as triggering event to reassess the CGU value with particular focus on the acquired brands. The remaining impairment amounting to € 9.1m based on the reassessed value in use is attributable to order backlog and customer relationships recognized within the business combination of Corestate Bank in May 2021.

The remaining other intangible assets include mainly a brand name in the micro-living business and formerly acquired asset management contracts. These contracts have remaining useful lives between 1 and 16 years. The brand names have indefinite useful lives.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€ million	Brand names	Acquired mgm't contracts	Customer relationships	Order backlog	Other Intangible assets	Total 2022	Total 2021
<b>Acquisition cost</b>							
As of 1 January	47.3	113.6	25.5	11.2	7.6	205.2	181.6
Additions from business combinations	-	-	-	-	-	-	36.7
Additions	-	-	-	-	0.1	0.1	0.2
Disposals/Reclassifications	-	7.2	-	-	(0.6)	6.6	(13.3)
<b>As of 31 December</b>	<b>47.3</b>	<b>120.8</b>	<b>25.5</b>	<b>11.2</b>	<b>7.1</b>	<b>211.9</b>	<b>205.2</b>
<b>Amortization and impairment losses</b>							
As of 1 January	0.7	89.3	16.6	9.0	4.8	120.4	93.8
Additions to cumulative amortization	-	4.7	1.1	0.9	1.2	7.9	20.2
Impairment	41.8	-	7.8	1.3	-	50.9	14.5
Disposals/Reclassifications	-	6.1	-	-	(0.6)	5.5	(8.0)
<b>As of 31 December</b>	<b>42.5</b>	<b>100.1</b>	<b>25.5</b>	<b>11.2</b>	<b>5.4</b>	<b>184.7</b>	<b>120.4</b>
<b>Total (Carrying amount)</b>	<b>4.8</b>	<b>20.7</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>27.2</b>	<b>84.8</b>

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

The following table provides summarized financial information of the balance sheet and comprehensive income of the Group's five major investments in Associates as at 31 December 2022:

€ million	LIVER	QUARTIER WEST	HIGH-STREET VIII	TEMPEL-HOF TWINS	ECHO
Property, Plant and Equipment	69.3	-	125.4	107.2	68.4
Other Non-Current Assets	-	29.8	2.2	-	-
Cash (Restricted and Free Cash)	0.6	0.2	27.4	1.5	0.9
Other Current Assets	4.2	-	9.8	4.5	2.0
Non-Current Financial Liabilities	(34.0)	-	-	-	-
Other Non-Current Liabilities	-	-	(44.9)	(3.9)	-
Current Financial Liabilities	-	-	(75.4)	(21.5)	(45.6)
Other Current Liabilities	(0.6)	(0.1)	(8.9)	(2.8)	(3.8)
<b>Equity</b>	<b>39.5</b>	<b>29.9</b>	<b>35.6</b>	<b>85.0</b>	<b>21.9</b>

€ million	LIVER	QUARTIER WEST	HIGH-STREET VIII	TEMPEL-HOF TWINS	ECHO
-----------	-------	---------------	------------------	------------------	------

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Revenues	6.6	-	13.3	3.2	2.9
Interest Income	-	-	0.1	-	-
Interest Expenses	(1.2)	-	(3.1)	(0.2)	(1.3)
Income Tax Expense or Income	1.3	-	(1.1)	0.2	0.9
Profit / (Loss) from continuing Operations	(23.1)	(0.2)	(20.4)	0.2	(4.4)
<b>Total Comprehensive Income</b>	<b>(23.1)</b>	<b>(0.2)</b>	<b>(20.4)</b>	<b>0.2</b>	<b>(4.4)</b>

The table below shows the key financial information of the Group's major investments in Associates as of 31 December 2021:

€ million	VISION ONE	LIVER	QUARTIER WEST	HIGH- STREET VIII	ECHO
Property, plant and equipment	158.2	97.8	-	226.7	69.6
Other Non-Current Assets	-	-	31.8	2.2	-
Cash (Restricted and Free Cash)	0.3	2.5	0.1	16.6	1.1
Other Current Assets	10.2	4.0	-	12.3	0.8
Non-Current Financial Liabilities	(81.4)	(36.1)	-	(142.0)	-
Other Non-Current Liabilities	-	(1.1)	-	(43.4)	(1.0)
Current Financial Liabilities	(47.0)	-	-	(4.2)	(38.8)
Other Current Liabilities	(1.7)	(1.1)	(0.0)	(12.2)	(6.3)
<b>Equity</b>	<b>38.7</b>	<b>66.0</b>	<b>31.9</b>	<b>56.1</b>	<b>26.4</b>

€ million	VISION ONE	LIVER	QUARTIER WEST	HIGH- STREET VIII	ECHO
Revenues	0.0	6.7	0.3	18.2	2.3
Interest Income	0.0	-	-	-	-
Interest Expenses	(0.2)	(1.2)	(0.0)	(4.0)	(0.6)
Income Tax Expense or Income	-	2.6	-	0.5	0.1
Profit / (Loss) from continuing Operations	(1.5)	6.3	(0.2)	1.6	0.0
<b>Total Comprehensive Income</b>	<b>(1.5)</b>	<b>6.3</b>	<b>(0.2)</b>	<b>1.6</b>	<b>0.0</b>

Joint Ventures have been insignificant in size and therefore have not been further detailed.

Investment properties held by the Associates are measured at fair value in line with IAS 40 which includes assumptions on macro and micro economic developments in the future. Developments held as inventory by the investments are valued at cost or net realizable value.

The decrease in investments in Associates and Joint Ventures to € 84.6m (2021: € 145.9m) is mainly driven by several disposals of projects. Moreover, Hannover Leasing placed the last Vision One and NEUSS project shares among institutional investors, hence only a minority share is held back which is therefore reclassified to Other Financial Instruments (see also Note E.4).

The main disposal within the Joint Ventures relates to the MOVIESTAR project. Here, an interest amounting to € 10.2m was sold for € 8.5m

In addition, the share of losses for the period rose to € 19.4m which can be primarily linked to negative valuation results for the projects LIVER, ECHO, HIGHSTREET VIII and HIGHSTREET PII. Valuation results as well as operating losses pose the main risks associated with the interests in associates and joint arrangements. The risk is limited to the carrying amounts of the investments.

The following tables show the participation quote and the movements in Group's investments in Associates and Joint Ventures.

*Investment in Associates and Joint Ventures – Movement in carrying amount 2022 (in € million)*

Project	Quote 1 Jan 2022	Quote 31 Dec 2022	1 Jan 2022	Additio ns/ Transfe rs	Share of P/(L) for the period	Dividen ds and capital repaym ents	Dispos als/ Transfe rs	CTA	31 Dec 2022
LIVER	35.1%	35.1%	20.7	-	(6.5)	-	-	(0.7)	13.5
QUARTIER WEST	31.7%	31.7%	13.3	-	0.2	(0.3)	-	-	13.2
HIGHSTREET VIII	21.6%	21.6%	10.4	-	(2.1)	-	-	-	8.3
ECHO	38.1%	38.1%	10.4	-	(2.5)	-	-	-	7.8
TEMPELHOF TWINS	10.1%	10.1%	8.1	0.1	(0.4)	(0.1)	-	-	7.6
TABLAS	48.5%	48.5%	6.5	-	(0.1)	-	-	-	6.3
TURICUM	6.0%	6.0%	5.6	-	(0.1)	-	-	-	5.5
PALLARS	48.6%	48.6%	4.8	-	(0.6)	-	-	-	4.2
HIGHSTREET VI	10.0%	27.5%	5.0	-	(3.4)	-	-	-	1.6
OLYMPIC	10.5%	10.5%	3.4	-	(0.4)	-	-	-	3.0
BAIN	10.0%	10.0%	2.6	0.5	(0.2)	-	-	-	3.0
PLUTOS	11.5%	11.5%	2.7	-	(0.3)	(0.1)	-	-	2.3
BOCHUM	10.1%	10.1%	1.8	0.1	(0.1)	-	-	-	1.8
CONDOR	10.5%	10.5%	1.7	-	-	-	-	-	1.7
HIGHSTREET PII	10.0%	10.1%	3.9	-	(2.2)	-	-	-	1.7
CASSANDRA	11.0%	11.0%	1.3	-	-	-	-	-	1.3
DONALD	5.1%	5.1%	1.0	-	-	-	-	-	1.0

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Project (cont'd)	Quote 1 Jan 2022	Quote 31 Dec 2022	1 Jan 2022	Additio ns/ Transfe rs	Share of P/(L) for the period	Dividen ds and capital repaym ents	Dispos als/ Transfe rs	CTA	31 Dec 2022
ISABELA	11.1%	11.1%	1.5	-	(0.3)	(0.9)	-	-	0.3
VENLOER 4711	10.1%	10.1%	0.8	-	(0.7)	-	-	-	0.1
HABANA	49.0%	49.0%	0.1	-	-	-	-	-	0.1
POSEIDO N	10.4%	10.4%	1.0	-	(1.0)	-	-	-	0.0
ANNAPU RNA	10.3%	10.3%	1.3	-	(1.3)	-	-	-	0.0
KING	10.6%	sold	0.0	-	-	-	-	-	0.0
VISION ONE	21.5%	sold <sup>1</sup>	22.5	-	-	-	(22.5)	-	0.0
NEUSS	26.6%	sold	3.5	-	-	-	(3.5)	-	0.0
ACROSS	5.5%	sold	0.3	-	-	-	(0.3)	-	0.0
ROSE	5.4%	sold	0.2	-	-	-	(0.2)	-	0.0
<b>Associat es, total</b>			<b>134.4</b>	<b>0.7</b>	<b>(22.1)</b>	<b>(1.4)</b>	<b>(26.5)</b>	<b>(0.7)</b>	<b>84.3</b>
SANTES FAIR	50.0%	50.0%	0.1	0.1	-	-	-	-	0.2
SCORE	50.0%	50.0%	0.1	-	-	-	-	-	0.1
RAW	45.0%	45.0%	1.1	-	(1.1)	-	-	-	0.0
ACCONTI S EXPORO	50.0%	50.0%	0.0	-	-	-	-	-	0.0
MOVIEST AR	18.0%	sold	10.2	-	-	-	(10.2)	-	0.0
<b>Joint Venture, total</b>			<b>11.5</b>	<b>0.1</b>	<b>(1.1)</b>	<b>-</b>	<b>(10.2)</b>	<b>-</b>	<b>0.3</b>
<b>Total</b>			<b>145.9</b>	<b>0.8</b>	<b>(23.2)</b>	<b>(1.4)</b>	<b>(36.7)</b>	<b>(0.7)</b>	<b>84.6</b>

<sup>1</sup> reclassified to other financial instruments (see Note E.4) due to placing out

### *Investment in Associates and Joint Ventures – Movement in carrying amount 2021 (in € million)*

Project	Quote 1 Jan 2022	Quote 31 Dec 2022	1 Jan 2021	Additio s/ Transfers	Share of P/(L) for the period	Divide nds and capital repay ments	Dispo sals/ Transf ers	CTA	31 Dec 2021
VISION ONE	-	21.5%	-	22.5	-	-	-	-	22.5
LIVER	35.1%	35.1%	17.8	-	1.8	-	-	1.1	20.7
QUARTIE R WEST	31.7%	31.7%	13.7	-	(0.3)	-	(0.1)	-	13.3
HIGHSTR EET VIII	21.6%	21.6%	10.1	-	0.3	-	-	-	10.4
ECHO	38.1%	38.1%	11.3	0.3	(1.2)	-	-	-	10.4
TEMPELH OF TWINS	10.1%	10.1%	6.5	0.1	1.6	(0.0)	-	-	8.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Project (cont'd)	Quote 1 Jan 2022	Quote 31 Dec 2022	1 Jan 2021	Addition s/ Transfers	Share of P/(L) for the period	Divide nds and capital repa yments	Dispo sals/ Transf ers	CTA	31 Dec 2021
TABLAS	48.5%	48.5%	6.6	-	(0.1)	(0.0)	-	-	6.5
TURICUM	6.0%	6.0%	2.6	-	3.0	-	-	-	5.6
HIGHSTR EET VI	10.0%	10.0%	4.9	-	0.2	-	-	-	5.0
PALLARS	48.6%	48.6%	5.1	-	(0.3)	(0.0)	-	-	4.8
HIGHSTR EET PII	10.0%	10.0%	3.9	0.1	(0.1)	-	-	-	3.9
NEUSS	35.5%	26.6%	5.0	-	0.3	-	(1.8)	-	3.5
OLYMPIC	10.5%	10.5%	3.3	0.2	(0.0)	(0.0)	-	-	3.4
PLUTOS	11.5%	11.5%	2.8	-	0.0	(0.1)	-	-	2.7
BAIN	10.0%	10.0%	2.2	0.5	(0.1)	-	-	-	2.6
BOCHUM	10.1%	10.1%	1.8	0.2	(0.2)	-	-	-	1.8
CONDOR	10.5%	10.5%	1.4	0.2	0.0	-	-	-	1.7
ISABELA	11.1%	11.1%	1.5	0.0	(0.0)	-	-	-	1.5
CASSAN DRA	11.0%	11.0%	1.3	0.2	(0.1)	(0.0)	-	-	1.3
ANNAPU RNA	10.3%	10.3%	1.3	-	(0.0)	-	-	-	1.3
POSEIDO N	10.4%	10.4%	1.4	-	(0.3)	(0.0)	-	-	1.0
DONALD	5.1%	5.1%	0.8	-	0.2	(0.0)	-	-	1.0
VENLOER 4711	10.1%	10.1%	0.7	-	0.1	-	-	-	0.8
ACROSS	12.3%	5.5%	1.0	-	(0.8)	-	-	-	0.3
ROSE	5.4%	5.4%	0.1	-	0.0	-	-	-	0.2
HABANA	49.0%	49.0%	0.1	-	0.0	-	-	-	0.1
KING	10.6%	10.6%	0.5	-	(0.5)	-	-	-	0.0
FLIGHT 47	26.0%	0.0%	0.4	0.0	-	-	(0.4)	-	-
<b>Associat es, total</b>			<b>108.0</b>	<b>24.2</b>	<b>3.7</b>	<b>(0.2)</b>	<b>2.3</b>	<b>1.1</b>	<b>134.4</b>
MOVIEST AR	18.0%	18.0%	10.4	-	(0.2)	-	-	-	10.2
RAW	50.0%	45.0%	2.3	(0.1)	(1.1)	-	-	-	1.1
SCORE	50.0%	50.0%	0.0	-	0.1	-	-	-	0.1
SANTES FAIR	50.0%	50.0%	0.0	0.0	0.1	-	-	-	0.1
ACCONTI S EXPORO	50.0%	50.0%	0.0	-	(0.0)	(0.0)	-	-	0.0
<b>Joint Venture, total</b>			<b>12.8</b>	<b>(0.1)</b>	<b>(1.2)</b>	<b>(0.0)</b>	<b>-</b>	<b>-</b>	<b>11.5</b>
<b>Total</b>			<b>120.8</b>	<b>24.1</b>	<b>2.5</b>	<b>(0.2)</b>	<b>2.3</b>	<b>1.1</b>	<b>145.9</b>



The following sensitivity analysis shows how the Group's Investment in Associates and Joint Ventures and Loans to Associates and Joint Ventures (carrying amount) would have been affected if the relevant property value of the Associates and Joint Ventures increased / decreased by 5% and 10% (as a result of changes in the main key input parameters stated above):

€ million	Property Value (10%)	Property Value (5%)	Carrying Value	Property Value (-5%)	Property Value (-10%)
<b>2022</b>	<b>98.9</b>	<b>93.1</b>	<b>84.6</b>	<b>81.5</b>	<b>75.6</b>
2021	163.3	154.8	<b>145.9</b>	137.0	127.5

## E.4 Other Financial Instruments

The major positions for 2022 relate to Corestate's Opportunity Fund and the Stratos funds managed by HFS. Both funds are equity instruments measured at fair value through profit and loss (a sensitivity analysis of the level 3 fair value measurement is presented in Note F.5).

The remaining financial instruments predominantly contain minority participation rights in partnership structures managed by HL, which are invested in real estate.

The following overview shows the amount of the major positions of Group's other financial instruments:

€ million	<b>2022</b>	<b>2021</b>
Opportunity Fund	45.0	48.6
Stratos Funds	15.7	37.5
Vision One	9.5	-
Private Invest	6.7	7.5
Bel Air	6.6	7.4
Weitblick Augsburg	4.8	5.0
Covent Garden	4.5	4.9
HeWiPPP	5.5	2.3
Johannis Quartier Chemnitz	3.4	3.9
Kera	2.9	1.6
Nigresco	2.3	2.3
Gordion	2.1	1.3
Herschel	-	3.2
RAW	16.6	0.0
Other Instruments	25.5	26.0
<b>Total</b>	<b>151.1</b>	<b>151.5</b>

The other financial instruments amount to € 151.1m (2021: € 151.5m). Movement was mainly caused by redemption of Stratos funds' shares in the amount of € 7.1m, the sale of Herschel amounting to € 3.2m and various sales for € 2.8m which were offset by negative valuation effects of € 14.7m (primarily due to reduced performance of Stratos II and Stratos IV) and Corestate's Opportunity Fund amounting to € 3.6m as well as some positive valuation effects related to the investments of Hannover Leasing.

Furthermore, the investment "Vision One" (formerly presented under associated entities) was placed out this year and the remaining share of € 9.5m is shown in Other Financial Instruments.

The position also includes securities of € 16.6m with a new maturity date of 30 June 2025 for the RAW project which were reclassified from Other Current Financial Assets.

## E.5 Property, Plant and Equipment

Property, plant and equipment comprises both, owned and leased assets:

€ million	Land and buildings	Office and other equipment	Advance payments and assets under construction	2022	2021
<b>Acquisition cost</b>					
As of 1 January	19.4	7.9	0.0	27.3	38.1
Changes in scope of consolidated companies	0.0	0.0	0.0	(0.1)	1.2
Currency changes	0.0	(0.2)	0.0	(0.2)	0.0
Additions	23.9	0.6	0.3	24.8	2.3
Disposals / Reclassifications	0.9	3.6	0.0	4.5	(14.3)
<b>As of 31 December</b>	<b>44.1</b>	<b>11.9</b>	<b>0.3</b>	<b>56.3</b>	<b>27.2</b>
<b>Depreciation and impairment losses</b>					
As of 1 January	7.9	5.9	0.0	13.8	15.8
Changes in scope of consolidated companies	(0.1)	0.0	0.0	(0.1)	0.1
Currency changes	0.0	(0.1)	0.0	(0.1)	0.0
Additions to cumulative depreciation	3.2	1.2	0.0	4.4	4.1
Impairment losses	0.8	0.0	0.0	0.8	0.0
Disposals / Reclassifications	0.4	3.4	0.0	3.8	(6.2)
<b>As of 31 December</b>	<b>12.2</b>	<b>10.4</b>	<b>0.0</b>	<b>22.6</b>	<b>13.8</b>
<b>Total (Carrying amount)</b>	<b>31.9</b>	<b>1.5</b>	<b>0.3</b>	<b>33.7</b>	<b>13.4</b>

From the total of € 33.7m (2021: € 13.4m) presented above, an amount of € 1.7m (2021: € 1.6m) is related to owned assets.

The Group acts as a lessee of office premises, offices and other equipment, and cars. Office premises have lease terms between one and 10 years, whilst cars and office equipment have lease terms mostly between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

In 2022, the additions of € 24.8m mainly include a new lease contract of € 21.1m for the office “Marienturm” in Frankfurt for Capital Advisors GmbH and other Frankfurt-based entities. This resulted in an increase of right of use assets and lease liabilities of € 20.9m (see also Notes E.18 and E.24). The maturity analysis of lease liabilities is disclosed in Note F.4 Liquidity risk.

Also, an impairment of right-of-use assets was recognized due to the impairment of goodwill at CGU HFS based on the impairment expenses recognized as of 30 September 2022.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

€ million	Office premises	Cars	Office equipment	Other assets	Total
As of 1 January 2022	11.4	0.3	0.1	0.1	11.8
Additions	22.6	-	-	-	22.6
Disposals / Reclassification	1.8	(0.1)	-	-	1.7
Impairment losses	(0.8)	-	-	-	(0.8)
Depreciation	(3.2)	(0.1)	-	(0.1)	(3.4)
<b>As of 31 December 2022</b>	<b>31.8</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>32.0</b>

Set out below are the carrying amounts of lease liabilities (included in other non-current and current financial liabilities) and the movements during the period:

€ million	2022	2021
As of 1 January	19.5	27.4
Additions	22.5	1.5
Disposals / Reclassification	(2.7)	(5.3)
Accretion of interest	0.6	0.8
Payments	(4.3)	(4.9)
<b>As of 31 December</b>	<b>35.6</b>	<b>19.5</b>

The Group also has certain leases with lease terms of twelve months or less and leases of office equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases. The following table shows the amounts recognised in profit or loss.

€ million	2022	2021
Depreciation Expense of Right-of-Use Assets	(4.2)	(3.3)
Interest Expense on Lease Liabilities	(0.6)	(0.9)
Interest Income on Lease Receivables	-	0.3
Expense relating to Leases of Low-Value Assets	(0.5)	(0.2)
Expense relating to Short-Term Leases	0.0	0.0
<b>Total Amount Recognized in Profit or Loss</b>	<b>(5.3)</b>	<b>(4.1)</b>

In consequence, Corestate had total cash outflows for leases of € 4.8m (2021: € 5.1m).

## E.6 Non-Current Receivables

€ million	2022	2021
Non-Current Loans to Third Parties	7.5	34.2
Non-Current Loans to former Majority Shareholder of HL	2.1	8.0
Non-Current Loans Other	0.1	9.5
<b>Total</b>	<b>9.7</b>	<b>51.7</b>

Non-current receivables decreased by € 42.0m to € 9.7m (2021: € 51.7m)

Non-current loans to third parties include a repayment of € 9m, a write-off of € 2.5m and a provision for expected credit losses amounting to € 13.5m (2021: € 0.1m; for further details of the credit risk see Note F.4). Non-current loans to the former majority shareholder of Hannover Leasing decreased due to a reclassification to other current receivables. The decrease in Non-Current Loans Other resulted from the sale of CE Bad Honnef Betriebsgesellschaft mbH during the year.

## E.7 Non-Current Loans to Associated Entities

€ million	2022	2021
Kanada Haus KG	5.6	5.6
RAW-Ost HC S.à r.l.	3.2	0.8
Pallars AIF HoldCo Sarl	1.9	1.9
HL Invest Neuss GmbH	-	3.0
Others	1.0	3.6
<b>Total</b>	<b>11.7</b>	<b>14.9</b>

The Non-Current Loans to Associated Entities decreased by € 3.2m to € 11.7m (2021: € 14.9m). This decrease is mainly resulting from the complete repayment of € 3.0m of the loan against HL Invest Neuss GmbH which was fully placed out in the reporting period.

The carrying amount of the loan against RAW-Ost HC S.à r.l. increased due to the issuance of a shareholder loan.

In addition, the provision for expected credit losses has been reduced by € 1.6m to € 7.9m (2021: € 9.5m; for further details of the credit risk see Note F.4).

## E.8 Inventories

Inventories comprise real estate properties in “Real Estate Operations and Warehousing” as part of the other segment which are deemed to be converted into investment products by way of selling them into independent investment structures.

At the end of fiscal year 2022, inventories in the amount of € 121.1m (2021: € 100.0m) are primarily related to the Projects Highstreet Giessen, a shopping centre, and Augsburg Offices (LAUREA Verwaltungsgesellschaft mbH & Co. Vermietungs KG), an office real estate property. Two development assets located in Spain complete the inventories.

In 2022 the increase in the amount of € 21.1m is mainly due to the purchase of the property Augsburg Offices by Hannover Leasing. The closing for Augsburg Offices (LAUREA Verwaltungsgesellschaft mbH & Co. Vermietungs KG) took place on 1 April 2022. In addition to a loan in the amount of € 20.6m, equity capital already deposited by investors in the Augsburg Offices fund was used to pay the purchase price. However, since the Augsburg Offices fund has not yet been fully placed (placement status as of 31 December 2022: € 10.7m of € 24.5m placement volume, corresponding to 43.7%), an equity bridge of € 9.5m was provided by HANNOVER LEASING GmbH & Co. KG (HL KG). The Group fully placed the asset among investors during 2023 (see also Note F.9 Significant Events after the Reporting Date).

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 CAPEX measures at the Highstreet Giessen project were mostly finalized during the reporting period. Ongoing CAPEX measures amounted to € 13.6m in 2022 (see also Note E.13 for the corresponding decrease in restricted cash). Management reassessed the valuation of the project which resulted in a current net realizable value of € 73.3m, the asset had to be written down by € 16.0m accordingly.

According to the underlying business plan, all real estate assets classified as inventories are expected to be sold in the normal business cycle (up to three years). An amount of € 0.3 m related to various projects has been reflected under miscellaneous.

€ million	2022	2021
Ginova PropCo S.à r.l. (property located in Giessen)	73.3	75.7
Laurea KG (property located in Augsburg)	41.4	-
Gabriela PropCo S.L. (property located in Spain)	2.5	4.0
Bego PropCo I S.L. (property located in Spain)	3.6	5.4
Walhalla PropCo S.à r.l. (property located in Bremen)	-	14.9
Miscellaneous	0.3	-
<b>Total (Carrying amount)</b>	<b>121.1</b>	<b>100.0</b>

As a result of the reassessment of the net realizable value of the two Spanish development assets, both were impaired by a total of € 3.3m.

## E.9 Trade Receivables

Trade receivables of € 26.2m (2021: € 47.2m) result from various fee income streams generated by the Group's Real Estate Equity and Debt Business with third party clients and receivables from renting activities.

The table below shows the risk provision for financial assets at amortised cost (within the simplified approach) showing cumulative expected credit losses of € 20.7m (2021: € 10.5m):

€ million	Stage 2 Simplified Approach	Stage 3 Simplified Approach	Total
<b>1 January 2022</b>	<b>1.7</b>	<b>8.8</b>	<b>10.5</b>
Provision for expected credit losses	(0.1)	10.3	10.2
<b>31 December 2022</b>	<b>1.6</b>	<b>19.1</b>	<b>20.7</b>

The increase relates mainly to HFS and is due to the illiquidity of Stratos II. The 2020/21 performance fee receivable amounted to € 21.3m, of which the full amount was invoiced but only € 13.0m was paid as at the beginning of Q4 2022. The remaining € 8.3m has been impaired. A detailed overview of the expected credit losses recognized is shown in Note F.4.

## E.10 Contract Assets

The decline in contract assets to € 3.0m (2021: € 58.5m) is mainly driven by the invoiced amounts of the coupon participation fees for the Stratos Funds at the level of HFS as part of the termination agreement between the funds' manager and HFS.

The coupon participation fees are calculated by the external fund manager on a monthly basis but are chargeable by HFS generally every six months. As the Stratos II Fund is in liquidation and the redemption of unit certificates is still suspended (see Note E.1), no relevant performance occurred in 2022 which led to a strong decline in already accrued performance fees of the fund for the fiscal year beginning on 1 November 2021.

For contract assets an amount of € 34.7m (2021: € 3.2m) was written off during the year. This was driven by increased risk provisions at the HFS level primarily linked to Stratos II due to reduced performance of the project.

The movement of contract assets is shown in the following table:

€ million	2021	Change in contract assets	Write off	2022
Gross carrying amount	61.7	24.0	34.7	3.0
Contra account	3.2	3.2	0.0	0.0
<b>Net carrying amount</b>	<b>58.5</b>	<b>20.8</b>	<b>34.7</b>	<b>3.0</b>

## E.11 Receivables from Associated Entities

The receivables from associated entities consist of € 4.8m (2021: € 14.4m) trade receivables from various entities, € 3.2m loans (2021: € 0.0m) and € 2.9m (2021: € 2.4m) other receivables.

## E.12 Other Current Financial Assets

Other Current Financial Assets amounted to € 31.1m (2021: € 86.5m). The reduction resulted mainly from the complete write off of a loan for bridge financing granted by Corestate Capital Services GmbH (CCS) whose carrying amount was € 60.5m in 2021. This effect was only partly balanced by a reclassification of trade tax receivables with a carrying amount of € 8.3m (2021: € 8.3m) from Non-Current Receivables to Other Current Financial Assets.

## E.13 Other Current Assets

Other Current Assets, predominantly consisting of other tax receivables, amount to € 12.6m (2021: € 12.1m) and remained relatively stable.

## E.14 Restricted Cash, Cash and Cash Equivalents

Cash and Cash Equivalents of € 56.1m (2021: € 62.8m) in the Consolidated Statement of Financial Position comprise cash at banks and on hand as well as short-term deposits with a maturity of three months or less. Cash is held with banks rated from Aa3 to A2 (according to Moody's).

The position cash and cash equivalents generally include restricted cash since it is considered an integral part of the Group's cash management. In 2022 restricted cash only amounts to € 0.5m (2021: € 12.9m) and mainly relates to the remaining contractually committed CAPEX expenditure for the warehousing asset Giessen (see Note E.8).

## E.15 Equity

### *Share Capital*

€ million	2022	2021
<b>As of 1 January</b>	<b>2.6</b>	<b>1.9</b>
Issue of share capital (contribution in cash)	-	0.6
<b>As of 31 December</b>	<b>2.6</b>	<b>2.6</b>

The Company's share capital remained unchanged in 2022 compared to prior year as no movement in number of shares occurred. (see D.14).

Overall, the Company's share capital as of December 2022 is set at € 2,564,536 represented by 34,193,808 shares (2021: 34,193,808).

All shares are dematerialized shares without a par value. The shares are freely transferable in accordance with the legal requirements for shares in dematerialized form, that is, through book-entry transfers. There are no prohibitions on disposals or restrictions with respect to the transferability of the shares. All shares are subject to and governed by Luxembourg law.

Each share carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. All shares carry the same dividend rights. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the shares in proportion to their interest in the Company's Share Capital

### *Authorized Capital*

The Management Board may withdraw or limit the preferential subscription rights of the shareholders under the authorized capital in accordance with the Articles of Association.

On 20 December 2022, in the context of the financial restructuring, the extraordinary shareholders' meeting concluded to authorize the Management Board for a period of five years to issue up to 200,000,000 new shares in the Share Capital amount of up to € 15m with a limitation and/or waiver of the preferential subscription rights.



*Other Reserves*

The other reserves decreased by € 203.2m to € 618.6m (2021: € 821.7m) mainly relating to the transfer of the prior year's Group net loss amounted to € -201.1m.

The composition and development of the other reserves is shown in the Consolidated Statement of Changes in Equity.

The shareholders' share of profits is determined based on their respective interests in the Company's share capital. In a Luxembourg public limited company (société anonyme), resolutions concerning the distribution of dividends for a given financial year, and the amount thereof, are adopted by the annual general meeting of shareholders related to such financial year. The annual general meeting of shareholders decides on the allocation of the annual profit, if any.

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". As it has already reached 10% of the subscribed share capital the balance of the net profit is at the disposal of the annual general meeting of shareholders. The general meeting of shareholders may also allocate net profits to reserves other than the legal reserve, and, subject to compliance with all legal requirements, such reserves are available for distribution by a decision of the general meeting of shareholders.

No dividend distribution may be decided by the annual general meeting of shareholders when, on the closing date of the last financial year, the net assets as set out in the annual accounts are, or following such distribution would become, lower than the amount of the subscribed share capital plus the legal reserve or any other reserves that may not be distributed by virtue of the Articles of Association.

*Negative Equity*

Overall, as at 31 December 2022 the Group's equity position comes to a negative equity in the amount of € -120.3m (2021: positive equity of € 626.2m) which is mainly driven by the significant impairment expenses related to Corestate's real estate debt business.

This balance sheet over-indebtedness was resolved by a haircut on the outstanding bonds combined with a capital reduction and subsequent capital increase in 2023 using the 2022 authorized capital as agreed upon in the December 2022 shareholders' meeting; in addition, the Management Board further expects the Company to have the abilities to meet its future obligations under the new capital structure out of operating and further divestment cashflows. Refer to "Going concern basis" section of Note A.2 for further details.

## E.16 Non-Current Financial Liabilities from Bonds

Both the senior and convertible bond have been reclassified to Current Financial Liabilities from Bonds (see Note E.20).

€ million	2022	2021
2018 Senior unsecured Bonds	-	298.0
<b>Total</b>	<b>-</b>	<b>298.0</b>

## E.17 Non-Current Financial Liabilities to Banks

The increase of non-current financial liabilities to banks of € 17.0m to € 20.5m (2021: € 3.5m) results from the reclassification of a loan from current to non-current due to maturity in 2032 (€ 20.5m) and repayments or sale of the relevant investment structures (€ 3.5m).

## E.18 Other Non-Current Financial Liabilities

Other non-current financial liabilities of € 35.0m (2021: € 19.9m) mainly consist of lease liabilities amounting to € 32.7m (2021: € 15.0m) related to procurement leases, particularly offices and cars. Due to the planned relocation to a new office building in Frankfurt on Main at the beginning of 2023, the existing office lease agreement was not extended, and the previously included extension option was reduced by 5 years to the new contractual end date of 28 February 2023.

## E.19 Other Non-Current Provisions

Other non-current provisions include different forms of guarantees and other commitments that typically arise from Corestate's warehousing or product placement activities. As at 31 December 2022, sundry other non-current provisions mainly include pension-related and similar obligations.

€ million	1 Jan 2022	Utilization	Reversals	Additions	31 Dec 2022
Guarantees and other commitments	0.4	-	-	-	0.4
Sundry other non-current provisions	0.8	0.0	(0.3)	0.6	1.1
<b>Total</b>	<b>1.2</b>	<b>0.0</b>	<b>(0.3)</b>	<b>0.6</b>	<b>1.5</b>

## E.20 Current Financial Liabilities from Bonds

The table below shows the amounts of the Group's current financial liabilities from bonds:

€ million	2022	2021
2018 Senior unsecured bonds	299.5	-
2017 Convertible bonds	192.6	190.9
2022 Senior secured bridge bonds	9.9	-
<b>Total</b>	<b>502.0</b>	<b>190.9</b>

### *Senior Secured 'Bridge' Notes ("Bonds")*

At the end of 2022, the Company has issued senior secured bonds in an aggregate principal amount of € 10.0m. These bonds are issued in bearer form with a principal amount of € 100,000 each, which rank pari passu among themselves and are listed under the ISIN DE000A3LBT12. The senior secured bonds were provided by a group of bond holders to bridge the immediate cash need of the Group in December 2022.

The secured bonds had an initial maturity until 15 April 2023 which can be subject to prolongation if the restructuring needs more time; they were placed with a coupon of 8.0% per annum. The Company has provided collateral comprising first-priority pledges over the shares certain subsidiaries, certain bank accounts and notes as well as assignments of current and future intra-group and external receivables vis-à-vis third parties. The aforementioned collateral serves to secure the existing liabilities arising from the bonds and contains various restrictions, particularly with regard to the further encumbrance or sale of the assets provided as collateral but otherwise allows for the usual dispositions in the ordinary course of business (e.g. permission to use bank accounts, etc.).

As an additional part of the restructuring in 2023, the bridge financing of formerly € 10m was increased to € 37m nominal and transferred into new bonds ("New Super Senior Notes"), maturing on 31 December 2026, accounted for as of 31 December 2023 under the caption "Non-Current Financial Liabilities from Bonds" for an amount of € 38.7m including interest.

### *Senior Unsecured Bonds*

The Company has issued senior unsecured bonds in the aggregate principal amount of € 300m. The bonds are issued in denomination with a principal amount of € 100,000 each, which rank pari passu among themselves and are listed under the ISIN DE000A19YDA9. The Group used the net proceeds for the refinancing of existing debt as well as for general corporate purposes.

The bonds with a maturity of five years were issued at 98.857% and will be redeemed at 100%. The bonds were placed with a coupon of 3.5% per annum, payable semi-annually in arrears. The issuance of the bonds took place on 23 March 2018.

The senior unsecured bonds were disclosed as “Non-Current Financial Liabilities from Bonds” in 2021 (€ 300m) and are presented as “Current Financial Liabilities from Bonds” in 2022 due to the maturity date in March 2023.

### *Convertible Bonds*

In 2017, the Company has issued unsubordinated and unsecured convertible bonds in the aggregate principal amount of € 200.0m. The convertible bonds are issued in bearer form with a principal amount of € 100,000 each, which rank pari passu among themselves and are listed under the ISIN DE000A19SPK4. The Group used the net proceeds for the refinancing of existing debt as well as for general corporate purposes.

The convertible bonds with a maturity of 5 years were issued at 100% and will be redeemed at 100% of their principal amount, unless previously converted or repurchased and cancelled. The bonds were placed with a coupon of 1.375% per annum, payable semi-annually in arrears and the conversion price was set to € 61.9580, representing a premium of 27.5% above the reference share price at the bond issue date. The settlement of the bonds took place around 28 November 2017.

After the reporting date the maturity of the convertible bonds was extended to 31 December 2026. As part of the restructuring in 2023, the repayment of the bonds was largely waived, meaning that € 148.2m was booked out through profit or loss to € 36.7m (including transaction costs) as at 31 December 2023 (see also F.9 Significant Events After The Reporting Date).

The convertible bonds have both an equity- and debt component. The equity component, included within other reserves, amounts to €9.7m (2021: €9.7m) and reflects the value of the conversion right (written call option). Refer to Note D.15 for details on the earnings per share calculation.

The Company being the issuer may, on giving not less than 30 nor more than 60 days' prior notice to the bondholders, redeem all, but not some only, of the outstanding bonds with effect from the redemption date (which shall be no earlier than 19 December 2020). However, such notice may only be given if the share price on each of not less than 20 trading days during an observation period of 30 consecutive trading days is equal to or exceeds 130% of the conversion price in effect on each such trading day.

The issuer grants to each bondholder the right (the “conversion right”) to convert each bond in whole, but not in part, at the conversion price into settlement shares on any business day during the conversion period (period from 8 January 2018 to the earlier of the following days: the 35th Business Day prior to the maturity date or if the bonds are redeemed by the issuer the 10th Business Day prior to the redemption date).

The bonds bear interest on their principal amount at a rate of 1.375% p.a. as from 28 November 2017. Each bond will cease to bear interest when the bondholder exercises the conversion right in respect of any bond or a bond is redeemed.

Overall, the financial liabilities from convertible bonds increased by € 1.7m in 2022 (2021: € -6.5m).

## E.21 Other Current Provisions

The table below shows the detailed composition of the current provisions:

€ million	1 Jan 2022	Utilization	Reversals	Change in scope	Transfer /Reclassification	Additions	31 Dec 2022
Litigation costs	2.5	(0.4)	(0.7)	-	-	1.3	2.7
Restructuring	7.5	(1.4)	(3.2)	-	-	1.3	4.2
Guarantees and other Commitments	0.3	(0.2)	-	-	-	7.5	7.6
Trade tax	0.0	0.0	0.0	0.0	5.9	0.0	5.9
Sundry	3.3	(0.5)	(0.1)	0.1	(0.6)	1.8	4.0
<b>Total</b>	<b>13.6</b>	<b>(2.5)</b>	<b>(4.0)</b>	<b>0.1</b>	<b>5.3</b>	<b>11.8</b>	<b>24.4</b>

Litigation Costs mainly include potential claims from investors from real estate funds and from former employees as part of ongoing legal proceedings.

Provision for restructuring includes costs for the realisation of the strategic goal of transforming the Company.

The increased Guarantees and other Commitments mainly relate to an amount of € 7.5m, which is a provision of contingent drawdown on the guarantee of the project RAW. As part of the financing of the RAW transaction, Corestate has provided a guarantee for an initial maximum amount of € 11.0m (cap). Against the backdrop of the challenging real estate market and the resulting fluctuations in property values, particularly for project developments such as RAW, a provision has been made for a contingent drawdown on the guarantee.

In 2022 trade tax provisions of € 5.9m for which Hannover Leasing GmbH & Co. KG is not the debtor were reclassified from Current Income Tax Liabilities to Other Current Provisions.

Sundry mainly includes potential tax claims from ongoing proceedings.

## E.22 Other Current Financial Liabilities to Banks

The other current financial liabilities to banks of € 42.7m (2021: € 68.3m) mainly comprise warehousing-related debt, including a warehousing loan for the project Highstreet Giessen (€ 40.5m; interest rate 3,25 %; maturity September 2022, extended to June 2023; see also Note E.8). A debt covenant breach occurred and was resolved in 2022. Please refer to Note F.9 for additional details.

## E.23 Trade Payables

The trade payables of € 18.8m (2021: € 27.6m) mostly consist of amounts due to utilized services and are not interest-bearing. The year-on-year decrease is mainly due to a reduced use of, and the shorter payment terms granted by, external service providers in 2022.

## E.24 Other Current Financial Liabilities

Other current financial liabilities amount to € 33.0m (2021: € 41.4m) mostly comprising of lease liabilities. The year-on-year decrease is mainly driven by the reduction in lease liabilities by € 1.7m to € 2.9 (2021: € 4.5), the sale of the Bad Honnef operating Company, and the reassessment of certain lease contracts as well as the regular lease payments. Moreover, Hannover Leasing placed the last Vision One and Neuss projects shares among institutional investors, hence only a minority share is held back. The closing of the sale of the warehousing asset “Wallhalla” was completed on 31 May 2022 (see Note E.8). With the disposal, the corresponding liabilities were also repaid in full.

## E.25 Other Current Liabilities

€ million	2022	2021
Liabilities from Employee Benefits	12.7	14.8
Liabilities from Other Taxes (VAT, stamp duty)	7.5	9.3
Contract Liabilities	9.9	0.2
Sundry	15.8	15.7
<b>Total</b>	<b>45.9</b>	<b>40.0</b>

The increase of other current liabilities is mainly due to higher contract liabilities resulting particularly from reimbursement obligations at HFS level. The position ‘sundry’ primarily includes other taxes in the amount of € 7.5m (2021: € 9.3m) and liabilities for social security of € 1.3m (2021: € 1.2m).

The movement of contract liabilities is shown in the following table:

€ million	2021	Recognized as revenue	Additions	2022
Contract Liabilities	0.2	(0.2)	9.9	9.9

## F. ADDITIONAL INFORMATION

### F.1 Segment Information

#### *Operating segments & chief operating decision maker (CODM)*

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 segment, 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 In-come 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. This includes the business of Hannover Leasing, STAM, CRM, Upartments, and Corestate's asset and investment management.

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

The "Other" Segment incorporate all line items from the remaining 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.

### *Segment Information*

The following tables present information on the Group's operating segments for 2022 and 2021, respectively. Operating results are monitored for the purpose of making decisions about resource allocation and performance assessment by the CODM.

The Group's General and Administrative (G&A) and Other 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.

Impairment losses are accounted for in profit or loss, not in other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment Information for the year from 1 January to 31 December 2022

€ million	Real Estate Equity Segment	Real Estate Debt Segment	Other Segment	Total Segments	Over- head	Consolidated Financial Statements
<b>Revenues:</b>						
Revenues	57.7	25.9	9.2	92.6	0.0	92.8
Inter-segment revenues	-	-	-	-	-	-
<b>Total revenues</b>	<b>57.7</b>	<b>25.9</b>	<b>9.2</b>	<b>92.6</b>	<b>0.0</b>	<b>92.6</b>
<b>Income/ expenses:</b>						
Expenses from Real Estate Equity Segment	(80.1)	0.0	0.0	(80.1)	0.0	(80.1)
Expenses from Real Estate Debt Segment	0.0	(128.6)	0.0	(128.6)	0.0	(128.6)
Net Gain from Selling Warehousing Assets	0.0	0.0	(0.4)	(0.4)	0.0	(0.4)
Share of Profit or Loss from Associates and Joint Ventures	0.0	0.0	(23.2)	(23.2)	0.0	(23.2)
Dividends from other Alignment Capital	0.0	0.0	2.7	2.7	0.0	2.7
Gains/(Losses) from fair value measurement of financial instruments	0.0	0.0	(16.1)	(16.1)	0.0	(16.1)
Expenses from Other Segment	0.0	0.0	(26.0)	(26.0)	0.0	(26.0)
<b>Total earnings</b>	<b>(22.4)</b>	<b>(102.7)</b>	<b>(53.8)</b>	<b>(179.0)</b>	<b>0.0</b>	<b>(179.0)</b>
General and Administrative (G&A) and Other Expenses	0.0	0.0	0.0	0.0	(68.2)	(68.2)
Other income	0.0	0.0	0.0	0.0	79.0	79.0
<b>EBITDA</b>	<b>(22.5)</b>	<b>(102.8)</b>	<b>(53.7)</b>	<b>(179.0)</b>	<b>10.8</b>	<b>(168.2)</b>
Depreciation, Amortization & Impairment	(32.0)	(481.3)	(17.9)	(531.2)	(4.6)	(535.8)
Financial Income	0.0	0.0	0.0	0.0	8.2	8.2
Financial Expenses	0.0	0.0	0.0	0.0	(22.8)	(22.8)
Income Tax Expense	0.0	0.0	0.0	0.0	(24.1)	(24.1)
<b>Segment Net Profit/(Loss)</b>	<b>(54.5)</b>	<b>(584.1)</b>	<b>(71.6)</b>	<b>(710.2)</b>	<b>(32.4)</b>	<b>(742.6)</b>
<b>Total Assets (31 Dec 2022)</b>	<b>170.3</b>	<b>67.0</b>	<b>379.5</b>	<b>616.7</b>	<b>33.7</b>	<b>650.4</b>
<b>Total Equity and Liabilities (31 Dec 2022)</b>	<b>234.8</b>	<b>72.2</b>	<b>400.7</b>	<b>707.8</b>	<b>62.9</b>	<b>650.4</b>
Investment in Associates and Joint Ventures	0.0	0.0	84.6	84.6	0.0	84.6

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Segment Information for the year from 1 January to 31 December 2021

€ million	Real Estate Equity Segment	Real Estate Debt Segment	Other Segment	<b>Total Segments</b>	Over- head	Consolidated Financial Statements
<b>Revenues:</b>						
Revenues	89.6	121.9	6.3	217.8	0.0	217.8
Inter-segment revenues	-	-	-	-	-	-
<b>Total revenues</b>	<b>89.6</b>	<b>121.9</b>	<b>6.3</b>	<b>217.8</b>	<b>0.0</b>	<b>217.8</b>
<b>Income/ expenses:</b>						
Expenses from Real Estate Equity Segment	(86.5)	0.0	0.0	(86.5)	0.0	(86.5)
Expenses from Real Estate Debt Segment	0.0	(66.1)	0.0	(66.1)	0.0	(66.1)
Net Gain from Selling Warehousing Assets	0.0	0.0	(2.7)	(2.7)	0.0	(2.7)
Share of Profit or Loss from Associates and Joint Ventures	0.0	0.0	2.5	2.5	0.0	2.5
Dividends from other Alignment Capital	0.0	0.0	12.8	12.8	0.0	12.8
Gains/(Losses) from fair value measurement of financial instruments	0.0	0.0	(2.9)	(2.9)	0.0	(2.9)
Expenses from Other Segment	0.0	0.0	(7.3)	(7.3)	0.0	(7.3)
<b>Total earnings</b>	<b>3.1</b>	<b>55.8</b>	<b>8.7</b>	<b>67.6</b>	<b>0.0</b>	<b>67.6</b>
General and Administrative (G&A) and Other Expenses	0.0	0.0	0.0	0.0	(59.5)	(59.5)
Other income	0.0	0.0	0.0	0.0	16.3	16.3
<b>EBITDA</b>	<b>3.1</b>	<b>55.8</b>	<b>8.7</b>	<b>67.6</b>	<b>(43.2)</b>	<b>24.4</b>
Depreciation, Amortization & Impairment	(5.1)	(202.5)	(0.1)	(207.7)	(11.1)	(218.8)
Financial Income	0.0	0.0	0.0	0.0	7.4	7.4
Financial Expenses	0.0	0.0	0.0	0.0	(25.7)	(25.7)
Income Tax Expense	0.0	0.0	0.0	0.0	13.7	13.7
<b>Segment Net Profit/(Loss)</b>	<b>(2.0)</b>	<b>(146.7)</b>	<b>8.6</b>	<b>(140.1)</b>	<b>(59.0)</b>	<b>(199.0)</b>
<b>Total Assets (31 Dec 2021)</b>	<b>214.3</b>	<b>712.7</b>	<b>435.2</b>	<b>1,362.2</b>	<b>27.9</b>	<b>1,390.1</b>
<b>Total Equity and Liabilities (31 Dec 2021)</b>	<b>107.0</b>	<b>434.0</b>	<b>206.3</b>	<b>747.3</b>	<b>31.2</b>	<b>778.5</b>
Investment in Associates and Joint Ventures	0.0	0.0	145.9	145.9	0.0	145.9

*Group-Wide Disclosures*

The Group operates currently with a focus on Germany, United Kingdom, Spain, Switzerland, Poland and Portugal. The Group has segmented its capital allocation by geographical area based on the location of the properties in its Real Estate Equity, Real Estate Debt as well as Real Estate Operations/Warehousing business. The Group generates a major part of its revenues and income in Germany, because the Group and/or its Associates are focused on the German real estate market.

The following table sets forth the Group's revenues as well as non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts) by geography for the periods indicated:

*Geographical Segment Information (Secondary Segments)*

€ million	2022	2021
<b>Non-Current Asset - Goodwill</b>	<b>45.0</b>	<b>487.2</b>
Luxembourg	45.0	487.2
<b>Non-Current Asset – Other Intangible Assets</b>	<b>27.2</b>	<b>84.8</b>
Germany	22.5	37.0
France	4.6	6.1
Switzerland	0.0	41.7
Other	0.1	0.0
<b>Non-Current Asset – Investment in Associates and Joint Ventures</b>	<b>84.6</b>	<b>145.9</b>
Germany	84.6	145.9
<b>Non-Current Asset – Property, Plant and Equipment</b>	<b>33.7</b>	<b>13.4</b>
Germany	31.2	11.1
France	0.5	0.1
Other	2.0	2.2
<b>Revenues</b>	<b>92.8</b>	<b>205.8</b>
Germany	67.3	179.0
UK	16.4	0.8
Benelux	5.2	5.3
Austria	1.8	6.0
Spain	0.8	1.6
USA	0.1	5.4
Other	1.3	7.7

Compared to previous years, in which turnover of >10% was regularly achieved with one customer (i.e. the Stratos II fund), in 2022 there is no longer a customer that is solely responsible for more than 10% of the turnover achieved in the reporting period.

## F.2 Commitments and Contingencies

The Corestate Group's contingent liabilities and other obligations are primarily potential future payment obligations of the Group attributable to guarantees that have been provided. These contingencies are not recognized in the balance sheet but disclosed in accordance with IAS 37. The table below provides an overview of the contingencies as of 2022:

€ million	2022	2021
Obligations under guarantees and warranty agreements	61.7	45.3
Loan Commitment	5.3	29.8
Placing and takeover obligations	0.8	36.1
<b>Total Loss Contingencies</b>	<b>67.8</b>	<b>111.2</b>

The increase in the obligations under guarantees and warranty agreements is almost entirely due to the project “Laurenz Carré” (€ 17.0m).

The decrease in loan commitments is mainly the result of the Hannover Leasing projects “Vision One (HL Vision One KG)”, HL Augsburg Offices GmbH & Co. geschlossene Investment-KG and “Invest Neuss (HL Invest Neuss KG)” amounting together to a decrease of about € 22.6m. In 2022, all remaining shares of project “Vision One” were sold to external investors (fully placed) and “Augsburg Office” is fully consolidated.

The reduction of placing and takeover obligations results mainly from obligations for “HL Augsburg Offices GmbH & Co. geschlossene Investment-KG” and “Objektgesellschaft Tec-Park mbH”, amounting together to a decrease of € 35.6m.

## F.3 Capital Management

The Group's policy is to maintain a strong capital base in order to maintain investor, creditor, and general capital markets confidence, and to support the ongoing development and growth of the Group for further maximizing shareholder value. Corestate group is not subject to regulatory capital requirements.

For the Group's capital management, capital includes share capital and all other equity reserves attributable to the shareholders of the parent. The Group proactively manages its capital structure and makes necessary adjustments by either changing dividend payouts, returning capital to shareholders, or issuing new shares. No changes were made in the objectives, policies, or processes for managing capital during the year ended 31 December 2022.

## F.4 Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise liabilities to bonds, liabilities to banks, trade payables, current liabilities to associates and other financial liabilities with the main purpose of financing the Group's operations. Vice versa, the Group has loan, trade and other receivables, as well as cash and cash equivalents directly resulting from its operations. The Group also holds other financial instruments and enters derivative transactions if necessary. The Group is exposed to credit risk, liquidity risk, and interest rate risk.

The overarching risk management system, which is designed in line with the size and operations of the Group, is geared towards the unpredictable nature of developments on the financial markets and aims to minimize potential negative effects on the Group's financial position. The Group identifies measures at regular intervals. In addition, the Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The Group's management oversees the administration of these risks to ensure that an appropriate balance between risk and control is achieved. The Group's management reviews and agrees policies for managing each of these risks which are summarized below.

### *Liquidity Risk*

The Group monitors its risk of a shortage of funds using a continuous liquidity planning on a monthly basis. For short-term liquidity risks an efficient net working capital management is in place. In addition, liquidity may also be affected by changing interest rates. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Lease liabilities with a carrying amount of € 35.6m (2021: € 19.5m) have nominal interest rates between 3.1% and 4.7% with a maturity from 2023 to 2032. Corresponding Face values of lease liabilities amount to € 41.0m (2021: € 23.0m).

### *Maturities of Financial Liabilities (2022)*

€ million	31 Dec 2022	< 1 year	1 to 5 years	> 5 years
Financial Liabilities to Bonds	502.0	502.0	-	-
Financial Liabilities to Banks	63.2	42.7	0.0	20.5
Other Financial Liabilities	68.0	33.0	17.5	17.5
<i>thereof lease liabilities</i>	35.6	2.9	15.9	16.9
Current liabilities to Associates	9.0	9.0	-	-
Trade payables	18.8	18.8	-	-
<b>Total financial liabilities</b>	<b>661.0</b>	<b>605.5</b>	<b>17.5</b>	<b>38.0</b>

*Maturities of Financial Liabilities (2021)*

€ million	31 Dec 2021	< 1 year	1 to 5 years	> 5 years
Financial Liabilities to Bonds	488.9	190.9	298.0	-
Financial Liabilities to Banks	71.8	68.3	3.5	-
Other Financial Liabilities	61.3	41.4	11.9	8.0
<i>thereof lease liabilities</i>	19.5	2.9	8.6	8.0
Current liabilities to Associates	18.1	18.1	-	-
Trade payables	27.6	27.6	-	-
<b>Total financial liabilities</b>	<b>667.8</b>	<b>346.3</b>	<b>313.4</b>	<b>8.0</b>

*Credit Risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, eventually leading to a financial loss. The Group is exposed to credit risk from its operating activities which, in turn, are dependent on the operating performance of the underlying investments. Such operating performance is very closely monitored by the Group's asset, property and finance management teams.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The expected credit loss for trade receivables is assessed using a matrix to determine the maturity of these receivables (simplified approach). The credit risk of other receivables (general approach) is qualified by allocating debtors to a corresponding industry and using relevant market data such as sector specific CDS-spreads. The main focus is on the real estate industry.

The table below shows all recognized expected credit losses per asset class for all financial assets classified at amortized cost as at 31 December 2022:

€ million	Gross carrying amount at amortized cost 31 Dec 2022	ECL Stage I	ECL Stage II	ECL Stage III	Total ECL 31 Dec 2022	Net carrying amount at amortized cost 31 Dec 2022
Other Financial Instruments	15.2	0.0	0.0	11.4	11.4	3.8
Non-Current Receivables	19.3	0.0	0.0	13.4	13.5	5.9
Non-Current Loans to Associated Entities	22.9	0,1	0.0	7.8	7.9	14.9
Other Current Financial Assets	14.2	0,1	0.1	2.0	2.3	11.9
Contract Assets	3.0	0,1	0.0	0.0	0.0	3.0
Receivables from Associated Entities	12.3	0.0	0.2	4.4	4.6	7.7
Trade Receivables	46.9	0.0	1.6	19.1	20.7	26.2
Restricted Cash	0.5	0.0	0.0	0.0	0.0	0.5
Cash and Cash Equivalents	56.1	0.0	0.0	0.0	0.0	56.1
<b>Total</b>	<b>190.3</b>	<b>0.3</b>	<b>1.9</b>	<b>58.2</b>	<b>60.4</b>	<b>129.9</b>

The following table shows the corresponding values as a 31 December 2021:

€ million	Gross carrying amount at amortized cost 31 Dec 2021	ECL Stage I	ECL Stage II	ECL Stage III	Total ECL 31 Dec 2021	Net carrying amount at amortized cost 31 Dec 2021
Other Financial Instruments	4.9	0.0	0.0	0.0	0.0	4.9
Non-Current Receivables	16.2	0.1	0.0	0.0	0.1	16.1
Non-Current Loans to Associated Entities	13.6	0.1	0.0	9.4	9.5	4.1
Other Current Financial Assets	122.9	0.1	0.1	38.2	38.5	84.4
Contract Assets	61.7	0.1	0.0	3.1	3.2	58.5
Receivables from Associated Entities	23.1	0.0	0.5	5.8	6.3	16.8
Trade Receivables	57.7	0.0	1.7	8.8	10.5	47.2
Restricted Cash	12.9	0.0	0.0	0.0	0.0	12.9
Cash and Cash Equivalents	62.8	0.0	0.0	0.0	0.0	62.8
<b>Total</b>	<b>375.7</b>	<b>0.5</b>	<b>2.3</b>	<b>65.3</b>	<b>68.1</b>	<b>307.6</b>

The development of expected credit losses from 31 December 2021 to 31 December 2022 can be reconciled based on the following table:

€ million	Balance
<b>1 January 2022</b>	<b>68.1</b>
Additional ECL	126.9
Impairment Reversal	(30.7)
Write off	(104.0)
<b>31 December 2022</b>	<b>60.4</b>

The table below shows the default ratios per aging item for trade receivables as of 31 December 2022:

€ million	Not yet due	Past-due - 1 to 90 days	Past-due - 91 to 180 days	Past-due - 181 to 360 days	Past-due - from 361 days	Total
Default ratio	0.0%	0.7%	2.2%	6.1%	0.0%	3.4%
Gross carrying amount of trade receivables as of 31 December 2022	0.0	14.9	11.9	20.1	0.0	46.9
Expected credit loss Stage 2	0.0	0.1	0.3	1.2	0.0	1.6

The table below shows the default ratios per aging item for trade receivables as of 31 December 2021:

€ million	Not yet due	Past-due - 1 to 90 days	Past-due - 91 to 180 days	Past-due - 181 to 360 days	Past-due - from 361 days	Total
Default ratio	0.4%	0.5%	7.7%	10.0%	14.7%	3.6%
Gross carrying amount of trade receivables as of 31 December 2022	24.1	10.5	2.5	7.2	2.8	47.2
Expected credit loss Stage 2	0.1	0.1	0.2	0.8	0.5	1.7

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for a minor portion of its cost base, which is denominated in USD, GBP and CHF, the Group does not have any foreign currency risk relating to financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and CHF exchange rates, with all other variables held constant.

Currency	Change in FX rate	Effect on EBIT 2022 € million	Effect on EBIT 2021 € million
USD	+10%	1.0	1.7
	- 10%	(1.2)	(2.1)
GBP	+10%	< 0.1	< 0.1
	- 10%	< (0.1)	< (0.1)
CHF	+10%	< 0.1	< 0.1
	- 10%	< (0.1)	< (0.1)

As well, no significant impact is expected on the Group's Profit or Loss or on Equity.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short and long-term debt obligations with floating interest rates.

In the case of variable-rate (loan) liabilities, there is an interest rate risk insofar as the interest rate for the loans raised is usually linked to the EURIBOR (European Interbank Offered Rate) reference rate.

All of the Group's financial assets – with the exception of loans to Associated Entities – are even non-interest bearing or partly with fees of 40–50 basis points.

The following table provides the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held



constant, the Group's earnings before tax (EBT) would be affected through the impact on floating rate financial instruments, as follows:

Increase/ decrease in basis points	Effect on financial result	Effect on financial result
	2022 € million	2021 € million
+50 bps	< (0.2)	< (0.1)
-50 bps	< 0.2	< 0.1

## F.5 Fair Value of Assets and Liabilities

IFRS 13 requires disclosures related to fair value measurements using a three- level fair value hierarchy. The availability of input factors determines the level of fair value hierarchy. Hence, the Group uses the following Fair Value Hierarchies:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (comparable transactions)
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (valuation models)

As in the previous year the Group's fair value measurements of assets are mainly within Level 3, whereas the fair value measurement of financial liabilities is mainly within level 1 due to both corporate bonds being traded on the regulated market, specifically listed on the Frankfurt Stock Exchange (FSE) (see Note E.20 for details). Financial instruments measured within Level 3 are being valued based on real estate appraisals without observable market input parameters.

The Group's management considers the appropriateness of the valuation methods and inputs and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. Any changes in valuation methods are discussed and agreed with the Group's Management Board.

The table below summarizes the financial instruments that the Group holds, compares the carrying amount with the fair value of each class of financial instrument and distinguishes between financial instruments measured at amortized cost or at fair value as of 31 December 2022:

€ million	Carrying amount 31 Dec 2022	Amortized cost	Fair value recognized through profit and loss	Addition <sup>1</sup>	Fair value 31 Dec 2022
Other Financial Instruments	151.1	3.8	147.4	-	151.1
Non-Current Receivables	9.7	5.2	4.4	0.1	9.6
Non-Current Loans to Associated Entities	11.7	5.3	6.4	-	11.7
Other Current Financial Assets	31.1	28.7	-	2.4	28.7
Contract Assets	3.0	3.0	-	-	3.0
Receivables from Associated Entities	10.9	10.9	-	-	10.9
Trade Receivables	26.2	26.2	-	-	26.2
Restricted Cash	0.5	0.5	-	-	0.5
Cash and Cash Equivalents	56.1	56.1	-	-	56.1
<b>Total Financial Assets</b>	<b>300.3</b>	<b>139.7</b>	<b>158.2</b>	<b>2.5</b>	<b>297.7</b>
Non-Current Financial Liabilities to banks	20.5	20.5	-	-	20.5
Other Non-Current Financial Liabilities	35.0	2.3	-	32.7	2.2
Current Financial Liabilities from bonds	502.0	502.0	-	-	40.7
Current Financial Liabilities to banks	42.7	42.7	-	-	42.7
Other Current Financial Liabilities	33.0	30.2	-	2.9	30.2
Current Liabilities to Associated Entities	9.0	9.0	-	-	9.0
Trade Payables	18.8	18.8	-	-	18.8
<b>Total Financial Liabilities</b>	<b>661.0</b>	<b>625.5</b>	<b>-</b>	<b>35.6</b>	<b>164.1</b>

<sup>1</sup> Rights and obligations under leases to which IFRS 16 applies, are not part of the fair value hierarchy of IFRS 9 and therefore labelled as "Addition"

Part of the current financial liabilities from bonds is a convertible bond with a book value of € 192.6m (2021: € 190.9m).

The table below summarizes the financial instruments that the Group holds and compares the carrying amount with the fair value of each class of financial instrument as of 31 December 2021:

€ million	Carrying amount 31 Dec 2021	Amortized cost	Fair value recognized through profit and loss	Addition <sup>1</sup>	Fair value 31 Dec 2021
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 Associated Entities	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 Associated Entities	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
<b>Total Financial Assets</b>	<b>502.7</b>	<b>307.6</b>	<b>176.0</b>	<b>19.1</b>	<b>483.6</b>
Non-Current Financial Liabilities to banks	3.5	3.5	-	-	3.5
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	194.9	194.9	-	-	155.9
Current Financial Liabilities to banks	68.3	68.3	-	-	68.3
Other Current Financial Liabilities	37.5	33.0	-	4.5	33.0
Current Liabilities to Associated Entities	18.1	18.1	-	-	18.1
Trade Payables	27.6	27.6	-	-	27.6
<b>Total Financial Liabilities</b>	<b>667.8</b>	<b>648.3</b>	<b>-</b>	<b>19.5</b>	<b>570.8</b>

<sup>1</sup> Rights and obligations under leases to which IFRS 16 applies, are not part of the fair value hierarchy of IFRS 9 and therefore labelled as "Addition"

The table below shows which level of the fair value hierarchy is used to measure fair value as of 31 December 2022:

€ million	Fair Value Hierarchy 2022			
	Fair Value	Level 1	Level 2	Level 3
<b>Financial Assets for which fair values are disclosed</b>				
Other Financial Instruments	151.1	-	3.7	147.4
Non-Current Receivables	9.6	-	9.6	-
Non-Current Loans to Associated Entities	11.7	-	11.7	-
Other Current Financial Assets	28.7	-	28.7	-
Contract Assets	3.0	-	3.0	-
Receivables from Associated Entities	10.9	-	10.9	-
Trade Receivables	26.2	-	-	-
Restricted Cash	0.5	-	-	-
Cash and Cash Equivalents	56.1	-	-	-
<b>Total Financial Assets</b>	<b>297.7</b>	<b>-</b>	<b>67.6</b>	<b>147.4</b>
<b>Financial Liabilities for which fair values are disclosed</b>				
Non-Current Financial Liabilities to banks	20.5	-	20.5	-
Other Non-Current Financial Liabilities	2.2	-	2.2	-
Current Financial Liabilities from bonds	40.7	40.7	-	-
Current Financial Liabilities to banks	42.7	-	42.7	-
Other Current Financial Liabilities	30.2	-	30.2	-
Current Liabilities to Associated Entities	9.0	-	9.0	-
Trade Payables	18.8	-	-	-
<b>Total Financial Liabilities</b>	<b>164.1</b>	<b>40.7</b>	<b>104.6</b>	<b>-</b>

This table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value (such as trade receivables, trade payables or cash).

No transfers between levels occurred during 2022.

The table below shows which level of the fair value hierarchy is used to measure fair value as of 31 December 2021. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value (such as trade receivables, trade payables or cash):

€ million	Fair Value Hierarchy 2021			
	Fair Value	Level 1	Level 2	Level 3
<b>Financial Assets for which fair values are disclosed</b>				
Other Financial Instruments	151.5	-	4.9	146.6
Non-Current Receivables	34.7	-	34.7	-
Non-Current Loans to Associated Entities	14.9	-	14.9	-
Other Current Financial Assets	84.4	-	84.4	-
Contract Assets	58.5	-	58.5	-
Receivables from Associated Entities	16.8	-	16.8	-
Trade Receivables	47.2	-	-	-
Restricted Cash	12.9	-	-	-
Cash and Cash Equivalents	62.8	-	-	-
<b>Total Financial Assets</b>	<b>483.6</b>	<b>-</b>	<b>214.2</b>	<b>146.6</b>
<b>Financial Liabilities for which fair values are disclosed</b>				
Non-Current Financial Liabilities to banks	3.5	-	3.5	-
Non-Current Financial Liabilities from bonds	259.5	259.5	-	-
Other Non-Current Financial Liabilities	4.9	-	4.9	-
Current Financial Liabilities from bonds	155.9	155.9	-	-
Current Financial Liabilities to banks	68.3	-	68.3	-
Other Current Financial Liabilities	33.0	-	33.0	-
Current Liabilities to Associated Entities	18.1	-	18.1	-
Trade Payables	27.6	-	-	-
<b>Total Financial Liabilities</b>	<b>570.8</b>	<b>415.4</b>	<b>127.8</b>	<b>-</b>

The table below reconciles Level 3 financial instruments from the opening balance to the closing balance for 2022:

€ million	Other Financial Instruments
<b>Fair Value as at 1 January 2022</b>	<b>146.6</b>
Additions / Disposals	(0.9)
Changes in the fair value valuation through profit and loss	1.1
Gains/losses from exchange rate differences	0.6
<b>Fair Value as at 31 December 2022</b>	<b>147.4</b>

The table below reconciles Level 3 financial instruments from the opening balance to the closing balance for 2021:

€ million	Other Financial Instruments
<b>Fair Value as at 1 January 2021</b>	<b>148.9</b>
Additions / Disposals	5.8
Changes in the fair value valuation through profit and loss	(8.9)
Gains/losses from exchange rate differences	0.7
<b>Fair Value as at 31 December 2021</b>	<b>146.6</b>

Changes in the fair value valuation through profit and loss are recognized in “Gains/losses from fair value measurement of financial instruments”. Gains/losses from exchange rate difference are recognized in “Other Income” and are primarily related to the Pinbridge companies under securities held in USD.

For the major components of “Other Financial Instruments” the Group uses the net asset value as the fair value of the respective shares. The table below provides a summary per IFRS 9 category for the net gains and losses resulting from financial instruments as of 31 December 2022:

€ million	At Amortized Cost		FVtPL
	Financial assets	Financial liabilities	Financial assets
Net results from disposal	-	-	-
Net measurement effects	3.2	(1.1)	(16.3)
Impairment gain/loss	(126.9)	-	-
Effective interest rate income	1.8	-	2.1
Effective interest rate expenses	-	(21.7)	-
<b>Total</b>	<b>(121.9)</b>	<b>(22.8)</b>	<b>(14.2)</b>

The table below provides a summary per IFRS 9 category for the net gains and losses resulting from financial instruments as of 31 December 2021:

€ million	At Amortized Cost		FVtPL
	Financial assets	Financial liabilities	Financial assets
Net results from disposal	-	-	(0.1)
Net measurement effects	3.6	(1.7)	-
Impairment gain/loss	(60.0)	-	(12.7)
Effective interest rate income	1.9	-	1.4
Effective interest rate expenses	-	(22.3)	-
<b>Total</b>	<b>(54.5)</b>	<b>(24.0)</b>	<b>(11.4)</b>

The Group's liabilities arising from financing activities mainly relate to the senior unsecured and convertible bond as well as lease liabilities. The bonds do not change significantly during their term and the lease liabilities are initially not cash effective. In 2022, the main cash effective change in liabilities from financing activities is driven by current financial liabilities from bonds (see Note E.20).

## F.6 Related Party Information

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

Related parties as at 31 Dec 2022 through report date	Related to/as
Dr Nedim Cen	Supervisory Board (since 3 December 2022 until 4 May 2023)
Dr Bertrand Malmendier	Management Board (since 4 May 2023)
Dr Sven-Marian Berneburg	Supervisory Board (since 1 January 2022 until 31 December 2024)
Dr Carlos Mack	Supervisory Board (since 4 May 2023 until 31 December 2024)
Wolfgang Rudi Bauer	Supervisory Board (since 1 January 2025)
Andreas Paul Uelhoff	Supervisory Board (since 1 January 2025)
Izabela Danner	Management Board (since 7 March 2022 until 31 December 2024)
Udo Giegerich	Management Board (until 31 May 2023)
Stephan Götschel	Management Board (since 1 January 2023 until 4 May 2023)
CCI GmbH	Supervisory Board (Cen) (since 3 December 2022 until 4 May 2023)
Malcon GmbH & Co. KG	Supervisory Board (Malmendier) (since 1 January 2022 until 31 December 2024)
GEPLABAU, Gesellschaft für Planungs- und Baugenehmigungsberatung mbH	Supervisory Board (Malmendier) (since 1 January 2022 until 31 December 2024)
BAB Immobilien GbR	Supervisory Board (Malmendier) (since 1 January 2022 until 31 December 2024)
Omonia Office AG	Supervisory Board (Malmendier) (since 1 January 2022 until 31 December 2024)
CAML Endeavors UG	Supervisory Board (Berneburg) (since 3 December 2022)
Wohnungsbau und Treuhand AG	Supervisory Board (Berneburg) (since 3 December 2022)
Caledonian Management Consultants Ltd	Supervisory Board (Mack) (since 4 May 2023 until 31 December 2024)
i-Management GmbH	Management Board (Götschel) (since 1 January 2023 until 4 May 2023)
Sievert SE	Supervisory Board (Bauer) (since 1 January 2025)
UE Elbe Beteiligung I UG	Supervisory Board (Uelhoff) (since 1 January 2025)
SCHNIGGE Capital Markets SE	Supervisory Board (Uelhoff) (since 1 January 2025)
Quell Eule Management GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Related parties as at 31 Dec 2022 through report date (continued)	Related to/as
Quell Real Estate Holding GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Quell Real Estate Verwaltungs- und Management GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Petroton Service GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Nexure Service GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Kratos Beteiligung GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Jakobina Service GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Hansa Service GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Gaia Service und Beteiligungs GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Eule Beteiligung GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
EULE Corporate Capital GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Elbe Marina GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Comeritas Service GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Avexon Service GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Setec gGmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
Quell Real Estate Wohnbau SH GmbH	Supervisory Board (Uelhoff) (since 1 January 2025)
RIPAG AG	Supervisory Board (Uelhoff) (since 1 January 2025)
Former Related Parties as at 31 Dec 2022	related to/as
Dr Roland Folz	Supervisory Board until 2 December 2022
Dr Friedrich Oelrich	Supervisory Board until 2 December 2022
Stavros Efremidis	Management Board until 31 December 2022
Ralf Struckmeyer	Management Board until 31 December 2022
René Parmantier	Management Board until 7 March 2022
Johannes Märklin	Management Board until 7 February 2022
Sebastian Ernst	Management Board until 7 February 2022
RP Verwaltungsgesellschaft mbH	Management Board (R. Parmantier) until 7 March 2022
RP Vermögensverwaltungsgesellschaft mbH	Management Board (R. Parmantier) until 7 March 2022
Meiyo Capital Partners AG	Management Board (R. Parmantier) until 7 March 2022
Leonis Capital Management GmbH	Management Board (J. Märklin) until 7 February 2022
Leonis Real Estate GmbH	Management Board (J. Märklin) until 7 February 2022



Former Related Parties as at 31 Dec 2022 (continued)	related to/as
Dach Finance GmbH	Management Board (J. Märklin & S. Ernst) until 7 February 2022
Dach Real Estate GmbH	Management Board (J. Märklin & S. Ernst) until 7 February 2022
Feldmannhof Capital GmbH	Management Board (S. Ernst) until 7 February 2022

### *CCH SA Key Management Personnel*

The Supervisory Board of Corestate Capital Holding S.A. resolved on 7 February 2022 to remove Jo-hannes Märklin and Sebastian Ernst from the Management Board of Corestate Capital Holding S.A. and all further Group functions. On 8 February 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 (until 7 February 2022), and thus also the management of Corestate Bank.

On 7 March 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 focus his activities on Corestate's Real Estate Debt business, incl. HFS and Corestate Bank, until his departure in July 2022. In addition, on 7 March 2022 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).

Furthermore, on 3 December 2022 the newly formed supervisory board appointed Stephan Götschel as Chief Restructuring Officer (CRO) with effect as of 1 January 2023 as a preceding condition under the financial restructuring agreement for the transition period meaning the time until the operational restructuring has been successfully implemented; simultaneously the mandates for Stavros Efremidis (CEO) and Ralf Struckmeyer (CIO) were terminated by mutual agreement effective as of 31 December 2022.

The members of the Management Board during the reporting period 2022 until today are appointed for a term of three years unless otherwise stated and are listed below:

- Dr Nedim Cen (Chief Executive Officer and Chief Financial Officer) – since 4 May 2023 (CEO) and since 1 June 2023 (CFO)
- Izabela Danner (Chief Operating Officer and Chief Investment Officer) – since 7 March 2022 (COO) and since January 2023 (CIO) until 31 December 2024
- Udo Giegerich (Chief Financial Officer) – since 1 August 2021 until 31 May 2023
- Stephan Götschel (Chief Restructuring Officer) – since 1 January 2023 until 4 May 2023

- Stavros Efremidis (Chief Executive Officer) – since 7 March 2022 until 31 December 2022
- Ralf Struckmeyer (Chief Investment Officer) – since 7 March 2022 until 31 December 2022
- René Parmantier (Chief Executive Officer) – since 1 December 2020 until 7 March 2022
- Johannes Märklin (Chief Debt Financing Officer) – since 14 January 2021 until 7 February 2022
- Sebastian Ernst (Chief Debt Investment Officer) – since 14 January 2021 until 7 February 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 (Directors and Officers liability insurance) and E&O (Errors and Omission) insurance coverage at usual market terms. The Company also reimburses all travelling costs and incidental expenses.

The members of the Supervisory Board during the reporting period 2022 until today are:

- Dr Sven-Marian Berneburg (Chairman) – since 3 December 2022
- Dr Bertrand Malmendier (Deputy Chairman) – since 1 January 2022 (Chairman since 8 March 2022 until 2 December 2022, Deputy Chairman since 3 December 2022 until 31 December 2024)
- Dr Carlos Mack (Member) – since 4 May 2023 until 31 December 2024
- Dr Nedim Cen (Chairman) – since 3 December 2022 until 3 May 2023
- Dr Roland Folz (Deputy Chairman) – since 8 March 2022 until 2 December 2022
- Dr Friedrich Oelrich (Member) – since 30 November 2020 until 2 December 2022
- Stavros Efremidis (Chairman) – since 1 January 2022 until 7 March 2022
- Wolfgang Rudi Bauer – since 1 January 2025
- Andreas Paul Uelhoff (Deputy Chairman) – since 1 January 2025

Dr Berneburg headed the audit committee and was considered the independent financial expert (until 3 May 2023). Since 4 May 2023, Dr Carlos Mack headed the audit committee as the independent financial expert until 31 December 2024. Since 1 January 2025, Wolfgang Rudi Bauer heads the audit committee and is considered as the independent financial expert.

*Transactions with Shareholders and Shareholder-Related Entities*

Same as in 2021 but unlike years before, also in 2022 no payments have been made to shareholders and/or shareholders' related entities by the Group in the period 1 January through 31 December 2022.

*Transactions with Key Management Personnel*

The total remuneration of the Management Board consists of the basic remuneration as well as a short-term incentive and a long-term incentive component.

The basic remuneration relates to the annual base salary agreed under the service agreements with each member of the Group's Management Board. The short-term incentive (STI) is a cash bonus component that depends on certain Group-related and individually agreed targets as described in the entities remuneration policy. The long-term incentive (LTI) is a share- or cash-based program that either grants or give the option of equity-settled shares or phantom shares, which are settled in cash.

See below the remuneration of the Management Board granted in 2022:

€ million	2022 <sup>1</sup>	2021
Basic Remuneration	(2.4)	(3.9)
<b>Fixed Remuneration</b>	<b>(2.4)</b>	<b>(3.9)</b>
STI	(0.2)	(1.7)
LTI	-	(3.7)
<b>Variable Remuneration</b>	<b>(0.2)</b>	<b>(5.4)</b>
Compensation/Termination Payments	(1.2)	(2.6)
<b>Total Remuneration</b>	<b>(3.8)</b>	<b>(11.9)</b>

<sup>1</sup>In addition, income of reversal of prior year's LTI-provision in the amount of € 3.5 was recognized.

In December 2022, the mandates for Stavros Efremidis (CEO) and Ralf Struckmeyer (CIO) were terminated by mutual agreement. No severance payments were agreed, only for Stavros Efremidis an additional agreement was made as per which the Company is obliged to pay his fixed remuneration until 30 June 2023.

The Management Board members have been subject to long term equity or cash settled share-based payment plans, which however had not come into effect in the year 2022.

Due to the restructuring of the Company no LTI was granted to the members of the Management Board in 2022 (2021: €3.7m).

Given the termination of the mandates for René Parmantier, Johannes Märklin, and Sebastian Ernst throughout 2022, all expenses recognized until end of 2021 have been reversed (€ 3.5m) and no further expenses were recognized for the three individuals in 2022.

Furthermore, a total of €1.2m (2021: €2.7m) was expensed which solely related to René Parmantier and resulting from the termination of his service agreement. The 2021 amount

is exclusively associated with the compensation payments for former management board members Lars Schnidrig, Daniel Löhken and Nils Hübener.

The total remuneration of the Supervisory Board members amounted to € 0.6m in 2022 (2021: € 0.5m). This includes € 0.1m in severance payments for two former Supervisory Board members.

For a detailed description of management's remuneration system, we refer to the separate management's remuneration report.

#### *Corestate Capital Holding S.A. Share Program (2019)*

In 2019, Corestate started a Performance Share Program for important senior manager and high per-former (outside of Management Board) as well as for new hires who joined the Group after the 1 January 2019. At the beginning of the performance period in 2019 or if the participant is entering one or more years later, all participants receive an individualized grant letter in which the individual target value of the performance shares in Euro ("target value") is set out. The grant letter contains the number of virtual performance shares granted. Performance shares are not linked to any administrative, voting or dividend rights or rights to other distributions. They merely represent a calculation item for determining the future conditional entitlement to Corestate shares to be issued and transferred (real shares). Performance shares are transferred to the participants in annual tranches in the form of real shares from the third year on-wards or if the participants join the program later from their third year on based on their start date in the program (it requires a waiting period of two years in which no real shares are transferred). The transfer takes place in four or less equivalent tranches (25% or 33,33% or 50% of the total number of performance shares each, depending on the start of the participant in the program) – subject to the achievement of the relevant performance targets which is an annually increase of the share price of 10% each year.

The increase in the stock market price as the key performance target is calculated by dividing the "transfer price" by the closing price. The transfer price is defined as the arithmetic mean of the closing prices of the last 12 trading months prior to 31 December of the respective year of the performance period. As said, the performance target is deemed to have been achieved if the cumulative transfer price increased by at least 10% each year compared with the closing rate (annual performance target).

The fair value of the synthetic stock options is measured using a Monte Carlo option pricing model considering the terms and conditions upon which the options were granted. The beneficiary may exercise the options between the end of the waiting period and the end of the term of the option on the condition that the employment contract has not been terminated and neither the beneficiary nor the Company has notified in writing the termination of the employment contract by that date.

For the stock option valuation, the contractual life of the options and the possibility of early exercise were considered in the Monte Carlo simulation. The risk-free interest rate

is the implied yield currently available on Luxembourg government issues with a remaining term equal to the term of the options. The future volatility for the lives of the options was estimated based on historical volatilities also considering the management's expectation of future market trends.

The Performance Share Program was classified as equity-settled plan and the resulting expense are recognized during the vesting period on a pro-rata-basis with a corresponding increase in equity (other reserves). Furthermore, the amount recognized is based on the best available estimate of the number of options expected to vest and is revised, if subsequent information indicates that the number of options expected to vest differs from previous estimates.

The total fair value of the awards granted in 2019 originally amounted to € 3.7m. In 2022, due to a further reduction in the number of beneficiaries, an income in the amount of € 0.9m (2021: € 1.1m) was recognized due to the reversal of reserves.

#### *Corestate Capital Holding S.A. Retention Program (2022)*

In 2022, Corestate started a retention program for success-critical employees (outside Management Board) which includes cash-settled commitments. The transfer of cash is individually granted if the beneficiaries are still in an unterminated contract at different points in time, predominantly in 2023 and 2024. For this program a provision of € 2.3m was made in the middle of the FY 2022 for employments that were not terminated in 2022 and 2023. Moreover, an additional provision of € 2.2m was made at the end of 2022 for employments that were not terminated in 2023 and 2024.

#### *Transactions and Balances with Associated Entities (Co-Investments & Joint Ventures)*

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.). Related party transactions were made on terms and conditions equivalent to those that prevail in arm's length transactions.

#### **Transactions with Associates**

€ million	2022	2021
Revenue from Asset Management Fees	6.1	6.5
Revenue from Property Management Fees	0.7	-
Revenue from Development Fees	0.4	1.9
Share of Profit or Loss from Associates and Joint Ventures	(22.3)	2.5
Gains/losses from Selling Property Holding Companies	0.1	0.1
Other Income	(0.3)	0.0
Interest income from Associated Entities	2.0	1.3
Interest expenses from Associated Entities	(0.6)	(0.3)

## Balances with Associates

€ million	2022	2021
Non-Current Loans to Associated Entities	14.9	14.9
Receivables from Associated Entities	7.7	16.8
Receivables from Affiliated Companies	3.4	4.1
Non-current Trade receivables	0.0	0.5
Non-Current Loans granted from Associated Entities	(0.1)	(0.1)
Current Liabilities to Associated Entities	(9.0)	(18.1)
Current Liabilities from Affiliated Companies	(3.1)	(3.3)

## F.7 Group Entities

CCH SA is the parent and the ultimate parent company of the Group. The consolidated financial statements include all companies which the Group controls i.e. for which particularly CCH SA owns, directly or indirectly through subsidiaries, more than half of the voting rights. There are no restrictions regarding cash or dividend payments from such subsidiaries. The following overview shows the Group's shareholdings.

During 2022, changes in equity interests in some subsidiaries occurred that did not change the consolidation status:

Name	Seat and Country of Incorporation	Equity Interest 2022	Equity Interest 2021
Corestate Capital Holding S.A.	Luxembourg	Parent Company	Parent Company
AF ATHENA GmbH	Frankfurt on Main / Germany	100.00%	100.00%
Aggregate Debt GP S.à r.l.	Luxembourg	100.00%	100.00%
Aggregate Debt Fund S.C.A. SICAV-RAIF	Luxembourg	100.00%	100.00%
Bayreuth Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Bego HoldCo I S.L.	Madrid / Spain	100.00%	100.00%
Bego HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Bego PropCo I S.L.	Madrid / Spain	100.00%	100.00%
BER REV HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Cisnes e Silhuetas Unipessoal Lda	Lisbon / Portugal	100.00%	100.00%
Corestate Bank GmbH	Frankfurt on Main / Germany	100.00%	100.00%
Corestate Ben HoldCo GmbH & Co. KG	Frankfurt on Main / Germany	100.00%	100.00%
Corestate Capital Advisors GmbH	Frankfurt on Main / Germany	100.00%	100.00%
Corestate CAPITAL AG	Baar / Switzerland	100.00%	100.00%
Corestate Capital Beteiligung Verwaltung GmbH	Frankfurt on Main / Germany	100.00%	100.00%
Corestate Capital Group GmbH	Frankfurt on Main / Germany	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name (continued)	Seat and Country of Incorporation	Equity Interest 2022	Equity Interest 2021
Corestate Capital France HoldCo SAS	Paris / France	100.00%	100.00%
Corestate CAPITAL Fund Management S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Capital Partners GmbH	Zurich / Switzerland	100.00%	100.00%
Corestate Capital Services GmbH	Wollerau / Switzerland	100.00%	100.00%
Corestate Capital Transactions AG	Baar / Switzerland	100.00%	100.00%
Corestate CIV GmbH	Frankfurt on Main / Germany	100.00%	100.00%
Corestate FIF I Portfolio Verwaltung GmbH	Hamburg / Germany	100.00%	100.00%
Corestate MCIF GmbH & Co. KG	Frankfurt on Main / Germany	100.00%	100.00%
Corestate MCIF Germany GmbH & Co. KG	Frankfurt on Main / Germany	100.00%	100.00%
Corestate Shelf 15 S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Student Home Holding S.à r.l.	Luxembourg	100.00%	100.00%
Court HoldCo GmbH	Frankfurt on Main / Germany	100.00%	100.00%
CRM Micro Living Services Italy S.R.L.	Milan / Italy	100.00%	100.00%
CRM Students Ltd.	Oxford / United Kingdom	100.00%	100.00%
DONALD HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Echo HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Frankfurt Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Gabriela HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Gabriela HoldCo S.L.	Madrid / Spain	100.00%	100.00%
Gabriela PropCo S.L.	Madrid / Spain	100.00%	100.00%
GENOST Consulting GmbH	Leipzig / Germany	100.00%	100.00%
Ginova AIF S.à r.l.	Luxembourg	100.00%	100.00%
Ginova PropCo S.à r.l.	Luxembourg	100.00%	100.00%
Grindel AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Hannover Leasing Verwaltungsgesellschaft mbH	Pullach / Germany	100.00%	100.00%
Hartly Invest S.L.U.	Madrid / Spain	100.00%	100.00%
HFS Helvetic Financial Services AG	Wollerau / Switzerland	100.00%	100.00%
Iberian HoldCo II S.à r.l.	Luxembourg	100.00%	100.00%
Iberian Investment II HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
King AIF 1 S.à r.l.	Luxembourg	100.00%	n/a
King AIF 2 S.à r.l.	Luxembourg	100.00%	n/a
King OpCo S.à r.l.	Luxembourg	100.00%	n/a
King PropCo S.à r.l.	Luxembourg	100.00%	n/a
Mainz Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Monet S.à r.l.	Luxembourg	88.35%	77.67%



Name (continued)	Seat and Country of Incorporation	Equity Interest 2022	Equity Interest 2021
Palmyra Verwaltungsgesellschaft mbH & Co. Vermietungs KG i.L.	Pullach / Germany	89.58%	89.58%
Palmyra Verwaltungsgesellschaft mbH & Co. Vermietungs KG S.e.n.c.	Luxembourg	84.92%	84.92%
Plutos HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Potsdam Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Projekt AcquiCo III S.à r.l.	Luxembourg	100.00%	100.00%
Stadttor Düsseldorf AcquiCo S.à r.l.	Luxembourg	100.00%	100.00%
STAM Co-Invest	Luxembourg	88.35%	77.67%
STAM Europe SAS	Paris / France	100.00%	100.00%
STAM France Investment Managers SAS	Paris / France	100.00%	100.00%
STAM Property Management SAS	Paris / France	100.00%	100.00%
Tempelhof Twins HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Tempelhof Twins TopCo S.à r.l.	Luxembourg	100.00%	100.00%
UPARTMENTS Real Estate GmbH	Leipzig / Germany	100.00%	100.00%
Urban Micro Estate Immobilienverwaltungs GmbH	Vienna / Austria	100.00%	100.00%
Urban Micro Estate Poland	Warsaw / Poland	100.00%	100.00%
Urban Micro Estate Spain	Spain	100.00%	100.00%
Urban Micro Estate Swiss Immobilienverwaltungs GmbH	Zurich / Switzerland	100.00%	100.00%

The following table shows the entities of the sub group Hannover Leasing:

Name	Seat and Country of Incorporation	Equity Interest 2022	Equity Interest 2021
HANNOVER LEASING GmbH & Co. KG	Pullach / Germany	94.90%	94.90%
Accontis GmbH Finanzanlagen und Beteiligungen	Frankfurt on Main / Germany	94.90%	94.90%
AKANTHUS Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
BERYTOS Verwaltungsgesellschaft mbH	Pullach / Germany	85.30%	85.30%
CORNALES Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	94.90%	94.90%
Delta Vermietungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
DIRAN Verwaltungsgesellschaft mbH	Pullach / Germany	85.30%	85.30%
DIV Deutsche Immobilienfonds GmbH	Pullach / Germany	94.90%	94.90%
FRICTION Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
GELIMER Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	86.43%	86.43%
GORDION Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
HANNOVER LEASING Belgien Beteiligungs GmbH & Co. KG	Pullach / Germany	94.90%	94.90%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name (continued)	Seat and Country of Incorporation	Equity Interest 2022	Equity Interest 2021
HANNOVER LEASING Beteiligungs GmbH & Co. KG	Pullach / Germany	94.90%	94.90%
HANNOVER LEASING Finance GmbH	Pullach / Germany	94.90%	n/a
HANNOVER LEASING Investment Beteiligungs GmbH	Pullach / Germany	94.90%	94.90%
HANNOVER LEASING Investment GmbH	Pullach / Germany	85.30%	85.30%
HANNOVER LEASING Private Invest Beteiligungs GmbH	Pullach / Germany	92.58%	92.57%
HANNOVER LEASING Private Invest II GmbH & Co. KG	Pullach / Germany	92.58%	92.57%
HANNOVER LEASING Treuhand GmbH	Pullach / Germany	94.90%	94.90%
HANNOVER-LEASING Treuhand-Vermögensverwaltung GmbH	Pullach / Germany	94.90%	94.90%
HANNOVER LEASING Wachstumswerte Europa Beteiligungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
HANNOVER LEASING Wachstumswerte Europa VI GmbH & Co. KG i.L.	Pullach / Germany	94.90%	94.90%
HERSCHEL Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
HL Augsburg Offices GmbH & Co. geschlossene Investment-KG	Pullach / Germany	53.43%	n/a
IKARIA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	94.90%	94.90%
KERA Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
LAUREA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	57.62%	n/a
LIVIA Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
MANCALA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	94.90%	94.90%
MITHRAS Verwaltungsgesellschaft mbH	Pullach / Germany	85.31%	n/a
NIGELLA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	82.53%	n/a
NIGRESCO Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
ORION Verwaltungsgesellschaft mbH & Co. Beteiligungs KG	Pullach / Germany	94.90%	94.90%
SINGULI Verwaltungsgesellschaft mbH	Pullach / Germany	94.90%	94.90%
SUBSTANTIA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	94.90%	94.90%
VANESSA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach / Germany	94.90%	94.90%

## F.8 Report on Business Relationships with Structured Entities

### *Disclosures on Unconsolidated Structured Entities*

The fund business and other operating activities of the Group's companies give rise to various business relationships with structured entities within the meaning of IFRS 12. A structured entity is an entity that has been designed so that the exercise of voting or similar rights under Company law is not the dominant factor in deciding who controls the entity as defined by IFRS 10.

The non-consolidated structured entities with which Corestate has business relationships are funds divided into the asset classes media, real estate and large-scale facilities. The fund volume of the structured entities is based on the amount of historical fund assets under management (investment costs). As of 31 December 2022, the fund volume of unconsolidated structured entities is allocated across asset classes as follows:

€ million	Media	Real Estate	Large installations	Total
<b>Fund volume 2022</b>	30.0	404.0	40.0	<b>474.0</b>
<i>potential financial risk</i>	1.3	-	-	1.3
<b>Fund volume 2021</b>	836.0	404.0	188.0	<b>1,428.0</b>
<i>potential financial risk</i>	0.8	-	-	0.8

The decrease in the overall fund volume by € 954.0m compared to prior year-end is related to divestments in the amount of € 420.4m, the termination of asset under management in the amount of € 385.3m and decrease in fair value of € 148.3m.

As of 31 December 2022, advances to unconsolidated structured entities and revenues generated from such entities are not material. The Group's financial risk of these non-consolidated structured entities amounts to € 1.3m (2021 € 0.8m). The amount is recognized as a provision. Furthermore, there is no additional payment obligation arising from such structured entities.

### *Disclosures on Consolidated Structured Entities*

If a structured entity is included in the basis of consolidation in accordance with IFRS 10, the business relationships with other consolidated entities are subject to the normal consolidation requirements. As of 31 December 2022, two structured entities were consolidated in accordance with IFRS 10 and affect all real estate funds. Corestate only participates in these companies with equity.

The financial risk associated with Corestate's relationships with consolidated structured entities results from the inherent business risks within the structured entities, such as valuation risks from real estate funds distributed among investors, typically according to their individual equity share.

### *Sponsored Non-Consolidated Entities in which Corestate holds no shares as at the reporting date*

As a sponsor Hannover Leasing Group has often been involved in incorporating and marketing a large number of structured entities. Structured entities are considered sponsored by Hannover Leasing Group if they can be associated with and are supported by Hannover Leasing Group.

As at the reporting date revenues generated from transactions with sponsored non-consolidated entities in which Corestate holds no shares, are not material (about € 0.6m).

## F.9 Significant Events after the Reporting Date

In January 2023, the suspensive conditions from the bondholder resolutions of 28 November 2022, regarding Corestate's 2022 convertible bond and 2023 bond, were fulfilled.

In March 2023, Corestate reached an agreement with the bank financing the Highstreet Giessen project to partially repay € 5.8m of the debt. This was necessitated by a breach of the debt service coverage ratio, driven by interest rate fluctuations as of 31 December 2022. As part of the agreement, the remaining loan was extended until 30 June 2025.

A creditors' meeting was held on 14 April 2023 to address both the senior unsecured and convertible bonds, resulting in their extension until 31 July 2023. Interest payments were deferred, and certain termination rights were waived to allow Corestate additional time to implement critical reorganization steps necessary for financial restructuring. In May 2023, backed by bondholders, investors, and shareholders, the Management Board approved an alternative restructuring concept. This included an increase in bridge financing from € 25m to € 35m, involving both existing and new investors.

In May 2023, Corestate resolved to implement the alternative restructuring concept and announced changes to the Management and Supervisory Boards: Dr. Nedim Cen was appointed to the Management Board as CEO, Stephan Götschel stepped down, and Dr. Carlos Enrique Mack was co-opted onto the Supervisory Board.

In June 2023, the creditors' meetings approved, by a large majority, amendments to the bond terms, including a reduction of the total nominal volume from €488.3m to approximately €105.5m, modifications to the bond conditions, and a request to transfer the stock market listing from the Prime Standard to the General Standard segment.

In July 2023, Corestate placed over 50% of the shares in HL Augsburg Offices with investors, leading to a reclassification into Investments in Associates and Joint Ventures. The inventory (€ 43.8m) and related liabilities, including non-controlling interests (€ 43.7m), were deconsolidated accordingly. By December 2023, all shares in HL Augsburg Offices were fully placed among investors, and the remaining RETT (Real Estate Transfer Tax) blocker was reclassified into Other Financial Instruments.

In August 2023, the debt restructuring and recapitalization were completed, based on the resolutions passed by the creditors' meeting and General Meetings in June and July 2023. This included a reduction in the financial liabilities from bonds by around 78% waiver by creditors of bond obligations for an amount of € 394.1m, out of which € 382.8m is related to bond nominal amounts and € 11.6m relates to interest due, and an extension of the term until 31 December 2026. Further, a capital reduction was executed, decreasing the Group's issued share capital by EUR 2,558,497.50 to EUR 6,174.00, without any cancellation of shares or any payments to shareholders. Immediately thereafter, a capital increase was carried out, raising the share capital by € 23,826.00 to € 30,000.00 through the issuance of 132 million new shares to the bondholders and to the management.

In September 2023, the Management Board decided to discontinue the regulated operations of Corestate Bank GmbH and initiated the withdrawal of its license as a securities trading bank with BaFin (the German Federal Financial Supervisory Authority). Consequently, the remaining goodwill of Corestate Bank GmbH, valued at € 13.1m as of 31 December 2022, was fully impaired in 2023.

In October 2023, CCH SA transitioned from the Prime Standard to the General Standard segment of the Frankfurt Stock Exchange.

Throughout 2023, Corestate successfully completed asset sales including three development projects and two student residences in Spain with a combined (transaction/book) value of €29.3m were sold (the "Spanish Assets").

At the Company's Supervisory Board meeting held on 29 August 2024, the Management Board of CCH SA has accepted the commercial offer of KPMG Audit S.à r.l. in Luxembourg to mandate KPMG as sole auditor for the consolidated and standalone annual accounts of Corestate for the financial year 2022.

Throughout 2024, Corestate completed asset sales worth about € 39m including the sale of CRM/Upartments for about € 12m.

In December 2024, Corestate settled all claims related to the Cologne-based Laurenz Carré project with an out-of-court payment of € 5.5m. This resolution ended the legal disputes, limited financial exposure, and allowed the Group to refocus on its project development strategy. The project had originally been the subject of a forward purchase agreement signed in December 2021, contingent on building permits, with an expected purchase price of around € 320m. After notarisation errors were identified and Corestate withdrew from the contract, subsequent lawsuits were interrupted by the sellers' insolvency, leading to the final settlement in 2024.

In January 2025, HANSAINVEST Hanseatische Investment GmbH ("HANSAINVEST") filed a claim for damages against HFS Helvetic Financial Services AG ("HFS") at the Hamburg Regional Court (Landgericht), accusing HFS of breaching its obligations (i) under consulting agreements between (among others) HFS and HANSAINVEST, and (ii) under

trust agreements (indirectly) in favour of HANSAINVEST in relation to 18 bond issues for real estate project developments, which were subscribed by the special-AIF (Alternative Investment Fund) Stratos Immobilienanleihefonds II and the special AIF Stratos Immobilienanleihefonds IV in the period from 2017 to 2021.

HFS has assessed the aforementioned claims internally as well as together with two renowned law firms and concluded the prospects of success of such claim to be around a maximum of 20%. In order to avoid lengthy legal proceedings, the associated costs and expenses, and to eliminate any financial risks despite the low prospects of success, both parties have agreed to settle the legal dispute amicably by way of an out-of-court settlement in November 2025.

In the settlement agreement, HFS has agreed to assign certain assets to HansaInvest with a value of € 28.7m as of 31 December 2022, € 20.2m as of 31 December 2023 and € 16.0m as of 31 December 2024 in the consolidated statement of financial position. Such settlement agreement is subject to the condition precedent that these assets, which are currently pledged as part of the security package in relation to the financial liabilities of CCH SA under its outstanding bonds, shall be released and free of any encumbrances. The Company has received written instructions by the necessary 75% majority of noteholders in each of their outstanding bonds to release the relevant assets. Therefore, fulfillment of the condition precedent and closing of the transaction is expected to occur by end of December 2025.

In April 2025, Corestate signed an exclusive agreement with the French investment Group Atland for the sale of STAM Europe SAS (Paris) and subsidiaries, including AIFM STAM France Investment Managers.

In July 2025 CCH SA successfully sold its approximately 35% stake in the investment vehicle Liver Building Co, which owns the Royal Liver Building in Liverpool, United Kingdom, through its subsidiary Hannover Leasing to the Princes Group, one of the leading food and beverage companies in the United Kingdom. The sale price is around GBP 57m. After deducting all bank liabilities, including a shareholder loan, Corestate received a net amount of approximately € 16m.

In September 2025, Corestate closed its sale of STAM Europe SAS (Paris) and subsidiaries, including AIFM STAM France Investment Managers to the French investment Group Atland. Following the closing of the STAM Europe sale, Corestate resolved to make an early repayment of € 17.5m on the Super Senior Note (ISIN DE000A3LJQY6) effective 14 October 2025.

In November 2025, the Group has reached an agreement with investment firms holding in excess of 75% of its two outstanding Senior Notes to extend their maturities by two years. Under the agreed amendment, the interest rate on the Senior Notes will increase from 8% to 12% in 2027 and to 15% in 2028. Supporting noteholders have executed a lock-up agreement, and creditors' meetings to pass the formal resolutions are scheduled for the end of December 2025. This extension provides Corestate with the necessary time to continue its asset disposal program without sales pressure and to maximize value.

Luxembourg, 16 December 2025

Dr. Nedim Cen  
Chief Executive Officer  
Chief Financial Officer

## RESPONSIBILITY STATEMENT OF THE CONSOLIDATED AND STATUTORY ACCOUNTS OF CORESTATE CAPITAL HOLDING S.A.

I confirm in accordance to Article 3 (2) c of the Luxembourg Law on Transparency requirements for the Issuers, to the best of my knowledge, that the consolidated financial statements of Corestate Capital Holding S.A. and its subsidiaries (“Group”) which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and the annual accounts of Corestate Capital Holding S.A. (“Company”) which have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company, and that the 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 of the Group.

Dr. Nedim Cen  
Chief Executive Officer  
Chief Financial Officer



KPMG Audit S.à r.l.  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel: +352 22 51 51 1  
Fax: +352 22 51 71  
E-mail: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the Shareholders of  
Corestate Capital Holding S.A.  
9-11, Grand Rue  
L-1661 Luxembourg  
Luxembourg

## ***REPORT OF THE REVISEUR D'ENTREPRISES AGREE***

### ***Report on the audit of the consolidated financial statements***

#### ***Qualified Opinion***

We have audited the consolidated financial statements of Corestate Capital Holding S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the "Basis for qualified opinion" section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

#### ***Basis for qualified opinion***

##### ***Goodwill impairment in the Cash Generating Unit Corestate Bank GmbH ("CGU Corestate Bank")***

During the year, an amount of EUR 81.5 million was recognised as impairment charge on the goodwill of CGU Corestate Bank in caption "Depreciation, Amortization and Impairment" of the consolidated statement of profit or loss. As a result, as at 31 December 2022, the goodwill in relation to the "CGU Corestate Bank" amounts to EUR 13.1 million as shown in note E.1 to the consolidated financial statements. We were not provided with sufficient appropriate supporting documentation over the assumptions and data used in the model.

Consequently, we were unable to determine whether any adjustments were necessary to the caption "Goodwill" in the consolidated statement of financial position as at 31 December 2022, the caption "Depreciation, Amortization and Impairment" of the consolidated statement of profit or loss, as well as the related disclosures as required by IAS 36 *Impairment of Assets* for the year then ended.

#### ***Investments in associates***

The Group's investments in Pallars AIF HoldCo S.à r.l. and Pallars HoldCo S.L.U. (collectively "Pallars") and BCC Investments S.à r.l. ("Bain") associates accounted for by the equity method, are carried at EUR 4.2 million and EUR 3.0 million respectively on the consolidated statement of financial position under caption "Investments in associates and joint ventures" as at 31 December 2022. The Group's share of Pallars' and Bain's net loss for the year of EUR 0.6 million and EUR 0.2 million respectively is included in the Group's loss for the year then ended under caption "Share of Profit or Loss from Associates and Joint Ventures" of the consolidated statement of profit or loss.





We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investments in Pallars and Bain because we were not provided with nor granted access to the financial information of Pallars and Bain to support the carrying amount of these investments.

Consequently, we were unable to determine whether any adjustments were necessary to the caption "Investments in associates and joint ventures" in the consolidated statement of financial position as at 31 December 2022 and the caption "Share of Profit or Loss from Associates and Joint Ventures" in the consolidated statement of profit or loss, as well as the related disclosures as required by IAS 28 *Investments in associates and joint ventures* for the year then ended.

#### ***CRM Students Ltd personnel and sub-contractor expenses***

The Group carries personnel and sub-contractor expenses from its wholly owned UK subsidiary, CRM Students Ltd. ("CRM"), at EUR 6.9 million and EUR 5.3 million respectively (collectively EUR 12.2 million) in the consolidated statement of profit or loss for the year ended 31 December 2022 under caption "Total Expenses from Real Estate Equity Segment", and a related recharge of sub-contractor expenses through revenue from property management fees amounting to EUR 5.3 million in the consolidated statement of profit or loss for the year ended 31 December 2022 under caption "Revenue from Property Management Fees" which is included in the "Total Revenue from Real Estate Equity Segment".

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of:

- a) CRM personnel expenses of EUR 6.9 million charged during the year in the consolidated statement of profit or loss under caption "Total Expenses from Real Estate Equity Segment", and whether this amount, or part thereof, was paid in cash or remained part of a liability as at 31 December 2022;
- b) CRM sub-contractor expenses of EUR 5.3 million charged during the year in the consolidated statement of profit or loss under caption "Total Expenses from Real Estate Equity Segment", the related recharge for the same amount as revenue from property management fees in the consolidated statement of profit or loss under caption "Total Revenue from Real Estate Equity Segment – Revenue from Property Management Fees", and whether these amounts, or part thereof, were paid/received in cash or remained part of a liability/asset as at 31 December 2022.

We were not provided with sufficient appropriate audit evidence of the related CRM accounting journals recorded to determine which portion represents actual cash payments/receipts (cash outflows/inflows) and which portion remains outstanding as a liability/asset as at 31 December 2022 because the related data could not be retrieved due to the subsequent sale of CRM during financial year 2024.

Consequently, we were unable to determine whether any adjustments were necessary to the captions "Total Expenses from Real Estate Equity Segment" and "Total Revenue from Real Estate Equity Segment – Revenue from Property Management Fees" in the consolidated statement of profit and loss, the captions "Other Current Liabilities" and "Other Current Assets" in the consolidated statement of financial position as well as the related disclosures.



We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the “Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the “CSSF”). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of “réviseur d'entreprises agréé” for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### ***Material Uncertainty related to Going Concern***

We draw attention to note A.2 “Basis of Preparation” of the consolidated financial statements, which indicates that the Group is in a net current liability position of EUR 414.1 million as at year end (2021: EUR 30.2 million). This is primarily due to amounts owed to bondholders of the Group for an amount of EUR 502.0 million. These were restructured post-year end and will no longer be repaid in 2023. The Group is also in a negative net equity position of EUR 120.3 million as at year end (2021: positive net equity position of EUR 626.2 million).

In 2023, the Group completed a debt restructuring, which included the waiver by creditors of bond obligations for an amount of € 394.1 million (€ 382.5 million related to bond nominal amounts and € 11.6 million related to interest due), and extended the bond repayment deadline to 31 December 2026. Furthermore, in November 2025, the Group reached agreement with a majority of holders of its two outstanding senior notes amounting to EUR 64.8 million and to EUR 40.7 million, to further extend the notes’ maturities to 31 December 2028. The Group plans to repay the bonds maturing on 31 December 2026 mainly from the proceeds of assets expected to be disposed of in the future. However, if the value of these remaining assets declines, there is a risk that the Group may not be able to resolve its financial obligations.

As stated in note A.2, these events or conditions, along with other matters as set forth in Note A.2, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our qualified opinion is not modified in respect of this matter.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the *Basis for Qualified Opinion and Material Uncertainty related to Going Concern* sections, we have determined there are no other key audit matters to communicate in our report.



### ***Emphasis of Matter***

We draw attention to note F.9 "Significant Events after the Reporting Date" of these consolidated financial statements which indicates that HANSAINVEST Hanseatische Investment GmbH ("Hansainvest") has filed a claim for damages of approximately EUR 550 million against HFS Helvetic Financial Services AG ("HFS"), a Group subsidiary, subsequent to the year end.

In November 2025, both parties entered into a settlement agreement to resolve their legal dispute through an out-of-court settlement. Our qualified opinion is not modified in respect of this matter.

### ***Other Matter***

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 21 April 2022.

### ***Other information***

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report including the "Highlights 2022", the "To Our Shareholders", the "Corporate Governance" and the "Group Management Report", but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. As described in the *Basis for Qualified Opinion* section of our report, we were unable to obtain sufficient appropriate audit evidence about the impairment of goodwill in the CGU Corestate Bank, the carrying amount of the Group's investments in Pallars and Bain and the CRM Students Ltd's personnel and sub-contractor expenses. Accordingly, we were unable to conclude whether or not the other information is materially misstated with respect to these matters.

### ***Responsibilities of the Management Board and Those Charged with Governance for the consolidated financial statements***

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").



In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### ***Responsibilities of the “réviseur d'entreprises agréé” for the audit of the consolidated financial statements***

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

### ***Report on other legal and regulatory requirements***

The signature and issuance of the present report of the “réviseur d’entreprises agréé” (the “Report”) are conditional on our appointment by the general meeting of shareholders (the “General Meeting”) of Corestate Capital Holding S.A. (the “Condition Precedent”). Should the Condition Precedent not be fulfilled when the Report will be presented for approval to the General Meeting, the Report shall be deemed null and void and shall not produce any legal effect. The duration of our uninterrupted engagement, including previous renewals and reappointments, will be 1 year.

Except for the matters described in the *Basis for Qualified Opinion* section of our report, the Group Management Report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is included in the “Corporate Governance” report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.



Except for the below, we confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit. On 28 January 2025, we identified that a KPMG member firm had provided tax services for the financial periods ending 31 December 2022 and 31 December 2023 to a controlled subsidiary of Corestate Capital Holding S.A., Hannover Leasing Private Invest Beteiligungs GmbH, which is a deviation from the local law in Germany (“Gesetz zur Stärkung der Finanzmarktintegrität (Finanzmarktintegritätsstärkungsgesetz – FISG)”). The services, which were finalized before our appointment, were administrative in nature and did not involve any management decision-making or participation in any decision-making processes. Furthermore, the services did not involve advocating the Group’s interests vis-à-vis the Tax Authorities. The work had no direct or indirect effect on the Group’s consolidated financial statements, and we have estimated that the fees of these services in relation to the total audit fees charged are below 5%. In our professional judgement, we confirm that based on our assessment of the breach, our objectivity and independence as réviseur d’entreprises agréé have not been compromised. We have discussed the above with the Audit Committee which has agreed with our conclusion, given the nature and size of the above-mentioned services.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation as described in Note A.2.

In our opinion, the consolidated financial statements of Corestate Capital Holding S.A. as at 31 December 2022, identified as 529900GNB86RB7HRX793-2022-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the consolidated financial statements of Corestate Capital Holding S.A. as at 31 December 2022, identified as 529900GNB86RB7HRX793-2022-12-31-0-en.zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 16 December 2025

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Michael Eichmüller de Souza

# Corestate Capital Holding S.A.

## Annual Accounts

For the year ended 31 December 2022

(with the report of the Réviseur d'Entreprises agréé thereon)

### TABLE OF CONTENTS:

Management Report	page	1 - 15
Report of the Réviseur d'Entreprises agréé	page	16 - 21
Balance Sheet	page	22 - 26
Profit and Loss Account	page	27 - 28
Notes to the Annual Accounts	page	29 - 101

9-11, Grand-Rue  
L-1661 Luxembourg,  
Grand Duchy of Luxembourg

R.C.S. Luxemburg: B199780



## MANAGEMENT REPORT

### FOUNDATIONS

The management of Corestate Capital Holding S.A. (hereafter "CCH SA", or "the Company") presents the Company's audited annual accounts for the year ended 31 December 2022.

Corestate Capital Holding S.A. is an investment manager and co-investor in the real asset investment management sector. The group focus on its core business real estate equity and real estate debt. The Company saw itself as a manager for the entire length of the real estate value chain.

Based upon its fully integrated real estate platform, it was 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 constituted a central cornerstone of the Company's strategy. The Group offered 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 business partner for institutional and semi-institutional investors as well as international high-net-worth private investors in 11 countries across Europe, with offices in Luxembourg, Frankfurt, Munich, Zurich, Paris and Madrid.

### CAPITAL MARKET, DEVELOPMENT AND PERFORMANCE

#### Financial restructuring

In the 2022 financial year, the Management Board focused on preparing and executing the Company's financial restructuring. Key priorities included continuing the cost-reduction program, initiating negotiations with bondholders, and taking measures to extend the bonds issued in 2017 and 2018 and originally maturing in 2022 and 2023. By late November 2022, a fundamental agreement was reached with the bondholders, providing the foundation for a sustainable financial restructuring. A comprehensive debt restructuring plan was subsequently approved and implemented in August 2023.

Until 28 November 2022, two principal bond instruments (€ 200,000,000 convertible notes 2017/2022 and the Notes of € 300,000,000 notes 2018/2023) were outstanding. At the bondholders' meetings held on that date, the required amendments to the restructuring concept were approved. These resolutions included the conclusion of a



**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

lock-up agreement, the definition of key conditions (the “Condition Precedent”), and the waiver of certain termination rights.

For the 2017/2022 convertible bond, the maturity date—subject to the occurrence of the Condition Precedent—was initially set to 28 November 2022 and subsequently extended to 15 April 2023. On 6 December 2022, the Company issued additional notes in the principal amount of € 10m (8%, maturing 15 April 2023, ISIN DE000A3LBT12), represented by a global note and administered through Clearstream Frankfurt.

On 20 December 2022, the extraordinary general meeting resolved to increase the authorised capital required to complete the restructuring. The Management Board intends to utilise this authority, inter alia, to implement a debt-to-equity swap. Further details are provided in Notes C.10.1 and C.10.2 to the annual accounts.

## **Business operations**

The Company operates a fully integrated business model covering residential and commercial real estate. Its primary geographic focus remains Germany, complemented by selective activities in key European markets including France, the United Kingdom, Austria, Switzerland, Poland and Spain. The Company maintains significant offices in Germany, Switzerland, Spain, France and the United Kingdom.

## **Activities in the field of Research and Development**

As part of its business purpose, Corestate has no technological research and development activities and is not dependent on licenses and patents.

## **Branches of the Company**

The Company did not operate any branches in 2022.

## **Capital structure**

The Company’s shares are listed on the Frankfurt Stock Exchange – Prime Standard. The Company also has Notes and Bonds listed on the Frankfurt Stock Exchange (FSE). There are no restrictions on the transfer of the Company’s traded securities.

### *Company’s shares*

During the financial year, there was no issuance of new ordinary shares. As of 31 December 2022, the Company’s shares amounted 34,193,808 ordinary shares.

### *Own share*

During the financial year, the Company did not have own shares.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

## **Likely future developments**

The Group's future strategy focused not only on the successful implementation of the restructuring concept, but also on transition to a streamlined structure with concentration on its operating subsidiaries, while divesting non-core assets. The Company planned to discontinue the banking business consolidated under Corestate Bank GmbH and return its securities license, positioning itself as a management holding with distinct operating subsidiaries.

The strategic realignment is complemented by a rigorous cost-cutting program, which reduces non-essential expenditures and streamlines operations. This initiative, alongside the company's comprehensive restructuring, aligns operational costs with its newly defined asset management-focused strategy.

In essence, Corestate's strategic realignment aims to bolster liquidity and recalibrate its business strategy toward investment and asset management mandates.

## **FINANCIAL RISK MANAGEMENT**

### **Risk Identification**

Risk identification is an ongoing process and deals with the question of what risks exist. The Company is exposed to the following main risks arising from its financial instruments:

- Market risk
- Counterparty default risks
- Liquidity risk
- Operational risks (including compliance risks)

The Management Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company maintains an advanced group-wide risk management system that covers the risks of the Company as well as its subsidiaries.

CCH SA applies the Group's risk management framework, which is based on the "Three Lines of Defense" model. Risk management represents the second line of defense and ensures appropriate monitoring of risks at both the Company and Group levels. Risks identified in the Company and in the subsidiaries are consolidated into quarterly reports submitted to the Management Board and the Supervisory Board. Material risks are also communicated on an ad-hoc basis. Local risk managers in regulated entities report functionally to the Group Chief Risk Officer, who oversees all Group risks with the support of a dedicated IT system.

For its stand-alone operations, CCH SA relies on these Group-wide processes to ensure that its financial and operational risks are adequately identified, assessed, and monitored.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

Corestate has established a risk management system at Group level which considers the risks of the holding company as well as the risks of the subsidiaries. For this purpose, Corestate has appointed a Group Chief Risk Officer, to whom a team is assigned, but who can also draw on dedicated persons in all subsidiaries of Corestate. In accordance of the "three lines of defense" theory, the risk management department operates within the second line of defense.

The Company maintains an advanced group-wide risk management system that covers the risks of the Company as well as its subsidiaries. All reported risks from Corestate entities are consolidated into quarterly group risk reports submitted to the Management Board and the Supervisory Board. Relevant risks are also communicated on an ad-hoc basis as needed to ensure active risk management. For regulated companies within the group, local risk management systems comply with the requirements of the respective supervisory authorities. According to the "Three Lines of Defense" model, Corestate's risk management forms the second line of defense and meets the highest market standards. Local risk managers report functionally to the Group Chief Risk Officer, who oversees all group risks supported by an IT system. Further details are included in the group management report.)

The following risk type scheme, which is based on the regulatory minimum requirements for the regulated subsidiaries and is therefore also applied at Group level, serves as the identification grid. Accordingly, a distinction is made between the following types of risk, which are defined for Corestate as shown below. All identified risks are meaningfully sorted into one of the following four risk categories.

### **Market price risks**

Market price risks relate to the possibility of negative changes in value due to unexpected changes in the underlying market parameters. The term market price risk therefore covers risks that arise because investments initiated by Corestate do not develop as forecast. This directly affects investments made by a group company itself, i.e. separate investment funds are out of scope (see below). These investments can be used to be sold into an investment fund later (so-called warehousing). Risks of investments of investment funds do not affect individual companies or Corestate per se. These risks only have relevance beyond the investment assets if they radiate to the companies of Corestate, e.g. via damage to reputation or lost legal disputes. In these cases, the radiance to Corestate is usually accompanied by a previous product, system or process deficiency or by human error within Corestate. Consequently, such risks are included in the category "operational risk".

Market price risks can comprise all investment classes (i.e. real estate, other real assets, equities, commodities, fixed income and credit). They therefore include interest rate risks.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

Within market price risks, general market risk must be distinguished from investment-specific risks (specific market risk and event risk). General market risk is the risk arising from the development of the market in which Corestate operates.

Specific market risk and event risk relates to developments in individual companies or assets or sub-groups of companies or assets.

### **Counterparty default risks**

Counterparty default risks are defined as risks that involve the danger of partial or complete default of contractually agreed payments. They include counterparty risk.

As with market price risks, counterparty default risks in the investment assets (e.g. default of tenants in commercial properties or lessees of moveable assets) do not affect Corestate per se for the time being. Only if there are suspected spillover effects on Corestate are corresponding risks included in this category.

### **Liquidity risks**

Liquidity risks are dangers that arise from the lack of sufficient financial resources. On the one hand, this includes liquidity risk in the narrower sense, which consists of the risk that Corestate companies will not be able to meet their current and future payment obligations in full or on time (e.g. due to the loss of existing sources of financing). On the other hand, it contains risks resulting from the increase in the cost of financing sources (funding risk).

Here, too, a corresponding distinction is made between risks of the investment assets and risks of Corestate, as already mentioned.

### **Operational risks**

Operational risks (including compliance risks) are defined as the risk of losses caused by the inadequacy or failure of technology and infrastructure, employees, internal processes or external influences. The definition includes legal risks, because the business activities of Corestate are subject to the general conditions of tax, environmental, investment, rental and construction law, among others.

Operational risk generally consists of many possible risk scenarios that are attributable to very different failure aspects of individual risk causes, or several of those at the same time.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

A sub-risk is so-called compliance risk. This involves the risk of violation or infringement of internal or external rules. Risk consequences can be:

- monetary losses resulting from inadequate procedures or processes (e.g. fines or loss of licenses and approvals)
- damage to reputation (e.g. because companies of Corestate are subject of official investigation proceedings).

### **Geopolitical situation involving Russia and Ukraine**

On 24 February 2022, Russia launched a full-scale invasion of Ukraine. The War has been widely condemned, and sanctions have been imposed by Germany, the European Union, and other nations against Russia, Russian companies, and individuals. The Company has no direct exposure to Ukraine or Russia but is affected indirectly. Higher energy and heating costs have increased operating expenses and may affect tenants' ability to pay rent. Rising inflation and market volatility have also increased borrowing costs and may limit growth. Additionally, the arrival of refugees in Germany has strained the residential real estate market. The full effects remain uncertain and will depend on the War's duration, outcome, and the distribution of refugees. Further escalation could involve other countries, with unpredictable impact on the Company.

### **DISCLOSURE PURSUANT TO ARTICLE 11 OF THE LUXEMBOURG LAW ON TAKEOVERS OF 19 MAY 2006**

The information required by article 10.1 of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, as implemented by article 11 of the Luxembourg law on takeovers of 19 May 2006 (as amended), is set forth below:

- (a) With regard to article 11(1)(a) and (c) of the Takeover Law (capital structure), the relevant information is available under Note C.10.1 and C.10.2 of the Annual Accounts. In addition, the Company's shareholding structure showing each shareholder owning 5% or more of the Company's share capital is available below and on the Company's website, where the shareholding structure chart is updated as per shareholder notifications on a regular basis. Please refer to [www.corestate-capital.com](http://www.corestate-capital.com) under "Shareholders" → "Share" → "Shareholder Structure", where the shareholding structure chart is regularly updated.
- (b) With regard to article 11(1)(b) of the Takeover Law, the ordinary shares issued by the Company are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are freely transferable according to the Company's articles of association (the "Articles of Association"). The articles of association of the Company do not contain any restrictions on the transfer of shares. Certain senior management members may hold shares subject to lock-up periods as part of compensation packages.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

(c) In accordance with the requirements of Article 11(1)(c) of the Takeover Law, the following significant shareholdings were reported to the Company until 31 December 2022:

Shareholder name	Number of shares	Percentage of voting rights
Freefloat (unknown)	30,977,808	90.59%

Total number of Corestate Capital Holding S.A shares as of 31 December 2022: 34,193,808.

(d) The articles of association contain no restrictions on voting rights.

(e) With regard to article 11(1)(e) of the Takeover Law, Control rights of shares issued under employee share schemes are exercised directly by the respective employees. Accordingly, no specific control mechanisms apply to such schemes. The key terms and conditions in relation to the Company's incentive share plan and Share-based payment agreements are described under Note E of the Annual Accounts.

(f) With regard to article 11(1)(f) of the Takeover Law, the Articles of Association impose no voting rights limitations. However, the sanction of suspension of voting rights automatically applies, subject to the Transparency Law to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in the Transparency Law but have not notified the Company accordingly. In this case, the exercise of voting rights relating to the shares exceeding the fraction that should have been notified is suspended. The suspension of the exercise of voting rights is lifted the moment the shareholder makes the notification.

(g) With regard to article 11(1)(g) of the Takeover Law, as of 31 December 2022, no known shareholder agreements exist that would restrict the transfer of securities or voting rights within the meaning of the Transparency Directive.

(h) With regard to article 11(1)(h) of the Takeover Law, of the Articles of Association, the members of the Board of Directors of the Company (the "Board") shall be elected by the shareholders at their annual general meeting by a simple majority vote of the shares present or represented.

Appointment and replacement of Management Board members and amendments to the articles of association remain as follows:

- Management Board members are appointed by the Supervisory Board or, in case of a vacancy, by the remaining Management Board members until the next Supervisory Board meeting.
- Terms of office do not exceed three years, with eligibility for reappointment and reelection after such term.
- Management Board members may be removed or replaced at any time by resolution of the Supervisory Board.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

- Amendments to the articles require a general meeting with specific quorum and voting requirements as set out by law and the articles.
- Further details on the rules governing the appointment and replacement of a member of the Board are set out in the section “Corporate Governance” of these Annual Accounts.
- According to article 18 of the Articles of Association, any amendment to the Articles of Association made by the general meeting of shareholders shall be adopted with a quorum and majority pursuant to article 450-3 of the law of 10 August 1915 on commercial companies, as amended (the “1915 Law”).
- According to article 14 of the Articles of Association, any amendment to the Articles of Association made by the general meeting of the shareholders shall be adopted if (i) more than one half of the share capital is present or represented and (ii) a majority of at least two-thirds of the votes validly cast are in favour of adopting the resolution. In case the first condition is not reached, a second meeting may be convened, which may deliberate regardless of the proportion of the share capital represented and at which resolutions are taken at a majority of at least two-thirds of votes validly cast.
- With regard to article 11(1)(k) of the Takeover Law, no agreements exist with Management Board members or employees providing compensation upon resignation, dismissal without cause, or cessation due to a takeover bid, beyond mandatory severance under Luxembourg law.
- There are no significant agreements that would be triggered or changed by a change of control following a takeover bid.

## CORPORATE GOVERNANCE STATEMENT

### Corporate Governance foundations

The Company operates under a three-tier governance structure comprising the Annual General Meeting, the Supervisory Board, and the Management Board, based on Luxembourg corporate law and the Company’s Articles of Association.

Shareholders exercise their rights at the Annual General Meeting, deciding on key matters such as profit allocation, capital measures, amendments to the Articles, and the discharge of board members. They also vote in a non-binding manner on the Company’s remuneration policy and report. All relevant documents and voting results are made publicly available on the Company’s website.

The Management Board manages the Company independently and defines its corporate strategy in close coordination with the Supervisory Board. The Supervisory Board oversees and advises the Management Board but is not involved in operational decisions, despite from certain business transactions which, according to the Company’s Articles



**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

of Association, require the approval of the Supervisory Board. It also appoints Management Board members and sets their compensation via its nomination- and remuneration Committee.

The Company applies diversity policy. Diversity is an important value and integral to sound governance and sustainable business practices of the Company. The Company engaged to foster a broad range of perspectives and competences within its leadership and enhance effective oversight.

The Company's diversity policy specifically addresses age, gender, educational and professional backgrounds, geographical provenance, minority/vulnerable groups, and disability.

The key objectives of the diversity policy include:

- Enhancing decision-making: bringing diverse perspectives to facilitate independent opinions and constructive discussion.
- Effective risk oversight: Ensuring the board is equipped to identify and manage a broad spectrum of risks.
- Talent attraction/retention: fostering an inclusive culture to attract and retain high-quality talent.
- Compliance: meeting legal and regulatory requirements for diversity disclosure.
- Reflecting stakeholder diversity: ensuring the board's composition reflects the company's employees, customers, and the broader society it operates in.

The diversity policy has been well implemented in the Company during various business activities:

- Recruitment and selection: incorporating diversity considerations into the search and nomination process for new board members.
- Monitoring: regularly benchmarking the current diversity within the management bodies against set targets.
- Training: providing training to board members and management on diversity and inclusion best practices.
- Succession planning: ensuring a diverse pipeline of potential future leaders is considered.

As of the end of the financial year 2022 the Company achieved

- 25% of board members are women and 20% of employees are women.
- The average age of board members is 51 years. The average age of employees is 51 years.
- Board members possess professional backgrounds spanning consulting, finance, legal, technology and human resource.



**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

The Company is fully committed to high standards of corporate governance, transparency and responsible corporate management. Although not legally required to comply with a specific corporate governance code, the Company has voluntarily aligned itself extensively with the principles of the German Corporate Governance Code (GCGC) since 2018 and already complies with most of its recommendations. In accordance with the applicable scope, the Company has declared that it does not deviate from the relevant GCGC recommendations. At the same time, the Company continues to enhance its governance framework in line with international best practices.

Corporate governance at the Company is exercised by the Board of Directors, which includes a majority of independent directors and is supported by senior management with extensive industry experience. To ensure effective oversight, the Board has established key committees, including the Audit Committee, Risk Committee, Corporate Governance Committee, Nomination and Remuneration Committee and ESG Committee. These committees support the implementation of the Company's long-term strategic objectives and help maintain the trust of shareholders, bondholders and other stakeholders.

Compliance remains a fundamental part of the Company's governance system. The compliance management framework is regularly reviewed and further developed to ensure adherence to applicable laws, regulatory requirements and internal policies. It aims to prevent risks, avoid legal violations and strengthen compliance awareness across the organization.

Overall, the Company remains committed to maintaining robust governance and transparency standards while continuously advancing its environmental, social and governance (ESG) practices throughout its business activities.

### **Annual General Meeting**

On 28 June 2022 the Annual General Meeting of the shareholders of Corestate Capital Holding S.A. was held in Luxembourg. All of the items on the agenda were carried by a majority.

On 20 December 2022 the Extraordinary General Meeting was held in Luxembourg. The shareholders resolved to increase the authorized capital.

### **Compliance, Code of Conduct and Data Protection**

The Company follows strict Codes of Conduct and compliance learning programs.

The internal Employee Code of Conduct forms a mandatory part of all employment contracts and covers key policies such as the Anti-Corruption Policy, Anti-Discrimination Policy, Whistleblowing Policy and Data Protection Policy. Externally, business partners are required to comply with the Company's dedicated Business Partner Code of Conduct. All employees participate in a structured compliance training program, which includes

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

video-based learning modules and regular seminars conducted by legal experts. The Employee Code of Conduct also defines clear reporting channels for potential violations and outlines procedures for investigations and disciplinary measures where necessary. All Codes of Conduct are accessible in a dedicated section of the Company's internal website.

## **Management Board**

### *Profile*

The Company is administered by a Management Board that is vested with the powers to perform and manage in the Company's best interests.

The Management Board represents the shareholders as a whole and makes decisions solely in the Company's best interests and independently of any conflicts of interest. The Management Board and senior management regularly evaluate the effective fulfilment of their remit and compliance with strong corporate governance standards. This evaluation is also performed by the Audit Committee and the Risk Committee.

### *Developments*

The Supervisory Board of Corestate Capital Holding S.A. resolved on 7 February 2022 to remove Johannes Märklin and Sebastian Ernst from the Management Board of Corestate Capital Holding S.A. and all further group functions. On 18 February 2022, the Group announced that René Parmantier assumes full responsibility for the Real Estate Debt segment, and thus also the management of Corestate Bank.

On 7 March 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 focus his activities on Corestate's Real Estate Debt business, incl. HFS and Corestate Bank, until his departure in July 2022. In addition, on 7 March 2022 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).

Furthermore, on 2 December 2022 the newly formed supervisory board appointed Stephan Götschel as Chief Restructuring Officer (CRO) with effect as of 1 January 2023 as a preceding condition under the financial restructuring agreement for the transition period meaning the time until the operational restructuring has been successfully implemented; simultaneously the mandates for Stavros Efremidis (CEO) and Ralf Struckmeyer (CIO) were terminated by mutual agreement effective as of 31 December 2022.

The members of the Management Board during the reporting period 2022 until today are generally appointed for a term of three years unless otherwise stated and are listed below. Once such term of three years has ended, the Supervisory Board and the relevant

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

Management Board member shall, if desired, enter into negotiations regarding an extension of the term of the relevant service agreement.

*Members of the Management Board*

Name	Position
Mrs. Izabela Danner	Chief Operating Officer and Chief Investment Officer (since 7 March 2022 (COO) and since 1 January 2023 (CIO) until 31 December 2024)
Mr. Udo Giegerich	Chief Financial Officer (since 1 August 2021 until 31 May 2023)
Mr. Stavros Efremidis	Chief Executive Officer (since 7 March 2022 until 31 December 2022)
Mr. Ralf Struckmeyer	Chief Investment Officer (since 7 March 2022 until 31 December 2022)
Mr. René Parmantier	Chief Executive Officer (since 1 December 2020 until 7 March 2022)
Mr. Johannes Märklin	Chief Debt Financing Officer (since 14 January 2021 until 7 February 2022)
Mr. Sebastian Ernst	Chief Debt Investment Officer (since 14 January 2021 until 7 February 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 (Directors and Officers liability insurance) and E&O (Errors and Omission) insurance coverage at usual market terms. The Company also reimburses all travelling costs and incidental expenses.

## Supervisory Board

The Management Board has established a Supervisory Board to provide independent advice and support in the Company's strategic and operational decision-making. The Management Board determines the composition, responsibilities and term of the Supervisory Board, as well as the appointment and removal of its members. While the Supervisory Board does not hold statutory powers under Luxembourg law or the Company's articles of incorporation, it operates according to rules of procedure established by the Management Board. Its members serve as an important source of guidance, offering expertise and counsel to support the Management Board in its strategic decisions.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

## Work in the Committees

### *Audit Committee*

The Supervisory Board has established an Audit Committee and defines its composition, responsibilities, and term, including the appointment and removal of its members. The Committee consists of at least three independent non-executive members and focuses on the integrity of the Company's annual and consolidated financial statements. It monitors internal controls, financial reporting processes, and accounting practices, and reports regularly to the Management Board on its activities.

The Audit Committee advises the Supervisory Board on the audit of the financial statements, ensures the independence of the external auditor, reviews additional services, approves the audit mandate, sets audit priorities, and oversees the auditor's fees.

In the reporting period, the Audit Committee held four ordinary meetings.

The Supervisory Board has set up a total of three committees to ensure the efficient performance of its tasks.

In the reporting year 2022, the Audit Committee was headed as follows:

From 1 January 2022 to 7 March 2022 – Chairman: Dr Bertrand Malmendier

From 7 March 2022 to 3 December 2022 – Chairman: Dr Roland Folz

From 3 December 2022 to year end – Chairman: Dr Sven-Marian Berneburg

### *Corporate Governance Committee:*

The Supervisory Board has established a Corporate Governance Committee. The Corporate Governance Committee held four meetings throughout the past financial year. Deliberations regularly covered specific developments of the German Corporate Governance Code and internal Compliance issues of the Group.

In the reporting year 2022, the Corporate Governance Committee was headed as follows:

From 1 January 2022 to 3 December 2022 – Chairman: Dr Friedrich Oelrich

From 3 December 2022 to year end – Chairman: Dr Bertrand Malmendier

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

*Nomination and Remuneration Committee:*

The Supervisory Board has established a Nomination and Remuneration Committee. The Committee's primary responsibility is to identify suitable candidates for vacant positions on the Management Board, with appointments ultimately decided by the Supervisory Board. In addition, it prepares all matters related to executive remuneration, including recommendations on Management Board compensation and the design and enhancement of the Company's overall remuneration system.

In the reporting year 2022, the Nomination and Remuneration Committee was headed as follows:

From 1 January 2022 to 7 March 2022 – Chairman: Stavros Efremidis

From 7 March 2022 to 3 December 2022 – Chairman: Dr Bertrand Malmendier

From 3 December 2022 to year end – Chairman: Dr Nedim Cen

An overview of the current composition of each committee can be found on the Company's website at <https://www.corestate-capital.com/en/supervisory-board-committees/>

## ESG Committee

The ESG Committee assisted the Company's divisions and subsidiaries in reviewing and implementing environmental, social, and corporate governance (ESG) standards.

## RISK MANAGEMENT SYSTEM

Corestate has established a risk management system that addresses the risks of the Company. For this purpose, Corestate has appointed a Chief Risk Officer, supported by a dedicated team. In line with the "three lines of defense" model, the risk management function operates within the second line of defense.

### Financial Risk Management

The Company is exposed to liquidity, operating and other risks. Internal controls are designed with four main elements:

- Risk avoidance: Planned activities are not carried out if the risk-reward profile is negative.
- Risk reduction: Processes are automated or dual-control principles are applied.
- Risk transfer: Risks are transferred by taking out appropriate insurance policies.
- Risk diversification: Risk concentrations are avoided by not being dependent on a few customers, markets, or assets.

**Corestate Capital Holding S.A.**  
**Management Report (continued)**  
**For the year ended 31 December 2022**

## **RESPONSIBILITY STATEMENT**

The annual accounts of Corestate Capital Holding S.A., prepared in accordance with the applicable reporting principles for annual accounts, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the management report of the Company includes a fair view of the development of the business, and describes the main opportunities, risks, and uncertainties associated with the Company.

## **MANAGEMENT BOARD APPROVAL**

Member

Signature

Dr. Nedim Cen

Luxembourg, 16 December 2025



KPMG Audit S.à r.l.  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel: +352 22 51 51 1  
Fax: +352 22 51 71  
E-mail: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the Shareholders of  
Corestate Capital Holding S.A.  
9-11, Grand Rue  
L-1661 Luxembourg  
Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### **Report on the audit of the annual accounts**

#### **Qualified Opinion**

We have audited the annual accounts of Corestate Capital Holding S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### **Basis for qualified opinion**

The Company's participating interests in Pallars AIF HoldCo S.à r.l. and Pallars HoldCo S.L.U. (collectively "Pallars") and BCC Investments S.à r.l. ("Bain") are carried for a total amount of EUR 8.1 million (EUR 3.8 million, EUR 1.1 million and EUR 3.2 million respectively) on the balance sheet under caption "Participating interests" as at 31 December 2022.

We were unable to obtain sufficient appropriate audit evidence about the amounts of the Company's participating interests in Pallars and Bain in the balance sheet as at 31 December 2022 because we were not provided with nor granted access to the financial information of Pallars and Bain.

Consequently, we were unable to determine whether any adjustments were necessary to the closing balance of the caption "Participating Interests" in the balance sheet and the caption "Value Adjustments in respect of financial assets and of investments held as current assets" in the profit and loss account, as well as the related disclosures.

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Material Uncertainty related to Going Concern**

We draw attention to note B.1 “Basis of Preparation” of the annual accounts, which indicates that the Company is in a net current liability position of EUR 550.7 million as at year end (2021: EUR 141.7 million). This is primarily due to amounts owed to bondholders of the Company for an amount of EUR 502.0 million. These were restructured post-year end and will no longer be repaid in 2023. The Company is also in a negative net equity position of EUR 204.1 million as at year end (2021: positive net equity position of EUR 663.0 million).

In 2023, the Company completed a debt restructuring, which included the waiver by creditors of bond obligations for an amount of € 394.1 million (€ 382.5 million related to bond nominal amounts and € 11.6 million related to interest due), and extended the bond repayment deadline to 31 December 2026. In November 2025, the Company reached agreement with a majority of holders of its two outstanding senior notes amounting to EUR 64.8 million and to EUR 40.7 million, to further extend the notes’ maturities to 31 December 2028. The Company plans to repay the bonds maturing on 31 December 2026 mainly from the proceeds of assets expected to be disposed of in the future. However, if the value of these remaining assets declines, there is a risk that the Company may not be able to resolve its financial obligations.

As stated in note B.1, these events or conditions, along with other matters as set forth in Note B.1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our qualified opinion is not modified in respect of this matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion and Material Uncertainty related to Going Concern* sections, we have determined the matter described below to be a key audit matter to be communicated in our report.

#### **Valuation of shares in affiliated undertakings**

Refer to note C.3 “Financial assets”, including C.3.1 “Shares in affiliated undertakings” and C.3.6 “Statement of changes in financial fixed assets” to the annual accounts for the related disclosures and to note B.3.4 “Financial assets” for the corresponding accounting policy.

*a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the current year*

As at 31 December 2022, the Company’s investment in shares in affiliated undertakings held by the Company amounted to EUR 244.2 million, representing 54% of the total assets of the Company. These investments are recorded at their acquisition cost, inclusive of any related incidental expenses, and are subject to value adjustments in case of permanent impairment in value. Management assesses the existence of such impairment by considering factors that may affect individual investments and determines whether any identified loss is of a permanent nature.

The valuation of shares in affiliated undertakings was identified as a key audit matter due to the significant level of management judgment required and the materiality of the amounts involved.

*b) How the matter was addressed in our audit*

Our procedures concerning the valuation of shares in affiliated undertakings included, but were not limited to, the following:

- We obtained an understanding of the impairment assessment process through inquiries with management, based on their knowledge of the recent developments in the financial position and cash flows of the affiliated undertakings;
- We assessed the design and implementation of the key controls around the identification of triggers and assessment of impairment (value adjustment);



- We reviewed management's assessment related to the timing and recognition of the impairment events and charges and corroborated them against the underlying data;
- We assessed the impairment calculations for the shares in affiliated undertakings by reviewing the affiliated undertakings' available financial information.
- We reconciled the shares in affiliated undertakings' positions, and related value adjustments recorded by the Company, to management's impairment assessment workings.

#### ***Emphasis of matter – Correction of a prior year misclassification***

We draw attention to Note C.3.2, which describes the correction of a misclassification in the prior year of obligations assumed by the Company under loss absorption agreements with its affiliated undertaking, CORESTATE Capital Group GmbH. The misclassification arose because a value adjustment had been recorded against the loan to the affiliated undertaking whereas it should have been recorded as a liability to CORESTATE Capital Group GmbH. Consequently, a correction has been made in the current financial year. Our qualified opinion is not modified in respect of this matter.

#### ***Emphasis of matter – Litigation***

We draw attention to note H "Subsequent Events" of these annual accounts which indicates that HANSAINVEST Hanseatische Investment GmbH ("Hansainvest") has filed a claim for damages of approximately EUR 550 million against HFS Helvetic Financial Services AG ("HFS"), a group subsidiary, subsequent to the year end.

In November 2025, both parties entered into a settlement agreement to resolve their legal dispute through an out-of-court settlement. Our qualified opinion is not modified in respect of this matter.

#### ***Other Matter***

The annual accounts of the Company as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 21 April 2022.

#### ***Other information***

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report including the "Management Report", but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. As described in the *Basis for Qualified Opinion* section of our report, we were unable to obtain sufficient appropriate audit evidence about the amounts of the Company's participating interests in Pallars and Bain. Accordingly, we were unable to conclude whether or not the other information is materially misstated with respect to this matter.

### ***Responsibilities of the Management Board and Those Charged with Governance for the annual accounts***

The Management Board is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Management Board is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the annual accounts, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts***

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

### ***Report on other legal and regulatory requirements***

The signature and issuance of the present report of the “réviseur d’entreprises agréé” (the “Report”) are conditional on our appointment by the general meeting of shareholders (the “General Meeting”) of Corestate Capital Holding S.A. (the “Condition Precedent”). Should the Condition Precedent not be fulfilled when the Report will be presented for approval to the General Meeting, the Report shall be deemed null and void and shall not produce any legal effect. The duration of our uninterrupted engagement, including previous renewals and reappointments, will be 1 year.

Except for the matter described in the *Basis for Qualified Opinion* section of our report, the Management Report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is included in the “Management Report”. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

Except for the below, we confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit. On 28 January 2025, we identified that a KPMG member firm had provided tax services for the financial periods ending 31 December 2022 and 31 December 2023 to a controlled subsidiary of Corestate Capital Holding S.A., Hannover Leasing Private Invest Beteiligungs GmbH, which is a deviation from the local law in Germany (“Gesetz zur Stärkung der Finanzmarktintegrität (Finanzmarktintegritätsstärkungsgesetz – FISG)”). The services, which were finalized before our appointment, were administrative in nature and did not involve any management decision-making or participation in any decision-making processes. Furthermore, the services did not involve advocating the Company’s interests vis-à-vis the Tax Authorities. The work had no direct or indirect effect on the Company’s audited annual accounts, and we have estimated that the fees of these services in relation to the total audit fees charged are below 5%. In our professional judgement, we confirm that based on our assessment of the breach, our objectivity and independence as réviseur d’entreprises agréé has not been compromised. We have discussed the above with the Audit Committee which has agreed with our conclusion, given the nature and size of the above-mentioned services.

We have checked the compliance of the annual accounts of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.



For the Company it relates to:

— annual accounts prepared in a valid XHTML format.

In our opinion, the annual accounts of Corestate Capital Holding S.A. as at 31 December 2022, identified as 529900GNB86RB7HRX793-2022-12-31-0-en.xHTML, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the annual accounts of Corestate Capital Holding S.A. as at 31 December 2022, identified as 529900GNB86RB7HRX793-2022-12-31-0-en.xHTML, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 16 December 2025

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Michael Eichmüller de Souza

**Annual Accounts Helpdesk :**

**Tel. :** (+352) 247 88 494  
**Email :** centralebilans@statec.etat.lu

RCSL Nr. : B199780

Matricule : 2015 2212 349

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2022 **to** <sup>02</sup> 31/12/2022 (in <sup>03</sup> EUR )

Corestate Capital Holding S.A.

9-11, Grand-Rue  
 L-1661 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 423.299.289,33	110 1.133.269.932,00
I. Intangible assets	1111 _____ C.1	111 1.582.743,46	112 2.537.651,58
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 1.582.743,46	116 2.365.707,00
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____ C.1	117 1.186.623,11	118 2.365.707,00
b) created by the undertaking itself	1119 _____	119 396.120,35	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____ C.1	123 _____	124 171.944,58
II. Tangible assets	1125 _____ C.2	125 62.858,38	126 100.079,59
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

RCSL Nr. : B199780

Matricule : 2015 2212 349

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 C.2	131 62.858,38	132 100.079,59
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135 C.3	135 421.653.687,49	136 1.130.632.200,83
1. Shares in affiliated undertakings	1137 C.3.1	137 244.166.407,99	138 966.745.083,08
2. Loans to affiliated undertakings	1139 C.3.2	139 74.451.764,95	140 52.390.507,70
3. Participating interests	1141 C.3.3	141 31.332.543,62	142 44.047.551,40
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143 8.452.973,47	144 3.768.113,30
5. Investments held as fixed assets	1145 C.3.4	145 61.585.723,92	146 48.590.836,30
6. Other loans	1147 C.3.5	147 1.664.273,54	148 15.090.109,05
<b>D. Current assets</b>	1151	151 27.015.899,75	152 78.740.394,28
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163 21.035.945,38	164 70.402.879,51
1. Trade debtors	1165 C.4	165 603.318,91	166 3.480.228,25
a) becoming due and payable within one year	1167 C.4	167 603.318,91	168 3.480.228,25
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171 C.4.1	171 11.538.977,32	172 53.055.205,29
a) becoming due and payable within one year	1173	173 11.538.977,32	174 53.055.205,29
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 C.4.2	177 8.449.633,42	178 13.344.854,31
a) becoming due and payable within one year	1179	179 8.449.633,42	180 13.344.854,31
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183 C.4.3	183 444.015,73	184 522.591,66
a) becoming due and payable within one year	1185	185 444.015,73	186 522.591,66
b) becoming due and payable after more than one year	1187	187	188

RCSL Nr. : B199780

Matricule : 2015 2212 349

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>980.000,00</u>	190 <u>2.180.000,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 <u>C.5</u>	195 <u>980.000,00</u>	196 <u>2.180.000,00</u>
IV. Cash at bank and in hand	1197 _____	197 <u>4.999.954,37</u>	198 <u>6.157.514,77</u>
<b>E. Prepayments</b>	1199 <u>C.6</u>	199 <u>1.070.215,62</u>	200 <u>3.009.549,82</u>
<b>TOTAL (ASSETS)</b>		201 <u>451.385.404,70</u>	202 <u>1.215.019.876,10</u>

RCSL Nr. : B199780

Matricule : 2015 2212 349

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>C.7</u>	301 <u>-204.090.874,79</u>	302 <u>663.016.406,68</u>
I. Subscribed capital	1303 <u>C.7.1</u>	303 <u>2.564.536,43</u>	304 <u>2.564.535,97</u>
II. Share premium account	1305 <u>C.7.3</u>	305 <u>561.500.551,37</u>	306 <u>561.518.484,23</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 <u>C.8</u>	309 <u>256.245,23</u>	310 <u>256.245,23</u>
1. Legal reserve	1311 <u>C.8.1</u>	311 <u>256.245,23</u>	312 <u>256.245,23</u>
2. Reserve for own shares	1313 <u>C.8.2</u>	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>98.677.141,25</u>	320 <u>187.706.849,90</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-867.089.349,07</u>	322 <u>-89.029.708,65</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 <u>C.9</u>	331 <u>16.465.067,28</u>	332 <u>8.360.363,09</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 <u>C.9.1</u>	335 <u>64.671,23</u>	336 _____
3. Other provisions	1337 <u>C.9.2</u>	337 <u>16.400.396,05</u>	338 <u>8.360.363,09</u>
<b>C. Creditors</b>	1435 <u>C.10</u>	435 <u>639.011.212,21</u>	436 <u>543.643.106,33</u>
1. Debenture loans	1437 _____	437 <u>502.240.585,58</u>	438 <u>495.878.831,06</u>
a) Convertible loans	1439 <u>C.10.1</u>	439 <u>189.974.405,99</u>	440 <u>193.462.392,69</u>
i) becoming due and payable within one year	1441 _____	441 <u>189.974.405,99</u>	442 <u>193.462.392,69</u>
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 <u>C.10.2</u>	445 <u>312.266.179,59</u>	446 <u>302.416.438,37</u>
i) becoming due and payable within one year	1447 _____	447 <u>312.266.179,59</u>	448 <u>2.416.438,37</u>
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 <u>300.000.000,00</u>
2. Amounts owed to credit institutions	1355 _____	355 <u>115,06</u>	356 _____
a) becoming due and payable within one year	1357 _____	357 <u>115,06</u>	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____



RCSL Nr. : B199780

Matricule : 2015 2212 349

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 <u>C.10.3</u>	367 <u>7.442.506,11</u>	368 <u>2.623.764,59</u>
a) becoming due and payable within one year	1369 _____	369 <u>7.442.506,11</u>	370 <u>2.623.764,59</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 <u>C.10.4</u>	379 <u>126.975.502,31</u>	380 <u>37.363.638,70</u>
a) becoming due and payable within one year	1381 _____	381 <u>106.334.944,32</u>	382 <u>12.969.157,86</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>20.640.557,99</u>	384 <u>24.394.480,84</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 <u>C.10.5</u>	385 <u>134.746,42</u>	386 <u>4.348.312,78</u>
a) becoming due and payable within one year	1387 _____	387 <u>134.746,42</u>	388 <u>198.724,21</u>
b) becoming due and payable after more than one year	1389 _____	389 _____	390 <u>4.149.588,57</u>
8. Other creditors	1451 <u>C.10.6</u>	451 <u>2.217.756,73</u>	452 <u>3.428.559,20</u>
a) Tax authorities	1393 _____	393 <u>1.959.768,76</u>	394 <u>1.928.559,20</u>
b) Social security authorities	1395 _____	395 <u>3.864,84</u>	396 _____
c) Other creditors	1397 _____	397 <u>254.123,13</u>	398 <u>1.500.000,00</u>
i) becoming due and payable within one year	1399 _____	399 <u>254.123,13</u>	400 <u>1.500.000,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>451.385.404,70</u>	406 <u>1.215.019.876,10</u>

**Annual Accounts Helpdesk :**

**Tel.** : (+352) 247 88 494  
**Email** : centralebilans@statec.etat.lu

RCSL Nr. : B199780

Matricule : 2015 2212 349

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2022 **to** <sup>02</sup> 31/12/2022 (in <sup>03</sup> EUR )

Corestate Capital Holding S.A.

9-11, Grand-Rue  
L-1661 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 <u>D.1</u>	701 <u>17.705.672,27</u>	702 <u>16.288.540,10</u>
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 <u>D.2</u>	713 <u>12.546.761,35</u>	714 <u>1.521.204,98</u>
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 <u>-40.735.266,65</u>	672 <u>-37.794.272,43</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>D.3</u>	603 <u>-40.735.266,65</u>	604 <u>-37.794.272,43</u>
<b>6. Staff costs</b>	1605 <u>D.4</u>	605 <u>-7.938.655,27</u>	606 <u>-4.806.311,94</u>
a) Wages and salaries	1607 _____	607 <u>-7.936.173,79</u>	608 <u>-4.805.644,32</u>
b) Social security costs	1609 _____	609 <u>-2.481,48</u>	610 <u>-667,62</u>
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-2.481,48</u>	656 <u>-667,62</u>
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 <u>C.1+C.2</u>	657 <u>-1.311.766,90</u>	658 <u>-3.859.087,03</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>-1.094.762,61</u>	660 <u>-1.121.622,98</u>
b) in respect of current assets	1661 _____	661 <u>-217.004,29</u>	662 <u>-2.737.464,05</u>
<b>8. Other operating expenses</b>	1621 <u>D.5</u>	621 <u>-8.767.612,03</u>	622 <u>-3.054.979,95</u>

RCSL Nr. : B199780

Matricule : 2015 2212 349

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715 <u>D.6</u>	715 <u>5.314.900,23</u>	716 <u>51.313.944,94</u>
a) derived from affiliated undertakings	1717 _____	717 <u>5.314.900,23</u>	718 <u>51.313.944,94</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income not included under a)	1725 _____	725 _____	726 _____
<b>11. Other interest receivable and similar income</b>	1727 <u>D.7</u>	727 <u>9.561.695,26</u>	728 <u>6.530.730,98</u>
a) derived from affiliated undertakings	1729 _____	729 <u>7.221.383,77</u>	730 <u>4.758.458,57</u>
b) other interest and similar income	1731 _____	731 <u>2.340.311,49</u>	732 <u>1.772.272,41</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663 _____	663 _____	664 _____
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665 <u>D.8</u>	665 <u>-833.986.796,41</u>	666 <u>-97.753.672,81</u>
<b>14. Interest payable and similar expenses</b>	1627 <u>D.9</u>	627 <u>-19.402.366,99</u>	628 <u>-17.067.257,92</u>
a) concerning affiliated undertakings	1629 _____	629 <u>-3.959.179,52</u>	630 <u>-1.370.355,18</u>
b) other interest and similar expenses	1631 _____	631 <u>-15.443.187,47</u>	632 <u>-15.696.902,74</u>
<b>15. Tax on profit or loss</b>	1635 <u>D.10</u>	635 <u>-50.086,18</u>	636 <u>-342.494,07</u>
<b>16. Profit or loss after taxation</b>	1667 _____	667 <u>-867.063.521,32</u>	668 <u>-89.023.655,15</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637 _____	637 <u>-25.827,75</u>	638 <u>-6.053,50</u>
<b>18. Profit or loss for the financial year</b>	1669 _____	669 <u>-867.089.349,07</u>	670 <u>-89.029.708,65</u>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts**  
**For the year ended 31 December 2022**

## NOTES TO THE ANNUAL ACCOUNTS

### 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 9-11, Grand-Rue, L-1661 Luxembourg (formerly 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) (the "Companies Register") under number B 199780 on 7 September 2015.

CCH SA was established on 21 August 2015 for an unlimited period. The Company's financial year starts on 1 January and ends on 31 December of each year.

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 30 October 2017. Commencement of trading (Notierungsaufnahme) of the Shares on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) took place on 02 November 2017.

#### BASIC SHARE DATA

WKN / ISIN	A141J3 / LU1296758029
Ticker symbol / Reuters code	CCAP
Common Code	129675802
Trading segment	Prime Standard
Stock exchange	Frankfurt
Type of stock	No-par value bearer shares

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The Company's shares (31 December 2022: 34,193,808, 31 December 2021: 34,193,808 ordinary shares) are quoted on a European regulated stock exchange (as defined by art. 4 paragraph (1) point 14 of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments) which essentially increased the reporting and publishing requirements. The Company also prepares consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, which are published according to the provisions of the Luxembourg Law and the exchange rules of the Frankfurt Stock Exchange. The Company is included in its consolidated accounts. The annual and consolidated financial statements are published in the electronic company register of Germany. Furthermore, the consolidated financial statements are available for download on the Company's website (<https://corestate-capital.com>).

The main activity of the Company is as follows: Pursuant to article 4 of the Company's Articles of Association, the purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies or other assets including but not limited to real estate assets, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above).

The Company may borrow in any form. It may enter into any type of loan agreement, and it may issue notes, bonds, debentures, certificates, shares, beneficiary parts, warrants and any kind of debt or equity securities including under one or more issuance programmes. The Company may lend funds including the proceeds of any borrowings and/or issues of securities to its subsidiaries, affiliated companies, or any other company. The Company may also give guarantees and grant security interests over some or all its assets including, without limitation, by way of pledge, transfer, or encumbrance, in favour of or for the benefit of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company.

The Company may enter into any type of loan agreement, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions. The Company may generally use any techniques and instruments relating to investments

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks. The descriptions above are to be construed broadly and their enumeration is not limiting.

The Company's purpose shall include any transaction or agreement which is entered into by the Company, provided it is not inconsistent with the foregoing matters. In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its purpose. The Company may carry out any commercial, industrial, and financial operations, which are directly or indirectly connected with its purpose, or which may favour its development.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## **B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **B.1 Basis of Preparation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002 (as amended), determined and applied by Management Board.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Management Board to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Management Board believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The annual accounts are presented in Euros in the primary statements and in EUR millions in the notes to the annual accounts. All values in these notes 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 these annual accounts, a dash ("–") denotes a nil amount, while a zero ("0") indicates that the figure has been rounded to zero, as amounts in the notes to the annual accounts are presented to the nearest million. The figures in the notes tables are all automatically rounded to nearest million, so that the total amount might occasionally be displayed with slight rounding difference.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The Management Board is responsible for the assessment of the Company's ability to continue as a going concern. In the evaluation, the Management Board considered the inherent risks to the Company's business model, including the ongoing conflict in Ukraine, the current interest rate environment and wider macroeconomic landscape. The Management Board analyzed how these risks might affect the Company's financial resources or ability to continue operations in the foreseeable future.

As at 31 December 2022, the Company is in a net current liability position of € 550.7m (2021: € 141.7m). This is primarily due to amounts owed to bondholders of the Company for an amount of € 502.2m, classified as "Debenture Loans" (2021: € 495.9m). These were restructured post-year end and will no longer be repaid in 2023. Due to various impairments and necessary individual value adjustments (incl. risk provisions) in 2022, the Company is also in a negative net equity position of € 204.1m as at year end (2021: positive net equity position of € 663.0m). "Cash and cash equivalents" amount to € 5.0m (2021: € 6.2m).

In assessing the Company's ability to continue as a going concern, the Management Board has considered the Company's capacities in generating positive future cash flow results. Based upon the resolutions passed by the creditors' meeting and General Meetings in June and July 2023, the debt restructuring and recapitalization were completed in August 2023. This included a reduction in the financial liabilities from bonds by around 78% through waiver by creditors of bond obligations for an amount of € 394.1m, out of which € 382.8m is related to bond nominal amounts and € 11.6m relates to interest due, and an extension of the bond repayment deadline until 31 December 2026. Further, a capital reduction was executed, decreasing the Company's issued share capital by € 2,558,497.50 to € 6,174.00, without any cancellation of shares or any payments to shareholders. Immediately thereafter, a capital increase was carried out, raising the share capital by € 23,826.00 to € 30,000.00 through the issuance of 132 million new shares to the bondholders and to the management. Together, these measures, along with the Company operations during 2023, resulted in a preliminary (unaudited) positive net equity of € 84.0m and a cash position of € 3.1m as of 31 December 2023.

On the operational side, the operational restructuring of Corestate including an extensive cost-cutting program has been successfully implemented by end of 2024. With the liquidation of Corestate Bank as well as the sale of CRM and STAM, the Group structure will consist in the future of Corestate as a holding company and Hannover Leasing as operating subsidiary with a clear focus on investment and asset management.



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In November 2025, the Company reached agreement with a majority of holders of its two outstanding senior notes amounting to € 64.8m and to € 40.7m, to further extend the bonds' maturities to 31 December 2028. As of 31 December 2022, before the financial restructuring, the senior notes were referred to as non-convertible loans and convertible loans.

More than 75% of the noteholders support the planned adjustments, which include, among other things, an extension of the maturity until the end of 2028. Under the agreed amendment, the interest rate on the senior notes will be 8%, 12% and 15% in 2026, 2027 and 2028 respectively. A corresponding lock-up agreement has been signed by the main noteholders. The creditors' meetings for formal resolution are scheduled for the end of December 2025. This extension gives Corestate the necessary time to implement the ongoing asset disposal program without sales pressure and thus maximize value. Refer to Note H "Subsequent Events" for further details. In summary, the circumstances that lead to a material going concern uncertainty relate primarily to the Company's assumptions and liquidity forecast.

The key assumptions for the going concern are the following:

- a) the full repayment of the Super Senior Bonds through its remaining asset disposals by end of 2026;
- b) the extension of the Senior Bonds until end of 2028 and the partial repayment of those notes through the remaining asset disposals; and
- c) the Group's capacities in generating positive future EBITDA / cash flow results and therefore its ability to repay / refinance the remaining bond values by end of 2028.

Overall, considering the above assumptions, as at the date of the issuance of these annual accounts, the Management Board expects that the Company will have adequate resources to meet its cash flow requirements for at least the next 12 months. These annual accounts were prepared using the going concern assumption that the Company will continue its operations for the foreseeable future. The Company plans to repay its liabilities using proceeds from assets expected to be disposed of in the future. However, uncertainty remains for the next twelve months from the approval of these accounts in the future fair value of the assets. The above circumstances, nevertheless, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## **B.2 European Single Electronic Format (ESEF)**

The annual accounts of Corestate Capital Holding S.A. for the financial year ended 31 December 2022 have been prepared in accordance with the requirements of the European Single Electronic Format (ESEF). In line with the applicable regulatory framework, the Company has prepared its annual accounts in valid XHTML format.

Corestate Capital Holding S.A. has duly submitted and published the ESEF-compliant annual financial report, including the XHTML document, in accordance with the filing and disclosure obligations applicable in the European Union. The Company is committed to maintaining high-quality digital reporting standards and ensuring full compliance with the ESEF Regulation for the benefit of investors and other stakeholders.

## **B.3 Significant Accounting Policies**

### *B.3.1 Formation expenses*

The formation expenses and subsequent share capital issue expenses of the Company are directly charged to the profit and loss account of the period in which they incurred.

### *B.3.2 Intangible assets*

Intangible assets are valued at purchase price including the expenses incidental thereto or at production costs, less cumulated depreciation and value adjustments. These value adjustments are not continued if the reasons for the value adjustments have ceased to apply.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The depreciation rates and methods applied for Intangible assets are as follows:

Type of asset	Depreciation rate p.a.	Depreciation method
IT-software	33.333%	linear
Licence	20.000%	linear

### *B.3.3 Tangible assets*

Tangible assets are measured at purchase price including the expenses incidental thereto or at production costs, less cumulated depreciation and value adjustments. Value adjustments are not continued if the reasons for the value adjustments have ceased to apply.

The depreciation rates and methods applied for Tangible assets are as follows:

Type of asset	Depreciation rate p.a.	Depreciation method
IT-equipment	33.333%	linear

### *B.3.4 Financial assets*

Shares in affiliated undertakings and participating interests are recorded at their acquisition price, including the expenses incidental thereto. They are subject to value adjustments in case of permanent impairment in value. These value adjustments are not maintained if the reasons for making them have ceased to exist.

Loans to affiliated undertakings and investments held as fixed assets are stated at acquisition costs plus capitalised interest less reimbursements received to date. A value adjustment is made when the net realisable value is lower than the net book value. These value adjustments are not maintained if the reasons for making them have ceased to exist.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*B.3.5 Debtors*

Debtors are measured at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

*B.3.6 Cash at bank and cash in hand*

Cash is measured at its nominal value.

*B.3.7 Foreign currency translation*

The Company maintains its postings in Euro. Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Formation expenses and long-term assets expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined based on the exchange rates effective at the balance sheet date. Unrealised exchange losses are recorded in the profit and loss account; realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

*B.3.8 Prepayments*

Prepayments include financing fees and expenditures incurred during the financial year but relating to a subsequent financial year.

Financing fees are amortised on a straight-line basis over the duration of the related debt.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*B.3.9 Provisions*

Provisions are recognised to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be recorded to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions for taxation corresponding to the difference between the tax liability estimated by the Company and the advance payments for the financial years are recorded under the caption C.10.6 Other creditors.

*B.3.10 Creditors*

Debt is recorded at its reimbursement value. Where the amount repayable is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on the actuarial method.

*B.3.11 Net turnover*

The net turnover comprises the amounts derived from the sale of services and the delivery of services within the Company's ordinary activities, after deductions of sales rebates, value added tax, and other taxes directly linked to the turnover.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## C. NOTES TO THE BALANCE SHEET

### C.1 Intangible Assets

The movements for the period are as follows:

€ million	Gross book value				Accumulated depreciation			Net book value	
	1 Jan 2022	Additions	Transfers	31 Dec 2022	1 Jan 2022	Dep'n	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>Concessions, patents, licences, trademarks and similar rights and assets</b>									
a) acquired for valuable consideration and need not be shown under C.I.3									
IT Software and Homepage	4.5	0.1	0.2	4.7	2.7	0.9	3.6	1.1	1.7
Concessions, licences, industrial and similar rights and assets	0.4	-	-	0.4	0.3	0.1	0.4	0.1	0.1
<b>Subtotal</b>	<b>4.9</b>	<b>0.1</b>	<b>0.2</b>	<b>5.1</b>	<b>3.0</b>	<b>1.0</b>	<b>4.0</b>	<b>1.2</b>	<b>1.8</b>
b) created by the undertaking itself									
Internally generated intangible fixed assets	0.6	-	-	0.6	0.1	0.1	0.2	0.4	0.5
<b>Subtotal</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>
<b>Subtotal</b>	<b>5.5</b>	<b>0.1</b>	<b>0.2</b>	<b>5.8</b>	<b>3.1</b>	<b>1.1</b>	<b>4.2</b>	<b>1.6</b>	<b>2.4</b>
<b>Payments on account and assets under development</b>									
Payments on account	0.2	0.0	(0.2)	-	-	-	-	-	0.2
<b>Total</b>	<b>5.7</b>	<b>0.1</b>	<b>0.0</b>	<b>5.8</b>	<b>3.1</b>	<b>1.1</b>	<b>4.2</b>	<b>1.6</b>	<b>2.5</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## C.2 Tangible Assets

The movements for the period are as follows:

€ million	Gross book value			Accumulated depreciation			Net book value	
	1 Jan 2022	Additions	31 Dec 2022	1 Jan 2022	Dep'n	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>Other fixtures and fittings, tools and equipment</b>								
IT Equipment	0.2	-	0.2	0.1	0.0	0.1	0.1	0.1
<b>Total</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## C.3 Financial Assets

### *Movements and undertakings*

The movements for the period are as follows:

€ million	Shares in affiliated undertakings	Loans to affiliated undertakings	Participating interests	Loans to undertakings with participating interests	Investments held as fixed assets	Other loans	Total
<b>Gross book value</b>							
Opening balance as of 1 January 2022	996.8	114.0	45.7	6.4	54.9	15.1	<b>1,233.0</b>
Additions for the period	19.4	22.8	0.6	5.8	16.7	0.0	<b>65.3</b>
Disposals for the period	(4.6)	(30.5)	(10.7)	(1.0)	(0.2)	(13.4)	<b>(60.5)</b>
Transfers for the period	3.4	2.8	(0.0)	(2.8)	-	-	<b>3.4</b>
<b>Closing balance as of 31 December 2022</b>	<b>1,014.9</b>	<b>109.1</b>	<b>35.7</b>	<b>8.5</b>	<b>71.5</b>	<b>1.7</b>	<b>1,241.3</b>
<b>Accumulated depreciation</b>							
Opening balance as of 1 January 2022	30.1	61.6	1.7	2.7	6.3	-	<b>102.4</b>
Depreciation for the year	738.1	(26.6)	3.4	0.0	3.6	-	<b>718.6</b>
Transfers/Disposals for the year	2.5	(0.4)	(0.8)	(2.7)	-	-	<b>(1.4)</b>
<b>Closing balance as of 31 December 2022</b>	<b>770.8</b>	<b>34.6</b>	<b>4.4</b>	<b>0.0</b>	<b>9.9</b>	<b>-</b>	<b>819.6</b>
<b>Net book value - closing balance</b>	<b>244.2</b>	<b>74.5</b>	<b>31.3</b>	<b>8.5</b>	<b>61.6</b>	<b>1.7</b>	<b>421.7</b>
<b>Net book value - opening balance</b>	<b>966.7</b>	<b>52.4</b>	<b>44.0</b>	<b>3.8</b>	<b>48.6</b>	<b>15.1</b>	<b>1,130.6</b>



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Undertakings in which the Company holds directly and indirectly at least 20% of the share capital are as follows:

				<b>31 December 2022</b>	<b>2022</b>
Name of the undertaking	Registered office and Country of incorporation	Ownership (in %)	Last balance sheet date	Net equity at the balance sheet date (in € million)	Profit or loss for the last financial year (in € million)
AF ATHENA GmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	(0.0)	(0.2)
Aggregate Debt Fund S.C.A. SICAV-RAIF	Luxembourg	100.00	31 Dec 2022	0.0	(0.0)
Aggregate Debt GP S. à r.l.	Luxembourg	100.00	31 Dec 2022	0.0	0.0
Bayreuth Student Home AcquiCo II S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.0	0.1
Bego HoldCo I S.L.U.	Madrid/Spain	100.00	31 Dec 2022	3.8	(1.9)
Bego HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	3.8	(2.4)
Bego PropCo I S.L.U.	Madrid/Spain	100.00	31 Dec 2022	3.8	(1.9)
BER REV HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	10.1	(2.7)
Cisnes e Silhuettas, Unipessoal Lda.	Lisbon/Portugal	100.00	31 Dec 2022	0.4	(0.0)
CORESTATE Bank GmbH (vormals: Aggregate Financial Services GmbH)	Frankfurt am Main/Germany	100.00	31 Dec 2022	12.2	(7.6)
Corestate Ben HoldCo GmbH & Co. KG	Frankfurt am Main/Germany	100.00	31 Dec 2022	(1.7)	(1.0)
CORESTATE Capital Advisors GmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	(4.9)	0.0
CORESTATE CAPITAL AG	Baar/Switzerland	100.00	31 Dec 2022	49.9	(3.0)
CORESTATE Capital Beteiligungs Verwaltungs GmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	(0.0)	(0.0)
Corestate Capital Foundation gGmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	0.0	0.0
Corestate Capital France HoldCo SAS	Paris/France	100.00	31 Dec 2022	(11.6)	(18.1)

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Name of the undertaking (continued)	Registered office and Country of incorporation	Owner-ship (in %)	Last balance sheet date	31 December 2022	2022
				Net equity at the balance sheet date (in € million)	Profit or loss for the last financial year (in €million)
CORESTATE CAPITAL Fund Management S.à r.l.	Luxembourg	100.00	31 Dec 2022	1.4	(1.7)
CORESTATE Capital Group GmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	67.8	29.3
CORESTATE Capital Partners GmbH	Pfäffikon/Switzerland	100.00	31 Dec 2022	(0.1)	(0.0)
Corestate Capital Services GmbH	Wollerau/Switzerland	100.00	31 Dec 2022	(18.3)	(26.2)
CORESTATE Capital Transactions AG	Baar/Switzerland	100.00	31 Dec 2022	(1.5)	(0.1)
CORESTATE CIV GmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	0.0	(0.0)
Corestate FIF I Portfolio Verwaltungs GmbH	Hamburg/Germany	100.00	31 Dec 2022	0.0	(0.0)
CORESTATE MCIF Germany GmbH & Co. KG	Frankfurt am Main/Germany	100.00	31 Dec 2022	(0.1)	(0.0)
CORESTATE MCIF GmbH & Co. KG	Frankfurt am Main/Germany	100.00	31 Dec 2022	0.1	0.0
Corestate Shelf 15 S.à r.l.	Luxembourg	100.00	31 Dec 2022	(0.0)	(0.1)
Corestate Student Home Holding S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.4	(0.1)
Court HoldCo GmbH	Frankfurt am Main/Germany	100.00	31 Dec 2022	0.1	0.0
CRM Micro Living Services Italy S.R.L.	Milan/Italy	100.00	31 Dec 2022	(0.1)	(0.1)
CRM Students Ltd	Oxford/United Kingdom	100.00	31 Dec 2022	(0.3)	(1.8)
DONALD HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	4.1	0.1

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Name of the undertaking (continued)	Registered office and Country of incorporation	Owner- ship (in %)	Last balance sheet date	31 December 2022	2022
				Net equity at the balance sheet date (in € million)	Profit or loss for the last financial year (in €million)
Echo HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	1.9	(0.6)
Echo HoldCo 2 AIF S.à r.l.	Luxembourg	31.10	31 Dec 2022	16.8	(6.4)
Frankfurt Student Home AcquiCo II S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.2	0.4
Gabriela HoldCo S.à r.l. (prev. Corestate Shelf 18 S.à r.l.)	Luxembourg	100.00	31 Dec 2022	2.7	(2.4)
Gabriela HoldCo S.L.U.	Madrid/Spain	100.00	31 Dec 2022	2.7	(2.1)
Gabriela PropCo S.L.U.	Madrid/Spain	100.00	31 Dec 2022	2.7	(2.1)
GENOST Consulting GmbH	Leipzig/Germany	100.00	31 Dec 2022	0.5	0.0
Ginova HoldCo S.à r.l. (Ginova AIF S.à r.l.)	Luxembourg	100.00	31 Dec 2022	33.2	(12.5)
Ginova PropCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	33.2	(12.1)
Grindel AcquiCo II S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.4	0.6
Hannover Leasing Verwaltungsgesellschaft mbH	Pullach/Germany	100.00	31 Dec 2022	0.1	0.0
Hartly Invest S.L.U.	Madrid/Spain	100.00	31 Dec 2022	(0.0)	(0.1)
HFS Helvetic Financial Services AG	Wollerau/Switzerland	100.00	31 Dec 2022	11.4	(90.5)
Iberian HoldCo II S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.0	0.0
Iberian Investments II HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	1.7	2.0
King AIF 1 S.à r.l.	Luxembourg	100.00	31 Dec 2022	(0.5)	(0.1)
King AIF 2 S.à r.l.	Luxembourg	100.00	31 Dec 2022	(5.0)	(0.6)

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

				<b>31 December 2022</b>	<b>2022</b>
Name of the undertaking (continued)	Registered office and Country of incorporation	Ownership (in %)	Last balance sheet date	Net equity at the balance sheet date (in € million)	Profit or loss for the last financial year (in €million)
King OpCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.2	(0.3)
King PropCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	(5.2)	(1.1)
Mainz Student Home AcquiCo II S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.1	0.3
Monet S.à r.l.	Luxembourg	88.35	31 Dec 2022	0.4	0.0
Pallars AIF HoldCo S.à r.l.	Luxembourg	42.38	31 Dec 2022	9.0	(0.5)
PALMYRA Verwaltungs GmbH & Co. Verm. KG S.e.n.c	Luxembourg	84.92	31 Dec 2022	1.5	(0.0)
PALMYRA Verwaltungs GmbH & Co. Vermietungs KG i.L.	Pullach/Germany	89.58	31 Dec 2022	1.5	(0.0)
Plutos HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	1.9	(0.0)
Potsdam Student Home AcquiCo II S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.4	0.2
Projekt AcquiCo III S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.0	(0.0)
SCORE S.à r.l.	Luxembourg	50.00	31 Dec 2022	0.2	(0.0)
Stadttor Düsseldorf AcquiCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	(0.1)	(0.9)
Stam Co-Invest	Luxembourg	88.35	31 Dec 2022	0.3	(0.0)
STAM Europe SAS	Paris/France	100.00	31 Dec 2022	(2.2)	(2.9)
STAM France Investment Managers SAS	Paris/France	100.00	31 Dec 2022	0.8	0.1
STAM Property Management SAS	Paris/France	100.00	31 Dec 2022	0.3	0.1
Tablas HoldCo AIF S.à r.l.	Luxembourg	42.70	31 Dec 2022	13.3	(1.0)

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Name of the undertaking (continued)	Registered office and Country of incorporation	Ownership (in %)	Last balance sheet date	31 December 2022	2022
				Net equity at the balance sheet date (in € million)	Profit or loss for the last financial year (in €million)
Tempelhof Twins HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	(0.4)	(0.2)
Tempelhof Twins TopCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.4	(0.0)
UPARTMENTS Real Estate GmbH	Leipzig/Germany	100.00	31 Dec 2022	2.0	0.0
Urban Micro Estate Immobilienverwaltungs GmbH	Vienna/Austria	100.00	31 Dec 2022	0.3	0.2
Urban Micro Estate Poland Sp. Z o. o. (formerly Rewiana Sp. Z o.o.)	Warsaw/Poland	100.00	31 Dec 2022	0.3	0.4
Urban Micro Estate Spain	Madrid/Spain	100.00	31 Dec 2022	0.1	0.0
Urban Micro Estate Swiss Immobilienverwaltungs GmbH	Zug/Switzerland	100.00	31 Dec 2022	0.3	0.2
Walhalla HoldCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.0	(4.5)
Walhalla PropCo S.à r.l.	Luxembourg	100.00	31 Dec 2022	0.0	(1.5)

### *C.3.1 Shares in affiliated undertakings*

A detailed composition of shares in affiliated undertakings and a statement of changes refer to Note C.3.6.

The reduction in net book value from € 966.7m to €244.2m is mainly due to the impairment of the shares of HFS Helvetic Financial Services AG by €519.4m during the year and of CORESTATE Bank GmbH by € 155.5m. For further information, please refer to Note D.8. Depreciation and amortization essentially tie to impairment and depreciation of intangible assets, property, plant and equipment, and right-of-use assets from lease contracts where the Group acts as lessee.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

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 refer to Note D.8).

*C.3.2 Loans to affiliated undertakings*

A detailed composition of loans to affiliated undertakings and a statement of changes are disclosed in Note C.3.6. The main deviations from the previous year result from the impairment of the loan to Corestate Capital France HoldCo SAS by an amount of € 31.4m during the year. In 2022, the shares in CORESTATE Capital Group GmbH were impaired in the amount of € 28.5m (2021: € nil).

*Correction of a prior year misclassification*

As at 31 December 2021, a cumulative amount of €58.5m, determined based on the obligations arising from the loss absorption agreements and relating to a loan granted to CORESTATE Capital Group GmbH, had been misclassified and recorded as a value adjustment against the loan to CORESTATE Capital Group GmbH whereas it should have been recorded as a liability to CORESTATE Capital Group GmbH. Consequently, this value adjustment was reversed from the caption “Financial assets – Loans to affiliated undertakings” as at 31 December 2022 and a liability was booked in the caption “Creditors – Amounts owed to affiliated undertakings becoming due and payable within one year”.

The aforementioned reversal of a value adjustment of € 58.5m was recognised in the profit and loss account for the year ended 31 December 2022 under “Value adjustments in respect of financial assets and of investments held as current assets” (refer to Note D.8) and is also presented in Note C.3.6 under “Depreciation”.

Based on the loss absorption agreements between the Company and CORESTATE Capital Group GmbH, the loss incurred at the level of CORESTATE Capital Group GmbH was absorbed by the Company as of 31 December 2022. The total absorbed loss amounted to € 91.7m, covering the financial years 2020 to 2022 (including € 58.5m for prior years). The amount of € 91.7m was recognised as an expense in the profit and loss account, and the corresponding liability of € 91.7m was recorded in the balance sheet under “Creditors – Amounts owed to affiliated undertakings becoming due and payable within one year” (refer to Note C.10.4).

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

€ million	Start date	Maturity (years)	interest rate	collateral	31 December 2022	31 December 2021
<b>Loans to affiliated undertakings</b>						
CORESTATE Capital Advisors GmbH	4 Oct 2021	5	2.26%	unsecured	11.4	4.1
Tempelhof Twins TopCo S.à r.l.	23 Sep 2019	10	4.75%	unsecured	3.0	2.9
Ginova PropCo S.à r.l.	26 Jan 2022	2	1.36%	unsecured	2.0	-
STAM Co-Invest S.à r.l.	1 Jul 2020	10	1.00%	unsecured	1.0	0.9
BER REV HoldCo S.à r.l.	28 Jun 2022	2.5	9.26%	unsecured	0.3	-
STAM Co-Invest S.à r.l.	1 Jul 2020	10	0.00%	unsecured	0.2	0.2
Urban Micro Estate Poland Sp. z o.o	31 Dec 2020	5	2.49%	unsecured	0.2	0.2
Monet S.à r.l.	11 Mar 2021	10	1.00%	unsecured	0.1	0.1
Monet S.à r.l.	11 Mar 2021	10	0.00%	unsecured	0.1	0.0
Corestate Capital Partners GmbH	1 Jan 2020	5	3.25%	unsecured	0.1	-
Corestate Capital France HoldCo SAS	15 Jan 2021	5	2.49%	unsecured	0.0	28.3
Iberian HoldCo II S. à r.l.	4 Aug 2020	5	0.60%	unsecured	-	0.1
Corestate Student Home Holding S. à r.l.	1 Aug 2021	5	2.26%	unsecured	-	0.7

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

€ million	Start date	Maturity (years)	interest rate	collateral	31 December 2022	31 December 2021
<b>Loans to affiliated undertakings</b>						
CORESTATE Capital Group GmbH	20 Jul 2018	5	1.00%	unsecured	54.8	3.8
CRM Students Ltd	26 Jan 2022	1	1.36%	unsecured	1.2	-
King AIF 2 S.à r.l.	31 Dec 2022	1	3.41%	unsecured	0.1	-
King AIF 1 S.à r.l.	31 Dec 2022	1	3.41%	unsecured	0.0	-
King PropCo S.à r.l.	30 Jul 2018	5	0.00%	unsecured	0.0	-
Nigella Verwaltungsgesellschaft mbH & Co. Vermietungs KG	14 Feb 2022	1.9	11.03%	unsecured	0.0	-
CORESTATE Capital Sales Holding S.à r.l. (merged to CCH SA 19 December 2022)	1 Jul 2021	5	2.26%	unsecured	-	5.6
CORESTATE Capital Partners UK Ltd.	1 Sep 2018	5	5.50%	unsecured	-	0.2
CORESTATE Capital Partners UK Ltd.	20 Nov 2018	5	5.50%	unsecured	-	5.3
<b>Total of Loans to affiliated undertakings</b>					<b>74.5</b>	<b>52.4</b>



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.3 Participating interests*

A detailed composition of participating interests and a statement of changes refer to Note C.3.6. The Company typically invests between 1% and 10% in its investment products structured for its semi-institutional and private clients as alignment capital investment. In individual cases, higher participation quotas may also result if not all of the shares designated for placement are acquired by clients. Since CCH SA provides comprehensive real estate investment management services to and is acting as asset manager for such investment structures (also referred to as "Projects"), these investment structures qualify as a participating interest under Lux GAAP.

*C.3.4 Investments held as fixed assets*

A detailed composition of Investments held as fixed assets and a statement of changes refer to Note C.3.6. With the investment agreement dated 23 April 2018, CCH SA advised HANSAINVEST Hanseatische Investment GmbH, Hamburg, to implement the real estate Alternative Investment Funds "Corestate Opportunity Deutschland I Fonds (Luxembourg)". The change in carrying amount to € 45.0m as of year-end 2022 in comparison with € 48.6m as of year-end 2021 was mainly due to a further depreciation of € 3.6m.

With the purchase and transfer agreement dated 28 October 2022, CCH SA acquired the Notes representing a 3.50% interest in RAW-Ost HC S.à r.l. in 2022. The purchase price amounted to €16.6m.

*C.3.5 Other loans*

A detailed composition of other loans and a statement of changes refer to Note C.3.6.

In 2022, PRIME CAPITAL AG paid € 10.0m of its loan back. The remaining balance of other loans mainly comprises accrued interest for an amount of € 1.1m related to a former loan to WGS Private Equity Beteiligungs GmbH.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

**C.3.6 Statement of changes in financial fixed assets**

It is a detailed statement of changes of the financial fixed assets of the Company in the financial year 2022.

		Gross book value					Accumulated value adjustments				Net book value	
€ million	Owner-ship %	1 Jan 2022	Add'n	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
1 Shares in affiliated undertakings												
CORESTATE Bank GmbH)	100.00%	166.4	-	-	-	166.4	-	155.5	-	155.5	10.9	166.4
HFS Helvetic Financial Services AG	100.00%	576.6	-	-	-	576.6	19.5	519.4	-	538.9	37.7	557.2
CORESTATE Capital Group GmbH	100.00%	127.5	-	-	-	127.5	-	28.5	-	28.5	99.0	127.5
Ginova AIF S.à r.l (formals Highstreet Gießen HoldCo S.à r.l.)	100.00%	31.4	14.5	-	-	45.9	-	12.6	-	12.6	33.3	31.4
CORESTATE CAPITAL AG	100.00%	29.6	-	-	-	29.6	-	-	-	-	29.6	29.6
CRM Students Ltd.	100.00%	18.2	-	3.4	-	21.6	7.7	3.0	3.4	14.1	7.5	10.5
CORESTATE CAPITAL FRANCE HOLD CO SAS	100.00%	8.6	-	-	-	8.6	-	2.7	-	2.7	5.9	8.6
Stadttor Düsseldorf AcquiCo S.à r.l.	100.00%	6.9	0.1	-	-	7.0	-	6.3	-	6.3	0.7	6.9
Dedan AIF S.à r.l.	0.00%	1.1	-	-	(1.1)	-	0.8		(0.8)	-	-	0.3
Bego HoldCo S.à r.l.	100.00%	6.4	-	-	-	6.4	-	2.5	-	2.5	3.8	6.4
Gabriela HoldCo S.à. r.l	100.00%	5.1	-	-	-	5.1	-	2.4	-	2.4	2.8	5.1
Wallhalla HoldCo S.à r.l.	100.00%	3.2	1.6	-	(0.2)	4.6	-	0.1	-	0.1	4.5	3.2
BER REV HoldCo S.à r.l.	100.00%	3.0	0.0	-	-	3.1	-	-	-	-	3.1	3.0
Iberian Investments II HoldCo S.à r.l.	100.00%	2.2	0.1	-	-	2.3	-	2.2	-	2.2	0.0	2.2

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

		Gross book value					Accumulated value adjustments					Net book value	
€ million	Owner-ship %	1 Jan 2022	Add'n	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021	
<b>1 Shares in affiliated undertakings (continued)</b>													
Echo HoldCo S.à r.l. (formerly Projekt AcquiCo I S.à r.l.)	100.00%	1.7	-	-	-	1.7	-	-	-	-	1.7	1.7	
Harbour AcquiCo 1 S.à r.l.	0.00%	1.6	-	-	(1.6)	-	-	-	-	-	-	1.6	
Plutos HoldCo S.à r.l. (formerly Corestate Shelf 3 S.à r.l.)	100.00%	1.0	0.0	-	(0.0)	1.0	-	-	-	-	1.0	1.0	
Projekt AcquiCo III S.à r.l.	100.00%	0.4	-	-	-	0.4	-	0.4	-	0.4	0.0	0.4	
Iberian HoldCo II S.à r.l. (formerly Corestate Shelf II S.à r.l.)	100.00%	0.8	-	-	(0.7)	0.1	-	0.1	-	0.1	0.0	0.8	
Tempelhof Twins TopCo S.à r.l.	100.00%	0.6	-	-	-	0.6	-	-	-	-	0.6	0.6	

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

€ million	Owner-ship %	1 Jan 2022	Gross book value				Accumulated value adjustments				Net book value	
			Add'n	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>1 Shares in affiliated undertakings (continued)</b>												
CORESTATE Capital Fund Management S.à r.l.	100.00%	0.6	3.0	-	-	3.6	-	2.2	-	2.2	1.4	0.5
Corestate Student Home Holding S.à r.l.	100.00%	0.5	-	-	-	0.5	-	-	-	-	0.5	0.5
CORESTATE Capital Sales Holding S.à r.l.	0.00%	0.3	-	-	(0.3)	-	-	-	-	-	-	0.3
Court HoldCo GmbH	100.00%	2.3	0.0	-	-	2.4	2.1	-	-	2.1	0.2	0.2
ROSE HoldCo S.à r.l.	0.00%	0.1	-	-	(0.1)	-	-	-	-	-	-	0.1
Madison HoldCo S.à r.l.	0.00%	0.2	-	-	(0.2)	-	-	-	-	-	-	0.2
Corestate Capital International S.à r.l. (formerly CCIS Master HoldCo S.à r.l.)	0.00%	0.4	-	-	(0.4)	-	-	-	-	-	-	0.4
Corestate Shelf 11 S.à r.l.	0.00%	0.0	0.1	-	(0.1)	-	-	-	-	-	-	0.0
CORESTATE SHELF 15 S.à r.l.	100.00%	0.1	-	-	-	0.1	-	0.1	-	0.1	0.0	0.1
CORESTATE Capital Partners GmbH	100.00%	-	0.0	-	-	0.0	-	-	-	-	0.0	-
CORESTATE Capital Partners UK Limited	100.00%	-	0.0	-	(0.0)	-	-	-	-	-	-	-
King AIF 1 S.à r.l.	100.00%	-	-	0.0	-	0.0	-	-	-	-	0.0	-
King AIF 2 S.à r.l.	100.00%	-	-	0.0	-	0.0	-	-	-	-	0.0	-
<b>1 Total Shares in affiliated undertakings</b>		<b>996.8</b>	<b>19.4</b>	<b>3.4</b>	<b>(4.6)</b>	<b>1,014.9</b>	<b>30.1</b>	<b>738.1</b>	<b>2.5</b>	<b>770.8</b>	<b>244.2</b>	<b>966.7</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

	Gross book value					Accumulated value adjustments				Net book value	
€ million	1 Jan 2022	Add'n	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>2 Loans to affiliated undertakings</b>											
CORESTATE Capital Group GmbH (loan and accrued interests)	62.2	4.6	-	(12.1)	54.7	58.5	(58.5)	-	-	54.8	3.8
Corestate Capital France HoldCo SAS	28.3	3.1	-	-	31.4	-	31.4	-	31.4	0.0	28.3
CORESTATE Capital Advisors GmbH (loan and accrued interests)	4.1	8.9	-	(1.5)	11.4	-	-	-	-	11.4	4.1
CORESTATE Capital Sales Holding S.à r.l. (loan and accrued interests)	8.7	0.6	-	(9.3)	-	3.1	-	(3.1)	-	-	5.6
CORESTATE Capital Partners UK Ltd. (loan and accrued interests)	5.5	0.9	-	(6.5)	-	-	-	-	-	-	5.5
Tempelhof Twins TopCo S.à r.l.	2.9	0.1	-	-	3.0	-	-	-	-	3.0	2.8
Corestate Student Home Holding S.à r.l. (loan and accrued interests)	0.8	0.1	-	(0.8)	-	-	-	-	-	-	0.8
STAM Co-Invest S.à r.l.	1.1	0.1	-	-	1.2	-	-	-	-	1.2	1.1
Iberian HoldCo II S.à r.l. (loan and accrued interests)	0.1	0.0	-	(0.1)	-	-	-	-	-	-	0.1

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

€ million	Gross book value				Accumulated value adjustments					Net book value	
	1 Jan 2022	Additions	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>2 Loans to affiliated undertakings (continued)</b>											
Monet S.à r.l.	0.1	0.0	-	-	0.1	-	-	-	-	0.1	0.1
Urban Micro Estate Poland Sp. z o.o	0.2	0.0	-	-	0.2	-	-	-	-	0.2	0.2
King AIF 2 S.à r.l.	-	-	1.9	-	1.9	-	-	1.8	1.8	0.1	-
BER REV HoldCo S.à r.l.	-	0.5	-	(0.2)	0.3	-	-	-	-	0.3	-
King AIF 1 S.à r.l.	-	-	0.3	-	0.3	-	-	0.3	0.3	0.0	-
King PropCp S.à r.l. (loan and accrued interests)	-	-	0.6	-	0.6	-	-	0.6	0.6	0.0	-
Corestate Capital Partners GmbH	-	0.1	-	-	0.1	-	-	-	-	0.1	-
CRM Students Ltd.	-	1.2	-	-	1.2	-	-	-	-	1.2	-
Ginova PropCo S.à r.l.	-	2.0	-	-	2.0	-	-	-	-	2.0	-
Nigella Verwaltungsges. mbH & Co. Vermietungs KG	-	0.5	-	-	0.5	-	0.5	-	0.5	0.0	-
<b>2 Total Loans to affiliated undertakings</b>	<b>114.0</b>	<b>22.8</b>	<b>2.8</b>	<b>(30.5)</b>	<b>109.1</b>	<b>61.6</b>	<b>(26.6)</b>	<b>(0.4)</b>	<b>34.6</b>	<b>74.5</b>	<b>52.4</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

€ million	Owner-ship %	Gross book value					Accumulated value adjustments				Net book value	
		1 Jan 2022	Additions	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>3 Participating interests</b>												
Moviestar Zweitmarkt Management GmbH	0.00%	9.6	-	-	(9.6)	-	-	-	-	-	-	9.6
Echo HoldCo 2 AIF S.à r.l.	31.10%	7.3	-	-	-	7.3	-	2.0	-	2.0	5.2	7.3
Tablas HoldCo AIF S.à r.l.	42.74%	6.1	-	-	-	6.1	-	-	-	-	6.1	6.1
Pallars AIF HoldCo S.à r.l.	42.38%	4.5	-	-	-	4.5	-	0.6	-	0.6	3.8	4.5
TURICUM AIF S.à r.l.	5.48%	2.7	-	-	-	2.7	-	-	-	-	2.7	2.7
BCC Investments S.à r.l.	10.00%	2.8	0.5	-	-	3.4	0.1	0.1	-	0.2	3.2	2.7
Olympic AIF 2 S.à r.l.	10.00%	2.1	-	-	-	2.1	-	-	-	-	2.1	2.0
Tablas HoldCo S.L.U.	10.10%	1.6	-	-	-	1.6	-	0.0	-	0.0	1.6	1.6
Con 2 AIF S.à r.l.	10.00%	1.6	-	-	-	1.6	-	-	-	-	1.6	1.6
Venloer4711 AIF 2 S.à r.l.	10.05%	1.3	-	-	-	1.3	0.7	0.3	-	1.1	0.3	0.6
Pallars HoldCo S.L.U.	10.77%	1.2	-	-	-	1.2	-	0.1	-	0.1	1.1	1.2
Cassandra HoldCo S.L.U.	10.47%	1.4	-	-	-	1.4	-	0.1	-	0.1	1.3	1.4
Bochum PropCo S.à r.l.	10.10%	1.2	0.1	-	-	1.3	-	-	-	-	1.3	1.2
Across TopCo 2 S.à r.l.	0.00%	0.2	-	-	(0.2)	-	-	-	-	-	-	0.2
King AIF 2 S.à r.l.	100.00%	0.7	-	(0.0)	(0.7)	-	0.7	-	(0.7)	-	-	-

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

			Gross book value				Accumulated value adjustments				Net book value	
€ million	Owner- ship %	1 Jan 2022	Additions	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>3 Participating interests (continued)</b>												
Corestate Capital Investments Solutions	6.77%	0.7	-	-	-	0.7	-	-	-	-	0.7	0.7
Olympic AIF 1 S.à r.l.	10.00%	0.2	-	-	-	0.2	-	-	-	-	0.2	0.2
Venloer4711 AIF 1 S.à r.l.	10.05%	0.1	-	-	-	0.1	0.1	0.1	-	0.2	0.0	0.0
Across TopCo 1 S.à r.l.	0.00%	0.0	-	-	(0.0)	-	-	-	-	-	-	0.1
Iberian HoldCo III S.L.U.	10.27%	0.1	-	-	-	0.1	-	0.1	-	0.1	0.0	0.1
King AIF 1 S.à r.l.	100.00%	0.1	-	(0.0)	(0.1)	-	0.1	-	(0.1)	-	-	-
Tempelhof Twins TopCo AIF S.à r.l.	1.00%	0.0	0.0	-	-	0.0	-	-	-	-	0.0	0.0
Plutos HoldCo AIF S.à r.l.	1.00%	0.0	-	-	-	0.0	-	-	-	-	0.0	0.0
SCORE S.à r.l.	50.00%	0.0	-	-	-	0.0	-	-	-	-	0.0	0.0
<b>3 Total Participating interests</b>		<b>45.7</b>	<b>0.6</b>	<b>(0.0)</b>	<b>(10.7)</b>	<b>35.7</b>	<b>1.7</b>	<b>3.4</b>	<b>(0.8)</b>	<b>4.4</b>	<b>31.3</b>	<b>44.0</b>



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

		Gross book value				Accumulated value adjustments				Net book value		
€ million	Owner- ship %	1 Jan 2022	Additions	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>4 Loans to undertakings with which the under-taking is linked by virtue of participating interests</b>												
Pallars AIF HoldCo S.à r.l.		1.9	-	-	-	1.9	-	-	-	-	1.9	1.9
King AIF 2 S.à r.l.		1.8	0.1	(1.9)	-	-	1.8	-	(1.8)	-	-	-
T6 HoldCo S.à r.l.		0.8	0.0	-	(0.8)	-	-	-	-	-	-	0.8
King PropCp S.à r.l. (loan and accrued interests)		0.6	0.0	(0.6)	-	-	0.6	-	(0.6)	-	-	-
King AIF 1 S.à r.l.		0.3	0.0	(0.3)	-	-	0.3	-	(0.3)	-	-	-
BCC Investments S.à r.l.		0.2	-	-	(0.2)	-	-	-	-	-	-	0.2
Con 2 AIF S.à r.l. (loan and accrued interests)		0.1	0.0	-	-	0.1	-	-	-	-	0.1	0.0
Raw-Ost HC S.à r.l. (loan and accrued interests)		0.8	2.5	-	-	3.3	-	-	-	-	3.3	0.8
Venloer 4711 FinCo S.à r.l.		-	3.2	-	-	3.2	-	-	-	-	3.2	-
<b>4 Total Loans to undertakings with which the under-taking is linked by virtue of participating interests</b>											<b>8.5</b>	<b>3.8</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

€ million	Owner- ship %	1 Jan 2022	Gross book value			31 Dec 2022	Accumulated value adjustments				31 Dec 2022	Net book value	
			Additions	Transfers	Disposals		1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022		31 Dec 2022	31 Dec 2021
<b>5 Investments held as fixed assets</b>													
Corestate Opportunity Deutschland I Fonds (Luxembourg)	20.00%	54.9	-	-	-	54.9	6.3	3.6	-	9.9		45.0	48.6
RAW-Ost HC S.à r.l.		-	16.6	-	-	16.6	-	-	-	-		16.6	-
Corestate Residential Germany Fund III		0.0	-	-	-	0.0	-	-	-	-		0.0	0.0
Stadtquartiere I		-	0.2	-	(0.2)	-	-	-	-	-		-	-
<b>5 Total Investments held as fixed assets</b>		<b>54.9</b>	<b>16.7</b>	<b>-</b>	<b>(0.2)</b>	<b>71.5</b>	<b>6.3</b>	<b>3.6</b>	<b>-</b>	<b>9.9</b>		<b>61.6</b>	<b>48.6</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.3.6 Statement of changes in financial fixed assets (continued)*

€ million	Owner- ship %	Gross book value					Accumulated value adjustments				Net book value	
		1 Jan 2022	Additions	Transfers	Disposals	31 Dec 2022	1 Jan 2022	Dep'n	Transfers/ Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>6 Other loans</b>												
PRIME Capital AG		12.5	-	-	(12.5)	-	-	-	-	-	-	12.5
WGS Private Equity Beteiligungs GmbH (loan and accrued interests)		1.1	-	-	-	1.1	-	-	-	-	1.1	1.1
Isabela HoldCo AIF I S.à r.l.		0.9	-	-	(0.9)	-	-	-	-	-	-	0.9
ECP LUX Holding S.A.		0.1	0.0	-	-	0.1	-	-	-	-	0.1	0.1
Corestate Capital Investment Solutions		0.1	0.0	-	-	0.1	-	-	-	-	0.1	0.1
DIANTHUS Verwaltungsgesellschaft		0.4	0.0	-	-	0.4	-	-	-	-	0.4	0.4
Jade Investment Ltd.												
<b>6 Total Other loans</b>		<b>15.1</b>	<b>0.0</b>	<b>-</b>	<b>(13.4)</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>15.1</b>
<b>Overall total Financial fixed assets</b>		<b>1,233.0</b>	<b>65.3</b>	<b>3.4</b>	<b>(60.5)</b>	<b>1,241.3</b>	<b>102.4</b>	<b>718.6</b>	<b>(1.4)</b>	<b>819.7</b>	<b>421.7</b>	<b>1,130.6</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## C.4 Debtors

Debtors are mainly composed of:

€ million	31 December 2022	31 December 2021
Trade debtors	0.6	3.5
Amounts owed by affiliated undertakings	11.5	53.1
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	8.4	13.3
Other debtors	0.4	0.5
<b>Total</b>	<b>20.9</b>	<b>70.4</b>

### C.4.1 Amounts owed by affiliated undertakings

a.) becoming due and payable within one year

€ million	31 December 2022	31 December 2021
Receivables from delivery and service relations	11.5	53.0
Others	-	0.1
<b>Total</b>	<b>11.5</b>	<b>53.1</b>

As of 31 December 2022, amounts owed by affiliated undertakings amounted to € 11.5 m (31 December 2021: € 53.1 m), primarily reflecting holding cost allocations. Holding cost allocations relate to internal cost allocations (such as management, accounting, and other overhead costs) that the Company charges to its subsidiaries or pays on their behalf.

Receivables from affiliated undertakings in connection with the 2022 holding cost allocations mainly relate to: CORESTATE Capital Group GmbH (€ 2.0 m), HANNOVER LEASING GmbH & Co. KG (€ 1.0 m), CORESTATE Capital Advisors GmbH (€3.0 m), CORESTATE Capital Fund Management (€ 1.8 m), HFS Helvetic Financial Services AG (€ 0.7 m), and Upartments Real Estate GmbH (€ 0.6 m).

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Additionally, comparing to financial year 2021, in 2022 the reduction of amount € 41.6 m of the Receivables from delivery and service relations is mainly from the payment of the dividend receivable from HFS Helvetic Financial Services AG (€ 44.2 m) and from the changes of other receivables.

*C.4.2 Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests*

The balance consists of the following receivables:

€ million	31 December 2022	31 December 2021
Receivables from Project Echo	1.9	1.6
Receivables from Project HIGHSTREET VIII	2.1	3.2
Receivables from Project HIGHSTREET Premium II	1.5	1.0
Receivables from Project BCC	1.0	0.9
Receivables from Project 4711	0.6	0.3
Receivables from Project Olympic	0.5	1.2
Receivables from Project Tablas	0.4	1.6
Receivables from Project Nostrum	0.2	-
Receivables from Project Pallars	0.1	0.1
Receivables from Project Tempelhof	0.1	-
Receivables from Project LIVER	0.0	0.5
Receivables from Project Iberian	-	0.3
Receivables from Project Turicum	-	0.5
Receivables from Project HIGHSTREET VI	-	1.2
Receivables from Project Rose	-	0.1
others	-	0.9
<b>Total</b>	<b>8.4</b>	<b>13.3</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In 2022, the Company recorded higher cash inflows than new issued invoices, which reduced the outstanding amount finally to € 8.4m as of 31 December 2022 (31 December 2021: € 13.3m).

**C.4.3 Other debtors**

€ million	31 December 2022	31 December 2021
VAT receivables	0.1	0.5
Prepayments	0.2	0.0
Deposits	0.0	0.0
others	0.1	0.0
<b>Total</b>	<b>0.4</b>	<b>0.5</b>

Value added tax (VAT) receivables result from transactions of the Company with parties located in the EU zone (reverse charge). In consequence, CCH SA has got claims from input VAT against different tax authorities. The input VAT and output VAT against the tax authority in Luxembourg were netted and resulted in a payable amount as of 31 December 2022. The prepayments consist of an advance payment of € 0.2m to a contractual partner and will be offset against the next incoming invoice.

**C.5 Other investments**

€ million	31 December 2022	31 December 2021
Lietzenburger Straße PropCo S.à r.l.	1.0	2.2
<b>Total</b>	<b>1.0</b>	<b>2.2</b>

The Fürst project (related to Litzenburger Straße PropCo S.à r.l.) is a project development in Berlin, for which completion was originally scheduled for June 2023. The project was financed through a multi-tiered structure consisting of senior, mezzanine, and junior components.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In December 2021, the Company participated in a real estate investment in Berlin through purchase of securities. The nominal investment amounted of € 8m. Of this amount, €6m was sold later that same month. A further € 1m was sold in August 2022, and the remaining € 1m was disposed of in December 2023 and was fully written off.

This is a complex project structure that has run into difficulties due to economic developments and the market situation. The various investors were unable to agree on a restructuring, which is why the sponsor/borrower then initiated judicial restructuring proceedings. As part of these proceedings, the financing structure was restructured and, among other things, the tranche in which CCH SA had participated was written off.

## C.6 Prepayments

€ million	31 December 2022	31 December 2021
Transaction costs bonds	0.5	2.8
Prepayments	0.3	-
Insurance costs	0.1	-
others	0.2	0.2
<b>Total</b>	<b>1.1</b>	<b>3.0</b>

The bond-related transaction costs result from the issuance of the two bonds (please refer to Notes C.10.1 and C.10.2) and the fees for funding from the issuance of a new senior secured bond amounting to € 10.0m under the terms of the Subscription Agreement dated 6 December 2022 (please refer to Notes C.10.2). These fees comprise mainly bank and advisory fees, commissions as well as registration costs. At issuance, these costs were capitalized as deferred charges and amortized over the bonds' respective terms.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## C.7 Capital and Share Premium

The composition and development of the changes in equity are as follows:

€ million	Subscribed Capital	Share Premium	Reserves for own Shares	Reserves	Profit or Loss carried forward	Profit or Loss current year	Total
<b>As of 31 December 2020</b>	<b>1.9</b>	<b>400.7</b>	<b>0.0</b>	<b>0.2</b>	<b>116.6</b>	<b>71.2</b>	<b>590.6</b>
Allocation of profit or loss	-	-	-	-	71.2	(71.2)	-
Issue of subscribed capital (from exercise of share options)	0.6	-	-	-	-	-	0.6
Capital reserves	-	160.8	-	-	-	-	160.8
Additions	0.0	-	-	0.1	(0.1)	-	-
Profit/(loss) for the period	-	-	-	-	-	(89.0)	(89.0)
<b>As of 31 December 2021</b>	<b>2.5</b>	<b>561.5</b>	<b>0.0</b>	<b>0.3</b>	<b>187.7</b>	<b>(89.0)</b>	<b>663.0</b>
Allocation of profit or loss	-	-	-	-	(89.0)	89.0	0.0
Capital reserves	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	-	(867.1)	(867.1)
<b>As of 31 December 2022</b>	<b>2.5</b>	<b>561.5</b>	<b>0.0</b>	<b>0.3</b>	<b>98.7</b>	<b>(867.1)</b>	<b>(204.1)</b>

### C.7.1 Subscribed capital

The Company's share capital remained unchanged in 2022 compared to prior year as no movement in number of shares occurred. Overall, the Company's share capital as of 31 December 2022 is set at € 2,564,536 represented by 34,193,808 shares (31 December 2021: 34,193,808), which are fully paid up.



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The Company has only one class of shares. All shares are dematerialized shares without a par value (dematerialized shares are only represented by a record in a securities account; ownership in the shares is established by such inscription in a securities account). The shares are freely transferable in accordance with the legal requirements for shares in dematerialized form, that is, through book-entry transfers. There are no prohibitions on disposals or restrictions with respect to the transferability of the shares. All shares are subject to and governed by Luxembourg law.

Each share carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. All shares carry the same dividend rights. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the shares in proportion to their interest in the Company's share capital.

*C.7.2 Authorised capital*

The Management Board may withdraw or limit the preferential subscription rights of the shareholders under the authorized capital in accordance with the Articles of Association. The Management Board is authorized to determine the terms and conditions attaching to any subscription and issuance of shares pursuant to the authority, including by setting the time and place of the issue or the successive issues of shares, the issue price, with or without a share premium, and the terms and conditions of payment for the shares under any documents and agreements including, without limitation, convertible loans, option agreements or stock option plans.

The Management Board is also authorized to issue convertible bonds, or any other convertible debt instruments, bonds carrying subscription rights or any other instruments entitling their holders to subscribe for or be allocated with shares, such as, without limitation, warrants, under the authorized capital.

On 20 December 2022, in the context of the financial restructuring, the extraordinary shareholders' meeting concluded to authorize the Management Board for a period of five years to issue up to 200,000,000 new shares in the Share Capital amount of up to € 15m with a limitation and/or waiver of the preferential subscription rights

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.7.3 Share premium and similar premiums*

By year-end 2022 there is very slight changes of share premium and similar premiums. It arises from the reduction due to reversal of share premiums and the increase due to subsequent treatment of share premium according to the resolution to capital increase of 8 July 2021.

**C.8 Reserves**

*C.8.1 Legal reserve*

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. The legal reserves amount to € 0.3m as of 31 December 2022. In the year 2022 there is no changes of legal reserves.

**C.9 Provisions**

Provisions are made up as follows:

€ million	31 December 2022	31 December 2021
Provisions for taxation	0.1	-
Other provisions	16.4	8.4
<b>Total</b>	<b>16.5</b>	<b>8.4</b>

For further information on the increase in other provisions, please refer to Notes C.9.1 and C.9.2.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.9.1 Provision for taxation*

€ million	31 December 2022	31 December 2021
<b>As of 01 January</b>	-	-
Utilization	-	-
<b>Additions</b>	0.1	-
<b>As of 31 December</b>	0.1	-

The provision for taxation of € 0.1m arose from the dissolution and merge transaction with subsidiaries of Dedan AIF S.A.R.L. and Corestate Capital Sales Holding S.A.R.L. which took place in 2022.

*C.9.2 Other provisions*

Other provisions are made up as follows:

€ million	31 December 2022	31 December 2021
Utilisation from guarantee	7.6	-
Bonus payments to Management Board	3.1	0.5
Ancillary costs from share-based payments	2.5	6.4
Additional personnel costs	1.6	-
Audit and audit-related fees	1.0	0.4
Remuneration of the Supervisory Board	0.3	0.5
Preparation of tax declaration	0.1	0.2
Annual report and annual general meeting	0.1	0.1
Other provisions	0.1	-
Preparation of Financial Statements	0.0	0.1

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

**C.9.2 Other provisions (continued)**

€ million	31 December 2022	31 December 2021
Vacation	0.0	0.1
Legal and other advice fees	-	0.1
<b>Total</b>	<b>16.4</b>	<b>8.4</b>

The increase of other provisions by € 8.0m is mainly driven by addition of the provision for drawdown on the guarantee given in relation to project RAW for the amount of € 7.6m. Please refer to Note D.5.

**C. 10 Creditors**

Amounts due and payable for the accounts shown as Creditors as of 31 December 2022 are as follows:

€ million	Within one year	After one year and within five years	After more than five years	31 December 2022
Debenture Loans (convertible loans)	190.0	-	-	190.0
Debenture Loans (non-convertible loans)	312.3	-	-	312.3
Amounts owed to Credit Institutions	0.0	-	-	0.0
Trade Creditors	7.4	-	-	7.4
Amounts owed to Affiliated Undertakings	106.3	20.7	-	127.0
Amounts owed to Undertakings with which the Undertaking is linked by Virtue of Participating Interests	0.1	-	-	0.1
Other Creditors	2.2	-	-	2.2
<b>Total</b>	<b>618.3</b>	<b>20.7</b>	<b>-</b>	<b>639.0</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Amounts due and payable for the accounts shown as Creditors as of 31 December 2021 are as follows:

€ million	Within one year	After one year and within five years	After more than five years	31 December 2021
Debenture Loans (convertible loans)	193.5	-	-	193.5
Debenture Loans (non-convertible loans)	2.4	300.0	-	302.4
Trade Creditors	2.6	-	-	2.6
Amounts owed to Affiliated Undertakings	13.0	24.4	-	37.4
Amounts owed to Undertakings with which the Undertaking is linked by Virtue of Participating Interests	0.2	4.1	-	4.3
Other Creditors	3.4	-	-	3.4
<b>Total</b>	<b>215.1</b>	<b>328.5</b>	<b>-</b>	<b>543.6</b>

*C.10.1 Debenture loans (convertible loans)*

€ million	31 December 2022	31 December 2021
Convertible Bonds	188.4	193.4
Interests from convertible Bonds	1.6	0.1
<b>Total</b>	<b>190.0</b>	<b>193.5</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In 2017 the Company issued unsubordinated and unsecured convertible bonds in the aggregate principal amount of € 200.0m. The bonds are issued in bearer form with a principal amount of € 100,000.00 each, which rank pari passu among themselves. The Company used the net proceeds for the refinancing of existing debt as well as for general corporate purposes.

ISIN	DE000A19SPK4
WKN	A19SPK
Issue volume (in €)	200,000,000.00
Maturity	15 April 2023
Coupon	1.375%
Rating	S&P: D
Issue price	100.00%
Next interest payment day	April 2023
Nominal (in €)	100,000.00
Underlying	Shares of Corestate Capital Holding S.A.
Conversion price (in €)	55.321
Initial conversion premium	27.50%
Conversion period	8 January 2018 - 10 October 2022
Issue date	21 November 2017
Clearing house	Clearstream Frankfurt

The convertible Bonds with an initial maturity of 5 years were issued at 100% and will be redeemed at 100% of their principal amount, unless previously converted or repurchased and cancelled. The Bonds were placed with a coupon of 1.375% per annum, payable semi-annually in arrear and the conversion price was set to € 61.9580, representing a premium of 27.5% above the reference share price at the bond issue date, the settlement of the bonds took place around 28 November 2017.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The issuer grants to each bondholder the right (the "conversion right") to convert each bond in whole, but not in part, at the conversion price into settlement shares on any business day during the conversion period (period from 8 January 2018 to the earlier of the following days: the 35th Business Day prior to the maturity date or if the bonds are redeemed by the issuer the 10th Business Day prior to the redemption date).

The bonds bear interest on their principal amount at a rate of 1.375% p.a. as from 28 November 2017. Each bond will cease to bear interest when the bondholder exercises the conversion right in respect of any bond or a bond is redeemed.

At year-end 2022, pro-rata redemptions of the convertible bonds were made under par, resulting in a reduction of the outstanding amount by € 5m (2021: € 6.5m).

At year-end 2022, both the senior and convertible bond have a concurrent maturity to end July 2023 after the creditors' meeting held on 15 April 2023. Hence, both have been classified as current financial liabilities from bonds as of 31 December 2022.

*C.10.2 Debenture loans (non-convertible loans)*

**Non-convertible bonds**

€ million	31 December 2022	31 December 2021
Non-convertible Bonds	300.0	300.0
Interests from non-convertible Bonds	2.2	2.4
<b>Total</b>	<b>302.2</b>	<b>302.4</b>

The Company has issued senior unsecured bonds in the aggregate principal amount of € 300.0m. The bonds are issued in denomination with a principal amount of € 100,000 each, which rank pari passu among themselves. The Company used the net proceeds for the refinancing of existing debt as well as for general corporate purposes.

The bonds with a maturity of 5 years were issued at 98.857% and will be redeemed at 100%. The bonds were placed with a coupon of 3.50% per annum, payable semi-annually in arrears. The issuance of the bonds took place on 23 March 2018.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The senior unsecured bonds were disclosed as non-current financial liabilities from bonds in 2021 (€ 300.0m) and are presented as current financial liabilities from bonds in 2022 due to the maturity date in March 2023.

The key facts are as follows:

ISIN	DE000A19YDA9
WKN	A19YDA
Issue volume (principal amount)(in €)	300,000,000.00
Issue price (in €)	98.857 % of the principal amount
Date of Issuance	23 March 2018
Maturity	15 April 2023
Coupon	3.50% per annum
First Coupon Date	15 October 2018
Denomination (in €)	100,000.00

#### Senior secured bond

€ million	31 December 2022	31 December 2021
Senior secured bonds	10.0	-
Interests from senior secured bonds	0.1	-
<b>Total</b>	<b>10.1</b>	<b>-</b>

At the end of 2022, the Company issued senior secured bonds in an aggregate principal amount of € 10.0m. These bonds were issued in bearer form with a principal amount of € 100,000 each, which rank pari passu among themselves. The senior secured bonds were provided by a group of bond holders to bridge the immediate need of the group for fresh money in December 2022.



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The secured bonds have an initial maturity until 15 April 2023 which can be subject to prolongation if the restructuring needs more time; they were placed with a coupon of 8.0% per annum. The Company has provided collateral comprising first-priority pledges in certain subsidiaries, certain bank accounts and notes as well as assignments of current and future intra-group and external receivables vis-à-vis third parties.

The key facts are as follows:

ISIN	DE000A3LBT12
WKN	A3LBT1
Issue volume (principal amount)(in €)	10,000,000.00
Issue price (in €)	100.00 % of the principal amount
Date of Issuance	9 December 2022
Maturity	15 April 2023
Coupon	8.0 % per annum

*C.10.3 Trade creditors*

€ million	31 December 2022	31 December 2021
External Service Provider	7.4	2.6
<b>Total</b>	<b>7.4</b>	<b>2.6</b>

The trade payables are due within one year.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.10.4 Amounts owed to affiliated undertakings*

The amounts owed to affiliated undertakings break down as follows:

€ million	Start date	Maturity (years)	interest rate	collateral	31 December 2022	31 December 2021
<b>Becoming due and payable after more than one year</b>						
CORESTATE Capital AG	26 Apr 2019	5	1,00%	unsecured	16.0	17.3
Donald HoldCo S.à r.l.	27 Jun 2021	3	3,00%	unsecured	4.7	4.2
Iberian Investments II HoldCo S.à r.l.	27 Jun 2017	5*	3,00%	unsecured	-	1.9
CORESTATE CAPITAL Fund Management S.à r.l.	28 Jun 2017	5	1,00%	unsecured	-	0.5
Rose HoldCo S.à r.l.	25 Jun 2018	5	1,00%	unsecured	-	0.4
HFS Helvetic Financial Services AG	13 Jun 2019	5	3,75%	unsecured	-	0.2
<b>Subtotal</b>					<b>20.7</b>	<b>24.4</b>
<b>Becoming due and payable within one year</b>						
Liabilities from delivery and services relations				unsecured	12.4	11.7
Loan interest to affiliated companies				unsecured	-	1.1
Iberian Investments II HoldCo S.à r.l.	27 Jun 2017	5*	3,00%	unsecured	2.2	-
Dedan AIF S.à r.l.	29 Sep 2021	1	1,36%	unsecured	-	0.1
Loss absorption CORESTATE Capital Group GmbH				unsecured	91.7	0.0
<b>Subtotal</b>					<b>106.3</b>	<b>13.0</b>
<b>Total</b>					<b>127.0</b>	<b>37.4</b>

\*The loan owed to Iberian Investments II Hold Co. S.à r.l. which was originally signed on 27 June 2017 had its first amendment of maturity date to 31 December 2022.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The liabilities from delivery and services relations result mainly from cost recharges and the transfer pricing agreements. The terms of the intercompany loans from subsidiaries are determined similar to what would be offered to an independent, unrelated party.

Based on the loss assumption declarations between the Company and CORESTATE Capital Group GmbH, a liability for loss absorptions of €91.7m was recognised as of 31 December 2022. This amount is mainly related the loss absorptions for the financial years 2020, 2021 and 2022 at the level of CORESTATE Capital Group GmbH.

*C.10.5 Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests*

The amounts owed to undertakings with which the undertaking is linked by virtue of participating interests consist of the following items:

€ million	31 December 2022	31 December 2021
<b>Becoming due and payable after more than one year</b>		
Iberian HoldCo III S.à r.l.	-	4.1
Tempelhof Twins TopCo AIF S.à r.l.	-	0.0
<b>Subtotal</b>	-	4.1
<b>Becoming due and payable within one year</b>	0.1	0.2
Liabilities owed to Project TURICUM		
Iberian HoldCo III S.à r.l.	0.0	-
Tempelhof Twins TopCo AIF S.à r.l.	0.0	-
Liabilities owed to Project HIGHSTREET VI	0.0	0.1
Liabilities owed to Project Iberian HoldCo	-	0.1
<b>Subtotal</b>	0.1	0.0
<b>Total</b>	0.1	4.3

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

*C.10.6 Other creditors*

Other payables consist of the following items:

€ million	31 December 2022	31 December 2021
<b>Tax authorities</b>		
VAT liabilities	1.9	1.9
Liabilities from wage and church taxes	0.0	-
<b>Subtotal</b>	<b>1.9</b>	<b>1.9</b>
<b>Social security authorities</b>	<b>0.0</b>	<b>-</b>
<b>Other creditors</b>		
Liabilities due to employees	0.3	1.5
others	0.0	-
<b>Subtotal</b>	<b>0.3</b>	<b>1.5</b>
<b>Total</b>	<b>2.2</b>	<b>3.4</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## D. NOTES TO THE PROFIT AND LOSS ACCOUNT

### D.1 Net Turnover

Net turnover is broken down by category of activity and geographical markets as follows:

€ million	2022	2021
<b>Categories of activity</b>		
Revenue from delivery of services intra-group	10.6	8.2
Revenue from Asset Management Fees	5.3	5.4
Revenue from Development Fee	0.9	1.9
Other revenues	0.9	0.6
Revenue from other Acquisition Related Fees	0.0	0.1
<b>Total</b>	<b>17.7</b>	<b>16.3</b>
<b>Geographical markets</b>		
Germany	7.7	6.5
Luxembourg	5.6	5.6
Switzerland	1.9	1.2
Guernsey	0.6	0.7
Spain	0.5	1.2
Poland	0.5	0.6
Austria	0.2	0.2
France	0.4	0.2
United Kingdom	0.3	0.1
<b>Total</b>	<b>17.7</b>	<b>16.3</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The revenues generated with associates (refer to Note C.3.3) are based on market-standard Joint-Venture and Co-Investments Agreements (JVCIA) as well as Asset Management Agreements (AMA) and are entered into with and approved by its clients. The revenue is mainly classified into the following categories: Delivery of services intra-group, acquisition related fee, onboarding fee, developing fee, asset management fee, termination fee and others. The increase in delivery of services intra-group of € 2.4m is primarily caused by recharge of the service fee related to restructuring and refinancing.

## D.2 Other Operating Income

€ million	2022	2021
Reversal of provisions and staff costs	5.4	1.3
Currency translation adjustments	2.2	0.2
Derecognition of liabilities	0.1	-
Other / miscellaneous / sundry income	4.8	-
<b>Total</b>	<b>12.5</b>	<b>1.5</b>

Income of reversal of provisions and staff costs mainly results from the release of provisions for the share-based payments and bonus programme for the year 2021. As a result of the restructuring measures the accruals were not utilised as calculated.

The currency translation adjustments amount of € 2.2m mainly relates to the positive FX-translation adjustment of the dividend payment from HFS Helvetic Financial Services AG for the fiscal year 2020 in CHF, which has been paid to the Company in 2022.

The other / miscellaneous / sundry income mainly results from income in connection with the liquidation of Iberian HoldCo III S.L. in October 2022. As part of the liquidation, a distribution was made, which was offset against liabilities amounting to € 4.2m.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

### D.3 Other External Expenses

The other external expenses are composed as follows:

€ million	2022	2021
Legal and consultancy fees	(18.8)	(11.2)
Recharges intra-group costs	(10.9)	(11.5)
Offices supplies and IT expenses	(3.8)	(3.6)
Other miscellaneous expenses	(2.4)	(3.3)
Insurance costs	(1.7)	(1.8)
Audit and accounting related advisory fee	(1.6)	(0.6)
Contribution fees	(0.3)	(0.0)
Tax advisory and other professional fees	(0.3)	(0.7)
Public relation and stock exchange	(0.2)	(0.3)
Personnel recruitment	(0.2)	(0.6)
Travelling expenses	(0.2)	(0.1)
Accounting and financial statement preparation	(0.2)	(0.0)
Financing fees	(0.1)	(0.1)
Risk provisions expense	-	(3.3)
Currency translation adjustments	-	(0.5)
Aborted deals	-	(0.1)
<b>Total</b>	<b>(40.7)</b>	<b>(37.8)</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## D.4 Staff Costs

The Company employed an average of 4.3 persons during the financial year 2022, broken down by category as follows:

€ million	2022	2021
<b>Salaries and wages</b>		
Severance	(4.0)	-
Management Board's Bonus	(2.0)	(0.7)
Salaries paid to Management Board	(0.8)	(0.1)
Share-based remunerations	(1.1)	(4.0)
<b>Subtotal</b>	<b>(7.9)</b>	<b>(4.8)</b>
<b>Social security on salaries and wages</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Total</b>	<b>(7.9)</b>	<b>(4.8)</b>

The staff costs comprise the remunerations of the members of the Management Board and for one employee (since November 2022). Due to the changes in the management as outlined in section E, the salaries and wages consist of expenses for severances of € 4.0m and in addition the changes led into a reduction of the expenses for the share-based program of € 2.9m.

## D.5 Other Operating Expenses

€ million	2022	2021
Utilization from guarantee	(7.6)	-
Licence fees	(0.6)	(0.7)
Remuneration of the Supervisory Board	(0.5)	(0.5)
Other miscellaneous expenses	(0.1)	(1.8)
<b>Total</b>	<b>(8.8)</b>	<b>(3.1)</b>



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The increased expenses mainly relate to an amount of € 7.6m, which is a provision for drawdown on the guarantee of the project RAW. As part of the financing of the RAW transaction, CCH SA has provided a guarantee for an initial maximum amount of € 11.04m (cap). Against the backdrop of the challenging real estate market and the resulting fluctuations in property values, particularly for project developments such as RAW, a provision has been made for a drawdown on the guarantee since exit values cannot be reliably predicted from today's perspective.

## D.6 Income from Participating Interests

€ million	2022	2021
<b>Dividend payments received</b>		
Dividend payment received from CORESTATE Bank GmbH	5.0	-
Dividend payment received from Corestate Opportunity Deutschland I Fonds	0.3	0.7
Dividend payment received from HFS Helvetic Financial Services AG	-	50.6
<b>Total</b>	<b>5.3</b>	<b>51.3</b>

## D.7 Other Interest Receivable and Similar Income

€ million	2022	2021
<b>a) Derived from Affiliated Undertakings</b>		
CORESTATE Capital Sales Holding S.à r.l.	4.5	0.2
Corestate Capital France HoldCo SAS	0.7	0.7
CORESTATE Capital Group GmbH	0.6	0.7
CORESTATE Capital Partners UK Ltd.	0.3	0.2
CORESTATE Capital Advisors GmbH	0.2	2.7
Dedan AIF S.à r.l.	0.2	-
€ million	<b>2022</b>	<b>2021</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

<b>a) Derived from Affiliated Undertakings (continued)</b>		
UPARTMENTS Real Estate GmbH	0.2	-
Corestate Capital International S.à r.l.	0.2	-
Tempelhof Twins TopCo S.à r.l.	0.1	0.1
HL Private Invest Beteiligungs GmbH	0.1	-
HFS Helvetic Financial Services AG	0.0	0.1
Interest received from other affiliated undertakings	0.1	0.0
<b>Subtotal</b>	<b>7.2</b>	<b>4.8</b>
<b>b) Other Interest and similar Financial Income</b>		
Debt securities - Bond	1.0	0.9
PRIME Capital AG	0.4	0.5
Venloer 4711 FinCo S.à r.l.	0.3	-
Raw-Ost HC S.à r.l. - Bond	0.3	-
Raw-Ost HC S.à r.l. - Loan	0.2	-
King AIF 2 S.à r.l.	0.1	0.0
Lux Fund Management Services S.à r.l.	-	0.2
Other interest and similar financial income	0.1	0.1
<b>Subtotal</b>	<b>2.4</b>	<b>1.8</b>
<b>Total</b>	<b>9.6</b>	<b>6.5</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## D.8 Value Adjustments in Respect of Financial Assets and of Investments Held as Current Assets

The impairment of significant companies where CCH SA is able, directly or indirectly, to significantly influence financial and operating policy decisions (associates), or that are directly or indirectly jointly controlled (joint ventures), are accounted at their acquisition costs, considering any impairments of financial assets and investments.

The total value adjustments amount to € 834.0m. They consist mainly of impairments on financial assets totally amounting to € 718.6m, loss absorption expenses of € 91.7m, bad debt losses and write-offs of receivables amounting to € 22.8m, and impairments of shares due to merger amounting to € 0.5m, among other items.

€ million	2022
Impairments of the financial assets	718.6
Loss absorption expenses	91.7
Bad debt losses and write-offs of receivables	22.8
Impairments of shares due to merger	0.5
Impairment of trade receivables and other receivables	0.3
Other	0.1
<b>Total of value adjustments</b>	<b>834.0</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The impairment on financial assets mainly comprises the value adjustment of shares and loans (refer to Note C.3.6). It includes the following impairments in particular:

€ million	Note	2022
Impairments of the shares in affiliated undertakings	C.3.6.1	738.1
Impairments of the loans to affiliated undertakings	C.3.6.2	31.9
Reversal of impairments of the loans to affiliated undertakings	C.3.6.2	(58.5)
Impairments of the participating interests	C.3.6.3	3.4
Impairment of investments held as fixed assets	C.3.6.5	3.6
<b>Total of impairments on financial assets</b>		<b>718.6</b>

CCH SA and CORESTATE Capital Group GmbH entered into an intercompany loan agreement on 20 July 2018. In the financial year 2021, the loans to CORESTATE Capital Group GmbH amounting to €58.5m were impaired. It was subsequently determined that the shares in CORESTATE Capital Group GmbH should have been impaired first, before an impairment to the loan was recognized. Accordingly, in the financial year 2022, a corresponding reversal of the loan impairment to loans to affiliated undertakings in the same amount was recognized, and the shares were revalued and appropriately impaired.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Impairments of the participating interests (refer to Note C.3.6 No. 3):

€ million	2022
Echo HoldCo 2 AIF S.à r.l.	2.0
Pallars AIF HoldCo S.à r.l.	0.6
BCC Investments S.à r.l.	0.1
Tablas HoldCo S.L.U.	0.0
Venloer4711 AIF 2 S.à r.l.	0.3
Pallars HoldCo S.L.U.	0.1
Cassandra HoldCo S.L.U.	0.1
Venloer4711 AIF 1 S.à r.l.	0.1
Iberian HoldCo III S.L.U.	0.1
<b>Total Impairments of the participating interests</b>	<b>3.4</b>

The impairment results from negative valuations of the Corestate Opportunity Fund, as the values of the fund's assets declined.

Impairments of the investments held as fixed assets (refer to Note C.3.6 No. 5):

€ million	2022
Corestate Opportunity Deutschland I Fonds (Luxembourg)	3.6
<b>Total imapirments of investments held as fixed assets</b>	<b>3.6</b>

In addition, excluding the impairments of fixed assets, the profit and loss account for the year 2022 includes an expense from loss absorption amounting to € 91.7m, mainly related to loss absorption from Corestate Capital Group GmbH (refer to Notes C.3.2 and C.10.4). Based on the

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

loss assumption declarations between the Company and Corestate Capital Group GmbH, the loss at the level of Corestate Capital Group GmbH was absorbed by the Company at year-end 2022.

Moreover, this profit and loss account item includes bad debt losses and write-off of receivables amounting to € 22.8m. Please refer to the following breakdown for details:

€ million	2022
CORESTATE Capital Sales Holding S.à r.l. (Receivable losses from Entity Merger)	9.3
Corestate Capital Partners UK (Receivable losses from Entity Merger)	7.0
Iberian PropCo III S.L. (Receivable losses from Entity liquidation)	3.1
Prime Capital AG (Waiver of loan receivable)	2.5
T6 HoldCo S.à r.l. (Waiver of loan receivable)	0.8
Cassandra PropCo S.L.U. (Write-off of receivable)	0.1
<b>SUM of value bad debt losses</b>	<b>22.8</b>

The adequacy of the impairment is reviewed regularly.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## D.9 Interest Payable and Similar Expenses

€ million	2022	2021
<b>Concerning affiliated undertakings</b>	<b>(4.0)</b>	<b>(1.4)</b>
Book value of affiliated undertakings sold	(2.4)	(0.1)
Book value of participating interests sold	(1.1)	(0.8)
Interest from loan of CORESTATE CAPITAL AG	(0.2)	(0.2)
Interest from loan of DONALD HoldCo S.à r.l.	(0.1)	(0.1)
Interest from loan of CORESTATE Capital Sales Holding S.à r.l.	(0.1)	-
Interest from loan of CORESTATE CAPITAL Fund Management S.à r.l.	(0.0)	(0.0)
Interest from loan of CORESTATE Bank GmbH	(0.0)	(0.0)
Interest from loan of HFS Helvetic Financial Services AG	(0.0)	(0.0)
Interest from loan of Iberian Investments II HoldCo S.à r.l.	(0.1)	(0.0)
Interest from loan of CRM Students Ltd.	-	(0.0)
Interest from loan of Rose HoldCo S.à r.l.	(0.0)	(0.0)
Interest from loan of RECAP FinCo II S.à r.l.	-	0.0
Interest from loan of PALMYRA Verwaltungsges. mbH	-	0.0
Interest from loan of Stadttor Düsseldorf AcquiCo S.à r.l.	-	0.0
Others	(0.0)	(0.0)
<b>Other interest and similar expenses</b>	<b>(15.4)</b>	<b>(15.7)</b>
Interests from debenture loans	(15.4)	(15.5)
Interests from bank loans	-	(0.1)
Interests from third party loans	-	(0.1)
Others	(0.0)	-
<b>Total</b>	<b>(19.4)</b>	<b>(17.1)</b>

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

**D.10 Taxes on Profit and Loss**

€ million	2022	2021
<b>Current Income Tax</b>		
Capital gains tax - Spain	(0.1)	(0.3)
Capital gains tax - Germany	0.0	(0.0)
<b>Total</b>	<b>(0.1)</b>	<b>(0.3)</b>



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## E. RELATED PARTY TRANSACTIONS

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

### Related Parties

The Company has identified the following related parties:

Related parties as at 31 December 2022	Related to/as
Dr Nedim Cen	Supervisory Board
Dr Bertrand Malmendier	Supervisory Board
Dr Sven-Marian Berneburg	Supervisory Board
Izabela Danner	Management Board
Udo Giegerich	Management Board
CCI GmbH	Supervisory Board (Dr Nedim Cen)
CAML Endeavors UG	Supervisory Board (Dr Sven-Marian Berneburg)
Wohnungsbau und Treuhand AG	Supervisory Board (Dr Sven-Marian Berneburg)
Malcon GmbH & Co. KG	Supervisory Board (Dr Bertrand Malmendier)
GEPLABAU, Gesellschaft für Planungs- und Baugenehmigungsberatung mbH	Supervisory Board (Dr Bertrand Malmendier)
BAB Immobilien GbR	Supervisory Board (Dr Bertrand Malmendier)
Omonia Office AG	Supervisory Board (Dr Bertrand Malmendier)

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

<b>Former Related Parties as at 31 December 2022</b>	<b>Related to/as</b>
Dr Roland Folz	Supervisory Board until 2 December 2022
Dr Friedrich Oelrich	Supervisory Board until 2 December 2022
Stavros Efremidis	Management Board until 31 December 2022
Ralf Struckmeyer	Management Board until 31 December 2022
René Parmantier	Management Board until 2022
Johannes Märklin	Management Board until 2022
Sebastian Ernst	Management Board until 2022
RP Verwaltungsgesellschaft mbH	Management Board (René Parmantier) until 2022
RP Vermögensverwaltungsgesellschaft mbH	Management Board (René Parmantier) until 2022
Meiyo Capital Partners AG	Management Board (René Parmantier) until 2022
Leonis Capital Management GmbH	Management Board (Johannes Märklin) until 2022
Leonis Real Estate GmbH	Management Board (Johannes Märklin) until 2022
Dach Finance GmbH	Management Board (Johannes Märklin & Sebastian Ernst) until 2022
Dach Real Estate GmbH	Management Board (Johannes Märklin & Sebastian Ernst) until 2022
Feldmannhof Capital GmbH	Management Board (Sebastian Ernst) until 2022

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The Supervisory Board must be composed of at least three individuals, and consists during the financial year 2022 until today of the following members:

<b>Name</b>	<b>Position</b>
Dr Nedim Cen	Chairman (since 2 December 2022 until 3 May 2023)
Dr Bertrand Malmendier	Deputy Chairman (since 1 January 2022 (Chairman since 8 March 2022 until 2 December 2022, Deputy Chairman since 2 December 2022 until 31 December 2024)
Dr Sven-Marian Berneburg	Chairman (since 2 December 2022)
Dr Roland Folz	Deputy Chairman (since 8 March 2022 until 2 December 2022)
Dr Friedrich Oelrich	Member (since 30 November 2020 until 2 December 2022)
Stavros Efremidis	Chairman (since 1 January 2022 until 7 March 2022)

Dr Berneburg headed the audit committee and was considered the independent financial expert (until 3 May 2023). Since 4 May 2023, Dr Carlos Mack headed the audit committee as the independent financial expert until 31 December 2024. Since 1 January 2025, Wolfgang Rudi Bauer heads the audit committee and is considered as the independent financial expert. The total remuneration of the Supervisory Board members amounted to € 0.6m in 2022 (2021: € 0.5m). This includes € 0.1m in severance payments for two former Supervisory Board members.

## Transactions with Key Management Personnel

### *Management's remuneration*

The total remuneration of the Management Board consists of the basic remuneration as well as a short-term incentive and a long-term incentive component.

The basic remuneration relates to the annual base salary agreed under the service agreements with each member of the Group's Management Board.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

The short-term incentive (STI) is a cash bonus component that depends on certain Group-related and individually agreed targets as described in the entities remuneration policy.

The long-term incentive (LTI) is a share- or cash-based program that either grants or give the option of equity-settled shares or phantom shares, which are settled in cash.

€ million	2022	2021
Basic remuneration	(2.4)	(3.9)
<b>Fixed remuneration</b>	<b>(2.4)</b>	<b>(3.9)</b>
STI	(0.2)	(1.7)
LTI	0.0	(3.7)
<b>Variable remuneration</b>	<b>(0.2)</b>	<b>(5.4)</b>
Compensation/termination payments	(1.2)	(2.6)
<b>Total remuneration</b>	<b>(3.8)</b>	<b>(11.9)</b>

In December 2022, the mandates for Stavros Efremidis (CEO) and Ralf Struckmeyer (CIO) were terminated by mutual agreement. No severance payments were agreed, only for Stavros Efremidis an additional agreement was made where the Company is obliged to pay his fixed remuneration until 30 June 2023.

The Management Board members have been subject to long term equity or cash settled share-based payment awards. which however had not come into effect in the year 2022.

Due to the restructuring of the Company no LTI was granted to the members of the Management Board in 2022 (2021: €3.7m).

Given the termination of the mandates for René Parmantier, Johannes Märklin, and Sebastian Ernst throughout 2022, all expenses recognized until end of 2021 have been reversed (€ 3.5m) and no further expenses were recognized for the three in 2022.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

Furthermore, a total of €1.2m (2021: €2.7m) was expensed which solely related to René Parmantier and resulting from the termination of his service agreement. The 2021 amount is exclusively associated with the compensation payments for former management board members Lars Schnidrig, Daniel Löhken and Nils Hübener.

*Corestate Capital Holding S.A. Share Program (2019)*

In 2019, Corestate started a Performance Share Program for important senior manager and high performer (outside of Management Board) as well as for new hires who joined the Group after the 1 January 2019. At the beginning of the performance period in 2019 or if the participant is entering one or more years later, all participants receive an individualized grant letter in which the individual target value of the performance shares in Euro (“target value”) is set out. The grant letter contains the number of virtual performance shares granted. Performance shares are not linked to any administrative, voting or dividend rights or rights to other distributions. They merely represent a calculation item for determining the future conditional entitlement to Corestate shares to be issued and transferred (real shares). Performance shares are transferred to the participants in annual tranches in the form of real shares from the third year on-wards or if the participants join the program later from their third year on based on their start date in the program (it requires a waiting period of two years in which no real shares are transferred). The transfer takes place in four or less equivalent tranches (25% or 33.33% or 50% of the total number of performance shares each, depending on the start of the participant in the program) – subject to the achievement of the relevant performance targets which is an annually increase of the share price of 10% each year.

The increase in the stock market price as the key performance target is calculated by dividing the “transfer price” by the closing price. The transfer price is defined as the arithmetic mean of the closing prices of the last 12 trading months prior to 31 December of the respective year of the performance period. As said, the performance target is deemed to have been achieved if the cumulative transfer price increased by at least 10% each year compared with the closing rate (annual performance target).

The fair value of the synthetic stock options is measured using a Monte Carlo option pricing model considering the terms and conditions upon which the options were granted. The beneficiary may exercise the options between the end of the waiting period and the end of the term of the option on the condition that the employment contract has not been terminated and neither the beneficiary nor the Company has notified in writing the termination of the employment contract by that date.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

For the stock option valuation, the contractual life of the options and the possibility of early exercise were considered in the Monte Carlo simulation. The risk-free interest rate is the implied yield currently available on Luxembourg government issues with a remaining term equal to the term of the options. The future volatility for the lives of the options was estimated based on historical volatilities also considering the management's expectation of future market trends.

The Performance Share Program was classified as equity-settled plan and the resulting expense are recognized during the vesting period on a pro-rata-basis with a corresponding increase in equity (other reserves). Furthermore, the amount recognized is based on the best available estimate of the number of options expected to vest and is revised, if subsequent information indicates that the number of options expected to vest differs from previous estimates.

The total fair value of the awards granted in 2019 originally amounted to € 3.7m. In 2022, due to a further reduction in the number of beneficiaries, an income in the amount of € 0.9m (2021: € 1.1m) was recognized due to the reversal of reserves.

*Corestate Capital Holding S.A. Retention Program (2022)*

In 2022, Corestate started a retention program for success-critical employees (outside of Management Board) which includes cash-settled commitments. The transfer of cash is individually granted if the beneficiaries are still in an unterminated contract at different points in time, predominantly in 2023 and 2024. For this program a provision of € 2.3m was made in the middle of the FY 2022 for employments that were not terminated in 2022 and 2023. Moreover, an additional provision of € 2.2m was made at the end of 2022 for employments that were not terminated in 2023 and 2024.

**Transactions with Shareholders and Shareholder-Related Entities**

Same as in 2021 but unlike years before, also in 2022 no payments have been made to shareholders and/or shareholders' related entities by the Group in the period 1 January through 31 December 2022.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## F. AUDITOR ´S FEES

On 29 August 2024, with the consent of the Supervisory Board, the Management Board of Corestate Capital Holding S.A. has accepted the commercial offer to mandate the auditing firm KPMG Audit S.à r.l. in Luxembourg as auditor for the consolidated financial statements and standalone annual accounts of CCH SA for the financial years 2022, 2023 and 2024.

KPMG will be recommended to the Company's shareholders for election at the upcoming Annual General Meeting (foreseen for Q1/2026). At this Annual General Meeting, it is also intended to submit the audited consolidated financial statements and standalone annual accounts for the 2022 financial year for approval.

The total fees expensed by the two different audit firms are presented as follows:

€ million	2022	2021
<b>Predecessor auditor - Ernst &amp; Young Luxembourg</b>		
Audit fees	(0.6)	(0.3)
Audit-related fees	-	(0.3)
<b>KPMG Audit S.à r.l.</b>		
Audit fees	(1.0)	-
other Audit-related fees	(0.0)	-
<b>Total</b>	<b>(1.6)</b>	<b>(0.6)</b>

The audit fees expensed in 2022 in relation to the predecessor auditor relate to the year ended 31 December 2021.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## G. OFF-BALANCE SHEET COMMITMENTS

As per 31 December 2022 the Company holds the following financial commitments:

**Issuer: Corestate Capital Holding S.A.**

<b>Type</b>	<b>Warranty</b>	<b>Beneficiary</b>	<b>Maximum Risk of a potential Claim</b>	
			<b>31 December 2022</b>	<b>31 December 2021</b>
			€ million	€ million
Letter of comfort (unrestricted)	CLEMITA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	HeWiPP II GmbH & Co. KG	40.3	40.3
Letter of comfort (unrestricted)	NIGELLA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	GERCHGROUP Köln Laurenz Carre 1 - 7 UG	17.0	-
Guarantee	CORESTATE Capital Advisors GmbH	Projektgesellschaft Marienins GmbH & Co. KG	0.0	-
<b>Total</b>			<b>57.3</b>	<b>40.3</b>

The Company has not entered into pension obligations for its staff.



**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

## **H. SUBSEQUENT EVENTS**

The following disclosure is related to transactions subsequent to 2022.

In January 2023, the suspensive conditions from the bondholder resolutions of 28 November 2022, regarding Corestate's 2022 convertible bond and 2023 bond, were fulfilled.

In March 2023, CCH SA reached an agreement with the bank financing the Highstreet Giessen project to partially repay € 5.8m of the debt. This was necessitated by a breach of the debt service coverage ratio, driven by interest rate fluctuations as of 31 December 2022. As part of the agreement, the remaining loan was extended until 30 June 2025.

A creditors' meeting was held on 14 April 2023 to address both the senior unsecured and convertible bonds, resulting in their extension until 31 July 2023. Interest payments were deferred, and certain termination rights were waived to allow the Company additional time to implement critical reorganization steps necessary for financial restructuring. In May 2023, backed by bondholders, investors, and shareholders, the Management Board approved an alternative restructuring concept. This included an increase in bridge financing from €25m to € 35m, involving both existing and new investors.

In May 2023, the Company resolved to implement the alternative restructuring concept and announced changes to the Management and Supervisory Boards: Dr. Nedim Cen was appointed to the Management Board as CEO, Stephan Götschel stepped down, and Dr. Carlos Enrique Mack was co-opted onto the Supervisory Board.

In June 2023, the creditors' meetings approved, by a large majority, amendments to the bond terms, including a reduction of the total nominal volume from € 488.3m to approximately € 105.5m, modifications to the bond conditions, and a request to transfer the stock market listing from the Prime Standard to the General Standard segment.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In July 2023, CCH SA placed over 50% of the shares in HL Augsburg Offices GmbH & Co. geschlossene Investment-KG with investors. By December 2023, nearly all shares of HL Augsburg Offices GmbH & Co. geschlossene Investment-KG were placed among investors.

In August 2023, the debt restructuring and recapitalization were completed, based on the resolutions passed by the creditors' meeting and General Meetings in June and July 2023. This included a reduction in the financial liabilities from bonds by around 78% waiver by creditors of bond obligations for an amount of € 394.1m out of which € 382.8m is related to bond nominal amounts and € 11.6m relates to interest due and an extension of the term until 31 December 2026. Further, a capital reduction was executed, decreasing the Group's issued share capital by € 2,558,497.50 to € 6,174.00, without any cancellation of shares or any payments to shareholders. Immediately thereafter, a capital increase was carried out, raising the share capital by € 23,826.00 to € 30,000.00 through the issuance of 132 million new shares to the bondholders and to the management.

In September 2023, the Management Board decided to discontinue the regulated operations of Corestate Bank GmbH and initiated the withdrawal of its license as a securities trading bank with BaFin (the German Federal Financial Supervisory Authority).

In October 2023, Corestate Capital Holding S.A. transitioned from the Prime Standard to the General Standard segment of the Frankfurt Stock Exchange.

Throughout 2023, CCH SA successfully completed asset sales including three development projects and two student residences in Spain with a combined (transaction/book) value of €29.3m were sold (the "Spanish Assets").

At the Company's Supervisory Board meeting held on 29 August 2024, the Management Board of CCH SA has accepted the commercial offer of KPMG Audit S.à r.l. in Luxembourg to mandate KPMG as sole auditor for the consolidated financial statement and standalone annual accounts of Corestate for the financial year 2022.

KPMG will be recommended to the Company's shareholders for election at the upcoming Annual General Meeting (foreseen for Q1 2026). At this Annual General Meeting, it is also intended to submit the audited consolidated financial statements and standalone annual accounts for the 2022 financial year for approval.

Throughout 2024, CCH SA completed asset sales worth about € 39m including the sale of CRM/Upartments for about € 12m.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In January 2025, HANSAINVEST Hanseatische Investment GmbH (“HANSAINVEST”) filed a claim for damages against HFS Helvetic Financial Services AG (“HFS”) at the Hamburg Regional Court (Landgericht), accusing HFS of breaching its obligations (i) under consulting agreements between (among others) HFS and HANSAINVEST, and (ii) under trust agreements (indirectly) in favour of HANSAINVEST in relation to 18 bond issues for real estate project developments, which were subscribed by the special-AIF (Alternative Investment Fund) Stratos Immobilienanleihefonds II and the special AIF Stratos Immobilienanleihefonds IV in the period from 2017 to 2021.

HFS has assessed the aforementioned claims internally as well as together with two renowned law firms and concluded the prospects of success of such claim to be around a maximum of 20%. In order to avoid lengthy legal proceedings, the associated costs and expenses, and to eliminate any financial risks despite the low prospects of success, both parties have agreed to settle the legal dispute amicably by way of an out-of-court settlement in November 2025.

In the settlement agreement, HFS has agreed to assign certain assets to Hansainvest with a value of € 28.7m as of 31 December 2022, € 20.2m as of 31 December 2023 and € 16.0m as of 31 December 2024 in the consolidated statement of financial position. Such settlement agreement is subject to the condition precedent that these assets, which are currently pledged as part of the security package in relation to the financial liabilities of CCH SA under its outstanding bonds, shall be released and free of any encumbrances. The Company has received written instructions by the necessary 75% majority of noteholders in each of their outstanding bonds to release the relevant assets. Therefore, fulfillment of the condition precedent and closing of the transaction is expected to occur by end of December 2025.

In April 2025, CCH SA signed an exclusive agreement with the French investment Group Atland for the sale of STAM Europe SAS (Paris) and subsidiaries, including AIFM STAM France Investment Managers.

In July 2025 CCH SA successfully sold its approximately 35% stake in the investment vehicle Liver Building Co, which owns the Royal Liver Building in Liverpool, United Kingdom, through its subsidiary Hannover Leasing to the Princes Group, one of the leading food and beverage companies in the United Kingdom. The sale price is around GBP 57m. After deducting all bank liabilities, including a shareholder loan, CCH SA received a net amount of approximately € 16m.

**Corestate Capital Holding S.A.**  
**Notes to the annual accounts (continued)**  
**For the year ended 31 December 2022**

In September 2025, CCH SA closed its sale of STAM Europe SAS (Paris) and subsidiaries, including AIFM STAM France Investment Managers to the French investment Group Atland. Following the closing of the STAM Europe sale, the Company resolved to make an early repayment of €17.5m on the Super Senior Note (ISIN DE000A3LJQY6) effective 14 October 2025.

In November 2025, the Company has reached an agreement with investment firms holding in excess of 75% of its two outstanding Senior Notes to extend their maturities by two years. Under the agreed amendment, the interest rate on the Senior Notes will increase from 8% to 12% in 2027 and to 15% in 2028. Supporting noteholders have executed a lock-up agreement, and creditors' meetings to pass the formal resolutions are scheduled for December 2025. This extension provides Corestate with the necessary time to continue its asset disposal program without sales pressure and to maximize value.

There are no other significant post Balance Sheet events.