



# CORESTATE

Capital Group



CORESTATE Capital Holding S.A.

# A Leading Asset and Investment Manager

Half-Year Financial Report as of 30 June 2017

## Company Profile

CORESTATE Capital Holding S.A. (CORESTATE), headquartered in Luxembourg, is a fully integrated real estate investment manager and co-investor with approx. €20 billion in assets under management. Together with its subsidiaries, CORESTATE provides the full range of asset, fund, and property management services for its clients and related investment products, covering virtually all major real estate asset classes, including high-quality office assets and all relevant investment vehicles comprising mezzanine real estate financing. Its client base consists of private individuals and semi-institutional as well as institutional clients. The Group's key market is Germany and has selected activities in other European countries such as Austria and Spain. It operates principal offices in Germany, Switzerland, Spain and Singapore. After the successfully completed acquisition of Hannover Leasing and HFS Helvetic Financial Services AG (HFS), the Group employs more than 470 FTEs. The two acquisitions Hannover Leasing and HFS Helvetic Financial services AG are not yet included in the half-year accounts, because closing took place post 30 June 2017 and will therefore be included within the Q3 accounts. CORESTATE is listed on the Frankfurt Stock Exchange.

## Key Figures

	<b>01.01.2017– 30.06.2017</b>	01.01.2016– 30.06.2016
Revenues (€ thousand)	37,982	12,916
Aggregate Revenues & Gains (€ thousand) <sup>1</sup>	48,596	22,491
Adjusted EBITDA (€ thousand) <sup>2</sup>	26,034	6,823
Net Profit (€ thousand) <sup>3</sup>	19,443	3,554
Earnings per Share (undiluted) (€)	1.46	0.36
Adjusted Net Profit (€ thousand) <sup>4</sup>	22,818	5,131
Adjusted Earnings per Share (undiluted) (€)	1.72	0.53
Time weighted average number of shares outstanding during the period (undiluted)	13,287,737	9,742,300
Transaction volume (€ million)	1,434	177
Equity Raised (€ thousand) <sup>5</sup>	356,085	52,635
AuM at End of Period (€ billion)	3.5	2.3
Number of Employees at End of Period	352	257

<sup>1</sup> Aggregate Revenues & Gains include Revenue from Real Estate Investment Management, Share of Profit and Loss from Associates and Joint Ventures, and Total Income from Real Estate Operations/Warehousing.

<sup>2</sup> EBITDA is adjusted for certain one-off items (e.g. costs for capital measures, corporate M&A related cost, share grant expense).

<sup>3</sup> Net profit post minorities

<sup>4</sup> Adjusted Net Profit (ANP) is calculated based on the net profit for the period attributable to shareholders of the parent company, adjusted for certain one-off items net of (deferred) tax effects (e.g. costs for capital measures, corporate M&A related cost and share grant expenses, and costs for credit facilities provided by shareholders).

<sup>5</sup> BVK was recognised by assuming an LTV of 50%.

# Content

## *To Our Shareholders*

- 2 Preface by the Management Board
- 4 The CORESTATE Share

## *Interim Group Management Report as of 30 June 2017*

- 6 Preliminary Remarks
- 6 Company Background
- 6 Market and Product Offering Development
- 7 Key Financial Highlights
- 8 Balance Sheet
- 9 Material Events after the Reporting Date
- 10 Outlook

## *Unaudited Interim Condensed Consolidated Financial Statements for the Period from 1 January to 30 June 2017*

- 12 Interim Consolidated Statement of Financial Position
- 14 Interim Consolidated Income Statement and Consolidated Statement of Income
- 16 Interim Consolidated Statement of Changes in Equity
- 18 Interim Consolidated Statement of Cash Flows
- 20 Selected Explanatory Notes to the Interim Consolidated Financial Statements

## *Further Information*

- 47 Imprint

## *Letter to Our Shareholders*

Dear Shareholders, Ladies and Gentlemen,

the first six months of 2017 have elevated CORESTATE to new heights in terms of asset volume and variety, transaction potential, investor access and market perception. It is important to stress that we accomplished all this through a balanced approach. First, we enjoyed significant organic growth thanks to flagship projects in the residential and retail market segments, raising our profile as a leading asset and investment manager. Second, we decisively took advantage of market opportunities and emphasised our ambitions as an active market consolidator.

The successfully completed acquisition of Hannover Leasing (HL) and HFS Helvetic Financial Services AG (HFS) both add to our established platform, raising assets under management to more than E20 billion and making CORESTATE the leading listed investment manager for real estate equity and debt in the German-speaking region. The additional earnings contributions of new mandates and strategic acquisitions enabled us to raise our guidance twice. Our expected net income before one-off items now stands at €85-90 million, more than double our latest guidance of €36-37 million, resulting in a noticeable growth in earnings per share despite two capital increases.

However, leadership is not just a matter of total assets, revenue and earnings. With the portfolios brought in by HFS and HL, CORESTATE now covers virtually all major real estate asset classes, including high-quality office assets and all relevant investment vehicles comprising mezzanine real estate financing. The growing foothold in the equity and debt market on a European scale improves CORESTATE's access to institutional investors, such as pension funds and insurance carriers.

Our enhanced competitive positioning allows us to realise cross-selling and synergy potentials. CORESTATE expects a further increase in its investment volume, which will particularly be fuelled by the launch of additional investment product offerings and our advanced investment strategy for managed accounts of renowned clients. This will result in even more predictable and stable earnings, with 90% of revenues being recurring in nature.

On top of that, the more diversified CORESTATE offers an excellent platform for further driving the consolidation process within our industry, which is still fragmented. However, our main focus is naturally on the seamless integration of HL and HFS into CORESTATE's established platform.

To achieve both, driving integration and, at the same time, fulfilling our role as an active consolidator, CORESTATE has made important additions to its management team. On the management board level, Lars Schnidrig, former Head of Finance and Treasury of Vonovia SE, replaced Daniel Schoch as CFO. Daniel continues to support the business as a senior advisor, thus increasing our overall M&A capabilities. Thomas Landschreiber, co-founder and chief investment officer of CORESTATE, joined the boardroom of HFS alongside the current management. In addition, Axel Wieandt, former CEO of Hypo Real Estate Holding, who came on board as an advisor for post-merger integration and the repositioning of participations, will lend support to the integration of HL, among other duties. Gregory Gould, former Goldman Sachs managing director, will strengthen the CORESTATE team as a senior advisor for analysis and strategic development in the capital market.

The half-year figures for 2017 clearly do not reflect the new momentum of CORESTATE, since HFS and HL were initially consolidated in July. However, the 116.1% growth in aggregated revenues against the previous year's figures, along with a 344.8% increase in adjusted net profit, underlines our ability to achieve organic growth by leveraging our platform.

In the past few months, the entire CORESTATE team did a tremendous job in mastering our projects and driving our business forward. We would like to take the opportunity to thank everyone who helped to add a new chapter to CORESTATE's success story. We invite all our shareholders to join us on this journey and we thank you for your vote of confidence.



Lars Schnidrig  
Chief Financial Officer



Sascha Wilhelm  
Chief Executive Officer



Thomas Landschreiber  
Chief Investment Officer



• Lars Schnidrig is the Chief Financial Officer and a member of the Investment Committee of CORESTATE Capital Group. He is responsible for Investor Relations, Financing, Accounting and Consolidation, as well as Risk Management, and is in charge of the departments Controlling and Reporting as well as Taxes and Investment Structuring.



• Sascha Wilhelm is Chief Executive Officer of CORESTATE Capital Group and chairman of the Investment Committee. Sascha is responsible for the overall strategy of the group as well as equity raising and client relations. He also focuses on organisation and corporate functions as well as human resources. In addition, Sascha is responsible for real estate management services.



• Thomas Landschreiber is Co-Founder of CORESTATE Capital Group in 2006 and Chief Investment Officer. Thomas has direct responsibility for deal sourcing, acquisition structuring, transaction execution and asset disposals.

## The CORESTATE Share

### Continued positive share price development

The price of the shares of CORESTATE Capital Holding S.A. rose by 109% in the first half year, thus clearly outperforming the development of SDAX (14%) and the DAXsubsector real estate index (13%) as well as the real estate performance index DIMAX (8%).

On 23 February, CORESTATE increased its capital through the issuance of 996,318 shares, bringing the number of outstanding shares to 13,606,999. The capital offering was 5 times oversubscribed and generally well received, reflecting growing confidence of the investors in the growth story of CORESTATE. On 5 July, CORESTATE's share capital was increased by the issuance of 7,365,256 new shares against contribution in kind from authorised capital as part of the acquisition of Helvetic Financial solutions (HFS).

As the effect of the two capital measurements, the amount of outstanding CORESTATE shares increased to 20,972,255. The market capitalization of CORESTATE (as of XETRA-closing price of 5 July), amounted to €1.15 billion, bringing CORESTATE into the group of the biggest listed Real Estate investment management companies in the German-speaking region.

### Shareholder structure as of 30 June 2017

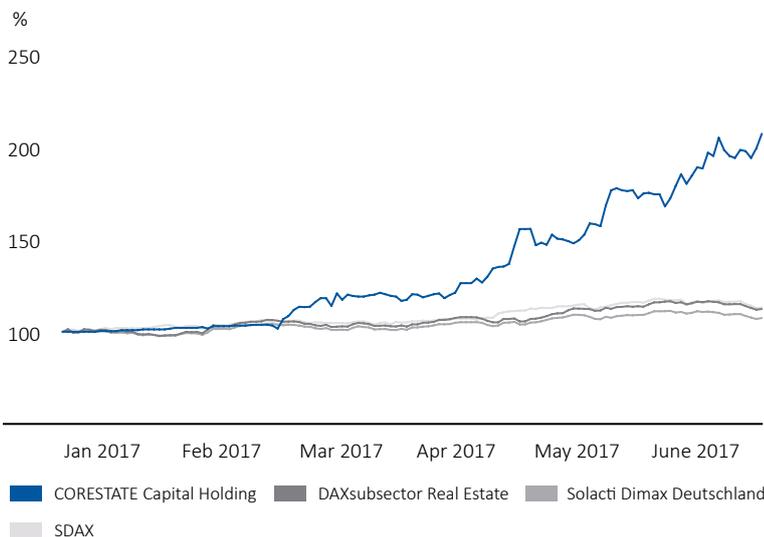
The share capital of CORESTATE Capital Holding S.A. amounts to €1,020,525.00 and is divided into 13,606,999 ordinary shares. The calculated nominal amount thus amounts to €0.75 per share.

The free float is 32.7%.

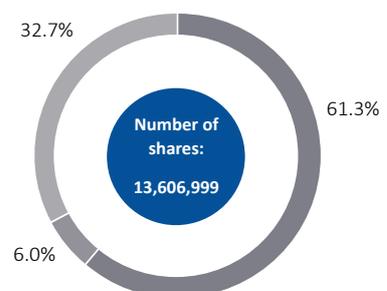
### Basic share data

WKN/ISIN	A141J3 / LU1296758029
Ticker symbol/Reuters code	CCAP
Trading segment	Scale
Stock exchange	Frankfurt
Type of stock	No-par value bearer shares
Number of shares	13,606,999
First day of Trading	4 Oct 2016
Share price as of 30 December 2016	€23.20
Share price as of 30 June 2017	€47.00
Change in percentage	+ 109%
Period high	€47.00
Period low	€22.47
Designated sponsor	equinet Bank AG Oddo Seydler Bank AG

### Share price development between December 2016 and June 2017



### Shareholder structure as of 30 June 2017



- Flygon Holding LLC
- Management
- Free float

# *Interim Group Management Report as of 30 June 2017*

<b>6</b>	Preliminary Remarks
<b>6</b>	Company Background
<b>6</b>	Market and Product Offering Development
<b>7</b>	Key Financial Highlights
<b>8</b>	Balance Sheet
<b>9</b>	Material Events after the Reporting Date
<b>10</b>	Outlook

# Interim Group Management Report

## CORESTATE Capital Holding S.A., Luxembourg

### Preliminary remarks

The interim management report and consolidated financial statements of CORESTATE Capital Holding S.A. (hereinafter "CORESTATE" or "the Company") cover the reporting period from 1 January 2017 until 30 June 2017. The interim financial statements have not been reviewed or audited by the auditors.

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.

### Company background

With the acquisition of Swiss-based HFS Helvetic Financial Services AG (HFS) and Hannover Leasing Group (HL), CORESTATE strengthened its position as a leading, fully integrated investment manager and co-investor with a focus on real estate equity, debt and alternative assets in the German-speaking region. Both transactions, described in detail in the notes, were successfully completed in July 2017 and do not have any effect on the consolidated figures as of 30 June 2017.

In connection with the transactions, CORESTATE has made additions to its management team in order to drive the integration of the acquired entities and to

adjust governance to the new size of the company. Lars Schnidrig has been appointed chief financial officer (CFO), effective 1 July. He replaced Daniel Schoch, who left the management board by mutual consent and continues to support the business as a senior advisor. In addition, Gregory Gould will strengthen the CORESTATE team as a senior advisor for analysis and strategic development in the capital markets. The board responsibility of Thomas Landschreiber now extends to HFS. All other board responsibilities remained unchanged.

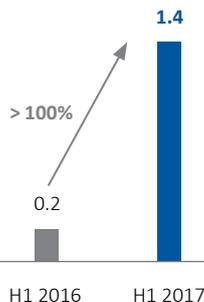
### Market and product offering development

The German real estate investment market, representing the Group's core market, was characterised by a continued price increase and corresponding yield compressions in the first half of 2017. This was substantially affected by continued capital inflows to real estate, largely driven by the European Central Bank's quantitative easing policy. The low-rate environment fuels demand of large institutional investors, such as pension schemes and insurances, for alternative stable and yielding investments.

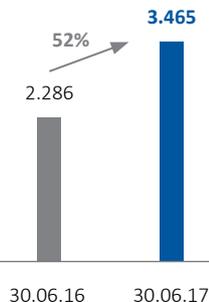
In the first half of 2017, CORESTATE made significant progress in leveraging its real estate investment and asset management platform, improving the company's market perception as a top-level asset and investment manager.

Within the framework of its strategic partnership with Bayerische Versicherungskammer (BVK), CORESTATE acquired a micro-apartment asset with

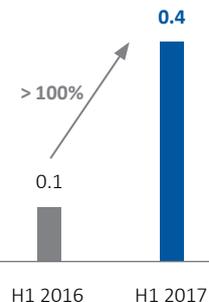
**Transaction Volume**  
€ billion



**Assets Under Management**  
€ billion



**Equity Raised**  
€ billion



179 units in Hamburg, Germany, for the “BVK-Residential Europe-Immobilienfonds Corestate” real estate umbrella fund. The micro-apartment portfolio was further enhanced by a managed account mandate project in Munich, comprising 55 apartment units. An exclusive mandate received in June from a leading German insurance company to set up a German portfolio for a fund also added to the residential portfolio.

With respect to CORESTATE’s retail portfolio, the focus continued to be on prime locations in mid-order centres. The acquisition of 18 retail properties in different mid-sized German cities added to the company’s High Street portfolio. In April, CORESTATE obtained an investment and asset management mandate in connection with the sale of retail portfolios, comprising 90 properties in Germany, from BVK’s fund manager, Universal-Investment.

Overall, CORESTATE handled 11 transactions with a total volume of €1.434 million, compared to 23 transactions and a total volume of €177 million in the first half of 2016. Access to capital further improved in the reporting period due to the long-standing distribution network of institutional and private investment clients, resulting in €356.1 million in equity being raised, 577% up against previous year’s figure.

Assets under management were up by 25.6% and stood at €3.5 billion as of June 30, 2017 (end of 2016: €2.8 billion). Including the assets brought in by HL and HFS, assets under management amounted to approximately €20 billion at end of July 2017.

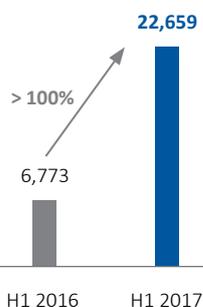
### Key financial highlights

The consolidated total revenues of the Group (including Total Revenue from Real Estate Investment Management as well as Net Rental Income and Revenues from Service Charges) were up 194%. The marked growth was primarily driven by the above-mentioned exclusive asset and property management mandates and the greater transaction activity. The strong rise in acquisition-related fees, which rose nearly threefold vs the prior year, was mainly due to successfully placed high-street retail as well as residential asset based investment products within the framework of the strategic partnerships with BVK and the aforementioned insurance company. Fees generated from the Group’s asset and property management services showed an increase by 45.4%. Promote fees showed a strong rise, which was also due to the transaction with BVK.

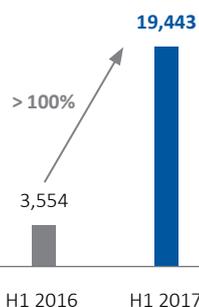
Overall, roughly 64% of revenues from real estate investment management can be attributed to recurring revenues in the reporting period and 36% to success-based income. The revenue contribution from real estate assets held for warehousing purposes was €6,865 thousand (previous year: €8,715 thousand).

Including the share of profit or loss from associates and joint ventures adding up to €5,255 thousand (previous year: €1,031 thousand) as well as the €5,359 thousand net gain from selling property holding companies (previous year: €8,543 thousand), the Group’s aggregate revenues and gains increased by 116% to €48,596 thousand (previous year: €22,491 thousand).

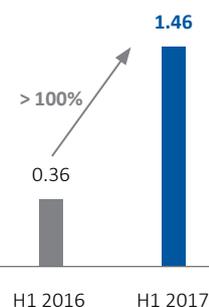
#### EBITDA € million



#### Net profit<sup>1</sup> € million



#### Earnings per share €



<sup>1</sup> Net profit post minorities

Real Estate Investment Management contributed the biggest segment profit with €20,125 thousand, up from €629 thousand. Alignment Capital Management posted a segment profit of €5,268 thousand, up from €775 thousand and Real Estate Operation/Warehousing delivered €5,930 thousand, down from €8,631 thousand.

The total expenses of the Group (excluding financial expenses as well as depreciation and amortisation) were up 64.8% to €26,034 thousand from €15,890 thousand, reflecting the expansion of the Group's property management business, in particular for third-party clients, and various new hires for both its investment team and institutional clients group. The increase can mainly be attributed to real estate investment management, acquisition related, and certain one-off expenses.

The Group's net profit increased by 447% to €19,443 thousand translating on an undiluted basis into Earnings per Share of €1.46, which is nearly four times higher than in the first half of 2016 (€0.36).

Adjusted for €3.4 million of one-offs (post-tax), net profit grew by 344.8% to €22,818 thousand resulting in undiluted EPS of €1.72 up 226.1% from the first half of 2016 (€0.53).

Net financial expenses of €2,046 thousand (previous year: €1,847 thousand) include expenses in relation to the Group's debt financing facilities.

**Balance sheet**

In February 2017, CORESTATE increased its capital by issuing new shares from existing authorised capital, amounting to approx. 8% of the share capital. The shares had been placed with international institutional investors, resulting in gross proceeds of €22,716,050.00.

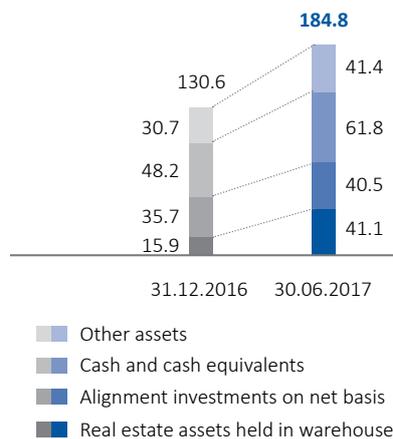
As of 30 June 2017, total assets amounted to €184,792 thousand, up 41.5% compared to the year-end-figure of 2016 (€130,605 thousand). Total non-current assets amounted to €50,973 thousand (end of 2016: €44,985 thousand). The rise is mainly attributable to a higher volume of Investments in Associates and Joint Ventures (€40,486 thousand vs €35,747 thousand).

Total current assets rose by 56.1% (€133,818 thousand vs €85,619 thousand as of 31 December 2016), which can mainly be attributed to a rise in inventories resulting from warehousing, higher trade receivables due to a higher extent of business and extended cash and cash equivalents.

Equity rose by 33.4% to €115,337 thousand, mainly due to the effects of the capital increase from February 2017. The rise in non-current liabilities (€43,643 thousand vs. €23,957 thousand) mainly reflects the Warehousing facility from SO Holding AG.

The equity ratio of CORESTATE was at 62.4% on 30 June 2017, compared to 66.2% at year-end of 2016.

**Balance Sheet**  
€ million [Assets]



**Balance Sheet**  
€ million [Equity and liabilities]



### Material events after the reporting date

On 1 July, CORESTATE announced the acquisition of HFS Helvetic Financial Services AG (HFS), based in Wollerau (Switzerland). HFS is a leading provider of mezzanine financing in the German residential and commercial real estate market. With the acquisition of HFS, CORESTATE expands its value proposition to include mezzanine real estate financing, grows its fund business and improves access to institutional investors, such as pension funds and insurance carriers. HFS has around 60 institutional investors, which broadens CORESTATE's clients base. This facilitates CORESTATE's goal to expand the business with institutional investors.

The purchase price for HFS, which is in the mid three-digit million range, has been financed by the issuance of new shares in exchange for non-cash contributions from the authorised capital to HFS shareholders (see below for details), as well as by debt capital and CORESTATE's own funds.

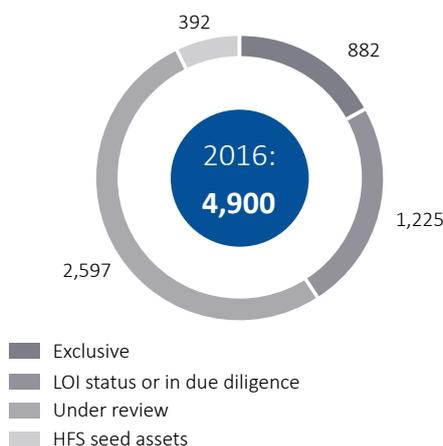
Furthermore, CORESTATE announced the completion of the acquisition of Hannover Leasing Group (HL) after the conclusion of the ownership control procedure of the German Federal Financial Supervisory Authority, BaFin. The takeover of HL brings with it an attractive combination of contractually secured long-term asset management revenue and significant new business potential. The benefits of the HL acquisition have been outlined in detail in the management report, contained within the 2016 annual report.

As a result of both transactions, assets under management grew to €20 billion, of which approx. 80% are considered strategic assets. The AuM represent a broad range of assets, covering the real estate sectors of retail, residential (including micro-living), offices and hotels as well as aviation. CORESTATE now offers a full range of investment products, including mezzanine real estate and real estate debt funds. The pipeline of potential further deals increased from €3.2 billion before the transactions to €4.9 billion.

With effect on the closing day of the HFS acquisition (on 5 July 2017), CORESTATE's share capital was increased by the issuance of 7,365,256 new shares against contribution in kind from authorised capital. This was part of the transaction and increased the number of outstanding shares to 20,972,255. The new shares were purchased by the former HFS shareholders against contribution in kind as part of the transaction financing.

On 8 July, CORESTATE announced it is currently setting up a further open-ended special AIF, with a focus on residential property in Germany. The target volume of the CORESTATE Residential Germany Fund II is at least €300 million.

### Asset Sourcing Pipeline € million



## Outlook

The market environment and its uncertainties remain more or less unchanged from the outlook given in the annual report. Concerning the market environment for real estate mezzanine finance business, represented by HFS, CORESTATE expects the market environment to remain favourable. Offerings of traditional banks in subordinated credit tranches will remain tight, since banks are facing ongoing challenges from restructuring their business models and from regulation.

After raising the AuM to approx. €20 billion, as an effect of the acquisition of HL and HFS, CORESTATE expects a further increase in its investment volume. This will be fuelled in particular by the launch of additional investment product offerings and student housing/micro-living projects, as well as the implementation of the investment strategy for the managed accounts of BVK and the additional accounts granted by institutional investors. Consequently, acquisition-related fees as well as revenues from asset and property management are expected to continue to grow. The revenue basis will become broader and more stable. Going forward, 90% of revenues are expected to be recurring.

The capability of warehousing will continue to be a key business catalyst and contributor to the Group's aggregate revenues and gains, bearing in mind the increasing competition in the real estate markets relevant to the Group, as well as the need to provide seed assets or portfolios for the institutional client base.

Luxembourg, 14 August 2017



Lars Schnidrig  
Chief Financial Officer



Sascha Wilhelm  
Chief Executive Officer



Thomas Landschreiber  
Chief Investment Officer

In light of the acquisitions of HL and HFS, as well as a generally positive assessment of the market environment, CORESTATE made upward adjustments to its targets for financial year 2017.

The company is now aiming for a net income before one-off items in the range of €85 to €90 million. The former guidance (published on 8 May 2017) was €36 to €37 million, the initial guidance as displayed in the annual report of 2016 was €30 million to €32 million.

Aggregated revenues are now expected to be between €170 million and €180 million (former guidance 2017: €80 million to €82 million, initial guidance: €75 million to €80 million).

With respect to HL, 2017 still is viewed as a transitional year; the main focus will remain on successful integration and realising synergy potentials. HFS will continue to drive its business forward according to its long-term strategy. No restructuring efforts will be needed; focus in the upcoming month will be on identifying and realising further earnings synergies. CORESTATE remains an active consolidator with respect to the real estate asset management industry. The management will assess potential further opportunities carefully.

*Unaudited Interim Condensed  
Consolidated Financial Statements  
for the period from 1 January to  
30 June 2017*

**CORESTATE CAPITAL HOLDING S.A.  
LUXEMBOURG**

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

€ thousand	Notes	unaudited 30.06.2017	audited 31.12.2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		1,358	1,235
Intangible Assets		1,578	930
Investment in Associates and Joint Ventures	D.1	40,486	35,747
Other Financial Instruments		4,199	2,217
Long-term Loans to Associates		656	2,493
Deferred Tax Assets		2,696	2,363
<b>Total Non-Current Assets</b>		<b>50,973</b>	<b>44,985</b>
<b>Current Assets</b>			
Advance Payments for Property Purchase Prices	D.2	1,900	1,305
Inventories	D.3	41,133	15,905
Receivables from Associates		7,305	8,263
Receivables from Joint Venture		–	1,031
Trade Receivables		11,185	5,271
Other short-term Receivables		2,544	1,530
Current Income Tax Assets		732	730
Other Short-term Assets		7,243	3,376
Restricted Cash	D.4	754	700
Cash and Cash Equivalents	D.4	61,023	47,509
<b>Total Current Assets</b>		<b>133,818</b>	<b>85,619</b>
<b>Total Assets</b>		<b>184,792</b>	<b>130,605</b>

€ thousand	Notes	unaudited 30.06.2017	audited 31.12.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	D.5	1,021	946
Other Reserves	D.6	94,287	69,699
Net Profit/(Loss) for the Period		19,443	15,396
<i>Subtotal Capital Accounts of shareholders of parent company</i>		<b>114,751</b>	<b>86,040</b>
Non-controlling Interests		586	405
<b>Total Equity</b>		<b>115,337</b>	<b>86,446</b>
<b>Non-Current Liabilities</b>			
Long-term Financial Liabilities to Banks	D.7	13,983	14,126
Net Employee defined Benefit Liabilities		94	102
Other non-current Liabilities	D.8	29,567	9,730
<b>Total Non-Current Liabilities</b>		<b>43,643</b>	<b>23,957</b>
<b>Current Liabilities</b>			
Short-term Financial Liabilities to Banks		2,629	4,004
Short-term Liabilities to Associates		283	948
Trade Payables		11,966	7,266
Current Income Tax Liabilities		1,085	1,050
Other Current Liabilities		9,848	6,934
<b>Total Current Liabilities</b>		<b>25,812</b>	<b>20,202</b>
<b>Subtotal Liabilities</b>		<b>69,455</b>	<b>44,159</b>
<b>Total Equity and Liabilities</b>		<b>184,792</b>	<b>130,605</b>

## INTERIM CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

€ thousand	Notes	unaudited 01.01.2017 – 30.06.2017	unaudited/ adjusted <sup>3</sup> 01.01.2016 – 30.06.2016
Revenue from Acquisition Related Fees	E.1	9,073	3,129
Revenue from Asset and Property Management	E.2	14,263	9,806
Revenue from Promote Fees realised	E.3	13,140	(191)
<b>Total Revenue from Real Estate Investment Management</b>		<b>36,476</b>	<b>12,744</b>
Management expenses		(16,351)	(12,116)
<b>Total Expenses from Real Estate Investment Management</b>		<b>(16,351)</b>	<b>(12,116)</b>
<b>Total Earnings from Real Estate Investment Management</b>		<b>20,125</b>	<b>629</b>
Share of Profit or Loss from Associates and Joint Ventures		5,255	1,031
Expenses from Management of Associates and Joint Ventures		12	(256)
<b>Total Earnings from Alignment Capital Management</b>		<b>5,268</b>	<b>775</b>
Net Rental Income		1,007	172
Revenue from Service Charges		499	–
Net Gain from Selling Property Holding Companies		5,359	8,543
<b>Total Income from Real Estate Operations / Warehousing</b>		<b>6,865</b>	<b>8,715</b>
Expenses from Real Estate Operations / Warehousing		(935)	(84)
<b>Total Earnings from Real Estate Operations / Warehousing</b>		<b>5,930</b>	<b>8,631</b>
General and Administrative Expenses		(8,761)	(3,434)
Other Income		97	173
<b>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>		<b>22,659</b>	<b>6,773</b>
Depreciation and Amortisation		(337)	(167)
<b>Earnings before Interest and Taxes (EBIT)</b>		<b>22,322</b>	<b>6,606</b>
Financial Income		69	242
Financial Expenses		(2,116)	(2,089)
<b>Earnings before Taxes (EBT)</b>		<b>20,275</b>	<b>4,759</b>
Income Tax Expenses		(620)	(1,104)
<b>Net Profit / (Loss) for the Period</b>		<b>19,656</b>	<b>3,655</b>
<i>of which attributable to equity holders of parent company</i>		<i>19,443</i>	<i>3,554</i>
<i>of which attributable to non-controlling interests</i>		<i>212</i>	<i>101</i>
<b>Total Revenues<sup>1</sup></b>		<b>37,982</b>	<b>12,916</b>
<b>Total Expenses<sup>2</sup></b>		<b>(26,034)</b>	<b>(15,890)</b>

<sup>1</sup> Not including Share of Profit or Loss from Associates and Net Gain from Selling Property Holding Companies

<sup>2</sup> Excluding Financial Expenses and Depreciation and Amortisation

<sup>3</sup> Refer to Note B.3

€ thousand	Notes	unaudited 01.01.2017 – 30.06.2017	unaudited/ adjusted 01.01.2016 – 30.06.2016
<b>Earnings per Share (€):</b>			
Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent	F.1	1.46	0.36
Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent	F.1	1.46	0.36
<b>Other Comprehensive Income (€ thousand)</b>			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Exchange differences on translation of foreign operations			
Income tax effect			
Net (Loss)/Gain on Available-for-sale Financial Assets			
Income Tax Effect		–	–
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods		–	–
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Remeasurement Gains (Losses) on Defined Benefit Plans		(16)	–
Income Tax Effect		–	–
Net other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Periods		(16)	–
<b>Other Comprehensive Income / (Loss) for the Period, Net of Tax</b>		<b>(16)</b>	<b>–</b>
<b>Total Comprehensive Income for the Period, Net of Tax</b>		<b>19,639</b>	<b>3,655</b>
<i>of which attributable to equity holders of parent company</i>		<i>19,427</i>	<i>3,554</i>
<i>of which attributable to non-controlling interests</i>		<i>212</i>	<i>101</i>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY TO 30 JUNE 2017

€ thousand	Notes	Share Capital	Legal Reserve	Additional Capital Paid In	Retained Earnings
<b>Closing Balance of Capital Accounts as at 31 December 2015 (audited)</b>		<b>195</b>	<b>–</b>	<b>–</b>	<b>24,482</b>
Profit for the period (adjusted)		–	–	–	–
Other comprehensive income (adjusted)		–	–	–	–
Total Comprehensive Income for the Period (adjusted)		–	–	–	–
Issue of new capital		–	–	–	–
Share issuance expense		–	–	–	–
Acquisition of Non-controlling interests		–	–	–	(108)
Equity-settled share-based payment		–	–	–	6
Dividends paid		–	–	–	–
Reclassification/others		–	–	–	9,668
<b>Closing Balance of Capital Accounts as at 30 June 2016 (unaudited / adjusted)</b>		<b>195</b>	<b>–</b>	<b>–</b>	<b>34,048</b>
<b>Closing Balance of Capital Accounts as at 31 December 2016 (audited)</b>		<b>946</b>	<b>–</b>	<b>35,193</b>	<b>34,307</b>
Profit for the period		–	–	–	–
Other comprehensive income		–	–	–	–
Total Comprehensive Income for the Period		–	–	–	–
Issue of new capital	D.5	75	–	22,641	–
Share issuance expense		–	–	(433)	–
Acquisition of Non-controlling interests		–	–	–	(21)
Equity-settled share-based payment		–	–	–	613
Dividends paid	D.6	–	–	–	(13,607)
Reclassification/others	D.6	–	95	–	15,284
<b>Closing Balance of Capital Accounts as at 30 June 2017 (unaudited)</b>		<b>1,021</b>	<b>95</b>	<b>57,402</b>	<b>36,576</b>

Other Revaluations	Other Reserves	Net Profit/(Loss) for the Period	Subtotal Capital accounts of Majority Shareholders	Non-controlling interests in Paid-In Capital and Capital Reserve	Non-controlling interests in Profit for the period	Non-controlling interests	Total Equity
<b>(190)</b>	<b>24,292</b>	<b>9,656</b>	<b>34,143</b>	<b>(218)</b>	<b>431</b>	<b>213</b>	<b>34,356</b>
–	–	3,554	3,554	–	101	101	3,655
–	–	–	–	–	–	–	–
–	–	3,554	3,554	–	101	101	3,655
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	(108)	–	(108)	–	–	–	(108)
–	6	–	6	–	–	–	6
–	–	–	–	–	–	–	–
–	9,668	(9,656)	12	427	(431)	(5)	7
<b>(190)</b>	<b>33,858</b>	<b>3,554</b>	<b>37,607</b>	<b>208</b>	<b>101</b>	<b>309</b>	<b>37,916</b>
<b>199</b>	<b>69,699</b>	<b>15,396</b>	<b>86,040</b>	<b>245</b>	<b>160</b>	<b>405</b>	<b>86,446</b>
–	–	19,443	19,443	–	212	212	19,656
16	16	–	16	–	–	–	16
16	16	19,443	19,460	–	212	212	19,672
–	22,641	–	22,716	–	–	–	22,716
–	(433)	–	(433)	–	–	–	(433)
–	(21)	–	(21)	21	–	21	–
–	613	–	613	–	–	–	613
–	(13,607)	–	(13,607)	(52)	–	(52)	(13,659)
–	15,378	(15,396)	(18)	160	(160)	–	(18)
<b>215</b>	<b>94,287</b>	<b>19,443</b>	<b>114,751</b>	<b>374</b>	<b>212</b>	<b>586</b>	<b>115,337</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

€ thousand	Notes	unaudited 01.01.2017 – 30.06.2017	unaudited 01.01.2016 – 30.06.2016
<b>Earnings before Taxes (EBT)</b>		<b>20,275</b>	<b>4,759</b>
<i>Adjustments:</i>			
Amortisation of intangible assets		127	36
Depreciation of property, plant and equipment		205	132
Equity-settled share-based payment		613	6
Net loss/(gain) on disposal of property, plant and equipment		1	40
Finance costs		124	76
Interest income		(58)	(22)
Provisions		(8)	–
Share of results from Associates and Joint Ventures		(5,255)	(1,031)
<i>Total adjustments</i>		<i>(4,252)</i>	<i>(763)</i>
<b>Operating cash flows before changes in working capital</b>		<b>16,023</b>	<b>3,996</b>
<i>Changes in working capital:</i>			
Increase from sale of inventories		–	14,985
Decrease from purchase of inventories and advance payments		(68,738)	(12,022)
Changes in receivables and other assets that are not attributable to investing activities		(53,500)	8,353
Changes in liabilities that are not attributable to financing activities		113,785	12,165
<i>Total changes in working capital</i>		<i>(8,453)</i>	<i>23,481</i>
<b>Cash flows from operations</b>		<b>7,570</b>	<b>27,477</b>
Income taxes received/(paid)		(760)	(403)
<b>Net cash flows from operating activities</b>		<b>6,810</b>	<b>27,075</b>
Outflow for Alignment Capital Investments (Associates and Loans)		(23,003)	(11,852)
Inflow from repayment of Alignment Capital Investments (Associates and Loans)		23,520	6,520
Purchase of property, plant and equipment and intangible assets		(328)	(312)
Additions to intangible assets		(410)	(10)
<b>Net cash flows generated from / (used in) investing activities</b>		<b>(222)</b>	<b>(5,654)</b>

€ thousand	Notes	<b>unaudited</b> <b>01.01.2017 –</b> <b>30.06.2017</b>	unaudited 01.01.2016 – 30.06.2016
Proceeds from Issuance of New Share Capital		22,716	–
Share issuance expense		(594)	–
Dividend payments		(13,607)	–
Dividends paid to non-controlling interests		(52)	–
Sale/(Acquisition) of non-controlling interests		–	(108)
Proceeds from loans and borrowings		–	20,378
Repayment of loans and borrowings		(1,322)	(27,863)
Interest Paid		(161)	(2,378)
Interest Received		–	22
<b>Net cash flows (used in) / from financing activities</b>		<b>6,980</b>	<b>(9,948)</b>
<i>Net increase in cash and cash equivalents</i>		<i>13,568</i>	<i>11,473</i>
<b>Cash and cash equivalents at beginn of period</b>	D.4	<b>48,209</b>	<b>12,447</b>
Net increase in cash and cash equivalents		13,568	11,473
<b>Cash and cash equivalents at end of period</b>	D.4	<b>61,777</b>	<b>23,920</b>

## *SELECTED EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017*

<b>A.</b>	<b>CORPORATE INFORMATION</b>	<b>21</b>
<b>B.</b>	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>22</b>
	<i>B.1 Basis of preparation</i>	<i>22</i>
	<i>B.2 New standards, interpretations and amendments adopted by the Group</i>	<i>22</i>
	<i>B.3 Changes in accounting estimates and errors</i>	<i>23</i>
<b>C.</b>	<b>SEGMENT INFORMATION</b>	<b>24</b>
<b>D.</b>	<b>NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (30 JUNE 2017 VERSUS 31 DECEMBER 2016)</b>	<b>26</b>
	<i>D.1 Investment in Associates and Joint Ventures</i>	<i>26</i>
	<i>D.2 Advance Payments for Property Purchase Prices</i>	<i>30</i>
	<i>D.3 Inventories</i>	<i>30</i>
	<i>D.4 Restricted Cash, Cash and Cash Equivalents</i>	<i>30</i>
	<i>D.5 Share capital</i>	<i>31</i>
	<i>D.6 Other Reserves</i>	<i>31</i>
	<i>D.7 Long-term Financial Liabilities to Banks</i>	<i>31</i>
	<i>D.8 Other non-current Liabilities</i>	<i>32</i>
<b>E.</b>	<b>NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (30 JUNE 2017 VERSUS 30 JUNE 2016)</b>	<b>33</b>
	<i>E.1 Revenue from Acquisition Related Fees</i>	<i>33</i>
	<i>E.2 Revenue from Asset and Property Management</i>	<i>33</i>
	<i>E.3 Revenue from Promote Fees realised</i>	<i>33</i>
<b>F.</b>	<b>OTHER INFORMATION</b>	<b>34</b>
	<i>F.1 Earnings per share</i>	<i>34</i>
	<i>F.2 Commitments and contingencies</i>	<i>35</i>
	<i>F.3 Group entities</i>	<i>35</i>
	<i>F.4 Deconsolidation</i>	<i>39</i>
	<i>F.5 Fair value</i>	<i>40</i>
	<i>F.6 Related party information</i>	<i>42</i>
	<i>F.7 Significant events after the reporting date (subsequent events)</i>	<i>46</i>

## A. CORPORATE INFORMATION

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

CCH SA was established on 21 August 2015 for an unlimited period of time. The Company’s financial year starts on 1 January and ends on 31 December of each year.

On 23 February 2017, CORESTATE Capital Holding S.A. has completed its capital increase from authorised capital against cash contributions announced from €945,801.14 by a nominal amount of €74,723.86 (approximately 7.9% of the current share capital) to €1,020,525.00. The newly issued 996,318 ordinary shares (the “New Shares”) were placed with domestic and international institutional investors outside the United States at a price of €22.80 per share, resulting in gross proceeds of € 22,716,050.00. The New Shares are entitled to dividends as of 01 January 2016 and rank *pari passu* with the existing shares of the Company. The New Shares were included to trading in the Entry Standard segment of the Frankfurt Stock Exchange on 27 February 2017. Starting on 01 March 2017, the shares are traded in the newly created market segment “Scale” of the Frankfurt Stock Exchange, which has replaced the Entry Standard segment as of 1 March 2017. The delivery of the New Shares and settlement of the transaction occurred on 28 February 2017.

All 13,606,999 ordinary shares in dematerialised form (ISIN LU1296758029/WKN A141J3) are admitted for trading on the Frankfurt Stock Exchange via the non-regulated Scale. Therefore, the Company’s shares are not quoted on an 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 simplifies the reporting and publishing requirements.

The shareholders of CORESTATE Capital Holding S.A. have adopted all agenda items with approval at the Annual General Meeting held on 28 April 2017. The Annual General Meeting resolved, among other topics, to distribute a dividend of €1 per share. The pay-out sum amounts to €13,606,999 in total. Based on the adjusted net profit for fiscal year 2016, the dividend ratio is thus around 70% as management had announced. The dividend yield based on the volume-weighted average share price since the listing is around 4%. Furthermore, the shareholders unanimously voted in favour of the administration’s proposal to create new authorised capital of up to €2 million. This measure will enable the company to continue to act quickly and flexibly in the future with regard to its financing needs and pursuing strategic development opportunities.

CCH SA is a real estate investment manager specialising in the creation and subsequent realisation of real estate related investments in Europe for private and institutional clients. CCH SA and its subsidiaries (the Group) are active as a co-investor and asset and property manager and are focused on residential and commercial (primarily retail and office) real estate as well as micro-living projects. Geographically, the Group primarily concentrates on the German market but also is selectively active in other attractive markets in Europe such as Austria and Spain. Its investment product offering covers the full range of the risk/return curve, i.e. from value-add/opportunistic to core, and, in each case, is tailor-made for the specific requirements of its clients. As a key element of its business model, the Group is actively warehousing certain real estate in order to seize opportunities both in competitive situations as well as in order to establish seed portfolios for institutional products. As of 30 June 2017, the Group employs about 352 FTE real estate experts across 25 offices in 5 countries, providing direct access to local markets.

The Group focuses on three key business segments, these being

- Real Estate Investment Management
- Alignment Capital Management
- Real Estate Operations and Warehousing

The Interim Condensed Consolidated Financial Statements of CORESTATE Capital Holding S.A. and its subsidiaries (collectively, the Group) for the six months ending on 30 June 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 14 August 2017.

The Interim Condensed Consolidated Financial Statements have not been audited or subject to an audit review.

The Interim Condensed Consolidated Financial Statements of CORESTATE Capital Holding S.A. are published according to the provisions of Luxembourgian Law and the exchange rules of the Frankfurt Stock Exchange. They will be available on the Company’s website and at the Company’s offices at 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

## B. SIGNIFICANT ACCOUNTING POLICIES

### ***B.1 Basis of preparation***

The Interim Condensed Consolidated Financial Statements for the six months ending on 30 June 2017 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) for interim financial statements in accordance with IAS 34 “Interim Financial Reporting”.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group’s Annual Consolidated Financial Statements as of 31 December 2016.

The preparation of the Group’s Interim Condensed Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected. All estimates, assumptions, options and judgements remain unchanged from the Group’s Annual Consolidated Financial Statements as of 31 December 2016.

The business activities of the Group are basically unaffected by seasonal influences.

The Interim Condensed Consolidated Financial Statements are presented in Euros, which is the presentation currency of the Group and the functional currency of the parent company. All values are rounded to the nearest thousand Euros (€ thousand), except where otherwise indicated. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates, therefore some of the total sums disclosed in the accounts may not add up.

Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in these Interim Condensed Consolidated Financial Statements, a dash (“–”) signifies that the relevant figure is not available, while a zero (“0”) signifies that the relevant figure is available, but has been rounded to or equals zero.

### ***B.2 New standards, interpretations and amendments adopted by the Group***

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group’s Annual Consolidated Financial Statements for the year ending on 31 December 2016.

The following new standards, interpretations and amendments to existing standards and interpretations are applicable for the first time for financial years beginning on 1 January 2017:

- IAS 7 Disclosure Initiative – Amendments to IAS 7 (Effective date: 1 January 2017). This amendment does not have any impact on the Group’s Interim Condensed Consolidated Financial Statements.
- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (Effective date: 1 January 2017). This amendment does not have any impact on the Group’s Interim Condensed Consolidated Financial Statements.

**B.3 Changes of comparative information in accordance with IAS 8.42**

Fees in the amount of €1.6 million from the termination agreement with Münchener Baugesellschaft mbH regarding the existing management agreement were recognised in June 2016. Based on the final termination agreement dated July 2016, such fees and revenues were corrected by restating each of the affected line items in the prior year income statement.

**Amendments of the Statement of Financial Position and the Income Statement**

€ thousand	Balance as originally reported 30.06.2016	Adjustments	Corrected balance 30.06.2016
<b>Statement of Financial Position</b>			
Trade receivables	3,802	(1,553)	2,249
<b>Total Equity</b>	<b>39,469</b>	<b>(1,553)</b>	<b>37,916</b>
<b>Total Assets / Total Equity and Liabilities</b>	<b>87,724</b>	<b>(1,553)</b>	<b>86,171</b>
<b>Income Statement</b>			
Revenue from Asset and Property Management	11,359	(1,553)	9,806
<b>Total Earnings from Real Estate Investment Management</b>	<b>2,182</b>	<b>(1,553)</b>	<b>629</b>
<b>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>	<b>8,326</b>	<b>(1,553)</b>	<b>6,773</b>
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>8,159</b>	<b>(1,553)</b>	<b>6,606</b>
<b>Net Profit / (Loss) for the Period</b>	<b>5,208</b>	<b>(1,553)</b>	<b>3,655</b>
		(1,553)	
<i>of which attributable to equity holders of parent company</i>	5,154	(47)	3,554
<i>of which attributable to non-controlling interests</i>	54	47	101
<b>Earnings per share (diluted / undiluted)</b>	<b>0.53 €</b>		<b>0.36 €</b>

The Statement of Changes in Equity as well as the Statement of Cash Flows for the first six months of the financial year 2016 and segment reporting were also adjusted accordingly.

## C. SEGMENT INFORMATION

The following tables present assets and liabilities information as well as revenue and profit information for the Group's operating segments for the six months ending on 30 June 2017 and 2016, respectively.

### Segment Information for the period from 1 January to 30 June 2017

€ thousand	Real Estate Investment Manage- ment	Alignment Capital Manage- ment	Real Estate Operations/ Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
<b>Revenues:</b>							
Revenues	36,476	–	1,506	<b>37,982</b>	–	–	37,982
Inter-segment revenues	–	–	–	–	–	–	–
<b>Total revenues</b>	<b>36,476</b>	<b>–</b>	<b>1,506</b>	<b>37,982</b>	<b>–</b>	<b>–</b>	<b>37,982</b>
Income/expenses							
Expenses from Real Estate Investment Management	(16,351)	–	–	(16,351)	–	–	(16,351)
Share of Profit or Loss from Associates and Joint Ventures	–	5,255	–	5,255	–	–	5,255
Expenses from Management of Associates and Joint Ventures	–	12	–	12	–	–	12
Net Gain from Selling Property Holding Companies	–	–	5,359	5,359	–	–	5,359
Expenses from Real Estate Operations	–	–	(935)	(935)	–	–	(935)
General and Administrative Expenses	–	–	–	–	(8,761)	–	(8,761)
Depreciation & Amortisation	–	–	–	–	(337)	–	(337)
Financial Income	–	–	–	–	69	–	69
Financial Expenses	–	–	–	–	(2,116)	–	(2,116)
Other income/ expenses and taxes	–	–	–	–	(523)	–	(523)
<b>Segment Profit</b>	<b>20,125</b>	<b>5,268</b>	<b>5,930</b>	<b>31,323</b>	<b>(11,667)</b>	<b>–</b>	<b>19,656</b>
<b>Total Assets (30.06.2017)</b>	<b>14,818</b>	<b>159,397</b>	<b>42,562</b>	<b>216,777</b>	<b>16,530</b>	<b>(48,515)</b>	<b>184,792</b>
<b>Total Liabilities (30.06.2017)</b>	<b>12,857</b>	<b>31,414</b>	<b>39,069</b>	<b>83,340</b>	<b>34,630</b>	<b>(48,515)</b>	<b>69,455</b>
Other disclosures							
Investment in associates	–	40,482	–	40,482	–	–	40,482
Investment in joint ventures	–	4	–	4	–	–	4
Segment investments	920	28,765	–	29,685	183	–	29,868

## Segment Information for the period from 1 January 2016 to 30 June 2016

€ thousand	Real Estate Investment Manage- ment	Alignment Capital Manage- ment	Real Estate Operations/ Warehousing	<b>Total Segments</b>	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
<b>Revenues:</b>							
Revenues	12,744	–	172	<b>12,916</b>	–	–	12,916
Inter-segment revenues	–	–	–	<b>–</b>	–	–	–
<b>Total revenues</b>	<b>12,744</b>	<b>–</b>	<b>172</b>	<b>12,916</b>	<b>–</b>	<b>–</b>	<b>12,916</b>
Income/expenses							
Expenses from Real Estate Investment Management	(12,116)	–	–	<b>(12,116)</b>	–	–	(12,116)
Share of Profit or Loss from Associates and Joint Ventures	–	1,031	–	<b>1,031</b>	–	–	1,031
Expenses from Management of Associates and Joint Ventures	–	(256)	–	<b>(256)</b>	–	–	(256)
Net Gain from Selling Property Holding Companies	–	–	8,543	<b>8,543</b>	–	–	8,543
Expenses from Real Estate Operations	–	–	(84)	<b>(84)</b>	–	–	(84)
General and Administrative Expenses	–	–	–	<b>–</b>	(3,434)	–	(3,434)
Depreciation & Amortisation	–	–	–	<b>–</b>	(167)	–	(167)
Financial Income	–	–	–	<b>–</b>	242	–	242
Financial Expenses	–	–	–	<b>–</b>	(2,089)	–	(2,089)
Other income/ expenses and taxes	–	–	–	<b>–</b>	(932)	–	(932)
<b>Segment Profit</b>	<b>629</b>	<b>775</b>	<b>8,631</b>	<b>10,035</b>	<b>(6,380)</b>	<b>–</b>	<b>3,655</b>
<b>Total Assets (30.06.2016)</b>	<b>3,845</b>	<b>69,135</b>	<b>3,745</b>	<b>76,725</b>	<b>17,678</b>	<b>(8,232)</b>	<b>86,171</b>
<b>Total Liabilities (30.06.2016)</b>	<b>9,116</b>	<b>21,428</b>	<b>12,244</b>	<b>42,788</b>	<b>13,698</b>	<b>(8,232)</b>	<b>48,254</b>
Other disclosures							
Investment in associates	–	31,351	–	<b>31,351</b>	–	–	31,351
Investment in joint ventures	–	58	–	<b>58</b>	–	–	58
Other segment assets	326	8,101	–	<b>8,427</b>	1	–	8,428

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

## D. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### D.1 Investments in Associates and Joint Ventures

#### Investments in Associates – Overview

Project	Name of associate	Country of incorporation	Place of business	Economic participation quote*	
				30 June 2017	31 Dec 2016
ACROSS	ACROSS TopCo 1 S.à r.l. and ACROSS TopCo 2 S.à r.l.	Luxembourg	Germany	10.0%	10.0%
ANNAPURNA	Iberian HoldCo III, S.L.	Spain	Spain	10.3%	10.3%
BEN	CORESTATE IREI Holding S.A.	Luxembourg	Germany	sold	22.4%
BERRY	Corestate Berry HoldCo S.à.r.l. in liquidation (i.L.)	Luxembourg	Germany	10.8%	10.8%
CLG	CLG Facility Management GmbH	Germany	Germany	49.0%	49.0%
DANUBE	Corestate VIE Development S.à r.l.	Luxembourg	Austria	9.7%	9.7%
DONALD	Müller 34 GmbH	Frankfurt am Main	Germany	5.1%	5.1%
ENERGY	Corestate Energy HoldCo S.à r.l. i.L.	Luxembourg	Germany	10.7%	10.7%
HARBOUR	HARBOUR AcquiCo 1 AIF S.à r.l. and HARBOUR AcquiCo 2 AIF S.à r.l.	Luxembourg	Germany	14.8%	14.8%
HIGHSTREET I	Corestate Highstreet TopCo Limited and Highstreet TopCo II Limited	Guernsey	Germany	12.3%	12.3%
HIGHSTREET II	Corestate Highstreet II TopCo Limited and Highstreet II AcquiCo Limited	Guernsey	Germany	8.2%	8.2%
HIGHSTREET IV	Highstreet IV TopCo Limited	Guernsey	Germany	9.5%	9.5%
HIGHSTREET PI	Highstreet Premium I TopCo Limited and Highstreet Premium I AcquiCo Limited	Guernsey	Germany	10.0%	10.0%
HIGHSTREET PII	Highstreet Premium II TopCo Limited	Guernsey	Germany	10.0%	10.0%
HIGHSTREET V	Highstreet V TopCo Limited and Highstreet V AcquiCo Limited	Guernsey	Germany	3.5%	3.5%
HIGHSTREET VI	Corestate Highstreet VI TopCo Limited and Corestate Highstreet VI AcquiCo Limited	Guernsey	Germany	10.0%	10.0%
HIGHSTREET VII	Highstreet VII TopCo Limited and Highstreet VII AcquiCo Limited	Guernsey	Germany	6.2%	n.a.
KING	KING AIF 1 S.à.r.l. and KING AIF 2 S.à.r.l.	Luxembourg	Germany	10.0%	n.a.
Liver	Liver HoldCo Limited	Guernsey	Great Britain	43.2%	n.a.
ROSE	ROSE PropCo S.à r.l.	Luxembourg	Germany	5.4%	5.4%
SAILING	Sailing HoldCo I S.à r.l.	Luxembourg	Germany	5.2%	5.2%
SQUIRREL	Squirrel AcquiCo I S.à r.l.	Luxembourg	Germany	5.7%	5.7%
T6	T6 HoldCo S.à r.l.	Luxembourg	Germany	19.1%	19.1%
TURBO FRA	TURBO FRA GmbH (until Dec 2015: Corestate Turbo FRA HoldCo S.à r.l.)	Luxembourg	Germany	10.0%	10.0%
TURBO VIE	Corestate Turbo HoldCo S.à r.l.	Luxembourg	Austria	7.9%	7.9%
4711	Venloer4711 AIF 1 S.à r.l. and Venloer4711 AIF 2 S.à r.l.	Luxembourg	Germany	10.1%	10.1%
VITU	VITU TopCo Limited	Guernsey	Germany	5.1%	5.1%

\*Participation quote according to Joint Venture and Co-Investment Agreement

In the first six months of the financial year 2017, the Group acquired shares in Project HIGHSTREET VII and Project LIVER.

Project HIGHSTREET VII is the acquisition of a real estate portfolio comprising retail properties such as department stores, warehouses and shopping centres located in mid-sized cities throughout Germany (such as Dresden, Essen, Kaiserslautern, Wuppertal, etc.) with a targeted aggregate gross asset value of up to €210.3 million.

Project Liver is the acquisition of the Royal Liver Building, a Grade A office building in Liverpool, UK. The asset, located at the world renowned UNESCO World Heritage Waterfront of Liverpool, is the land-mark of Liverpool and belongs to the three graces of Liverpool.

Several companies administered by CORESTATE Capital Holding S.A. and its subsidiaries signed notarised agreements concerning a significant asset management mandate and the sale of retail portfolios to Universal-Investment funds of the Bayerische Versorgungskammer (BVK). Since June 2017, the investment vehicles are administered by Universal-Investment-Luxembourg S.A. With a value of €687 million, the existing portfolio comprises a total of 90 properties in German cities and consists of sub-portfolios acquired as part of the Projects HIGHSTREET I, HIGHSTREET II, HIGHSTREET IV, HIGHSTREET V and HIGHSTREET PI. The Group is instructed with the asset management of these properties.

#### Investments in Joint Ventures – Overview

Project	Name of Joint Venture	Country of incorporation	Place of business	Economic participation quote*	
				30 June 2017	31 Dec 2016
SCORE	SCORE S.à r.l.	Luxembourg	Luxembourg	50.0%	50.0%

\*Participation quote according to Joint Venture and Co-Investment Agreement

**Investments in Associates and Joint Ventures – Movement in carrying value**  
**Period ending on 30 June 2017 (€ thousand)**

Project	1 Jan 2017	Additions	Share of profit/(loss) for the period	Dividends and capital repayments received in cash	Disposals	30 June 2017
ACROSS	1,149	–	(17)	–	–	1,132
ANNAPURNA	1,519	–	(33)	–	–	1,486
CLG	53	–	–	–	–	53
DANUBE	2,050	–	–	–	–	2,050
KING	–	850	(31)	–	–	819
LIVER	–	19,557	–	–	(3,203)	16,354
DONALD	226	–	(1)	–	–	224
ENERGY	108	–	(14)	–	–	94
HARBOUR	1,331	–	(19)	–	–	1,313
HIGHSTREET I	3,495	–	1,745	(5,240)	–	–
HIGHSTREET II	3,450	–	603	(4,053)	–	–
HIGHSTREET IV	5,016	–	966	(5,982)	–	–
HIGHSTREET PI	4,946	–	1,351	(6,297)	–	–
HIGHSTREET PII	3,358	–	99	–	–	3,457
HIGHSTREET V	1,292	–	653	(1,945)	–	–
HIGHSTREET VI	5,145	(0)	(57)	–	–	5,088
HIGHSTREET VII	–	8,358	–	–	(2,559)	5,799
ROSE	322	–	(9)	–	–	313
TURBO FRA	805	–	70	–	–	875
4711	1,466	–	(43)	–	–	1,423
VITU	11	–	(8)	(3)	–	–
<b>Associates, total</b>	<b>35,744</b>	<b>28,765</b>	<b>5,255</b>	<b>(23,520)</b>	<b>(5,761)</b>	<b>40,482</b>
SCORE	4	–	–	–	–	4
<b>Joint Venture, total</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4</b>
<b>Total</b>	<b>35,747</b>	<b>28,765</b>	<b>5,255</b>	<b>(23,520)</b>	<b>(5,761)</b>	<b>40,486</b>

**Investments in Associates and Joint Ventures – Movement in carrying value**  
**Period ending on 30 June 2016 (€ thousand)**

Project	1 Jan 2016	Additions	Share of profit/(loss) for the period	Dividends and capital repayments received in cash	Disposals	30 June 2016
BEN	5,082	878	1,700	–	–	7,659
HIGHSTREET PI	18	4,550	15	–	–	4,583
HIGHSTREET IV	4,308	–	(60)	–	–	4,248
HIGHSTREET I	7,011	50	(341)	(3,007)	–	3,714
TURBO VIE	3,161	–	(22)	–	–	3,139
HIGHSTREET II	2,979	–	12	–	–	2,991
DANUBE	1,260	790	–	–	–	2,050
ACROSS	–	1,350	(41)	–	–	1,309
TURBO FRA	899	–	(72)	–	–	827
ROSE	–	331	(2)	–	–	329
DONALD	820	–	(175)	–	(426)	219
HIGHSTREET V	–	128	–	–	–	128
ENERGY	108	–	–	–	–	108
SQUIRREL	38	–	–	–	–	38
VITU	11	–	–	(0)	–	11
T6	3,495	–	–	(3,495)	–	–
BERRY	0	–	–	–	–	–
SAILING	0	–	–	–	–	–
PHOENIX	1	–	18	(18)	(0)	(0)
<b>Associates, total</b>	<b>21,189</b>	<b>8,077</b>	<b>1,031</b>	<b>(6,520)</b>	<b>(426)</b>	<b>31,351</b>
IBERIAN Advisors	25	–	–	–	–	25
SALUTE	29	–	–	–	–	29
SCORE	4	–	–	–	–	4
<b>Joint Venture, total</b>	<b>58</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>58</b>
<b>Total</b>	<b>29,247</b>	<b>8,077</b>	<b>1,031</b>	<b>(6,520)</b>	<b>(426)</b>	<b>31,409</b>

## D.2 Advance Payments for Property Purchase Prices

### Advance Payments for Property Purchase Prices

€ thousand	30 June 2017	31 Dec 2016
Project located in Wuppertal	1,900	–
Project 4711	–	1,300
Project CROWN	–	5
<b>Total</b>	<b>1,900</b>	<b>1,305</b>

## D.3 Inventories

### Inventories

Financial Year € thousand	2017 total	2016 total
Acquisition cost		
As of 1 January	15,905	39,216
Additions	27,191	63,251
Sale of property holding companies	(1,963)	(86,561)
<b>As of 30 June / 31 December</b>	<b>41,133</b>	<b>15,905</b>
Write-downs to net realisable value		
As of 1 January	–	–
<b>As of 30 June / 31 December</b>	<b>–</b>	<b>–</b>
<b>Total (Carrying amount)</b>	<b>41,133</b>	<b>15,905</b>

Inventories comprise real estate properties of the segment “Real Estate Operations and Warehousing” which are to be sold (real estate properties held for trading purposes).

With the Joint Venture and Co-Investment Agreement dated 28 June 2017, the Group transferred commercial property holding subsidiaries to Project HIGHSTREET VII in June 2017 (refer to Note D.1).

## D.4 Restricted Cash, Cash and Cash Equivalents

Restricted Cash (€0.8 million; 31.12.2016: €0.7 million) and Cash and Cash Equivalents (€61.0 million; 31.12.2016: €47.5 million) in the consolidated Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. The Group has included restricted cash as well as cash and cash equivalents as they are considered an integral part of the Group’s cash management.

Restricted cash of €0.7 million (previous year €0.7 million) is in relation to Project DONALD (previous year cash on CAPEX accounts), and reflects a security deposit agreed under the transaction documentation.

## D.5 Share capital

### Share capital

€ thousand	2017	2016
<b>As of 1 January</b>	<b>946</b>	<b>195</b>
Issue of share capital (in cash from private placement)	75	190
Issue of share capital (contribution in cash)	–	555
Issue of share capital (from exercise of share options)	–	6
<b>As of 30 June / 31 December</b>	<b>1,021</b>	<b>946</b>

## D.6 Other reserves

The composition and development of the other reserves is shown in the interim consolidated Statement of Changes in Equity.

The private placement from February 2017 resulted in a cash capital increase allocated to the other reserves in the amount of €22,641,326.14 (refer to Note A).

On 28 April 2017, the Annual General Meeting of shareholders resolved to pay a dividend for the 2016 fiscal year in an amount of € 13,606,999.00 (€1.00 per ordinary share) out of the freely distributable reserves (“other reserves”) of the Company to the existing shareholders (refer to Note A).

## D.7 Long-term Financial Liabilities to Banks

### Long-term Financial Liabilities to Banks

€ thousand	Nominal amount	Maturity	Interest rate	Face value as of 30 June 2017	Face value as of 31 Dec 2016
Rüsselsheimer Volksbank eG	10,500	30.06.2021	Euribor plus margin	8,930	9,073
Schwyzer Kantonalbank Lombard Fixed-Term	CHF 10,500	30.06.2020	Euribor plus margin	5,053	5,053
<b>Total</b>				<b>13,983</b>	<b>14,126</b>

With the loan agreement dated 22 March 2016, the Group company Crown PropCo GmbH has entered into a loan agreement with Rüsselsheimer Volksbank eG providing for a loan to Crown PropCo GmbH of up to €10.5 million for the financing of the acquisition and refurbishment of a real estate asset in Kronberg. The loan matures on 30 June 2021 and is repayable in 60 monthly instalments (59 repayment instalments in the amount of €26 thousand and one (final) repayment instalment in the amount of €9.0 million). The loan bears interest at a rate of (currently) 1.25%. Such interest rate is based on 3-months Euribor and will be increased if 3-months Euribor increases to (or above) 0.25%. The loan is secured by, *inter alia*, a land charge over the Kronberg property and an assignment of rent receivables. As per 30 June 2017 the loan amounts to €9.2 million (thereof current portion: €0.3 million).

In July 2014, Schwyzer Kantonalbank and CC AG have entered into a master agreement for a credit facility of up to CHF 10.0 million valid until 2020. The facility will be reduced by CHF 2.0 million annually starting 31 December 2016, i.e. the maximum amount to be drawn under the facility in 2017 is fixed at CHF 8.0 million. The credit facility is secured by a global assignment of receivables, and the parties have agreed the certain covenants related to statutory financial statements of CC AG according to the Swiss Code of Obligations (OR):

- Equity ratio of more than 40%
- Earnings before interest and tax (EBIT) of more than CHF 2.0 million p.a. with agreed adjustments

Under the master agreement, CC AG may draw either in € or CHF and both on a fixed or variable interest basis. On 30 June 2017, the facility was utilised in an aggregate amount of €7.4 million (terms from 3 June 2017 until 3 August 2017 with a fixed interest of 1.60% p.a.). As per 30 June 2017 the total undrawn amounts under the credit facility financed by Schwyzer Kantonalbank amount to €0 thousand.

## D.8 Other non-current Liabilities

### Other non-current Liabilities

€ thousand	30 June 2017	31 Dec 2016
Warehousing facility from SO Holding AG (including accrued interests)	25,704	6,050
Liabilities from employee benefits	2,023	1,840
Bond 1 issued to UNIVERSAL INVESTMENTS LUXEMBOURG S.A.	1,100	1,100
Bond 2 issued to UNIVERSAL INVESTMENTS LUXEMBOURG S.A.	740	740
<b>Total</b>	<b>29,567</b>	<b>9,730</b>

As of 9 June 2016, the Group has established a €25.0 million revolving loan facility for the financing of acquisition or development of real estate assets in the European Union, the UK and Switzerland in the course of the Group's warehousing activities with SO Holding AG as lender. SO Holding AG is a company related to one of the Group's longstanding private clients. As of 30 June 2017, loans in the aggregate amount of €25.0 million (31.12.2016: €5.7 million) have been drawn under this facility. The facility has a term of four years and bears interest at a rate of 8% p.a. on drawn amounts. A commitment fee of 8% p.a. applies with respect to all undrawn amounts. The loan is secured by share pledges over the borrowers under the facility and by a pledge over an interest reserve account in Luxembourg, in which the Group deposits on a monthly basis 1/12 of the annual interest and commitment fee payable under the loan agreement. The loan agreement provides for various customary covenants and events of default. A cancellation right in respect of the entire facility is triggered, *inter alia*, if a party which is not majority-owned or controlled by Mr Ralph Winter acquires 50% or more of the share capital of the Company or can exercise 50% or more of the voting rights in the Company.

Liabilities from employee benefits result from the annual MCIF contribution (refer to Note F.6.2).

## E. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (30 JUNE 2017 VERSUS 30 JUNE 2016)

### E.1 Revenue from Acquisition Related Fees

#### Revenue from Acquisition Related Fees

€ thousand	01.01.2017 – 30.06.2017	01.01.2016 – 30.06.2016
Revenue from Acquisition Fee	9,073	2,438
Revenue from Onboarding Fee	–	500
<b>Total</b>	<b>9,073</b>	<b>2,938</b>

### E.2 Revenue from Asset and Property Management

#### Revenue from Asset and Property Management

€ thousand	01.01.2017 – 30.06.2017	01.01.2016 – 30.06.2016
Revenue from Property Management Fee	7,664	5,466
Revenue from Asset Management Fee	5,611	4,253
Revenue from Sales Fee from third party AM	527	88
Revenue Other Fees	460	–
<b>Total</b>	<b>14,263</b>	<b>9,806</b>

### E.3 Revenue from Promote Fees realised

#### Revenue from Promote Fees realised

€ thousand	01.01.2017 – 30.06.2017	01.01.2016 – 30.06.2016
Promote Fee realised	15,998	–
Success capital introduction Fee towards third parties	(2,858)	(191)
<b>Total</b>	<b>13,140</b>	<b>(191)</b>

The Promote fee realised primarily relates to the sale of retail portfolios of Projects HIGHSTREET I, HIGHSTREET II, HIGHSTREET IV, HIGHSTREET V and HIGHSTREET PI to Universal-Investment funds of the Bayerische Versorgungskammer (BVK) (refer to Note D.1).

Success capital introduction fees are capital raising commissions agreed with a third-party equity broker upon commitment of the relevant equity investments by the clients, and linked to the actual performance of the underlying investment.

## F. OTHER INFORMATION

### F.1 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding is calculated as follows.

#### Calculation of weighted average number of ordinary shares (undiluted)

	01.01.2017 – 30.06.2017		01.01.2016 – 30.06.2016	
	number of shares	days	number of shares	days
<b>Shares at the beginning of the period</b>	<b>12,610,681</b>	<b>181</b>	<b>9,742,300</b>	<b>182</b>
Issue of new shares (in cash) on 27 February 2017	996,318	123	–	
<b>Shares at the end of the period</b>	<b>13,606,999</b>		<b>9,742,300</b>	
<b>Weighted average number of shares for the period</b>	<b>13,287,737</b>		<b>9,742,300</b>	

#### Calculation of weighted average number of shares (diluted)

	01.01.2017 – 30.06.2017		01.01.2016 – 30.06.2016	
	number of shares		number of shares	
New shares from the exercise of share-based payments	127,452		127,452	
Average stock price for the period (€/share)	30.40		0.00	
Total value of new shares from the exercise of share-based payments (€)	3,874,928.25		0.00	
Exercise price of new shares (€/share)	12.32		0.00	
Not vested portion (€)	957,339.33		0.00	
Difference between stock price and exercise price & not vested portion (€)	1,347,482.08		00.0	
Calculation of fictitious bonus shares	44,321		0	
<b>Weighted average number of ordinary shares for the period</b>	<b>13,332,058</b>		<b>9,742,300</b>	

Earnings per share, both undiluted as well as diluted, are calculated as follows.

#### Earnings per share (undiluted)

€ thousand	01.01.2017 – 30.06.2017	01.01.2016 – 30.06.2016
Profit attributable to ordinary equity holders of the parent: Continuing operations	19,443	3,554
<b>Profit attributable to ordinary equity holders of the parent for basic earnings</b>	<b>19,443</b>	<b>3,554</b>
Weighted average number of ordinary shares (undiluted): Share capital	13,287,737	9,742,300
<b>Weighted average number of ordinary shares (total)</b>	<b>13,287,737</b>	<b>9,742,300</b>
<b>Earnings per share</b>	<b>€1.46</b>	<b>€0.36</b>

#### Earnings per share (diluted)

€ thousand	01.01.2017 – 30.06.2017	01.01.2016 – 30.06.2016
Share capital	13,332,058	9,742,300
<b>Weighted average number of ordinary shares (total)</b>	<b>13,332,058</b>	<b>9,742,300</b>
<b>Earnings per share (diluted)</b>	<b>€1.46</b>	<b>€0.36</b>

## F.2 Commitments and contingencies

### F.2.1 Capital commitments

As of 30 June 2017, the Group has no outstanding commitments.

### F.2.2 Guarantees

Except for an Intra-Group guarantee in favour of CORESTATE Capital Advisors GmbH, there are no guarantees outstanding since the Group follows a strict non-recourse financing and security structure.

## F.3 Group entities

CCH SA is the parent company of the Group. The ultimate controlling party is Ralph Winter.

The consolidated financial statements include all companies which the group controls, i.e. for which CCH SA owns, directly or indirectly through subsidiaries, more than half of the voting power or for which CCH SA has the power to direct the relevant activities. There are no restrictions regarding Cash or Dividend Payments from subsidiaries.

With the exception of CORESTATE MCIF GmbH & Co.KG, the equity interest is equal to the voting rights. The Group does not hold the majority of voting rights in CORESTATE MCIF GmbH & Co.KG (only 2 voting rights), but has the power to direct its relevant activities.

## Group entities

Name	Seat and country of incorporation	30 June 2017	31 Dec 2016
		% equity interest	% equity interest
<b>Corestate Capital Holding S.A.</b>	<b>Luxembourg</b>	<b>Parent Company</b>	<b>Parent Company</b>
CORESTATE CAPITAL AG	Zug/ Switzerland	100.00%	100.00%
ACROSS HoldCo S.à r.l. (Highstreet VI PropCo II S.à r.l.)	Luxembourg	100.00%	100.00%
AF ATHENA GmbH	Frankfurt am Main/Germany	100.00%	N/A
Bayreuth Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
CAP FinCo S.à r.l.	Luxembourg	100.00%	100.00%
CAP HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Ben HoldCo GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	N/A
CORESTATE Capital Advisors (Singapore) Pte. Ltd.	Singapore	100.00%	100.00%
CORESTATE Capital Advisors GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE Capital Beteiligungs Verwaltung GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE Capital Developments GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE CAPITAL Fund Management S.à r.l.	Luxembourg	100.00%	100.00%
CORESTATE Capital Partners GmbH (CORESTATE Capital Finance GmbH)	Zug/Switzerland	100.00%	100.00%
Corestate Capital Sales Holding S.à r.l. (Highstreet II PropCo III S.à r.l.)	Luxembourg	100.00%	100.00%
Corestate Capital Senior BondCo S.à r.l.	Luxembourg	100.00%	N/A
Corestate Capital Junior BondCo S.à r.l.	Luxembourg	100.00%	N/A
CORESTATE Capital Transactions AG	Zug/Switzerland	100.00%	100.00%
Corestate CAPTIVE PropCo V S.à r.l.	Luxembourg	100.00%	100.00%
CORESTATE CIV GmbH	Frankfurt am Main/Germany	100.00%	100.00%
Corestate Investment 1 S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Sailing HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Condor HoldCo GmbH	Vienna/Austria	100.00%	100.00%
Corestate Condor PropCo GmbH	Vienna/Austria	100.00%	100.00%
Corestate Condor TopCo GmbH (Platin 1315. GmbH)	Frankfurt am Main/Germany	100.00%	100.00%
Corestate PropCo Shelf I S.à r.l.	Luxembourg	100.00%	N/A
Corestate PropCo Shelf II S.à r.l.	Luxembourg	100.00%	N/A
Corestate Student Home Holding S.à r.l.	Luxembourg	100.00%	100.00%
Corestate TopCo Shelf I S.à r.l.	Luxembourg	100.00%	N/A
Corestate ZGE Feeder GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
Crown PropCo GmbH	Frankfurt am Main/Germany	100.00%	100.00%
Dalla HoldCo AIF S.à r.l.	Luxembourg	100.00%	N/A

		30 June 2017	31 Dec 2016
Name	Seat and country of incorporation	% equity interest	% equity interest
DONALD HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Energy AcquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
Frankfurt Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Grindel AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Highstreet VII PropCo III S.à r.l. (Highstreet VIII PropCo I S.à r.l.)	Luxembourg	100.00%	100.00%
Highstreet VII PropCo V S.à r.l. (Corestate TopCo Shelf II S.à r.l.)	Luxembourg	100.00%	100.00%
Highstreet VIII AcquiCo Ltd.	Guernsey	100.00%	100.00%
Highstreet VIII HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Highstreet VIII PropCo II S.à r.l.	Luxembourg	100.00%	100.00%
Highstreet VIII TopCo Ltd.	Guernsey	100.00%	100.00%
Highstreet Premium II AcquiCo Limited	Guernsey	100.00%	N/A
Highstreet Premium II PropCo III S.à r.l.	Luxembourg	100.00%	N/A
Iberian HoldCo I S.L.	Madrid/Spain	100.00%	100.00%
Iberian HoldCo II S.L.	Madrid/Spain	100.00%	100.00%
Iberian Investment II HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Iberian PropCo I S.L.	Madrid/Spain	100.00%	100.00%
Iberian PropCo II S.L.	Madrid/Spain	100.00%	100.00%
Isabela HoldCo AIF S.à r.l. (Iberian Investment I HoldCo S.à r.l.)	Luxembourg	100.00%	100.00%
ISAR Beteiligungsverwaltungs GmbH	Frankfurt am Main/Germany	100.00%	100.00%
ISARTAL Beteiligungsverwaltungs GmbH	Frankfurt am Main/Germany	100.00%	100.00%
King HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Mainz Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
MicroLiving Service GmbH	Leipzig/Germany	100.00%	100.00%
MicroLiving Service zwei GmbH (CAPERA Immobilien Service GmbH)	Vienna/Austria	100.00%	100.00%
Müller34 Student Home Projektentwicklung- und Verwaltung GmbH	Frankfurt am Main/Germany	100.00%	100.00%
Olympic AIF 1 S.à r.l.	Luxembourg	100.00%	N/A
Olympic AIF 2 S.à r.l.	Luxembourg	100.00%	N/A
Potsdam Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Project AcquiCo I S.à r.l.	Luxembourg	100.00%	N/A
Project AcquiCo II S.à r.l.	Luxembourg	100.00%	N/A
RECAP FinCo S.à r.l.	Luxembourg	100.00%	100.00%
RECAP FinCo II S.à r.l. (Highstreet VI PropCo IV S.à r.l.)	Luxembourg	100.00%	100.00%
RECAP FinCo III S.à r.l.	Luxembourg	100.00%	100.00%

Name	Seat and country of incorporation	30 June 2017	31 Dec 2016
		% equity interest	% equity interest
RECAP FinCo IV S.à r.l. (CC SH HoldCo 01 S.à r.l.)	Luxembourg	100.00%	100.00%
RECAP FinCo V S.à r.l. (Project 13 HoldCo S.à r.l.)	Luxembourg	100.00%	100.00%
RECAP FinCo VI S.à r.l.	Luxembourg	100.00%	N/A
ROSE HoldCo S.à r.l. (Highstreet V PropCo III S.à r.l.)	Luxembourg	100.00%	100.00%
SQUIRREL Aquico II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
TRIIIPLE HoldCo GmbH	Frankfurt am Main/Germany	100.00%	N/A
TRIIIPLE HoldCo S.à r.l.	Luxembourg	100.00%	N/A
TRIIIPLE TopCo GmbH	Frankfurt am Main/Germany	100.00%	N/A
TURBO FRA AcquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
TURICUM AIF S.à r.l.	Luxembourg	100.00%	N/A
VITU Aquico II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE MCIF GmbH & Co. KG	Frankfurt am Main/Germany	86.67%	86.67%
Soest HoldCo S.à r.l. (Corestate Shelf HoldCo 2 S.à r.l.- Soest)	Luxembourg	81.80%	81.80%
CAPER A Immobilien Service GmbH	Neu-Isenburg/Germany	70.00%	70.00%
Corestate SAND HoldCo S.à r.l.	Luxembourg	69.74%	69.74%
1 2 3 6 Vermögensverwaltung GmbH (CORESTATE Co Investment Verwaltungs GmbH)	Frankfurt am Main/Germany	Insolvency	100.00%
Corestate Capital Vorratsgesellschaft mbH 1	Frankfurt am Main/Germany	Insolvency	100.00%
Corestate Capital Vorratsgesellschaft mbH EINS & Co. KG	Frankfurt am Main/Germany	Insolvency	100.00%
Iberian Investment I TopCo Ltd.	Guernsey	sold	100.00%
King PropCo S.à r.l.	Luxembourg	sold	100.00%
Venloer4711 PropCo S.à r.l. (Project 13 PropCo S.à r.l.)	Luxembourg	sold	100.00%

In the first six months of the financial years 2017, and 2016, various shelf-companies and companies without business were acquired or founded, however, business combinations have not been occurred.

The acquisition of Hannover LEASING GmbH & Co. KG, Helvetic Financial Services AG and genost Consulting GmbH (refer to the “subsequent events” in Note F.7) will be treated as business combinations. In the absence of underlying interim financial statements of these newly acquired companies as well as the missing purchase price allocation, no statement can be made regarding potential financial effects at this time.

#### F.4 Deconsolidation

During the first six months of the financial year 2017, the following real estate holding companies (all non-operative companies are summarised as “others”) were deconsolidated.

€ thousand	Project LIVER	Project 4711	Project KING	Project HIGH-STREET VII	Project DONALD	Others	Total
Total proceeds from sale	100	8,042	5,175	5,478	2,359	–	21,154
<i>thereof sales prices (cash)</i>	100	8,042	5,175	–	2,359	–	15,676
<i>thereof other consideration transferred</i>	–	–	–	5,478	–	–	5,478
Number of shares sold							
Shares in subsidiaries	75	–	–	–	–	–	75
Advance Payments for Property Purchase Prices	–	–	–	5,723	–	–	5,723
Inventories	–	226	190	17,981	–	–	18,397
Receivables	–	–	–	–	–	52	52
Receivables from affiliated companies	11	–	–	(0)	–	96	107
Other assets	11	1,314	763	48,525	–	2	50,615
Cash and cash equivalents	2	5,211	2,945	21,846	–	2	30,005
<b>Total assets</b>	<b>100</b>	<b>6,750</b>	<b>3,898</b>	<b>94,075</b>	<b>–</b>	<b>151</b>	<b>104,974</b>
Financial liabilities due to banks	–	–	–	0	–	–	0
Liabilities from affiliated companies	32	–	–	–	–	78	110
Trade payables	18	206	223	1,407	–	27	1,882
Other liabilities	0	5	–	87,353	–	28	87,387
<b>Total liabilities</b>	<b>50</b>	<b>212</b>	<b>223</b>	<b>88,761</b>	<b>–</b>	<b>134</b>	<b>89,379</b>
<b>Fair value of net assets sold</b>	<b>50</b>	<b>6,539</b>	<b>3,675</b>	<b>5,314</b>	<b>–</b>	<b>17</b>	<b>15,595</b>
Non-controlling interests	–	–	–	–	–	–	–
<b>Gain / (loss) from deconsolidation</b>	<b>50</b>	<b>1,503</b>	<b>1,500</b>	<b>164</b>	<b>2,359</b>	<b>(17)</b>	<b>5,559</b>
<b>Revenues generated until consolidation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Profit / (loss) until date of deconsolidation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(164)</b>	<b>–</b>	<b>–</b>	<b>(164)</b>

Remaining additional proceeds from the sale of Project DONALD, a micro-living development in Berlin, result from certain parts of the sales prices payable by the client which are linked to the construction progress. Project DONALD was deconsolidated in the financial year 2016.

### F.5 Fair value

Within the Group, only original financial instruments are used. Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments:

#### Fair Value of financial instruments

€ thousand	IAS 39 Category	Carrying amount 30 June 2017	Amortised cost	Fair value recognised through profit and loss	Fair value recognised directly in equity (OCI)	not applicable	Fair value 30 June 2017
Other financial instruments	Afs	2,304	–	–	2,304	–	2,304
Receivables from associates	LaR	9,908	9,908	–	–	–	9,908
Trade receivables	LaR	11,133	11,133	–	–	–	11,133
Other short-term receivables	LaR	2,544	2,544	–	–	–	2,544
Other short-term assets	LaR	7,243	7,243	–	–	–	7,243
Cash and cash equivalents	N/A	61,777	–	–	–	61,777	61,777
<b>Total financial assets</b>		<b>94,909</b>					<b>94,909</b>
Other non-current liabilities	FLaFV	19,719	17,696	2,023	–	–	19,719
Long-term financial liabilities to banks	FLAC	13,983	13,983	–	–	–	13,983
Short-term financial liabilities to banks	FLAC	2,629	2,629	–	–	–	2,629
Short-term liabilities to associates	FLAC	283	283	–	–	–	283
Trade payables	FLAC	11,966	11,966	–	–	–	11,966
Other current liabilities	FLAC/ FLAFV	9,848	9,848	–	–	–	9,848
<b>Total financial liabilities</b>		<b>58,429</b>					<b>58,429</b>

List of abbreviations: Afs = Available for sale; LaR = Loans and Receivables; FLAC = Financial Liability at Cost; FLAFV = Financial Liability at Fair Value

€ thousand	IAS 39 Category	Carrying amount 31 Dec 2016	Amortised cost	Fair value recognised through profit and loss	Fair value recognised directly in equity (OCI)	not applicable	Fair value 31 Dec 2016
Other financial instruments	Afs	2,217	–	–	2,217	–	2,217
Receivables from associates	LaR	10,756	10,756	–	–	–	10,756
Receivables from joint ventures	LaR	1,031	1,031	–	–	–	1,031
Trade receivables	LaR	5,271	5,271	–	–	–	5,271
Other short-term receivables	LaR	1,530	1,530	–	–	–	1,530
Other short-term assets	LaR	3,376	3,376	–	–	–	3,376
Cash and cash equivalents	N/A	48,209	–	–	–	48,209	48,209
<b>Total financial assets</b>		<b>72,389</b>					<b>72,389</b>
Other non-current liabilities	FLaFV	9,730	7,889	1,840	–	–	9,730
Long-term financial liabilities to banks	FLAC	14,126	14,126	–	–	–	14,126
Short-term financial liabilities to banks	FLAC	4,004	4,004	–	–	–	4,004
Short-term liabilities to associates	FLAC	948	948	–	–	–	948
Trade payables	FLAC	7,266	7,266	–	–	–	7,266
Other current liabilities	FLAC/ FLAFV	6,934	6,934	–	–	–	6,934
<b>Total financial liabilities</b>		<b>43,007</b>					<b>43,007</b>

List of abbreviations: Afs = Available for sale; LaR = Loans and Receivables; FLAC = Financial Liability at Cost; FLAFV = Financial Liability at Fair Value)

Other financial instruments measured at fair value recognised through profit and loss as well as measured at fair value recognised directly in OCI that do relate to Liabilities from employee benefits result from the annual MCIF contribution and the minority shares of the BVK fund.

As in the previous year, the Group's fair value measurements of assets and liabilities are all within Level 3. No financial instruments were reclassified to different hierarchy levels compared with the 2016 financial statements.

## **F.6 Related party information**

Parties are generally considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

Note F.3 provides information about the Group's structure, including details of the subsidiaries and the holding Company. CCH SA has identified these Group companies as well as the following entities and persons as related parties:

### **Major shareholders and shareholders' related entities**

- Ralph Winter
- Thomas Landschreiber
- Daniel Schoch
- Micha Blattmann
- Urs Felder
- Azteca Holding AG
- Blattmann Advokatur & Notariat
- Blattmann Rechtsanwälte AG
- Felur Swiss Treuhand AG
- Flygon Holding LLC
- INTERSHOP Holding AG (until 30 June 2016)
- Vicenda Asset Management AG
- W5 Group GmbH (formerly vitB AG)
- W5 Group LLC

Ralph Winter is a senior advisor to the Group through a consultancy agreement between W5 Group GmbH and CCH SA. W5 Group GmbH and W5 Group LLC are both investment advisory firms wholly owned by Ralph Winter. Flygon Holding LLC is also wholly owned by Ralph Winter and is an investment vehicle which holds all of the shares indirectly owned by Ralph Winter in the Company. INTERSHOP Holding AG is a real estate holding company listed on the Swiss stock exchange, and was holding ca. 28% in the Company's then registered share capital until 30 June 2016. Thomas Landschreiber and Daniel Schoch are members of the Company's board of management (EMC) while Micha Blattmann and Urs Felder are members of the Company's supervisory board. Blattmann Advokatur & Notariat is Micha Blattmann's law firm while Felur Swiss Treuhand AG is a Swiss tax advisory firm wholly owned by Urs Felder.

### **CCH SA Key Management Personal**

- Sascha Wilhelm (Chief Executive Officer of CORESTATE Capital Holding S.A. and a chairman of the Group's Investment Committee) – since 21 August 2015
- Thomas Landschreiber (Chief Investment Officer of CORESTATE Capital Holding S.A. and a member of the Group's Investment Committee) – since 21 August 2015
- Lars Schnidrig (Chief Financial Officer of CORESTATE Capital Holding S.A. and a member of the Group's Investment Committee) – since 1 July 2017
- Daniel Schoch (Chief Financial Officer of CORESTATE Capital Holding S.A. and a member of the Group's Investment Committee) – from 21 August 2015 until 14 July 2017

In addition to the individually agreed base salary and annual bonus payments, under their service agreements, the Management Board members are entitled to ancillary benefits that include, among other things, continued payment of remuneration in case of sickness or death for a certain period, contributions to private health insurance as well as D&O and E&O insurance coverage at usual market terms. The Company also reimburses all travelling costs and incidental expenses.

### **Members of the Supervisory Board**

- Micha Blattmann (Chairman, Manager, whose professional address is Birmihalde 9, CH-6314 Unteraegeri, Switzerland) – since 23 September 2015
- Urs Felder (self-employed tax and accounting Expert, whose professional address is at FELUR Swiss Treuhand AG, Sihlamtsstrasse 5, CH-8001 Zurich/Switzerland) – since 21 August 2015

- Ulrich Plett (Wirtschaftsprüfer, whose professional address is Clausewitzstr. 7, D-10629 Berlin/Germany) – since 23 September 2015
- Andreas Wirz (Architect, member of the Executive board of Intershop Holding AG, whose professional address is at Intershop Holding AG, Puls 5 – Giessereistrasse 18, Postbox 1601, CH-8031 Zurich/Switzerland) – since 21 August 2015 until 30 June 2016
- Thomas Zinnöcker (Diplom-Kaufmann, whose professional address is Philipp-Strasse 3, D-44803 Bochum/Germany) – from 23 September 2015 until 10 March 2016

#### Associates (Co-Investments)

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

CC AG and CCH SA invests typically between 5% and 10% in each of its investment products alongside its investors as alignment capital investment. Since CC AG provides comprehensive real estate investment management services to, and is acting as asset manager for such investments structures, these investment structures qualify as an Associate under the IFRS regime. The revenues generated with such Associates are based on market-standard Joint-Venture and Co-Investments Agreements (JVCIA) as well as Asset Management Agreements (AMA), and are entered into with and approved by its investors. Note D.1 provides an overview of the Group's Investment in Associates.

#### Joint Venture (cooperation with local partners)

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

The Group is also selectively looking at other attractive European real estate markets such as Austria and Spain. In selected markets, the Group envisage structured growth through efficient resource allocation and ensuring necessary market expertise, typically by cooperating with local partners. This cooperation may take the form of an exclusive joint venture in a specific market (as already established in Spain).

### **F.6.1 Transactions with shareholders and shareholder related entities**

#### **Transactions with shareholders and shareholder related entities**

€ thousand	<b>01.01.2017 – 30.06.2017</b>	01.01.2016 – 30.06.2016
Fees paid to vitB AG/W5 Group/W5 Group LLC under consultancy agreements	(292)	(205)
Cost reimbursements to vitB AG/W5 Group/W5 Group LLC	(247)	(135)
Fees paid to Vicenda	(7)	–
Rental income from sublease with Azteca Holding	9	–
Interests expenses from shareholder loans	–	(2,342)
Repayment of loans granted by shareholders	–	(27,814)
Sales of Shares in Subsidiaries or Associates to shareholders	–	(4,982)
Repayments of loans granted to shareholders	–	855
Interests income on loans granted to shareholders	–	6
Dividends (including capital repayments) paid to shareholders	(13,607)	–
Rental income from sublease with W5 Group	–	7
Reimbursement Projekt ISAR from W5 Group	75	–

## F.6.2 Transactions with Key Management Personnel

### Transactions with Key Management Personnel and members of the Supervisory Board

€ thousand	01.01.2017 – 30.06.2017	01.01.2016 – 30.06.2016
Short-term employee benefits	(1,102)	(1,344)
Remuneration/Payments to members of the Supervisory Board	(201)	(124)
EMC Bonus Awards contributed to MCIF	–	(200)
Equity-settled share-based payment	–	(6)
Reimbursement from key management personnel	11	–

Short-term employee benefits relate the payment of the annual base salary agreed under the service agreements with the members of the Group's Executive Management Committee ("EMC") as well as the cash component of the annual bonus award of the EMC members.

The EMC members as well as certain other employees have a minority interest (Limited Partner) in Corestate MCIF GmbH & Co. KG (MCIF). All profits of MCIF are distributable to these Limited Partners (disproportionate profit distribution). Under the MCIF scheme, the EMC members but also certain other key personnel are required to contribute up to one third of the annual bonus (as compensation element for their service for the respective financial year) to CORESTATE MCIF GmbH & Co. KG as a deferred bonus payment (annual MCIF contribution). MCIF invests alongside the Group in alignment capital investments, thereby serving as a retention instrument for the plan participants since the annual MCIF contribution becomes payable to the participants only after three years, and is further subject to good and bad leaver provisions. Profits generated by MCIF, however, are immediately distributed to the participants pro rata their participations in the underlying alignment capital investment. All pay-outs to the MCIF participants are made in cash (cash-settled share-based payment transaction). As of 30 June 2017, €0.2 million (as of 30 June 2016: €0.4 million) has been recognised as expense relating to MCIF (this amount also represents the fair value of MCIF related annual bonus awards). The respective liability recognised in the Statement of Financial Position as per 30 June 2017 is €2.0 million (as of 31 December 2016: €1.8 million).

Upon occurrence of the listing on 4 October, 2016 of the Company's shares on the Frankfurt stock exchange, the members of the EMC were granted a special payment on the basis of the individual service agreements in form of shares in the company (so-called "share-based payment") in an aggregate amount of €2.2 million. Such share-based payments are part of the Management Board's remuneration. In addition, the related wage tax and fringe benefits such as social security contributions are to be borne by the Company.

The share-based compensation granted will only be forfeited under certain circumstances (i.e. when the Company terminates the service agreement for cause or the service agreement is terminated upon request of the member of the ECM during the relevant current term). In turn, the share grants individually agreed for each member of the EMC vest over various periods linked to the term of the underlying service agreement.

The fair value of such share grants is calculated as €17.00 per share less projected dividend payments per share during the relevant vesting period, and is amortised (i.e. recognised through profit and loss) based on the vesting periods individually agreed for each member of the ECM. The total expense recognised through profit and loss in relation to such share grants to the EMC in the financial year 2016 was €0.5 million, and also includes wage taxes and related social security contributions. A corresponding deferred tax asset amounting to €0.1 million was also recognized through profit and loss.

The Group's former chief financial officer was granted an option to acquire 1.25% of CC AG at 50% of the fair value (equity settled share-based payment plan) in December 2007, contingent on the fulfilment of certain specified vesting conditions. The service period commenced on 1 April 2008. The vesting period was variable and vesting occurred once certain performance conditions (total revenues, implementation of certain company structures and functions) are fulfilled on a cumulative basis. Upon vesting the option could be exercised within 36 months. The exercise price to acquire 1.25% of CC AG would have been based on a company valuation to be performed by a renowned expert.

The fair value of such an option has been determined based on the acquisition of a non-controlling interest stake by a third party. All vesting conditions were met around the Company's contemplated (but aborted) initial public offering in October 2015. The fair value of the award is expensed on a straight-line basis over the period from 2007 to 2015.

The Company has also granted to the new Chief Financial Officer of CORESTATE Capital Holding S.A. a share-based compensation.

### F.6.3 Transactions with Associates (Co-Investments)

The terms and condition agreed with Associates for the services of CCH SA Group are negotiated and set out in the underlying documentation for each investment product entered into with the respective investor (JVCIA, AMA etc.). Hence, such terms and conditions are at arm's length.

#### Transactions with Associates (Co-Investments)

€ thousand	01.01.2017 – 30.06.2017	01.01.2016– 30.06.2016
Revenue from Acquisition Related Fees	2,405	3,129
Revenue from Asset and Property Management	5,553	3,427
Revenue from Promote Fees realized	15,998	–
Proceeds from Selling Property Holding Companies	5,359	8,543
Interest income from Associates	56	22
Interest expenses from Associates	–	6

The Promote Fee realised primarily relates to the sale of retail portfolios of Projects HIGHSTREET I, HIGHSTREET II, HIGHSTREET IV, HIGHSTREET V and HIGHSTREET PI to Universal-Investment funds of the Bayerische Versorgungskammer (BVK) (refer to Note D.1) .

#### Transactions with Associates (Co-Investments)

€ thousand	01.01.2017 – 30.06.2017	01.01.2016– 30.06.2016
Long-term Loans to Associates	656	2,493
Receivables from Associates	7,305	8,263
Short-term Liabilities to Associates	283	948

Long-term Loans to Associates relate to Project TURBO FRA (31.12.2016: Project HIGHSTREET PI and Project TURBO FRA). Due to the sale of the retail portfolio of Project HIGHSTREET PI, the long-term loan granted to Highstreet Premium I PropCo II S.à r.l. (€1,895 thousand including accrued interests) were reclassified to the line item "Other Financial Instruments".

Receivables from Associates are related to acquisition fees as well as ongoing asset management fees under the asset management agreement. Short-term Liabilities to Associates are relate to overpaid fees.

We refer for items in the Statement of Financial Position to Note D.1 for further details on the transactions with Associates.

### F.7 Significant events after the reporting date (subsequent events)

- CORESTATE Capital Holding S.A. announced the acquisition of a 94.9% stake in Hannover LEASING GmbH & Co. KG including HANNOVER LEASING Group's affiliates in December 2016. Completion of the transaction was subject to the conclusion of owner control procedures by BaFin which has been completed until 16 June 2017. BaFin advised that there are no reasons for prohibition of the acquisition. Therefore, the transaction was closed in early July 2017. The sellers are essentially the majority shareholders, Landesbank Hessen-Thüringen Girozentrale (Helaba) and Hessisch-Thüringische Sparkassen-Beteiligungsgesellschaft (HTSB). Helaba will remain as a minority shareholder with a 5.1% stake in Hannover Leasing Group. The acquisition of Hannover Leasing represents an appealing blend of contractually secured, long-term asset management returns and great potential for new business. The Group is expanding and diversifying its product range and improving its access to new sources of capital. The purchase price is not finally calculated at the moment.
- On 5 July 2017, CORESTATE Capital Holding S.A. closed the acquisition of a 100.0% stake in Helvetic Financial Services AG ("HFS"), based in Wollerau (Switzerland). With the acquisition of HFS, the Group will expand its value proposition to include mezzanine real estate financing and grow its fund business. In addition to the payment of the cash component amounting to €239.0 million, the Company's share capital is increased by the issuance of 7,365,256 new shares against contribution in kind from authorised capital as part of the transaction. This increases the amount of outstanding shares to 20,972,255. The new shares are entitled to dividends as of 1 January 2017 and rank *pari passu* with the existing shares of CORESTATE Capital Holding S.A.
- On 5 July 2017, CORESTATE Capital Holding S.A. closed the acquisition of a 100.0% stake in genost Consulting GmbH, Leipzig, for a purchase price of €1.0 million. genost Consulting GmbH is a consulting firm with a focus on investment decisions in real estate assets.
- CORESTATE Capital Holding S.A. is currently setting up an open-ended special AIF with a focus on residential property in Germany. An initial €70 million equity for the seed portfolio has already been secured; the first investor is a German pension fund. The target volume of the CORESTATE Residential Germany Fund II is at least €300 million. Hannover Leasing Investment GmbH is mandated as the investment management company. The CORESTATE Residential Fund II focuses on newly built residential property in metropolitan areas and prospering cities throughout Germany and will aim at an annual pay-out rate of at least 4%.
- With amendment to the Joint Venture and Co-Investment Agreement Project "HIGH-STREET VII" dated 31 July 2017, the Group company CORESTATE CAPITAL AG has assumed the remaining investor commitment in the amount of €6.5 million. The amount must be paid in respect to Project HIGHSTREET VII on 22 August 2017 at the latest. Accordingly, the total commitment of CORESTATE CAPITAL AG increased to €12.1 million (Economic participation quote of 13.23%).
- Corestate Capital Holding S.A. has entered into a Revolving Credit Facility with a syndicate of Banks led by Banque International A Luxembourg as per 30 June 2017 and amended as per 7 August 2017. The maximum available loan amount under the Revolving Credit facility amounts to €40.0 million. The term of the Revolving Credit Facility is three years. The loan amount can be utilised for general corporate purposes and in particular to support the growth of Corestate Capital Holding S.A.

Save for the matters set out above, there have been no events since the reporting date which could have a significant effect on the net assets, financial position or results of operations of the Group.

Luxembourg, 14 August 2017



Sascha Wilhelm  
Chief Executive Officer



Lars Schnidrig  
Chief Financial Officer



Thomas Landschreiber  
Chief Investment Officer

## ***Imprint***

### **PUBLISHER**

CORESTATE Capital Holding S.A.  
4, rue Jean Monnet  
L-2180 Luxembourg

[www.corestate-capital.com](http://www.corestate-capital.com)

### **EDITORS & TYPESETTING**

Edelman.ergo GmbH  
Frankfurt/Main, Berlin, Cologne, Hamburg, Munich

[www.edelmanergo.com](http://www.edelmanergo.com)

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