



CORESTATE

Capital Group



CORESTATE Capital Holding S.A.

A Leading Asset and Investment Manager

Half-Year Financial Report as of 30 June 2018

Company Profile

CORESTATE Capital Holding S.A. (CORESTATE), headquartered in Luxembourg, is a fully integrated real estate investment manager and co-investor addressing all elements of the real estate investment lifecycle. At the end of H1/2018, the Company had roughly € 22bn in assets under management. Together with its subsidiaries, CORESTATE provides asset, fund, and property management services and related investment products for its clients, covering virtually all major real estate asset classes and investment vehicles. Income is generated through the Company's three segments (i) Real Estate Investment Management, (ii) Alignment Capital Management and (iii) Real Estate Operations and Warehousing. CORESTATE's client base consists of institutional, semi-institutional and retail clients. The Group's key market is Germany with selected activities in other European countries such as Austria, Switzerland, Spain and the Benelux countries. It operates principal offices in Germany, Switzerland, UK and Spain. As of 30 June 2018, the Group employs 602 people (568 full-time equivalents) across more than 40 offices in 7 countries. CORESTATE is listed in the Prime Standard on the Frankfurt Stock Exchange (SDAX).

Key Figures

	01.01.2018– 30.06.2018	01.01.2017– 30.06.2017
Revenues (€ m)	110.3	38.0
Aggregate Revenues & Gains (€ m) ¹	125.8	48.6
Adjusted EBITDA (€ m) ²	77.7	26.0
Adjusted Net Profit (€ m) ³	60.9	22.8
Net Profit (€ m) ⁴	42.3	19.4
Earnings per Share (undiluted) (€)	1.99	1.46
	30.06.2018	31.12.2017
Number of shares outstanding	21,329,417	21,294,123
Assets under Management at End of Period (€ bn)	22	22
Number of Employees at End of Period	568	566

¹ Aggregate Revenues & Gains include Revenue from Real Estate Investment Management, Share of Profit and Loss from Associates and Joint Ventures, Dividends from other Alignment Capital and Total Income from Real Estate Operations / Warehousing.

² EBITDA is adjusted for set-up costs for corporate structure

³ Adjusted Net Profit (ANP) is calculated based on the Net Profit for the period attributable to shareholders of the parent company, adjusted for set-up costs for corporate structure net of (deferred) tax effects and amortization of management contracts

⁴ Net Profit post minorities

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Letter to Our Shareholders

Dear Shareholders, Ladies and Gentlemen,

Following last year's strategic acquisitions, the first half-year of 2018 sees CORESTATE in excellent shape and on a healthy growth path. This strong position is based on a sustained positive real estate market environment, with further increasing prices, persistently low interest rates and solid demand from investors for stable and profitable investments both in the big A- and B-cities or in attractive niche markets.

Strong revenue and earnings contributions from acquisitions

We are seeing continuously high demand for the products of our new subsidiaries Hannover Leasing (HL) and Helvetic Financial Services (HFS), with strong revenue and earnings contributions from both. HFS, for example, have significantly extended their market leadership in the German real estate development financing segment by raising their fund volume by more than € 150m over the past 12 months alone. Another remarkable example of their positive development is the recent excess of the € 1.2bn mark in their HFS Mezzanine Fund. HFS is currently financing around 60 real estate projects with a combined volume of almost € 7bn in Real Estate, nearly 80% of which are residential, predominantly in Germany's top seven cities, such as Munich, Berlin, Frankfurt and Hamburg. This is driven by the ongoing demand-supply gap in the German residential market. Research data shows, that there is a gap of approximately 700,000 residential units until 2020 in these top seven cities. We as CORESTATE help to close this gap.

Early adoption of new trends

Moreover, we consistently follow and occupy new trends. Our investments in micro-living and serviced apartments, for example, benefit from several megatrends across Europe, such as "urbanisation", "life style" and "mobility". With increasing population in economically strong cities that offer good job possibilities and excellent universities urban living becomes a major issue and a driving force in respective real estate markets. The available space in the metropolitan areas is limited, population density is growing and residential space is becoming increasingly scarce. At the same time, sustainability in living is also becoming increasingly important. This requires completely new living concepts, which on the one hand do justice to the limited space available but also do not do without the familiar comfort. The solution for this problem are micro-apartments, functional and high-quality furnished small apartments, centrally located with short distances to the pulsating city and an excellent infrastructure that attract students and commuters alike. Having initiated this product already years ago, we were early movers in this area and we are convinced, that we are only at the beginning of the investment cycle in the micro-living and serviced apartments asset class, as there is a significant supply and demand imbalance in single-person housing. Up to now, we have already invested € 1.8bn in this segment on behalf of our trusted clients and we plan to increase these investments to € 2.4bn until the end of 2019. Another topic that is closely related to urbanisation and where we see promising growth potential is day nurseries ("Kitas"). According to a study by the IDW, Institut der Deutschen Wirtschaft, there is a shortage of almost 300,000 places for children younger than three years in Germany, indicating high demand while municipalities do not create enough day nurseries. Our new project for real estate properties for day nurseries aims to face these problems in certain regions.

Strong financial performance in H1/2018

Overall, our business activities in the first half-year of 2018 generated more than doubled aggregated revenues and gains of € 125.8m (H1/2017: € 48.6m), an almost tripled adjusted EBITDA of € 77.7m (H1/2017: € 26.0m) and an adjusted Net Income of € 60.9m (H1/2017: € 22.8m), more than two and a half times the previous year's figure. Moreover, these figures comprise a high portion of recurring that provide a sound foundation for our future development. These are very pleasing financials, especially in comparison to the first half of 2017, that underline our successful and sustainable growth story and see us well on track towards our full-year outlook of € 230m - € 240m in aggregated revenues and gains, adjusted EBITDA of € 155m - € 165m and adjusted Net Income between € 120m - € 130m. In addition, we are currently in the placement process of different assets to facilitate our general balance sheet structures.

Continually assessing new growth opportunities

Profiting from the tailwinds of our past successes and on the back of our stable and experienced team, we are constantly looking for new ways to evolve. We want to build on our core competencies and cover all customer segments as well as the entire value chain to grow CORESTATE's business and Assets under Management base in the real estate segment. This includes inorganic growth, i.e. playing an active role in the current market consolidation, with the aim of accessing new markets with established products and/or delivering complementary products to established markets. But this also includes enhancing our internal processes and our organization with a strong view on the further institutionalization of our company; this encompasses an optimization of overarching work flows, harmonization of our IT infrastructure and core systems, further standardization and enhancement of compliance standards and systems and optimization of redundant functions. We already deliver a very high standard for our clients, but we thrive to become even better – that's why we set up an internal, group wide performance project called "Zugspitze" aiming for an increased effectiveness of our organizational structure and core processes.

All this will be always in line with our overall goal of creating long-term added value for our shareholders and customers. We are well-aware that we can only achieve these objectives with the commitment and passion of the entire CORESTATE team. Accordingly, we want to thank everyone who helps us driving our business forward.



Lars Schnidrig
Chief Financial Officer

Dr Michael Bütter
Chief Executive Officer

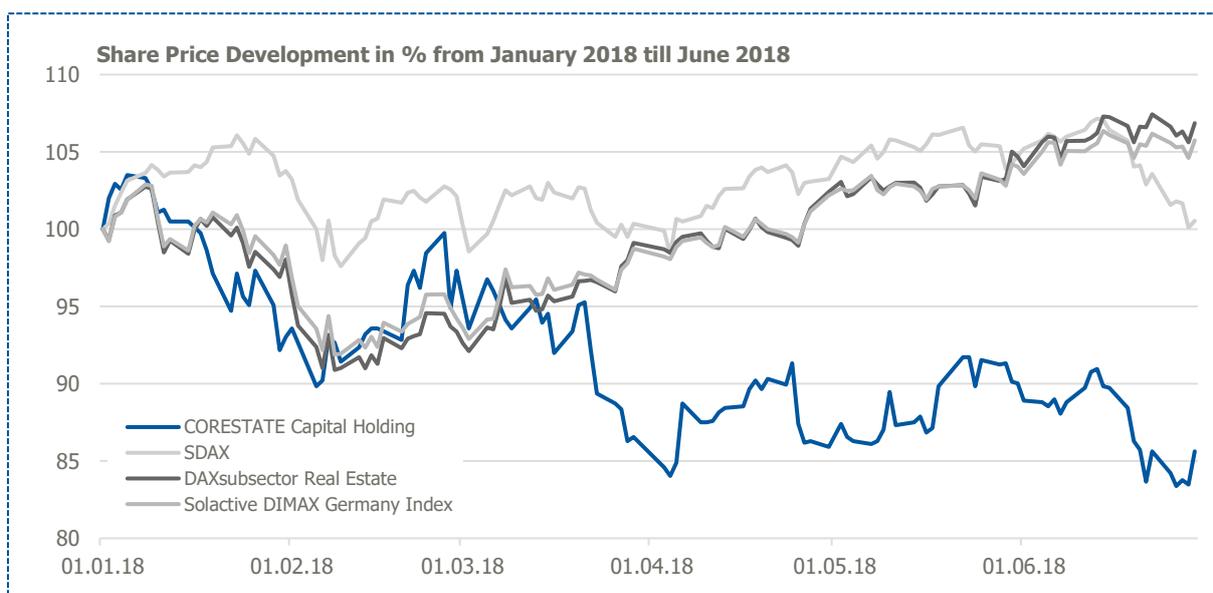
Thomas Landschreiber
Chief Investment Officer

The CORESTATE Share

Massive increase in share trading with slight price decline in Q2

On 2 January 2018, the CORESTATE shares started trading at € 53.60, and the shares ended the first half of 2018 at € 45.75. At the end of Q1, the shares traded at € 46.25; so quarter on quarter, the shares declined by about 1%. The SDAX ended Q2 at 11949 points, thus gaining 22 points or 0.2% in Q2.

The CORESTATE shares realised an increase in liquidity to an average daily trading volume of more than 30,000 shares, up from 6,371 in Q1/2017, 10,947 in Q2/2017 and 22,133 in Q3/2017. In Q1/2018, an average of a bit more than 30.000 shares were traded per day.

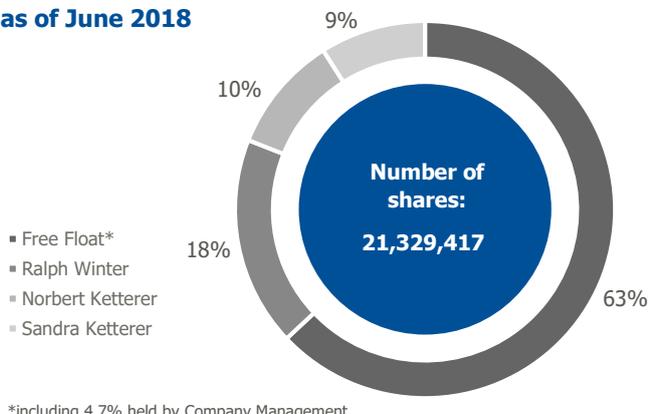


Increased Awareness of Investors and Analysts

The shares of CORESTATE enjoyed an increasing awareness of the important capital market participants. The management of the Company attended more than 30 roadshows and conferences in the first six months of 2018, thus speaking regularly with investors worldwide.

Another sign of the increased interest in the CORESTATE shares is the number of equity research coverages. In the last three months alone, three brokers initiated coverage on the shares of CORESTATE. So, currently eight brokers offer equity research, all suggest to “buy” the shares, the target prices range from € 62 (upside of more than 35% compared to the share price at the end of H1/2018) to € 77 (upside of more than 68% compared to the share price at the end of H1/2018). In average, the target price of all analysts is at nearly € 68, thus representing an upside of more than 48 % compared to the share price at the end of H1/2018.

Shareholder Structure as of June 2018



Doubled Distribution

CORESTATE decided on its Annual Shareholder Meeting on 27 April in Luxembourg unanimously to double the annual distribution to its shareholders from € 1.00 in 2017 to € 2.00 per share in 2018, thus establishing CORESTATE as an attractive yield stock. In accordance with its long-term strategic goal, the Company distributed about 46% of its Adjusted Group Net Income to its shareholders.

Basic Share Data

WKN / ISIN	A141J3 / LU1296758029
Ticker symbol / Reuters code	CCAP
Trading segment	Prime Standard
Stock exchange	Frankfurt
Type of stock	No-par value bearer shares
Number of shares	21,329,417
First day of trading	4 Oct 2016
Share price as of 29 December 2017	€ 53.43
Share price as of 29 June 2018	€ 45.75
Change in percentage	-14.37%
Period high (1 January to 29 June 2018)	€ 55.30
Period low (1 January to 29 June 2018)	€ 44.55
Distribution for fiscal year 2017	€ 2.00
Index	SDAX

Interim Group Management Report

CORESTATE Capital Holding S.A., Luxembourg

Preliminary Remarks

The interim management report and condensed consolidated financial statements of CORESTATE Capital Holding S.A. (hereinafter "CORESTATE" or "the Company") cover the reporting period from 1 January 2018 until 30 June 2018, unless otherwise indicated. Information on market and product offering developments pertains to H1/2018 as well, unless otherwise indicated.

The comparable period, H1/2017, does not include Helvetic Financial Services AG (HFS), Hannover Leasing Group (HL) and ATOS Group (ATOS) financials as they were acquired as of 5 July, 7 July and 6 October 2017 respectively.

The H1/2018 interim financial statements have been subject to external review. 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.

Market Development

The market environment of CORESTATE's business remained widely unchanged compared to the status reported in the Annual Report 2017. The German real estate investment market, representing the Group's core market, was characterised by continual price increases and corresponding yield compressions. This was substantially affected by continued capital inflows to real estate, largely driven by the European Central Bank's ongoing quantitative easing policy. The low rate environment fuels demand from large institutional investors, such as pension schemes and insurers, for alternative, stable and yielding investments. Furthermore, the German real estate market continues to be regarded as a "safe haven" for investors with a long-term perspective.

Business and Product Offering Development

In the first half of 2018, CORESTATE made further progress in strengthening and broadening the Company's market perception and footprint as a top-level asset and investment manager.

On the residential side, CORESTATE significantly expanded its micro-living portfolio. In the first quarter, five project developments of over 1,700 newly built micro-apartments in Dresden, Duesseldorf, Frankfurt/Offenbach, Cologne and Leipzig, as well as the micro-living asset "WOODIE", including 371 student housing units in Hamburg, were acquired. In the second quarter, CORESTATE announced the acquisition of two micro-living assets in Munich: the student residence "Reserl" with 271 student apartments and 260 serviced apartments in a former office complex. Also announced in Q2 was the investment into 70 modern and self-contained serviced apartment units in Duesseldorf. So far, CORESTATE has acquired 26 plots for development and properties with more than 7,600 apartments for students, commuters, project employees, entrepreneurs and young professionals and plans to invest a total of € 2.4bn in its micro-living segment until the end of 2019. The current investment volume amounts to € 1.8bn.

For its Special AIF CORESTATE Residential Germany Fund II, which is focused on new residential buildings in metropolitan regions and prosperous cities across Germany and has a target investment volume of at least € 300m, CORESTATE bought 257 new apartments in Berlin and Dresden in Q1/2018.

At the end of H1/2018, the Company's high street portfolio accounts for some 200 retail assets, located in the town centres of mid-sized German cities, with a total investment volume of over € 2bn. The diversity of these assets allows for different exit strategies, and CORESTATE will continue to buy further properties in the segment. In June 2018, CORESTATE has received a loan facility with a volume of € 343m from Stuttgart-based Landesbank LBBW

(Landesbank Baden-Württemberg) to finance the seed portfolio of the high-street fund managed on behalf of Germany's largest pension fund BVK (Bayerische Versorgungskammer).

All these transactions add to the superior market position of CORESTATE. They strengthen its business model and raise its profile as a manager to investors.

As of June 30, 2018, total assets under management were broadly unchanged and stood at approximately € 22bn (end of 2017: € 22bn).

On the financial side, CORESTATE substantially reduced the funding costs of its HFS acquisition by way of the early refinancing of an acquisition loan of € 150m. The funds for the refinancing were mainly derived from the successful issuance of a € 200m convertible bond in November 2017. At the end of March 2018, CORESTATE issued a senior unsecured bond with a volume of € 300m to optimize its capital structure and further reduce financing costs. Fully placed with institutional investors, the bond has a maturity of five years and an annual coupon of 3.5% and underlines the confidence of the markets in CORESTATE's business model. The proceeds are used to refinance existing loans at better rates as well as for the continuation of the growth strategy.

Results of Operations

In general, the H1/2018 figures were mainly driven by the first-time consolidation of HL, HFS and ATOS, thus hard to compare with the figures from the first six months of 2017.

Consolidated Total Revenues of the Group (including Total Revenues from Real Estate Investment Management, as well as Net Rental Income and Revenue from Service Charges from Real Estate Operations and Warehousing) grew to € 110.3m compared to € 38.0m in the first six months of 2017.

Aggregate Revenues and Gains by Income Lines

Including the Share of Profit and Loss from Associates and Joint Ventures, Dividends from other Alignment Capital, Net Gain from Selling Property Holding Companies and Income from other Warehousing activities, the Group's Aggregate Revenues and Gains more than doubled to € 125.8m (H1/2017: € 48.6m).

€ thousand	H1/2018	H1/2017
Revenue from Acquisition Related Fees	26,211	9,073
Revenue from Asset and Property Management*	67,881	14,263
Revenue from Promote Fees realised	247	13,140
Net Rental Income	9,753	1,007
Revenue from Service Charges	550	499
Income from other Warehousing activities	5,664	-
Consolidated Total Revenues of the Group	110,306	37,982
Share of Profit and Loss from Associates and Joint Ventures	11,099	5,255
Dividends from other Alignment Capital	3,987	-
Net Gain from Selling Property Holding Companies	429	5,359
Aggregate Revenues and Gains	125,821	48,596

*) including € 28.4m Coupon Participation Fee

Real Estate Investment Management

The Real Estate Investment Management segment generated the largest revenue share, which was € 94.3m, up from € 36.5m in H1/2017.

The growth of the Acquisition Related Fees from € 9.1m in H1/2017 to € 26.2m in H1/2018 was among others supported by the "Vertical Village" projects under the brand VauVau, and the micro-apartment projects acquired for BVK micro apartment fund.

Revenue from Asset and Property Management increased nearly fivefold to € 67.9m from € 14.3m in H1/2017, mainly attributable to Coupon Participation Fees, which, with its recurring fee pattern, underlines the sustainable growth of the business driven by the ongoing demand-supply gap in the German residential market. The Coupon Participation Fee generated by HFS, which was previously booked once a year in October, is now included in the Asset Management Fees on a pro-rata basis following the new IFRS 15, applicable since 1 January 2018.

Real Estate Operation and Warehousing

The revenue contribution from real estate assets held for warehousing purposes was € 16.4m (H1/2017: € 6.9m). This growth is attributable to the higher volume of assets held for warehousing purposes such as Stadttor, Crown, Danone and the related higher rental income as well as our mezzanine warehousing activities. In the first half of 2018, CORESTATE placed a smaller asset in Muenster, Germany in one of its funds.

Real Estate Operation and Warehousing delivered a profit of € 10.3m, 74% up from € 5.9m.

Alignment Capital Management

Earning from the Alignment Capital Management segment increased by 114% to € 11.3m from € 5.3m, which is due to both a higher contribution from Associates and Joint Ventures accounted for using the equity-method and a significant dividend distribution from other Alignment Capital.

Earnings and Adjusted Earnings

Given the growth of the Group, total expenses (excluding financial expenses, as well as depreciation and amortisation) increased to € 57.8m (H1/2017: € 26.0m). The increase can mainly be attributed to higher management expenses and an increase in General and Administrative Expenses due to set-up of corporate structure.

The Group EBITDA came out at € 69.1m compared to € 22.7m in H1/2017.

Depreciation and Amortisation were characterized by the depreciation of around € 12.9m mainly resulting from management contracts of HFS, ATOS and HL, which were adjusted.

The financial result came out at € -6.7m in H1/2018 (H1/2017: € -2.0m). It was positively influenced by accounting value adjustments on hedging instruments/financial derivatives. Current interest expense and purchase price allocation valuation of loan repayments had a negative impact.

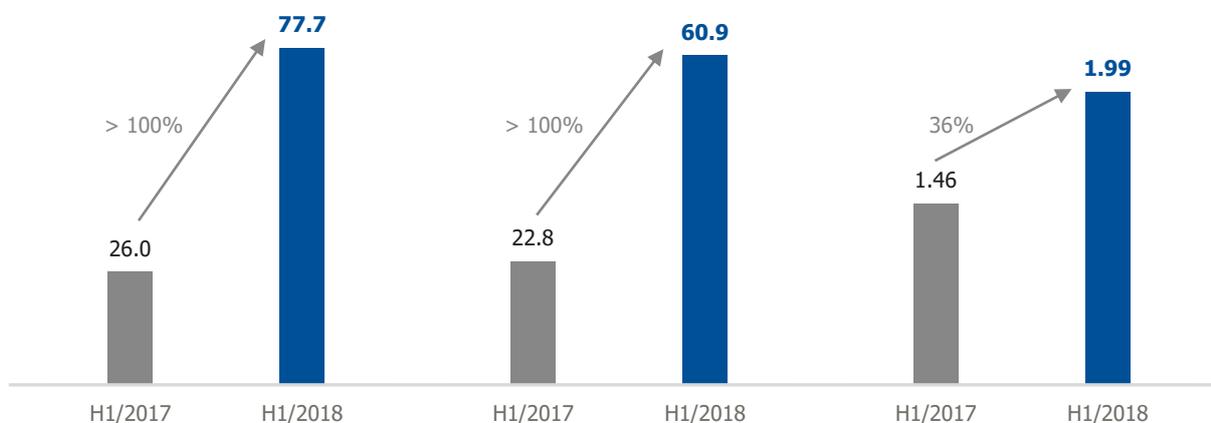
The Group's Net Profit post non-controlling interests increased to € 42.3m (from € 19.4m in H1/2017), which translates on an undiluted basis into Earnings per Share of € 1.99 (H1/2017: € 1.46).

Adjusted for in total € 8.6m of one-off items due to consequential costs from the management board realignment and compensations (€ 6.8m) as well as the new group wide performance project "Zugspitze" and ancillary projects (€ 1.8m) the adjusted EBITDA in H1/2018 was at € 77.7m. In addition, on Net Profit level further adjustments for the depreciations on management contracts of about € 11.5m and for deferred taxes and non-controlling items of about € -1.9m lead to an adjusted Net Profit of € 60.9m.

Year-on-Year Earnings Development

Adj. EBITDA (€m)¹Adj. Net Profit (€m)²

Earnings per Share (€)



1 EBITDA is adjusted for set-up cost for corporate structure.

2 Adjusted Net Profit (ANP) is calculated based on the Net Profit for the period attributable to shareholders of the parent company, adjusted for set-up cost for corporate structure net of (deferred) tax effects.

Balance Sheet

As of 30 June 2018, Total Assets amounted to € 1,546.6m, an increase by 8% compared to the figure as of 31 December 2017 (€ 1,427.0m).

Total Non-Current Assets amounted to € 934.8m (end of 2017: € 915.8m), the largest component of which is the Goodwill created mainly in association with the acquisition of HFS, HL and ATOS, with € 556.9m (end of 2017: € 556.9m).

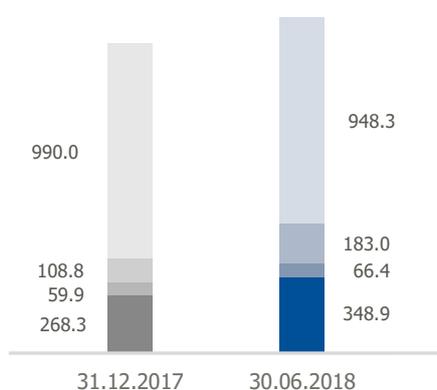
Total Current Assets were at € 611.8m versus € 511.2m as of 31 December 2017, which can mainly be attributed to a rise in Inventories, i.e. assets held for warehousing, from € 268.3m to € 348.9m as well as Cash and Cash Equivalents from € 108.8m to € 183.0m, mainly reflecting the remaining cash from the bond issue in March 2018.

Total Equity amounted to € 568.9m at 30 June 2018 (end of 2017: € 551.4m). The equity ratio of CORESTATE was 36.8% as of 30 June 2018, compared with 38.6% at the end of 2017.

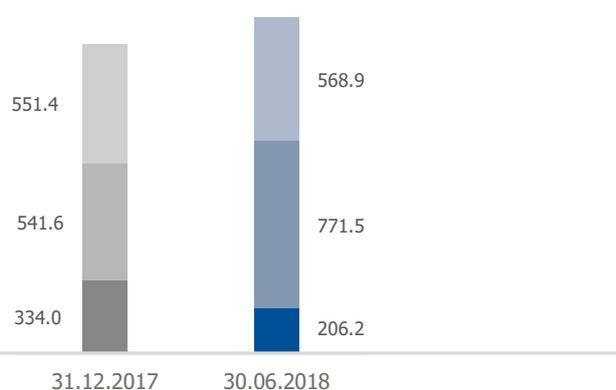
The rise in Total Liabilities from € 875.6m to € 977.7m is mainly due to the € 300m bond issue in March 2018 in connection with the subsequent repayment of liabilities.

The total financial liabilities increased by 23.5% from € 629.1m as of 31 December 2017 to € 776.2m as of 30 June 2018. Net financial debt (including Cash and Cash Equivalents) stood at € 592.5m compared to € 519.5m, leading to an increased leverage of 3.4 (ratio of Net Debt to adjusted EBITDA for the last twelve months).

Balance Sheet – Assets (€m)



Balance Sheet – Equity and Liabilities (€m)



- Real Estate Assets held in Warehouse
- Alignment Investments on Net Basis
- Cash and Cash Equivalents
- Other Assets

- Current Liabilities
- Non-Current Liabilities
- Equity

Material Events after the Reporting Date

none

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. €22 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, as well as the implementation of the investment strategy for our currently managed accounts 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. Going forward, more than 80% 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.

Against the background of our good business development in the first half-year, we confirm our financial outlook for the full year 2018 with aggregate revenues and gains of € 230 to € 240m, adjusted EBITDA of € 155 to € 165m and adjusted Net Profit of € 120 to € 130m.

Luxembourg, 13 August 2018

***Unaudited Interim Condensed
Consolidated Financial Statements
for the period from
1 January to 30 June 2018***

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ thousand	Notes	unaudited 30.06.2018	audited 31.12.2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		28,848	30,668
Long-term Receivables	E.1	49,535	37,827
Other Intangible Assets	E.3	129,803	141,016
Goodwill	E.4	556,861	556,861
Investment in Associates and Joint Ventures	E.2	66,437	59,929
Other Financial Instruments	E.5	82,783	72,183
Long-term Loans to Associates		11,086	6,808
Deferred Tax Assets		9,464	10,526
Total Non-Current Assets		934,818	915,818
Current Assets			
Advance Payments for Property Purchase Prices		2,507	-
Inventories	E.6	348,872	268,258
Receivables from Associates		10,604	18,874
Trade Receivables		33,028	32,141
Other Short-term Receivables		1,587	1,774
Current Income Tax Assets		558	853
Other Short-term Assets		30,965	63,948
Restricted Cash	E.8	700	745
Cash and Cash Equivalents	E.8	182,997	108,830
		611,818	495,422
Assets held for Sale		-	15,785
Total Current Assets		611,818	511,207
Total ASSETS		1,546,637	1,427,025

€ thousand	Notes	30.06.2018	31.12.2017
EQUITY AND LIABILITIES			
Equity			
Share Capital	E.9	1,600	1,597
Other Reserves	E.10	513,771	493,616
Net Profit / (Loss) for the Period		42,342	55,717
<i>Subtotal Capital Accounts of shareholders of parent company</i>		<i>557,713</i>	<i>550,930</i>
Non-controlling interests	E.11	11,215	503
Total EQUITY		568,927	551,433
Non-Current Liabilities			
Other long-term Provisions		6,205	6,205
Long-term Financial Liabilities to Banks	E.12	164,651	238,262
Other Long-term Financial Liabilities	E.13	509,731	243,030
Long-term Derivatives		4,393	4,941
Deferred Tax Liabilities		17,248	18,630
Other non-current Liabilities	E.14	69,312	30,534
Total Non-Current Liabilities		771,540	541,601
Current Liabilities			
Other Short-term Provisions	E.15	36,138	42,884
Short-term Financial Liabilities to Banks	E.16	101,851	132,278
Other Short-term Financial Liabilities		0	15,509
Short-term Derivatives		1,442	3,394
Short-term Liabilities to Associates		1,419	2,209
Trade Payables		9,392	14,795
Current Income Tax Liabilities		27,671	31,201
Other Current Liabilities		28,256	75,937
		206,169	318,206
Liabilities directly associated with the Assets held for Sale		-	15,785
Total Current Liabilities		206,169	333,991
Total LIABILITIES		977,709	875,592
Total EQUITY AND LIABILITIES		1,546,637	1,427,025

INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

€ thousand	Notes	unaudited 01.01.2018– 30.06.2018	audited 01.01.2017– 30.06.2017
Revenue from Acquisition Related Fees	F.1	26,211	9,073
Revenue from Asset and Property Management ¹	F.2	67,881	14,263
Revenue from Promote Fees realised		247	13,140
<i>Total Revenue from Real Estate Investment Management</i>		<i>94,339</i>	<i>36,476</i>
Management expenses		(34,453)	(16,351)
<i>Total Expenses from Real Estate Investment Management</i>	F.3	<i>(34,453)</i>	<i>(16,351)</i>
Total Earnings from Real Estate Investment Management		59,886	20,125
Share of Profit or Loss from Associates and Joint Ventures		11,099	5,255
Dividends from other Alignment Capital		3,987	-
Expenses from Management of Associates and Joint Ventures		(3,830)	12
Total Earnings from Alignment Capital Management		11,256	5,268
Net Rental Income		9,753	1,007
Revenue from Service Charges		550	499
Net Gain from Selling Property Holding Companies		429	5,359
Income from other Warehousing activities		5,664	-
<i>Total Income from Real Estate Operations / Warehousing</i>		<i>16,396</i>	<i>6,865</i>
<i>Total Expenses from Real Estate Operations / Warehousing</i>		<i>(6,103)</i>	<i>(935)</i>
Total Earnings from Real Estate Operations / Warehousing		10,293	5,930
General and Administrative Expenses	F.5	(13,447)	(8,761)
Other Income		1,140	97
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)		69,128	22,659
Depreciation and Amortisation	F.6	(12,928)	(337)
Earnings before Interest and Taxes (EBIT)		56,200	22,322
Financial Income		5,443	69
Financial Expenses		(12,143)	(2,116)
Earnings before Taxes (EBT)		49,500	20,275
Income Tax Expenses		(6,715)	(620)
Net Profit / (Loss) for the Period		42,784	19,656
of which attributable to equity holders of parent company		42,342	19,443
of which attributable to non-controlling interests		442	212
Total Revenues²		110,306	37,982
Total Expenses³		(57,833)	(26,034)

¹ including € 28.4m Coupon Participation Fee

² not including Share of Profit or Loss from Associates, Dividends from other Alignment Capital, Net Gain from Selling Property Holding Companies and Income from other Warehousing activities.

³ excluding Financial Expenses, Other Income / (Expenses) and Depreciation and Amortisation

€ thousand	Notes	unaudited 01.01.2018– 30.06.2018	audited 01.01.2017– 30.06.2017
Earnings per Share (€):			
Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent	G.1	1.99	1.46
Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent	G.1	1.99	1.46
Other Comprehensive Income (€ thousand)			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Exchange differences on translation of foreign operations		(2,948)	-
Income tax effect		694	-
Net (loss)/gain on cash flow hedges		182	-
Income tax effect		(9)	-
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods		(2,081)	-
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Net (Loss)/Gain on Financial Assets (Equity Instruments)		(564)	-
Income Tax Effect		5	-
Remeasurement Gains (Losses) on Defined Benefit Plans		-	(16)
Net other Comprehensive Income / (Loss) not to be Reclassified to Profit or Loss in Subsequent Periods		(559)	(16)
Other Comprehensive Income / (Loss) for the Period, Net of Tax		(2,640)	(16)
Total Comprehensive Income for the Period, Net of Tax		40,144	19,639
of which attributable to equity holders of parent company		39,702	19,427
of which attributable to non-controlling interests		442	212

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the Period 1 January to 30 June 2018

€ thousand	Notes	Share Capital	Legal Reserve	Additional Capital Paid In	Retained Earnings	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
		946	-	35,193	34,307	199	69,699	15,396	86,040	245	160	405	86,446
		-	-	-	-	-	-	19,443	19,443	-	212	212	19,656
		-	-	-	-	(16)	(16)	-	(16)	-	-	-	(16)
		-	-	-	-	(16)	(16)	19,443	19,427	-	212	212	19,639
		75	-	22,641	-	-	22,641	-	22,716	-	-	-	22,716
		-	-	(433)	-	-	(433)	-	(433)	-	-	-	(433)
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(21)	-	(21)	-	(21)	21	-	21	-
		-	-	-	613	-	613	-	613	-	-	-	613
		-	-	(13,607)	-	-	(13,607)	-	(13,607)	(52)	-	(52)	(13,659)
		-	-	-	15,378	-	15,378	(15,396)	(18)	160	(160)	-	(18)
		1,021	-	43,795	50,277	182	94,254	19,433	114,718	374	212	586	115,304
		1,597	-	436,754	60,373	(3,511)	493,616	55,717	550,930	(214)	718	503	551,433
	C.2	-	-	-	9,213	-	9,213	-	9,213	-	-	-	9,213
		-	-	-	-	-	-	42,342	42,342	-	442	442	42,784
		-	-	-	-	(2,640)	(2,640)	-	(2,640)	-	-	-	(2,640)
		-	-	-	-	(2,640)	(2,640)	42,342	39,702	-	442	442	40,144
		-	-	-	-	-	-	-	-	10,284	-	10,284	10,284
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	41	-	41	41
		3	-	-	726	-	726	-	729	-	-	-	729
	B.1	-	-	-	(42,588)	-	(42,588)	-	(42,588)	-	-	-	(42,588)
	B.1	-	95	(273)	55,622	-	55,444	(55,717)	(273)	661	(718)	(57)	(330)
		1,600	95	436,481	83,346	(6,151)	513,771	42,342	557,713	10,772	442	11,215	568,927

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

€ thousand	Notes	unaudited 01.01.2018– 30.06.2018	unaudited 01.01.2017– 30.06.2017
Earnings before Taxes (EBT)		49,500	20,275
Adjustments:			
Amortisation of intangible assets		11,957	127
Depreciation of property, plant and equipment		954	205
Equity-settled share-based payment		729	613
Effect from valuation on derivatives		(429)	-
Net loss / (gain) on disposal of property, plant and equipment		-	1
Net loss/(gain) on disposal of intangible assets		0	
Net loss/(gain) on disposal of Group companies		(454)	-
Finance costs		12,143	124
Interest income		(5,443)	(58)
Provisions		(6,746)	(8)
Share of results from Associates and Joint Ventures		(11,099)	(5,255)
Total adjustments		1,612	(4,252)
Operating cash flows before changes in working capital		51,112	16,023
Changes in working capital:			
Decrease from purchase of inventories and advanced payments		(103,861)	(68,738)
Changes in receivables and other assets that are not attributable to investing activities		19,830	(53,500)
Changes in liabilities that are not attributable to financing activities		(33,520)	113,785
Total changes in working capital		(117,551)	(8,453)
Cash flows from operations		(66,439)	7,570
Income taxes received/(paid)		(9,510)	(760)
Net cash flows from operating activities		(75,949)	6,810
Inflow from disposal of subsidiaries		585	-
Outflow for Alignment Capital Investments (Associates and Loans)		(264)	(23,003)
Inflow from repayment of Alignment Capital Investments (Associates and Loans)		7,699	23,520
Proceeds from disposal of property, plant and equipment		1,495	-
Purchase of financial instruments		(22,763)	-
Purchase of property, plant and equipment		(630)	(328)
Additions to intangible assets		(743)	(410)
Net cash flows generated from / (used in) investing activities		(14,620)	(222)

€ thousand	Notes	unaudited 01.01.2018– 30.06.2018	unaudited 01.01.2017– 30.06.2017
Proceeds from issuance of New Share Capital		-	22,716
Share issuance expense		-	(594)
Proceeds from additional equity of non-controlling interests		10,284	-
Distributions to the equity holders of parent company	B.1	(42,588)	(13,607)
Distributions paid to non-controlling interests		-	(52)
Purchase/Settlement of Derivatives		(1,889)	-
Proceeds from loans and borrowings		329,480	-
Repayment of loans and borrowings		(121,160)	(1,322)
Interest paid		(9,564)	(161)
Interest received		128	-
Net cash flows (used in) / from financing activities		164,692	6,980
Net increase in cash and cash equivalents		74,122	13,568
Cash and cash equivalents at beginning of period	E.8	109,575	48,209
Net increase in cash and cash equivalents		74,122	13,568
Cash and cash equivalents at end of period	E.8	183,697	61,777

Selected explanatory Notes to the Interim Consolidated Financial Statements for the Period from 1 January to 30 June 2018

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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.

On 04 April 2018, the Company completed a capital increase from its authorized capital against cash contributions from EUR 1,597,058.85 and 21,294,123 ordinary shares to EUR 1,599,705.90 and 21,329,417 ordinary shares by issuing 35,294 new ordinary shares to Sascha Wilhelm for an aggregate subscription price of EUR 2,647.05.

The Company applied for the admission of its shares to trading on the regulated market (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on 18 October 2017. Commencement of trading (Notierungsaufnahme) of the Shares on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurt Wertpapierbörse) took place on or about 2 November 2017.

ISIN/WKN/Common Code/Ticker Symbol

International Securities Identification Number (ISIN)	LU1296758029
German Securities Code (Wertpapierkennnummer, WKN)	A141J3
Common Code	129675802
Trading Symbol	CCAP

As of 19 March 2018, CCH SA has been included into the German SDAX index.

CCH SA is a real estate investment manager specialising in the creation and subsequent realisation of real estate related investments in Europe for private and institutional clients. CCH SA and its subsidiaries (the Group) are active as a co-investor and asset and property manager and are focused on residential and commercial (primarily retail and office) real estate as well as micro-living projects. Geographically, the Group primarily concentrates on the German market but also is selectively active in other attractive markets in Europe such as Austria and Spain. Its investment product offering covers the full range of the risk / return curve, i.e. from value-add / opportunistic to core, and, in each case, is tailor made to the specific requirements of its clients. As a key element of its business model, the Group is actively warehousing certain real estate in order to seize opportunities both in competitive situations as well as in order to establish seed portfolios for institutional products. As per 30 June 2018, the Group employs about 568FTE real estate experts across 41 offices in 6countries, providing direct access to local markets.

The Group focuses on three key business segments (see Note D) being

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

The Interim Condensed Consolidated Financial Statements of CORESTATE Capital Holding S.A. and its subsidiaries (collectively, the Group) for the six months ended 30 June 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 13 August 2018.

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

B. MAJOR EVENTS IN THE FIRST SIX MONTHS OF THE FINANCIAL YEAR 2018

B.1 Company's annual general meeting

At the Company's annual general meeting held on 27 April 2018, the shareholders of CORESTATE Capital Holding S.A. have approved all agenda items. The stand-alone financial statements as at 31 December 2017, prepared in accordance with Luxembourg GAAP and the consolidated financial statements as at 31 December 2017 of CORESTATE Capital Holding S.A., prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, were approved.

The meeting acknowledged that the Company made a loss with respect to the financial year 2017 in an aggregate amount of € 12,824,000.00 and resolved to carry forward the entire profit after the adjustment of this loss to the next financial year. The meeting also resolved to allocate an amount of EUR 94,580.11 out of the profit and reserves carried forward from the financial year 2016 to the legal reserve, in accordance with article 461-1 of the Companies Act and as set out in the notes to the stand-alone annual accounts of the Company for the financial year 2016.

Furthermore, the meeting resolved a distribution out of the existing capital reserves in an aggregate amount of € 42,588,246.00 (corresponding to EUR 2.00 per issued share) to the shareholders.

B.2 Issuing of a new corporate bond

In March 2018, CCH SA issued a corporate bond with a volume of € 300 million. The bond is placed with institutional investors. The key facts are as following:

Issuer	CORESTATE Capital Holding S.A., Luxembourg
ISIN	DE000A19YDA9
WKN	A19YDA
Date of Issuance	23 March 2018
Issuance volume	300 Mio € (principal amount)
Issue price	98.857% of the principal amount
Maturity	15 April 2023
Coupon	3.5 % per annum
First Coupon Date	15 October 2018

The proceeds of the issue are used to refinance existing loans at lower nominal interest rates as well as for the continuation of the growth strategy.

C. SIGNIFICANT ACCOUNTING POLICIES

C.1 Basis of preparation

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2018 have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34").

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at 31 December 2017.

The preparation of the Group's Interim Condensed Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected. All estimates, assumptions, options and judgements remain unchanged from the Group's Annual Consolidated Financial Statements as at 31 December 2017.

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

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

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

C.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 31 December 2017 except for the new standards applied for the first time (see below). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following new standards, interpretations and amendments to existing standards and interpretations are applicable for the first time for financial years beginning on 1 January 2018:

- IFRS 15 – The timing of revenue recognition has changed to a insignificant extent for certain types of contracts in the Segment Real Estate Investment Management due IFRS 15, because this revenue is now recognised over time rather than at a point in time. The Group introduced IFRS 15 based up-on the modified retrospective method. The prior-year figures were not adjusted. Deferred Income of €9.2 million were derecognised for the first time as at 1 January 2018. The effect of the transition as at 1 January 2018 was recognised in retained earnings.

For the purpose of the transition requirements when first adopting the new IFRS standard "IFRS 15 – Revenue from contracts with customers" the Group has elected to recognise the cumulative effect from initially applying this standard as per 01 January 2018 as an adjustment to the opening balance of retained earnings (part of the other reserves). This method is used only for contracts that are not completed contracts as the date of initial application.

€ thousand	Balance as originally reported 31.12.2017	Adjustments	Corrected balance 31.12.2017
Statement of Financial Position			
Share Capital	1,597		1,597
Other Reserves	493,616	9,213	502,829
Net profit/(Loss) for the Period	55,717		55,717
<i>Equity of Shareholders</i>	<i>550,930</i>	<i>9,213</i>	<i>560,143</i>
Non-controlling interests	503		503
Total Equity	551,433	9,213	560,646
Other Current Liabilities	75,937	(9,213)	66,723
Total Current Liabilities	333,991	(9,213)	324,778
SUBTOTAL LIABILITIES	875,592	(9,213)	866,379
TOTAL EQUITY AND LIABILITIES	1,427,025	-	1,427,025

The adoption of IFRS 15 led to an early recognition of revenue from coupon participation fees of sub-group HFS. Therefore, deferred income (stated in other current liabilities) as per 31 December 2017 in the amount of k€ 9,213 was re-verses and increased other reserves accordingly.

IFRS 9 Financial Instruments: In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group has adopted IFRS 9 in the fiscal year beginning on 1 January 2018 and, in accordance with the transition options. Comparative information on classification, measurement and impairment according to IFRS 9 for prior periods did not have to be restated. Resultant transition effects are reported in general in retained earnings. The new hedge accounting rules are applied prospectively. Equity instruments which were classified as available-for-sale financial assets are now recognized at fair value in OCI since 01 January 2018 without any effects on the financial statements. CORESTATE Capital Holding S.A. applied for the simplified impairment model under IFRS 9 and reports lifetime expected losses for all trade accounts receivable and contract assets. The reporting of expected losses under the new model results in earlier recognition of impairment losses. All existing designated hedges met the requirements of IFRS 9 and were be continued. The option of reporting hedge costs in connection with designated hedges initially in other comprehensive income is used.

D. SEGMENT INFORMATION

The following tables present assets and liabilities information as well as revenue and profit information for the Group's operating segments for the six months ended 30 June 2018 and 2017, respectively.

Segment Information for the period from 1 January to 30 June 2018

€ thousand	Real Estate Investment Management	Alignment Capital Management	Real Estate Operations/Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
Revenues:							
Revenues	94,339	-	15,967	110,306	-	-	110,306
Inter-segment revenues	-	-	-	-	-	-	-
Total revenues	94,339	-	15,967	110,306	-	-	110,306
Income / expenses							
Expenses from Real Estate Investment Management	(34,453)	-	-	(34,453)	-	-	(34,453)
Share of Profit or Loss from Associates and Joint Ventures	-	11,099	-	11,099	-	-	11,099
Share of Profit or Loss from other Capital Alignments	-	3,987	-	3,987	-	-	3,987
Expenses from Management of Associates and Joint Ventures	-	(3,830)	-	(3,830)	-	-	(3,830)
Net Gain from Selling Property Holding Companies	-	-	429	429	-	-	429
Expenses from Real Estate Operations	-	-	(6,103)	(6,103)	-	-	(6,103)
General and Administrative Expenses	-	-	-	-	(13,447)	-	(13,447)
Depreciation & Amortisation	(10,596)	-	(4)	(10,600)	(2,328)	-	(12,928)
Financial Income	-	-	-	-	5,443	-	5,443
Financial Expenses	-	-	-	-	(12,143)	-	(12,143)
Other income / expenses and taxes	-	-	-	-	(5,575)	-	(5,575)
Segment Profit	49,289	11,256	10,289	70,834	(28,050)	-	42,784
Total Assets (30.06.2018)	861,950	281,354	376,068	1,519,372	200,224	(172,960)	1,546,637
Total Liabilities (30.06.2018)	69,915	41,512	271,156	382,582	768,086	(172,960)	977,709
Other disclosures							
Investments in associates	-	66,434	-	66,434	-	-	66,434
Investments in joint ventures	-	4	-	4	-	-	4
Segment investments	424	5,465	-	5,889	949	-	6,838

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

€ thousand	Real Estate Investment Management	Alignment Capital Management	Real Estate Operations/Warehousing	Total Segments	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
Revenues:							
Revenues	36,476	-	1,506	37,982	-	-	37,982
Inter-segment revenues	-	-	-	-	-	-	-
Total revenues	36,476	-	1,506	37,982	-	-	37,982
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)
Segment Profit	20,125	5,268	5,930	31,323	(11,667)	-	19,656
Total Assets (30.06.2017)	14,818	159,397	42,562	216,777	16,530	(48,515)	184,792
Total Liabilities (30.06.2017)	12,857	31,414	39,069	83,340	34,630	(48,515)	69,455
Other disclosures							
Investments in associates	-	40,482	-	40,482	-	-	40,482
Investments in joint ventures	-	4	-	4	-	-	4
Segment investments	920	28,765	-	29,685	183	-	29,868

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.

The segment investments in 2018 relate to Property, plant & equipment (k€ 630; previous period k€ 328), Intangible assets (k€ 743; previous period k€ 775) and Investment in associates (k€ 5,465; previous period k€ 28,765).

The main differences between 30.06.2018 and 30.06.2017 in Revenues, Expenses, Depreciation and Amortisation as well as Taxes arise from the acquisition of HFS, HL and ATOS in the second half of the financial year 2017.

**E. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(30 JUNE 2018 VERSUS 31 DECEMBER 2017)**

E.1 Long-term Receivables

Long-term receivables comprise loans to not consolidated affiliated companies (k€ 4,108; 31.12.2017: k€ 3,355) and loans granted to third parties (k€ 45,427; 31.12.2017: k€ 34,472).

The increase of loans granted to third parties mainly results from a loan agreement granting a junior loan of up to € 30 million to LUX Structure Services S.à r.l. as borrower bearing interest at a rate of 10% p.a. As per 30 June 2018 the loan amounts to k€ 10,143.

E.2 Investment in Associates and Joint Ventures

Investment in Associates – Overview

Project	Name of associate	Country of incorporation	Place of business	Economic participation quote*	
				30 June 2018	31 Dec 2017
4711	Venloer4711 AIF 1 S.à r.l. and Venloer4711 AIF 2 S.à r.l.	Luxembourg	Germany	10.1%	10.1%
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%
BERRY	Corestate Berry HoldCo S.à r.l. in liquidation (i.L.)	Luxembourg	Germany	10.8%	10.8%
CADMUS	CADMUS Verwaltungsgesellschaft mbH	Pullach	Germany	49.0%	49.0%
CLG	CLG Facility Management GmbH	Germany	Germany	49.0%	49.0%
CONDOR	Con 2 AIF S.à r.l.	Luxembourg	Austria	10.0%	10.0%
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%
FLIGHT 47	HANNOVER LEASING Flight Invest 47 GmbH & Co. KG	Pullach	Germany	26.0%	26.0%
FLIGHT 48	HANNOVER LEASING Flight Invest 48 GmbH & Co. KG	Pullach	Germany	35.3%	35.3%
HABANA	HABANA Verwaltungsgesellschaft mbH	Pullach	Germany	49.0%	49.0%
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 PII	Highstreet Premium II TopCo Limited	Guernsey	Germany	10.0%	10.0%
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%	6.2%
Denkmal Münster	HANNOVER LEASING Denkmal Münster GmbH & Co. KG	Pullach	Germany	34.1%	subsidiary
ISABELA	Iberian HoldCo I SL	Madrid	Spain	10.5%	10.5%
KANADA	KANADA HAUS Verwaltungsgesellschaft mbH	Pullach	Germany	100.0%	100.0%
KING	KING AIF 1 S.à r.l. and KING AIF 2 S.à r.l.	Luxembourg	Germany	10.0%	10.0%
LIVER	Liver HoldCo Limited	Guernsey	Great Britain	36.9%	43.2%
OLYMPIC	"Olympic AIF 1 S.à r.l. and Olympic AIF 2 S.à r.l.	Luxembourg	Germany	10.0%	10.0%
REGIA	REGIA Verwaltungsgesellschaft mbH	Pullach	Germany	49.0%	49.0%
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%
TURICUM	TURICUM AIF S.à r.l.	Luxembourg	Switzerland	5.5%	5.5%
VITU	VITU TopCo Limited	Guernsey	Germany	5.1%	5.1%
VOLARE	VOLARE Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach	Germany	100.0%	100.0%

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

In the first six month of the financial year 2018 the Group sold shares in Project Denkmal Münster and classified the remaining shares as associates (previous period sale of shares in Project HIGHSTREET VII and Project LIVER).

Investments in Joint Ventures – Overview

Project	Name of associate	Country of incorporation	Place of business	Economic participation quote*	
				30 June 2018	31 Dec 2017
SCORE	SCORE S.à r.l.	Luxembourg	Luxembourg	50.0%	50.0%
MARBURG	GRO Marburg GmbH	Frankfurt am Main	Germany	sold	50.0%

Investments in Associates and Joint Ventures – Movement in carrying value

Period ending on 30 June 2018 (€ thousand)

Project	1 Jan 2018	Changes from business combinations and sales of subsidiaries	Additions / Transfers	Share of profit / (loss) for the period	Dividends and capital repayments received in cash	Disposals / Transfers	Currency translation adjustments	30 June 2018
ACROSS	1,132	-	-	(10)	-	-	-	1,122
ANNAPURNA	1,473	-	-	(23)	-	-	-	1,450
CLG	53	-	-	-	-	-	-	53
CONDOR	1,226	-	-	61	-	-	-	1,288
Denkmal Münster	-	-	5,201	(136)	-	(1,049)	-	4,016
DONALD	479	-	-	9	-	-	-	488
ENERGY	94	-	-	-	-	-	-	94
FLIGHT 47	1,781	-	-	3,275	(3,049)	-	(1,111)	896
FLIGHT 48	531	-	-	3,994	(3,281)	-	(1,230)	14
HABANA	61	-	-	0	-	-	-	61
HARBOUR	1,298	-	-	(27)	-	-	-	1,272
HIGHSTREET PII	3,649	-	263	46	-	-	-	3,958
HIGHSTREET VI	5,321	-	-	90	(150)	-	-	5,261
HIGHSTREET VII	6,053	-	-	(109)	-	-	-	5,944
ISABELA	838	-	2	(52)	-	-	-	788
KING	651	-	-	(18)	-	-	-	634
LIVER	15,970	-	-	3,791	-	-	-	19,761
OLYMPIC	2,046	-	-	(69)	-	-	-	1,977
REGIA	11,391	-	-	284	(170)	-	-	11,505
ROSE	270	-	-	(3)	-	-	-	267
TURBO FRA	1,135	-	-	17	-	-	-	1,152
TURICUM	2,839	-	-	1	-	-	-	2,840
VOLARE	358	-	-	10	-	-	-	368
4711	1,260	-	-	(34)	-	-	-	1,225
Associates, total	59,910	-	5,465	11,099	(6,650)	(1,049)	(2,341)	66,434
MARBURG	15	(15)	-	-	-	-	-	-
SCORE	4	-	-	-	-	-	-	4
Joint Venture, total	19	(15)	-	-	-	-	-	4
Total	59,929	(15)	5,465	11,099	(6,650)	(1,049)	(2,341)	66,437

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
ENREGY	108	-	(14)	-	-	94
HARBOUR	1,331	-	(19)	-	-	1,313
HIGHSTREET I	3,495	-	1,745	(5,240)	-	-
HICHSTREET 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)	-	-
Associates, total	35,744	28,765	5,255	(23,520)	(5,761)	40,482
SCORE	4	-	-	-	-	4
Joint Venture, total	4	-	-	-	-	4
Total	35,747	28,765	5,255	(23,520)	(5,761)	40,486

E.3 Other Intangible Assets

Intangible Assets

€ thousand	2018 Total	2017 Total
Acquisition cost		
As of 1 January	160,352	1,219
Changes from business combinations	0	157,132
Additions	743	2,056
Disposals	(0)	(55)
As of 30 June/31 December	161,069	160,352
Amortisation and impairment losses		
As of 1 January	19,336	289
Amortisation for the year	11,957	19,048
As of 30 June/31 December	31,293	19,336
Total (Carrying amount)	129,803	141,016

E.4 Goodwill

Goodwill – Detailed composition

€ thousand	30 June 2018	31 Dec 2017
HFS Helvetic Financial Services AG	519,686	519,686
sub-group of ATOS Capital GmbH	21,703	21,703
sub-group of HANNOVER LEASING GmbH & Co. KG	15,024	15,024
GENOST Consulting GmbH	449	449
Others	-	-
Total	556,861	556,861

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2017.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As of 30 June 2018, the market capitalisation of the Group was above the book value of its equity, indicating no potential impairment of goodwill.

E.5 Other financial instruments**Other Financial Instruments - Overview**

€ thousand	30 June 2018	31 Dec 2017
Equity instruments	62,272	51,374
Shares in Subsidiaries (not consolidated)	4,217	4,212
Shares in other equity investments	350	360
Long-term receivables Finance Lease	5,876	6,333
Other financial assets	10,068	9,904
Total	82,783	72,183

The Equity instruments (k€ 62,272, 31.12.2017: k€ 51,374) increased in the first six month of the financial year 2018 in an amount of totally k€ 10,898. The increase results mainly from the acquisition of shares in the special investment funds "Corestate Opportunity Deutschland I" in a total amount of € 10 million.

E.6 Inventories**Inventories**

€ thousand	2018 total	2017 total
Acquisition cost		
As of 1 January	268,258	15,905
Sale of property holding companies	(20,732)	(44,384)
Changes from business combinations	0	86,714
Additions	101,346	213,423
Disposals	0	(3,400)
As of 30 June / 31 December	348,872	268,258
Write-downs to net realisable value		
As of 1 January	-	-
As of 30 June / 31 December	-	-
Total (Carrying amount)	348,872	268,258

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

In the first six month of the financial year 2018 the Group invested in new inventory properties located in Rostock/Germany (k€ 69,942), Bochum/Germany (k€ 26,621), and in Madrid/Spain (k€ 4,553). Both German located Properties are part of Project Highstreet VIII (refer to note E.8)

In contrast, an inventory property of subgroup Hannover Leasing (book value k€ 20,732) was sold through a share deal. The property was located in Münster/Germany.

E.7 Other Short-term Assets

Other Short-term Assets decreased due to the repayment of Mezzanine Loans within the HFS.

E.8 Restricted Cash, Cash and Cash Equivalents

Restricted Cash (k€ 700; 31.12.2017: k€ 745) and Cash and Cash Equivalents (k€ 182,997; 31.12.2017: k€ 108,830) 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 k€ 700 (previous year k€ 745) is in relation to Project DONALD, and reflects a security deposit agreed under the transaction documentation.

E.9 Share capital

Share capital

€ thousand	2018	2017
As of 1 January	1,597	946
Issue of share capital (in cash from private placement)	-	75
Issue of share capital (contribution in cash)	3	-
Issue of share capital (from exercise of share options)	-	-
As of 30 June / 31 December	1,600	1,021

E.10 Other Reserves

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

In accordance with the Company's Articles of Association, every year at least 5 % of the annual net income (based on the local statutory financial statements) of the Company have to be set aside in order to build up the "legal reserve". This allocation ceases to be compulsory when the legal reserve amounts to 10 % of the issued share capital but shall again be compulsory if the reserve falls below such threshold of 10 %.

E.11 Non-controlling interests

The increase of non-controlling interest (k€ 11,542; 31.12.2017: k€ 503) mainly results from Project HIGHSTREET VIII.

Project "HIGHSTREET VIII" is the acquisition of a real estate portfolio comprising shopping centres or other large commercial buildings such as retail properties, department stores and warehouses located in mid-sized cities throughout Germany. The transaction is financed by equity provided by the Investors and debt financing.

E.12 Long-term Financial Liabilities to Banks**Long-term Financial Liabilities to Banks**

€ thousand	Nominal amount	Maturity	Interest rate	Carrying value as of 30 June 2018	Carrying value as of 31 Dec 2017
Rüsselsheimer Volksbank eG	10,500	30.06.2021	Euribor plus margin	9,555	8,788
Deutsche Hypothekbank AG	65,500	30.06.2024	3.100	69,551	70,458
Landesbank Hessen-Thüringen	10,000	30.08.2020	5.250	10,845	11,657
Landesbank Hessen-Thüringen	7,500	26.08.2019	3.140	1,409	1,500
Landesbank Hessen-Thüringen	4,000	15.03.2024	3.065	2,184	2,691
Landesbank Hessen-Thüringen	3,000	02.01.2025	2.960	1,969	2,362
Landesbank Hessen-Thüringen	510	15.01.2029	3.260	-	273
Loan from Helaba (Euro account)	1,690	30.06.2019	1.285	1,768	-
Landesbank Hessen-Thüringen	6,769	31.03.2023	2.880	5,999	6,818
Landesbank Hessen-Thüringen	10,437	31.08.2020	Euribor plus margin	1,861	3,061
Landesbank Hessen-Thüringen	8,850	30.12.2023	4.415	8,257	8,459
Landesbank Hessen-Thüringen	12,600	30.09.2022	4.330	-	10,863
Landesbank Hessen-Thüringen	52,804	31.08.2020	Libor plus margin	10,362	15,539
Landesbank Hessen-Thüringen	7,686	30.12.2023	3.730	6,405	7,623
Postbank AG	31,508	31.05.2023	Euribor plus margin	32,766	33,939
Sparkasse Münsterland Ost	9,227	30.05.2027	1.550	-	9,754
Kreissparkasse Starnberg	2,100	30.10.2019	4.600	-	1,541
Kreissparkasse Starnberg	10,000	30.06.2019	4.970	-	7,586
Loan Sparkasse Leipzig	1,690	30.06.2019	1.285	1,660	-
BIL Bank	40,000	30.06.2020	Euribor plus margin	-	34,000
others	n/a	n/a	n/a	61	1,350
Total				164,651	238,262

E.13 Other Long-term Financial Liabilities**Other Long-term Financial Liabilities**

€ thousand	30 June 2018	31 Dec 2017
Bond 2018	292,513	-
Convertible bond 2017	186,718	186,359
Bond of HFS Helvetic Financial Services AG	30,500	30,500
Junior Bond	-	19,661
Loan from SO Holding AG	-	6,510
Total	509,731	243,030

Regarding the new Bond 2018 we refer to note B.2.

The Junior bond and the loan from SO Holding AG were repaid in 2018.

E.14 Other non-current Liabilities

Other non-current Liabilities (k€ 69,312, 31.12.2017: k€ 30,534) increased in the first six month of the financial year 2018 in an amount of totally k€ 38,778. The increase results mainly from loans of k€ 36,120 to Project HIGHSTREET VIII granted by Suncap SCOOP S.A. (refer to note E.11) as well as preference shares issued by subgroup Hannover Leasing (k€ 458).

E.15 Other Short-term Provisions**Other Short-term Provisions – Detailed composition**

€ thousand	1 Jan 2018	Additions from business combinations	Utilization	Reversals	Transfer	Additions	30 June 2018
Threatened losses	520	-	(4,476)	(1,500)	23,503	-	18,047
Restructuring	10,658	-	(1,240)	-	-	-	9,418
Litigation costs	24,558	-	-	-	(23,503)	750	1,805
Tax law procedures	1,000	-	-	-	-	-	1,000
Human resource area	1,900	-	(1,301)	(19)	64	243	887
Risks from Funds	391	-	-	-	0	50	441
others	3,857	(15)	(1,383)	-	1,067	1,000	4,540
Total	42,884	(15)	(8,400)	(1,519)	1,131	2,043	36,138

E.16 Short-term Financial Liabilities to Banks**Short-term Financial Liabilities to Banks**

€ thousand	Nominal amount	Interest rate	Face value as of 30 June 2018	Face value as of 31 Dec 2017
Deutsche Hypothekenbank AG	35,000	Euribor plus margin	37,344	37,356
Lombardkredit Notenstein	10,000	Libor plus margin	10,000	10,000
Landesbank Hessen-Thüringen	25,500	Euribor plus margin	-	13,500
Landesbank Hessen-Thüringen	26,650	2.000	21,581	21,581
Landesbank Hessen-Thüringen	15,000	3.380	-	15,000
Landesbank Hessen-Thüringen	12,150	5.000	-	7,724
Landesbank Hessen-Thüringen	7,500	3.140	1,308	1,308
Landesbank Hessen-Thüringen	4,000	3.065	400	400
Landesbank Hessen-Thüringen	3,000	2.960	300	300
Landesbank Hessen-Thüringen	510	3.260	255	255
Landesbank Hessen-Thüringen	11,100	2.000	11,100	11,100
Landesbank Hessen-Thüringen	1,690	1.285	-	1,690
Landesbank Hessen-Thüringen	2,368	1.285	100	2,368
Landesbank Hessen-Thüringen	6,769	3.966	900	877
Landesbank Hessen-Thüringen	10,437	Euribor plus margin	1,440	1,280
Landesbank Hessen-Thüringen	8,850	4.415	400	391
Landesbank Hessen-Thüringen	52,804	Libor plus margin	6,166	5,324
Landesbank Hessen-Thüringen	7,686	3.730	206	200
Postbank	31,508	Euribor plus margin	278	271
Sparkasse Münsterland Ost	9,227	1.550	-	47
Kreissparkasse Starnberg	2,100	4.600	-	94
Kreissparkasse Starnberg	10,000	4.970	7,038	345
Rüsselsheimer Volksbank eG	10,500	Euribor plus margin	315	241
Short-term payables from accrued interest	n/a	n/a	-	341
Current account payables to banks	n/a	n/a	-	287
others			2,720	-
Total			101,851	132,278

E.17 Other Current Liabilities

Other current liabilities decreased in the first half of 2018 due to the repayment of the deferred purchase price to Norbert Ketterer resulting from the purchase of shares in the new acquired subsidiary HFS Helvetic Financial Services AG in the amount of EUR 39.0 million.

F. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (30 JUNE 2018 VERSUS 30 JUNE 2017)

F.1 Revenue from Acquisition Related Fees

Revenues from Acquisition Related Fees mainly consists Acquisition, Exit/Sales and Onboarding Fees

F.2 Revenue from Asset and Property Management

Revenue from Asset and Property Management

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Revenue from Coupon Participation Fee	28,350	-
Revenue from Property Management Fee	5,954	7,064
Revenue from Asset Management Fee	26,795	5,611
Revenue from Sales Fee from third parties	614	527
Revenue from Development Fee	2,534	-
Revenue Other Fees	3,634	460
Total	67,881	14,263

In 2017 Revenues from Coupon Participation Fee (CPF) were shown in a separate line in the Interim Consolidated Income Statement. In 2018 the CPF is reallocated into the line Revenues from Asset and Property Management due to IFRS 15.

F.3 Total Expenses from Real Estate Investment Management

Expenses from Real Estate Investment include both personnel and overhead expenses (e.g. rent and leasing expenses, IT and telecommunication expenses, travel expenses, Legal and other advisory fees) relating to the Group's Real Estate Investment Management activities.

Personnel expenses account for k€ 22,562 (previous period: k€ 9,843) and overhead expenses account for k€ 11,891 (previous period: k€ 6,508).

F.4 Income from other Warehousing activities

This encompasses interest income from short-term Mezzanine-Bridging activities of HFS to secure deals for the Mezzanine Funds of HFS.

F.5 General and Administrative Expenses

General and Administrative Expenses include both personnel and overhead expenses not allocated to either Expenses from Real Estate Investment Management, Expenses from Management for Associates or Expenses from Real Estate Operations.

F.6 Depreciation and Amortisation**Depreciation and Amortisation**

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Intangible assets - scheduled depreciation	(11,957)	(127)
Intangible assets - non-scheduled depreciation	(18)	(5)
Property, plant and equipment - scheduled depreciation	(954)	(205)
Others	-	-
Total	(12,928)	(337)

G. OTHER INFORMATION

G.1 Earnings per share

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

Calculation of weighted average number of ordinary shares (undiluted)

	01.0.2018-30.06.2018		01.01.2017-30.06.2017	
	Number of shares	days	Number of shares	days
Shares at the beginning of the period	21,294,123	181	12,610,681	181
Issue of new shares (in cash) on 27 February 2017			996,318	123
Issue of new shares (SW Authorised Capital) on 23 April 2018	35,294	69		
Shares at the end of the period	21,329,417		13,606,999	
Weighted average number of shares for the period	21,307,578		13,287,737	

Calculation of weighted average number of shares (diluted)

	01.01.2018-30.06.2018	01.01.2017-30.06.2017
	Number of shares	Number of shares
New shares from the exercise of share-based payments	101,874	39,216
Average stock price (€/share)	48 ¹	30 ²
Total value of new shares from the exercise of share-based payments (in €)	4,904,214	3,874,928
Exercise price of new shares (€/share)	49	12
Not vested portion (€)		957,339
Difference between stock price and exercise price (in €)	(95,762)	1,347,482
Calculation of fictitious bonus shares	(1,989)	44,321
Weighted average number of ordinary shares for the period	21,305,588	13,332,058

1) since 6 February 2018

2) since 4 October 2016

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

Earnings per share (undiluted)

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Profit attributable to ordinary equity holders of the parent: Continuing operations		
Continuing operations	42,342	19,443
Profit attributable to ordinary equity holders of the parent for basic earnings	42,342	19,443
Weighted average number of ordinary shares (undiluted): Share capital		
Share capital	21,307,578	13,287,737
Weighted average number of ordinary shares (total)	21,307,578	13,287,737
Earnings per share	1.99	1.46

Earnings per share (diluted)

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Share capital	21,305,588	13,332,058
Weighted average number of ordinary shares (total)	21,305,588	13,332,058
Earnings per share	€1.99	€1.46

G.2 Commitments and contingencies

G.2.1 Capital commitments

At 30 June 2018, the Group has EUR 19,856,661 outstanding under the Loan agreement with LUX Structure Services S.à r.l.

G.2.2 Guarantees

The Corestate Group's contingent liabilities and other obligations are mainly potential future payment obligations of the Group attributable to guarantees that have been provided. The figures shown reflect potential liabilities that the guarantees are called upon.

Contingent Liabilities

€ thousand	2018	2017
Obligations under guarantees and warranty agreements	4,298	4,298
Loan commitment	8,320	8,320
Remargining	393	393
Capital commitments for debts of joint ventures	281	281
Total Loss Contingencies	13,292	13,292

G.3 Group entities

CCH SA is the parent company of the Group.

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

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

Group entities

		30 June 2018	31 Dec 2017
Name	Seat and country of incorporation	% equity interest	% equity interest
Corestate Capital Holding S.A.	Luxembourg	Parent Company	Parent Company
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%	100.00%
Bayreuth Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Bego HoldCo I S.L. (Dalia HoldCo I S.L.)	Madrid/Spain	100.00%	100.00%
Bego HoldCo S.à r.l. (Dalia HoldCo AIF S.à r.l.)	Luxembourg	100.00%	100.00%
Bego PropCo I S.L. (Dalia PropCo I S.L.)	Madrid/Spain	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%	100.00%
CORESTATE Capital Advisors (Singapore) Pte. Ltd.	Singapore	100.00%	100.00%
CORESTATE Capital Advisors GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE CAPITAL AG	Zug/Switzerland	100.00%	100.00%
CORESTATE Capital Beteiligungs Verwaltung GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE CAPITAL Fund Management S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Capital Junior BondCo 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 Partners UK Limited	London/United Kingdom	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%	100.00%
CORESTATE Capital Transactions AG	Zug/Switzerland	100.00%	100.00%
Corestate Capital Vorratsgesellschaft mbH 1	Frankfurt am Main/Germany	100.00%	Insolvency
Corestate Capital Vorratsgesellschaft mbH EINS & Co. KG	Frankfurt am Main/Germany	100.00%	Insolvency
Corestate CAPTIVE PropCo V S.à r.l.	Luxembourg	100.00%	100.00%
CORESTATE CIV GmbH	Frankfurt am Main/Germany	100.00%	100.00%
Corestate Condor PropCo GmbH	Vienna/Austria	100.00%	100.00%

		30 June 2018	31 Dec 2017
Name	Seat and country of incorporation	% equity interest	% equity interest
Corestate Condor TopCo GmbH (Platin 1315. GmbH)	Frankfurt am Main/Germany	100.00%	100.00%
Corestate Investment 1 S.à r.l.	Luxembourg	100.00%	100.00%
CORESTATE Investors (Europe) GmbH (CORESTATE Capital Developments GmbH)	Frankfurt am Main/Germany	100.00%	100.00%
Corestate Sailing HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Shelf 3 S.à r.l.	Luxembourg	100.00%	n.a.
Corestate Shelf 4 S.à r.l.	Luxembourg	100.00%	n.a.
Corestate Shelf 5 S.à r.l.	Luxembourg	100.00%	n.a.
Corestate Shelf 6 S.à r.l.	Luxembourg	100.00%	n.a.
Corestate Shelf 7 S.à r.l.	Luxembourg	100.00%	n.a.
Corestate Student Home Holding S.à r.l.	Luxembourg	100.00%	100.00%
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%
Deko HoldCo S.à r.l.	Luxembourg	100.00%	n.a.
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%
GENOST Consulting GmbH	Leipzig/Germany	100.00%	100.00%
Grindel AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Hannover Leasing Verwaltungsgesellschaft mbH	Pullach/Germany	100.00%	100.00%
HFS Helvetic Financial Services AG	Wollerau/Switzerland	100.00%	100.00%
Highstreet GI TopCo Ltd	Guernsey	100.00%	n.a.
Highstreet Giessen HoldCo S.à r.l.	Luxembourg	100.00%	n.a.
Highstreet Giessen PropCo S.à r.l.	Luxembourg	100.00%	n.a.
Highstreet Premium II AcquiCo Limited	Guernsey	100.00%	100.00%
Highstreet Premium II PropCo III S.à r.l.	Luxembourg	100.00%	100.00%
Iberian HoldCo II S.à r.l. (Corestate Shelf II S.à r.l.)	Luxembourg	100.00%	100.00%
Iberian HoldCo II S.L.	Madrid/Spain	100.00%	100.00%
Iberian Investment II HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
Iberian PropCo II S.L.	Madrid/Spain	100.00%	100.00%
Isabela HoldCo AIF S.à r.l. (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%
Manneken AIF S.à r.l.	Luxembourg	100.00%	n.a.

		30 June 2018	31 Dec 2017
Name	Seat and country of incorporation	% equity interest	% equity interest
Manneken HoldCo S.à r.l.	Luxembourg	100.00%	n.a.
Marburg TopCo Ltd	Guernsey	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%
Potsdam Student Home AcquiCo II S.à r.l.	Luxembourg	100.00%	100.00%
Project AcquiCo I S.à r.l.	Luxembourg	100.00%	100.00%
Project AcquiCo III S.à r.l.	Luxembourg	100.00%	100.00%
Project AcquiCo IV 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%
RECAP FinCo IV S.à r.l. (CC SH HoldCo 01 S.à r.l.)	Luxembourg	100.00%	100.00%
RECAP FinCo 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%	100.00%
Roman HoldCo 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%
Spain Shelf I HoldCo I S.L.	Spain	100.00%	n.a.
Spain Shelf I HoldCo S.à r.l.	Luxembourg	100.00%	n.a.
Spain Shelf I PropCo I S.L.	Spain	100.00%	n.a.
SQUIRREL AcquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
Stadttor Düsseldorf AcquiCo S.à r.l. (Corestate PropCo Shelf II S.à r.l.)	Luxembourg	100.00%	100.00%
TRIIIPLE HoldCo GmbH	Frankfurt am Main/Germany	100.00%	100.00%
TRIIIPLE TopCo GmbH	Frankfurt am Main/Germany	100.00%	100.00%
TURBO FRA AcquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
UPARTMENTS Real Estate GmbH (MicroLiving Service GmbH)	Leipzig/Germany	100.00%	100.00%
VITU AcquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
LOMBARDO Verwaltungsgesellschaft mbH	Pullach/Germany	89.58%	89.58%
PALMYRA Verwaltungs GmbH & Co. Vermietungs KG	Pullach/Germany	89.58%	89.58%
CORESTATE MCIF GmbH & Co. KG	Frankfurt am Main/Germany	86.67%	86.67%
PALMYRA Verwaltungs GmbH & Co. Verm. KG S.e.n.c	Luxembourg	84.92%	84.92%
CORESTATE MCIF Germany GmbH & Co. KG	Frankfurt am Main/Germany	83.87%	83.87%
Soest HoldCo S.à r.l. (Corestate Shelf HoldCo 2 S.à r.l. - Soest)	Luxembourg	81.80%	81.80%
CAPERA Immobilien Service GmbH	Neu-Isenburg/Germany	80.00%	80.00%
Highstreet VIII TopCo II Ltd. (Highstreet VIII AcquiCo Ltd.)	Guernsey	78.16%	100.00%

		30 June 2018	31 Dec 2017
Name	Seat and country of incorporation	% equity interest	% equity interest
Highstreet VIII TopCo Ltd.	Guernsey	78.16%	100.00%
Corestate SAND HoldCo S.à r.l.	Luxembourg	69.74%	69.74%
Highstreet VIII AcquiCo S.à r.l.	Luxembourg	40.22%	100.00%
Highstreet VIII HoldCo S.à r.l.	Luxembourg	40.22%	100.00%
Highstreet VIII PropCo I S.à r.l. (Highstreet VII PropCo II S.à r.l.)	Luxembourg	40.22%	100.00%
Highstreet VIII PropCo II S.à r.l.	Luxembourg	40.22%	100.00%
Highstreet VIII PropCo III S.à r.l. (Project AcquiCo II S.à r.l.)	Luxembourg	40.22%	100.00%
Marburg HoldCo S.à r.l. (Corestate Shelf I S.à r.l.)	Luxembourg	sold	100.00%
Hannover Leasing GmbH & Co. KG	Pullach/Germany	94.90%	94.90%
Accontis GmbH Finanzanlagen und Beteiligungen	Frankfurt am Main/Germany	94.90%	94.90%
AKANTHUS Verwaltungsgesellschaft mbH	Pullach/Germany	89.21%	89.21%
BASSANO Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
BERYTOS Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
CAMPANULA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	94.90%	94.90%
Delta Vermietungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
DIV Deutsche Immobilienfonds GmbH	Pullach/Germany	94.90%	94.90%
Freizeitgeräte Leasing GmbH	Pullach/Germany	94.90%	94.90%
FRICTION Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
Galena Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	94.90%	94.90%
GELIMER Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	86.43%	86.43%
GORDION Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Automotive GmbH	Pullach/Germany	84.15%	84.15%
HANNOVER LEASING Belgien Beteiligungs GmbH & Co. KG	Pullach/Germany	94.90%	94.90%
Hannover Leasing Beteiligungs GmbH & Co. KG	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Investment GmbH	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Private Invest Beteiligungs GmbH	Pullach/Germany	86.62%	86.62%
Hannover Leasing Private Invest Beteiligungs GmbH	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Private Invest II GmbH & Co. KG	Pullach/Germany	86.62%	86.62%
HANNOVER LEASING Treuhand GmbH	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Wachstumswerte Europa Beteiligungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Wachstumswerte Europa VI GmbH & Co. KG i.L.	Pullach/Germany	94.90%	94.90%
HANNOVER LEASING Wachstumswerte Europa VIII GmbH & Co. KG	Pullach/Germany	47.49%	47.49%
HANNOVER-LEASING Treuhand-Vermögensverwaltung GmbH	Pullach/Germany	94.90%	94.90%
HERSCHEL Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%

		30 June 2018	31 Dec 2017
Name	Seat and country of incorporation	% equity interest	% equity interest
KERA Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
MERIT Beteiligungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
NIGRESCO Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	94.90%
NOVELLINO Geschäftsbesorgungs GmbH & Co. Verwaltungs KG	Pullach/Germany	94.90%	94.90%
ORION Verwaltungsgesellschaft mbH & Co. Beteiligungs KG	Pullach/Germany	94.90%	94.90%
PERNILLA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	94.90%	94.90%
SINGULI Verwaltungsgesellschaft mbH	Pullach/Germany	62.63%	62.63%
VANESSA Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	94.90%	94.90%
DIRAN Verwaltungsgesellschaft mbH	Pullach/Germany	94.90%	n.a.
LIBANUS Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	94.90%	n.a.
STYLOS Verwaltungsgesellschaft mbH & Co. Vermietungs KG	Pullach/Germany	94.90%	n.a.
HL Hotel Ulm GmbH & Co. geschlossene Investment-KG	Pullach/Germany	53.63%	n.a.
HANNOVER LEASING Denkmal Münster GmbH & Co. KG	Pullach/Germany	sold	94.90%
DIV Grundbesitzanlage Beteiligungs GmbH & Co. KG	Frankfurt am Main/Germany	merged	94.90%
CORESTATE Hamburg GmbH (formerly ATOS Capital GmbH)	Hamburg/Germany	100.00%	100.00%
CORESTATE Asset Management GmbH (formerly ATOS Asset Management GmbH)	Hamburg/Germany	100.00%	100.00%
ATOS Property Management GmbH	Hamburg/Germany	100.00%	100.00%
ATOS Real Estate GmbH	Wien/Austria	100.00%	100.00%
Corestate FIF I Portfolio Verwaltung GmbH	Hamburg/Germany	100.00%	100.00%

G.4 Deconsolidation

During the first six month of the financial year 2018, the following companies were deconsolidated from the Group:

	HL Denkmal Münster KG	Marburg HoldCo S.à r.l	Total
<i>Date of sale</i>	<i>29.03.2018</i>	<i>20.02.2018</i>	
Total proceeds from sale	7,161	-	7,161
<i>thereof sales prices (cash)</i>	<i>7,161</i>	<i>32</i>	7,193
Voting rights sold (%)	57.30%	100.00%	
Shares in Associates	-	15	15
Inventories	20,732	-	20,732
Receivables	(98)	-	(98)
Cash and cash equivalents	1,377	30	1,407
Total assets	22,012	45	22,056
Deferred tax liability	70	-	70
Financial liabilities due to banks	9,219	-	9,219
Current tax liabilities	-	1	1
Liabilities from affiliated companies	-	32	32
Trade payables	24	6	30
Other liabilities	6,287	14	6,301
Total liabilities	15,600	52	15,652
Fair value of net assets sold	6,412	(7)	6,405
Non-controlling interests	(320)	-	(320)
Gain/(loss) from deconsolidation	429	7	436
Revenues generated until deconsolidation	294	-	294
Profit/(loss) until date of deconsolidation	(6)	-	(6)

G.5 Fair value

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

Fair Value of financial instruments

€ thousand	Carrying amount 30 June 2018	Measurement in accordance with					Fair value 30 June 2018
		IAS 39 / IFRS 9			IAS 17		
		Amortized cost	Fair value recognised through profit and loss	Fair value recognised directly in equity (OCI)	not applicable	Amortized cost	
Other Financial Instruments	82,783	14,636	10,809	51,463	-	5,876	82,783
Long-term Receivables	49,535	49,535	-	-	-	-	49,535
Long-term Loans to Associates	11,086	11,086	-	-	-	-	11,086
Short-term Loans to Associates	10,604	10,604	-	-	-	-	10,604
Trade Receivables	33,028	33,028	-	-	-	-	33,028
Other Short-term Receivables	1,587	1,587	-	-	-	-	1,587
Other Short-term Assets	30,965	30,965	-	-	-	-	30,965
Restricted Cash	700	-	-	-	700	-	700
Cash and Cash Equivalents	182,997	-	-	-	182,997	-	182,997
Total Financial Assets	403,286						403,286
Long-term Financial Liabilities to Banks	164,651	164,651	-	-	-	-	164,651
Other Long-term Financial Liabilities	509,731	509,731	-	-	-	-	509,731
Long-term Derivatives	4,393	-	-	-	4,393	-	4,393
Other non-current Liabilities	69,567	67,544	2,023	-	-	-	69,567
Short-term Financial Liabilities to Banks	101,851	101,851	-	-	-	-	101,851
Short-term Derivatives	1,442	-	-	-	1,442	-	1,442
Short-term Liabilities to Associates	1,419	1,419	-	-	-	-	1,419
Trade Payables	9,392	9,392	-	-	-	-	9,392
Other current Liabilities	28,256	28,256	-	-	-	-	28,256
Total Financial Liabilities	890,702						890,702

€ thousand	Carrying amount 31 Dec 2017	Measurement in accordance with					Fair value 31 Dec 2017
		IAS 39 / IFRS 9			IAS 17		
		Amortized cost	Fair value recognised through profit and loss	Fair value recognised directly in equity (OCI)	not applicable	Amortized cost	
Other Financial Instruments	72,183	14,475	-	51,374	-	6,333	72,183
Long-term Receivables	37,827	37,827	-	-	-	-	37,827
Long-term Loans to Associates	6,808	6,808	-	-	-	-	6,808
Short-term Loans to Associates	18,874	18,874	-	-	-	-	18,874
Trade Receivables	32,141	32,141	-	-	-	-	32,141
Other Short-term Receivables	53,325	53,325	-	-	-	-	53,325
Other Short-term Assets	12,397	11,507	-	-	-	890	12,397
Restricted Cash	745	-	-	-	745	-	745
Cash and Cash Equivalents	108,830	-	-	-	108,830	-	108,830
Total Financial Assets	343,130						343,130
Long-term Financial Liabilities to Banks	238,262	238,262	-	-	-	-	238,262
Other Long-term Financial Liabilities	243,030	243,030	-	-	-	-	243,030
Long-term Derivatives	4,941	-	-	-	4,941	-	4,941
Other non-current Liabilities	29,985	27,962	2,023	-	-	-	29,985
Short-term Financial Liabilities to Banks	132,278	132,278	-	-	-	-	132,278
Other Short-term Financial Liabilities	15,509	15,509	-	-	-	-	15,509
Short-term Derivatives	3,394	-	-	-	3,394	-	3,394
Short-term Liabilities to Associates	2,209	2,209	-	-	-	-	2,209
Trade Payables	14,795	14,795	-	-	-	-	14,795
Other current Liabilities	75,937	75,160	-	-	-	776	75,937
Total Financial Liabilities	760,339						760,339

As in 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 2017 financial statements.

G.6 Related party information

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

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

Major shareholders and shareholders' related entities

- Ralph Winter
- Thomas Landschreiber
- Daniel Schoch
- Micha Blattmann
- Urs Felder
- Azteca Hoding AG
- Blattmann Advokatur & Notariat
- Felur Swiss Treuhand AG
- Norbert Ketterer
- Marcellino Hoensbroech
- Thalos investment platform s.a
- Vicenda Asset Management AG
- W5 Group AG
- W5 Group GmbH
- W5 Group LLC

Ralph Winter is a senior advisor to the Group through a consultancy agreement between W5 Group GmbH and CCH S.A. W5 Group GmbH and W5 Group LLC are both investment advisory firms wholly-owned by Ralph Winter. Thomas Landschreiber is 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 tax Swiss tax advisory firm wholly-owned by Urs Felder.

CCH SA Key Management Personal:

On 6 February 2018, the Supervisory Board of CORESTATE Capital Holding S.A. appointed Dr Michael Bütter as successor to the incumbent Chief Executive Officer, Sascha Wilhelm as of 1 May 2018 of CORESTATE. Sascha Wilhelm left the Company as of 30 April 2018. Dr Bütter is in charge of CORESTATE Group's strategy, international expansion including M&A activities including strategic investments and management of real estate investors and client relations.

- Dr Michael Bütter (Chief Executive Officer of CORESTATE Capital Holding S.A. and a chairman of the Group's Investment Committee) – since 01 May 2018
- 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 01 July 2017
- Sascha Wilhelm (Chief Executive Officer of CORESTATE Capital Holding S.A. and a chairman of the Group's Investment Committee) – since 21 August 2015 until 30 April 2018

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

Member of the Supervisory Board:

- Micha Blattmann (Chairman, Manager, whose professional address is Hof 1, CH-6345 Neuheim/Switzerland) – since 23 September 2015
- Urs Felder (self-employed tax and accounting Expert, whose professional address is at FELUR Swiss Treuhand AG, Sihlramtsstrasse 5, CH-8001 Zurich/Switzerland) – since 21 August 2015
- Ulrich Plett (Wirtschaftsprüfer, whose professional address is Clausewitzstr. 7, D-10629 Berlin/Germany) – since 23 September 2015

The current members of the Audit Committee are Micha Blattmann, Dr Urs Felder and Ulrich Plett as Chairman.

At the Company's annual general meeting held on 27 April 2018, the shareholders of CORESTATE Capital Holding S.A. resolved to amend article 18.5 of the Articles of the Company and increase the gross annual fee entitlements of the members of the Supervisory Board as follows:

- Annual fee in a gross amount of EUR 60,000 for the chairman of the Supervisory Board;
- annual fee in a gross amount of EUR 50,000 for the deputy chairman of the Supervisory Board;
- annual fee in a gross amount of EUR 40,000 for each other member of the Supervisory Board; and
- annual fee in a gross amount of EUR 10,000 for the chairman of the audit committee of the Company and the chairman of any other committee of the Company that may exist from time to time.

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 investment structures, these investment structures qualify as an Associate under the IFRS regime. The revenues generated with such Associates are based on market-standard Joint-Venture and Co-Investments Agreements (JVCIA) as well as Asset Management Agreements (AMA), and are entered into with and approved by its investors. Note E.1. provides an overview of the Group's Investment in Associates.

Joint Venture (cooperation with local partners)

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

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).

G.6.1 Transactions with shareholders and shareholder related entities**Transactions with shareholders and shareholder related entities**

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Fees paid to W5 Group/W5 Group LLC under consultancy agreements	(282)	(292)
Cost reimbursement to W5 Group/W5 Group LLC	(158)	(247)
Fees paid to Vicenda	(6)	(7)
Payments made in connection with the acquisition of HFS	(12)	-
Rental income from sublease with Azteca Holding	-	9
Interest expense from shareholder loans	(477)	-
Repayment of loans granted by shareholders	(18,918)	-
Repayment other Liabilities to shareholders	(39,000)	-
Dividends (including capital repayments) paid to shareholders	(42,588)	(13,607)
Other reimbursement from W5 Group	17	-
Reimbursement Project ISAR from W5 Group	-	75

G.6.2 Transactions with Key Management Personnel**Transactions with Key Management Personnel and members of Supervisory Board**

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Short-term employee benefits	(2,260)	(1,102)
Service Agreement termination benefits	(1,127)	-
Share-based payment benefits	(1,533)	-
Compensation payments	(1,400)	-
Remuneration/Payments to members of the Supervisory Board	(159)	(201)
EMC Bonus Awards contributed to MCIF	(166)	-
Reimbursement from Key Management Personnel	1	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 Company has also granted to the new Chief Financial Officer and Chief Executive Officer of CORESTATE Capital Holding S.A. a share-based compensation.

G.6.3 Transactions with Associates (Co-Investments)

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

Transactions with Associates (Co-Investments)

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Revenue from Acquisition Related Fees	-	2,405
Revenue from Asset and Property Management	3,781	5,553
Revenue from Promote Fee realized	-	15,998
Proceeds from Selling property Holding Companies	429	5,359
Interest income from Associates	-	56

Balance with Associates (Co-Investments)

€ thousand	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Long-term Loans to Associates	11,086	656
Receivables from Associates	9,604	7,305
Short-term Liabilities to Associates	1,419	283

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

G.7 Significant events after the reporting date (subsequent events)

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, 13 August 2018

Dr Michael Bütter
Chief Executive Officer

Lars Schnidrig
Chief Financial Officer

Thomas Landschreiber
Chief Investment Officer

Report on the Review of Interim Condensed Consolidated Financial Statements

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Corestate Capital Holding S.A. and its subsidiaries (the "Group") for the period from 1 January 2018 to 30 June 2018, which comprise the interim consolidated statement of financial position as at 30 June 2018 and the related interim consolidated statement of profit and loss and other comprehensive income, the interim consolidated statement of changes in equity, the interim consolidated statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Pavel Nesvedov

Luxembourg, 13 August 2018

Financial Calendar

06 September 2018	Capital Markets Day
13 November 2018	Publication of Q3 financial report

Imprint

PUBLICATION DATE

14 August 2018

PUBLISHER

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