



CORESTATE Insights

Capital Markets Day

12 September 2019

- 10:30h **Welcome** (*Dr. Kai Gregor Klinger, CMO*)
- 10:35h **Strategy, Structures & Growth** (*Lars Schnidrig, CEO*)
- 10:50h Group Presentation
The Client Perspective – Appetite, Needs & Initiatives (*Douglas Edwards, Group Head of Equity Raising & Client Services*)
The Art of Asset Management (*Dr. Florian Sander, COO*)
ESG Integration – From Zero to Hero (*Justus Wiedemann, Sustainability Officer*)
- 11:40h **Financial Performance, Policies & Outlook** (*Martin Ulrich Bassermann, CFO / Dr. Kai G. Klinger, CMO*)
- 12:00h **Lunch break** (incl. Corestate Management)
- 12:45h Group Presentation
Enlightened Product Development (*Thomas Landschreiber, CIO & Co-Founder*)
Real Estate Private Debt – Mezzanine and More (*Tim Schymik, COO Helvetic Financial Services*)
Serviced Living – Trends and the Need for Experience (*Stewart Moore, CEO CRM Students*)
- 14:00h **Outlook and Closing Remarks** (*Lars Schnidrig, CEO*)
- 14:10h **Get-Together** (incl. Corestate Management)



Strategy, Structures & Growth

Lars Schnidrig, CEO

Capital Markets Day 12 September 2019



Who we are

CORESTATE is a leading provider of fully integrated real estate investment solutions in Europe.



Our Mission

We develop innovative, sustainable and profitable investment solutions for our customers to increase their wealth.

We combine proven real estate expertise, good market knowledge and the understanding of mega trends and ESG principles for optimal product performance and sustainable returns for our customers.

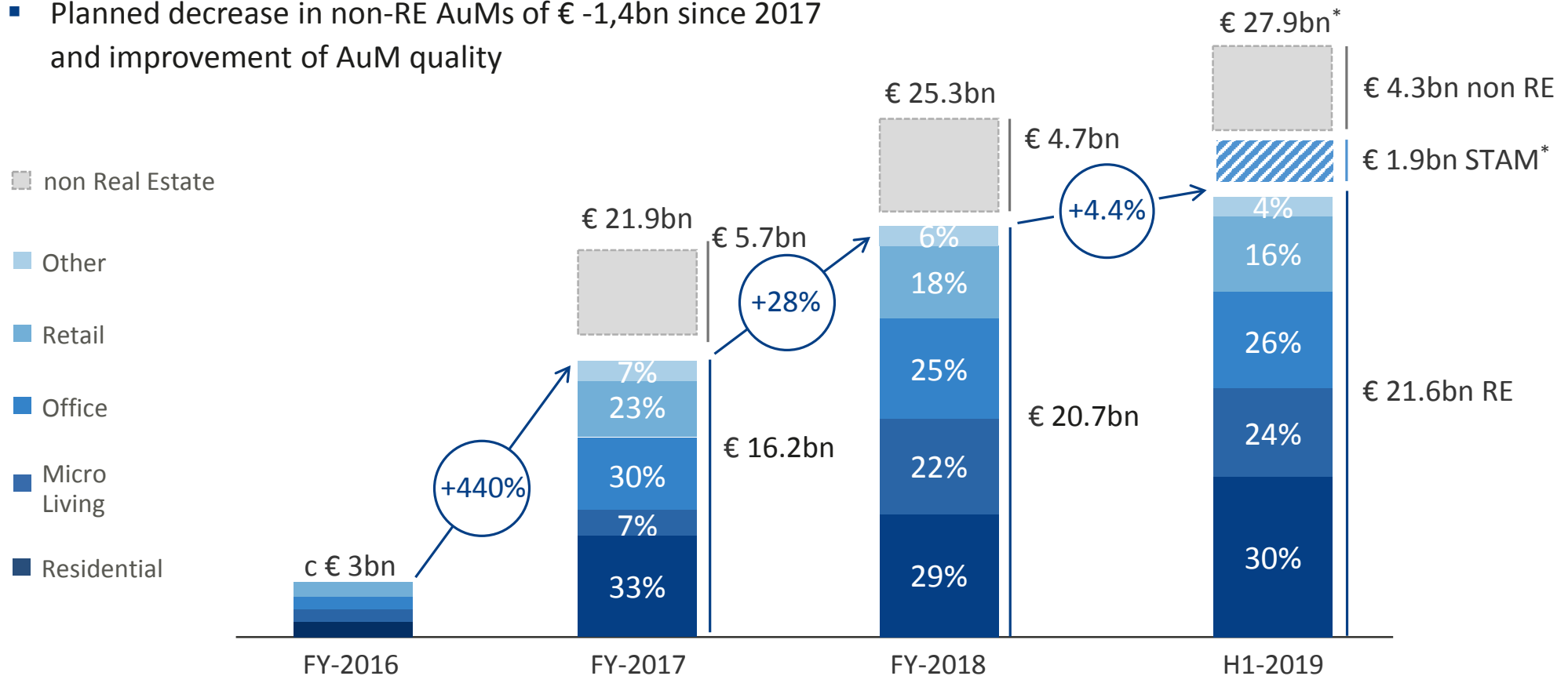


Our Vision

It is our goal to become **the leading European full-service provider of real estate investments.**

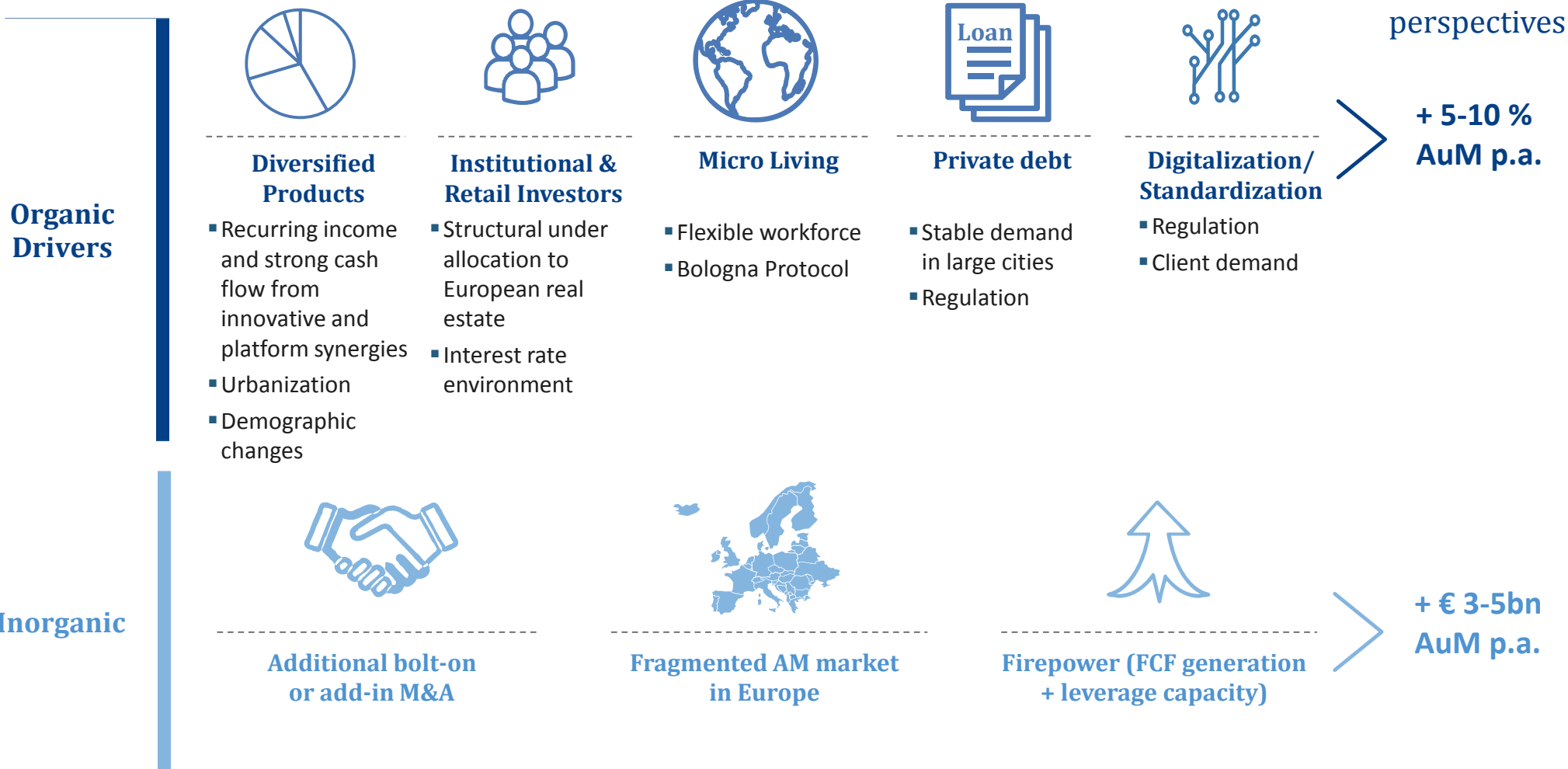
Consistent AuM enhancement

- H1-2019 **+4.4%** organic growth in RE AuM (2018 +9,3%)
- STAM acquisition will add **€ 1.9bn** AuMs end of 2019 (2018: CRM + € 3.0bn)
- Total AuM CAGR since 2016: +110%
- Planned decrease in non-RE AuMs of € -1,4bn since 2017 and improvement of AuM quality



* incl. STAM on a pro forma basis as of after closing end of 2019

Strong upside potential from both organic and inorganic sources





Diversified Products

Initiatives & Products

- Retail investor business (OIF)
- Booming B-Cities
- Group wide cross selling (e.g. forward purchase from developments)



Investors

- Equity raising initiative with a focus on **international institutional investors**



Micro Living

- Brand recognition effect
- Expansion to **Continental Europe** (beyond of Germany, Austria, Switzerland and Spain esp. to Italy, Central Europe, BeNeLux, Nordics)
- **European Micro Living Fund**



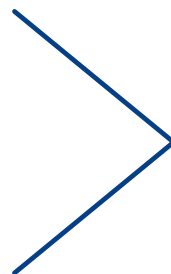
Real Estate Debt

- Product diversification in **private debt (whole loan)**
- **European expansion** of core Mezzanine Product



Digitalization / Standardization

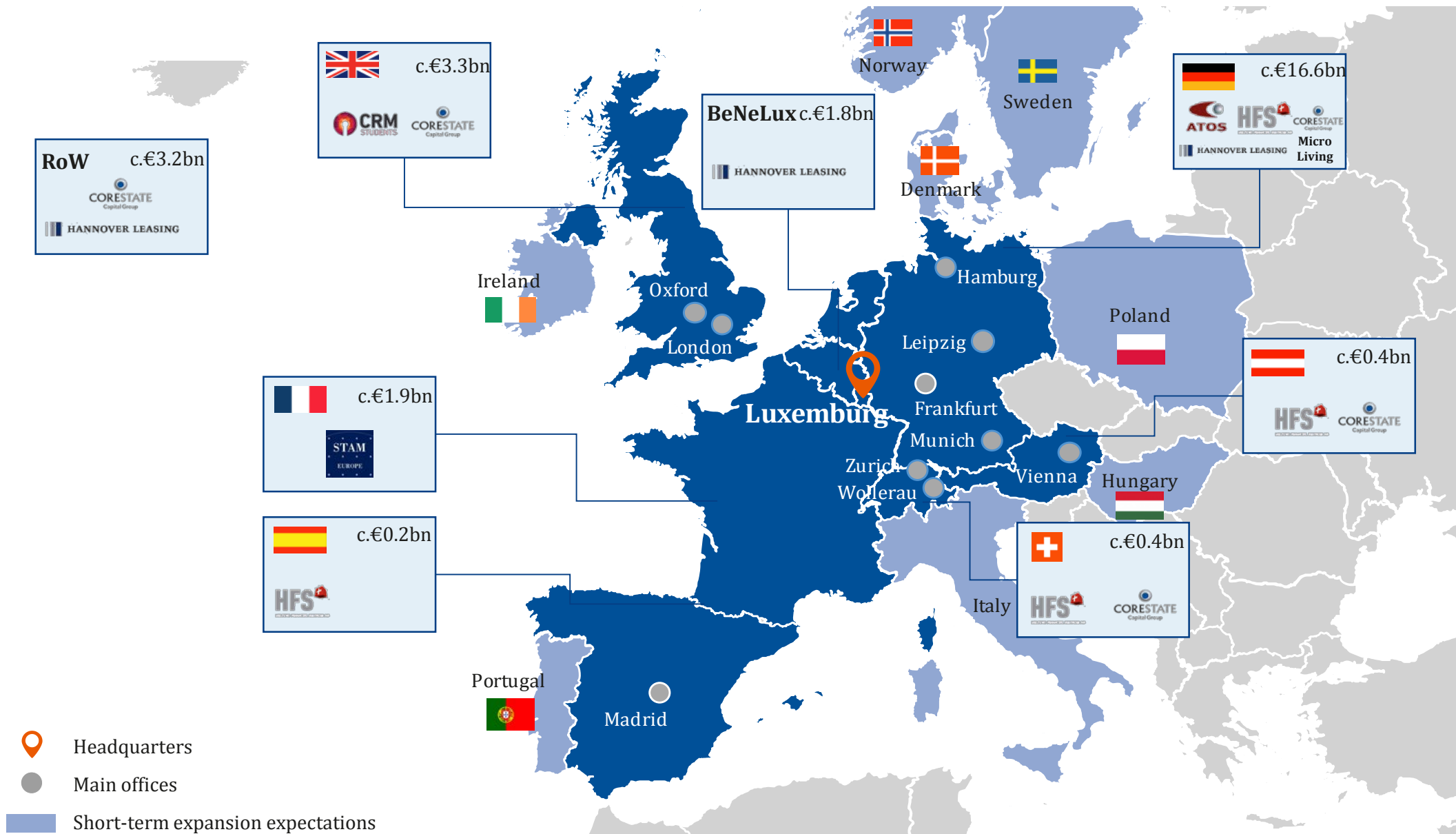
- Digital sales platform
- Standardization in reporting
- Digitalization in **asset and property management** tools (Digital ECO-System; Real-time information flexibly adaptable to the needs of tenants)



Strong Real Estate sourcing pipeline

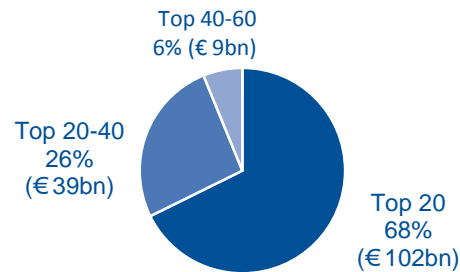
- Deal pipeline of around 6bn €
- Around one quarter in advanced contractual status
- Pipeline stable since many quarters

Diversified Geographic Exposure and Expected Near-term Expansion



Current market setup

European RE AuM breakdown by size bucket



~ 60 European RE Asset Managers with AuM <€ 10bn, with combined ~ € 150bn AuM in Europe

Continued consolidation trend driven by

- Increasing regulatory costs (e.g. AIFMD rules)
- Institutional investors' ~30% underallocation to Real Estate and willingness to invest in larger platforms with solid track record (compliance, regulation, ESG)

Corestate's competitive position



Favourably positioned to further participate in consolidation

- Strong market position and size advantage with scalable platform
- Excellent track record
- Acquisition power through free cash flow generation

Opportunities

✓
Multiple potential targets

✓
Significant synergy potential

✓
Access to new investors

✓
Access to additional products

Transaction base assumptions

Typical Acquisition Structure

- 2-4bn AuM, 15-30m revenues
- 50% EBITDA margin
- Multiples: 5-7x EBITDA
- Paid partly in cash and partly in shares



Importance of corporate governance and compliance for the business model



Institutional clients require standards to be met

- This has become part of every onboarding process and Corestate receive several questionnaires in this respect per month
- If standards are not met, clients may not come aboard or withdraw from existing commitments. This has happened in the past (before new structure was implemented)



Client & product focus

- Governance structure safeguards quick and efficient decision-making, proper client service, compliance with reporting standards, “safer” investments



Highly regulated industry

- Failure to comply with regulations brings along significant risks (damages, criminal liability, asset freezes)
- There is a clear trend towards even more comprehensive regulation and harsher enforcement by regulators



Corporate Governance as a key area of focus for investors

- Corestate has taken concrete steps to strengthen governance, and to improve its reputation and standing among both equity and product investors
- This does not only refer to equity/share investors but also to the client/product side



ESG

- ESG is competitive edge, especially for a rather young and still transformatory business