



Roadshow Presentation

August / September

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Disclaimer

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Extent and impact of the corona pandemic on the course of business in 2020 cannot yet be conclusively assessed. The company is therefore monitoring further developments and their impact on business activities very closely and will always present reliable information transparently in a timely manner.

Glossary

€ = Euro;
\$ = (US)Dollar;
% = percentage;
a = actual;
acc. = according;
adj. = adjusted;
aggr. = aggregated;
approx. = approximately;
c(a) = circa;
e = expected;
(F)Y = (financial) year(s);
H = half year(s);
LTM = last twelve months;
M = month(s);
Q = quarter(s);
tba = to be announced
k = thousand(s);
m = million(s);
bn = billion(s)

A Fully Integrated and Specialized Real Estate Investment Manager



€ >28bn

Assets under
Management



CORESTATE

Capital Group

~800 FTEs | 42 Offices | 7 Countries



>55%

EBITDA
Margin
(pre COVID)

**STANDARD
& POOR'S**

BB+ (stable)

Corporate Credit
Rating



€ >4.0bn

Deal Pipeline in
selected countries

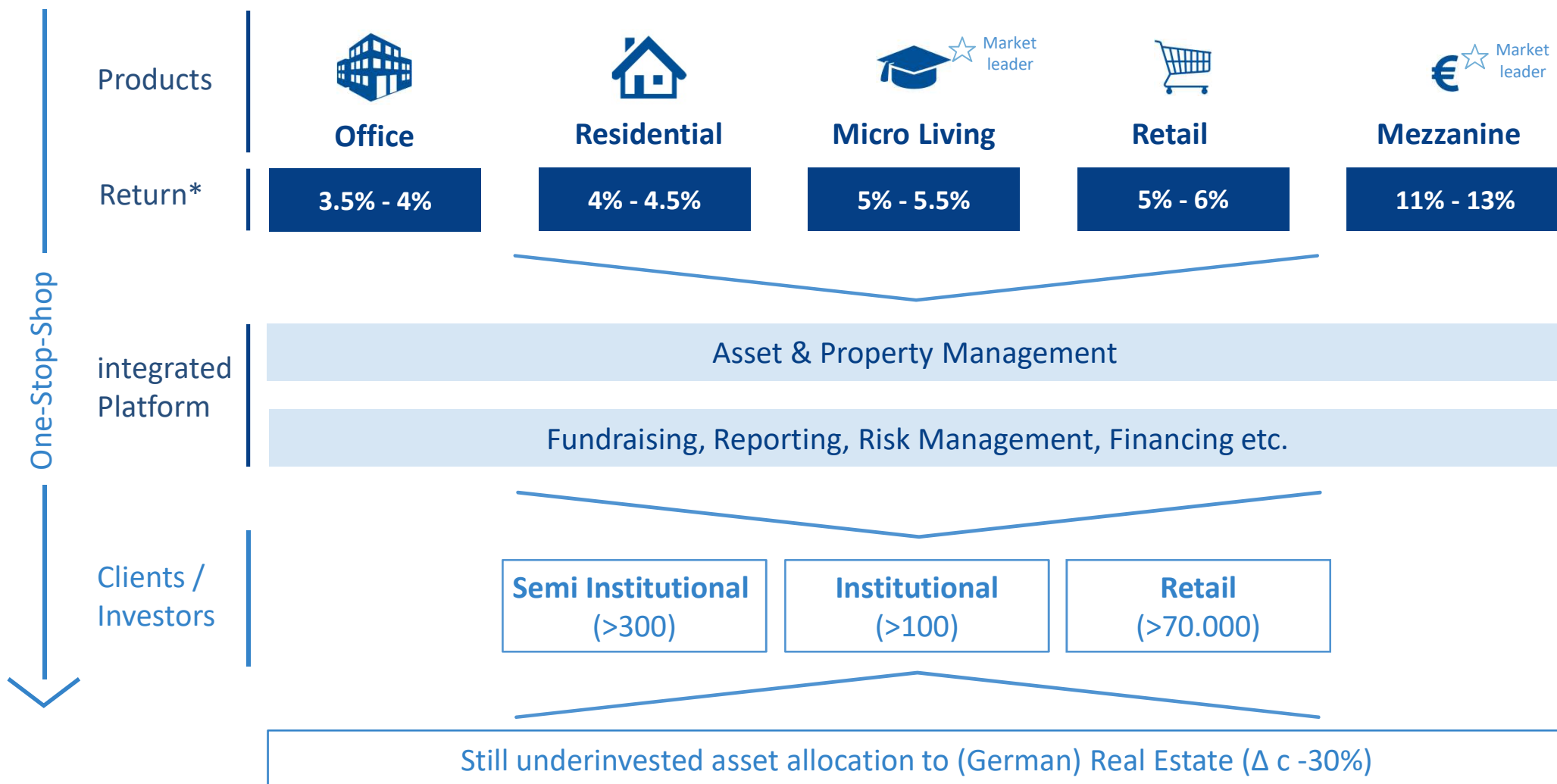


€ >1.3bn

Fund Volume
in Real Estate
Mezzanine

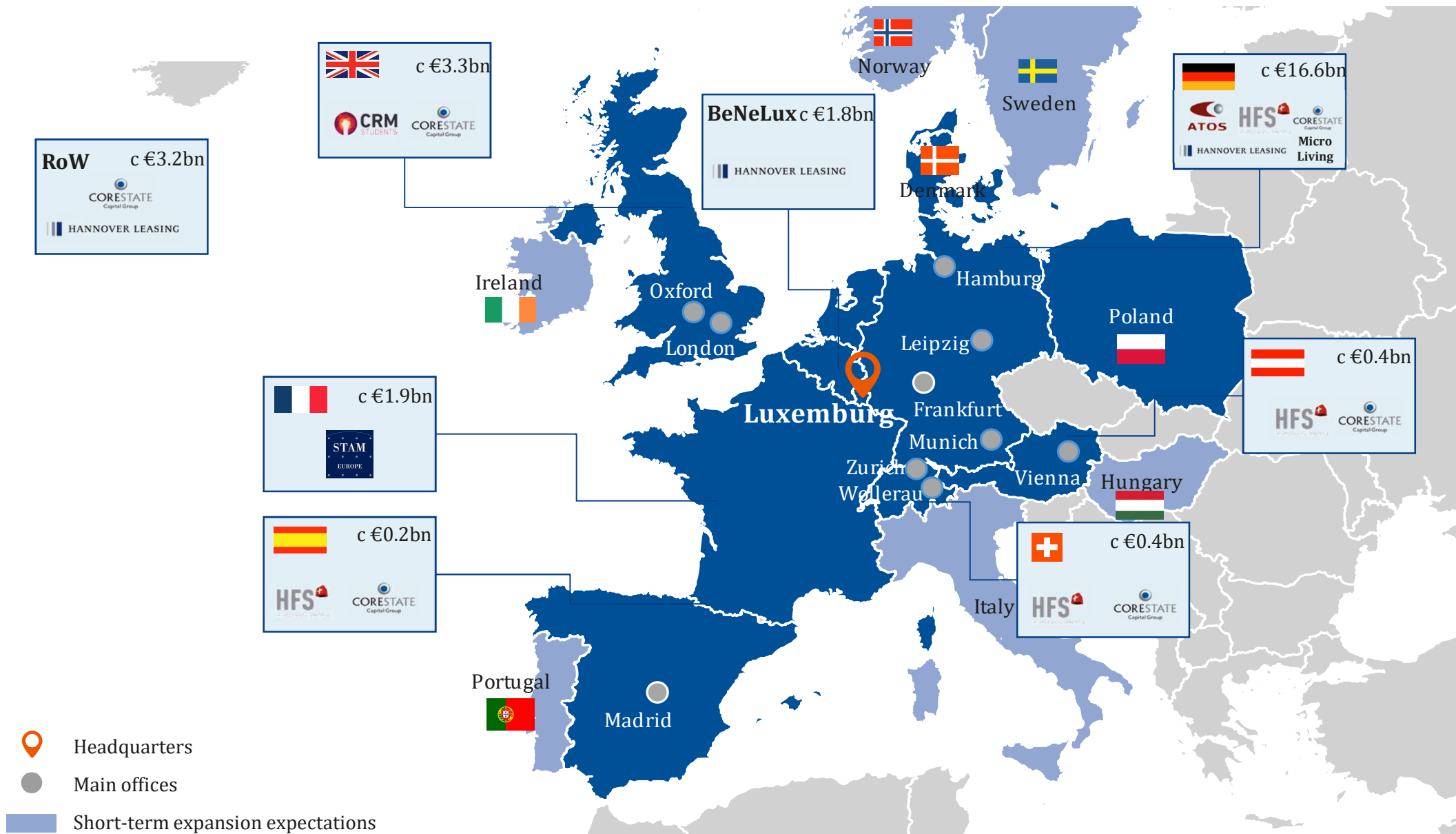
Attractive Offerings for our Clients in Various Asset Classes

Key product range



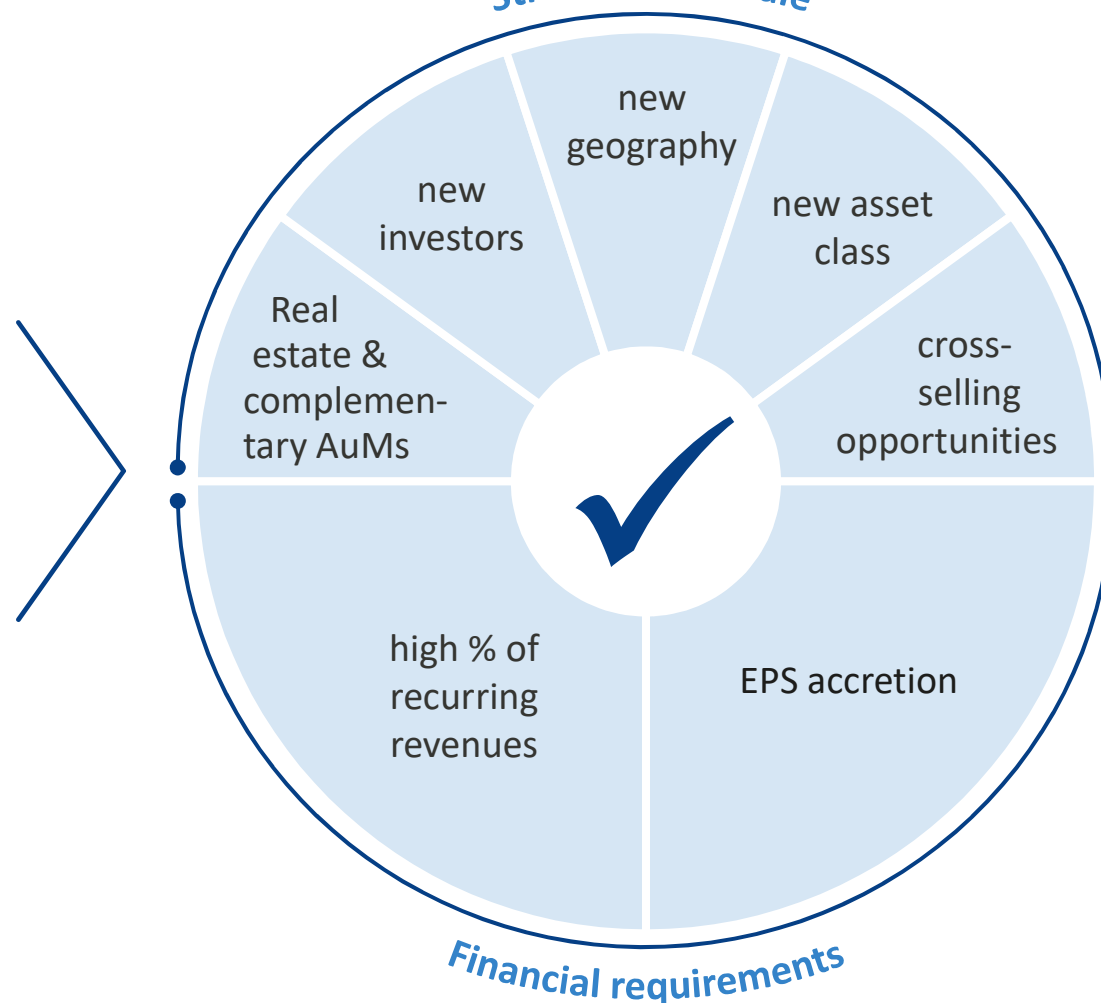
* after costs

Diversified Geographic Exposure and Expected Near-term Expansion



Strict set of acquisition criteria drives approach to external growth

Strategic rationale



Sector consolidation driven by trend to bigger asset managers and increasing regulatory costs (AIFMD)

European **Real estate AM market is fragmented**: >90 asset managers with AuM below € 10bn

Comprehensive and integrated **multi-boutique platform** enables an **efficient and flexible dock process** of new asset manager

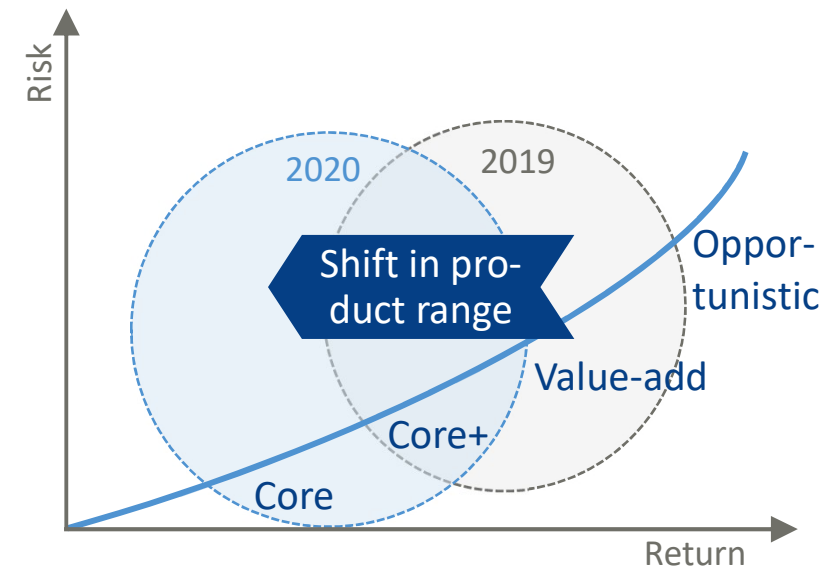
Operations Considerably Impacted by COVID-19 Pandemic

- General market uncertainty and restraints lead to slow-down in RE transactions in April and May, since June markets recover gradually with focus on lower risk-return profiles
- Minor organic RE AuM growth in Q2 of +1.2%
- Resilient performance in AM & PM and private debt business
- Operational pressure on value-add investments esp. in Serviced Apartments and Retail lead to re-valuations and smaller one-off effects in alignment capital
- Challenging environment for STAM in Paris
- Supervisory Board extended and renewed on virtual AGM with focus on independence, various profiles of competency and diversity
- Significant net debt reduction and deleveraging within next 18-24M
- Capital Market Day shifted to 19 November 2020

Enhanced Market Approach

- Consistent changes in product offerings with high focus on **core/core+**
- Examples of current product range: residential in B-cities, logistic, student housing, city quarters, affordable housing in A-cities, commercial with A-tenants
- Comprehensive **re-branding** and **new positioning** scheduled for 2021
- Strengthening of **equity raising in DACH region**
- Group-wide **efficiency program** launched: simplification, productivity and digitalization

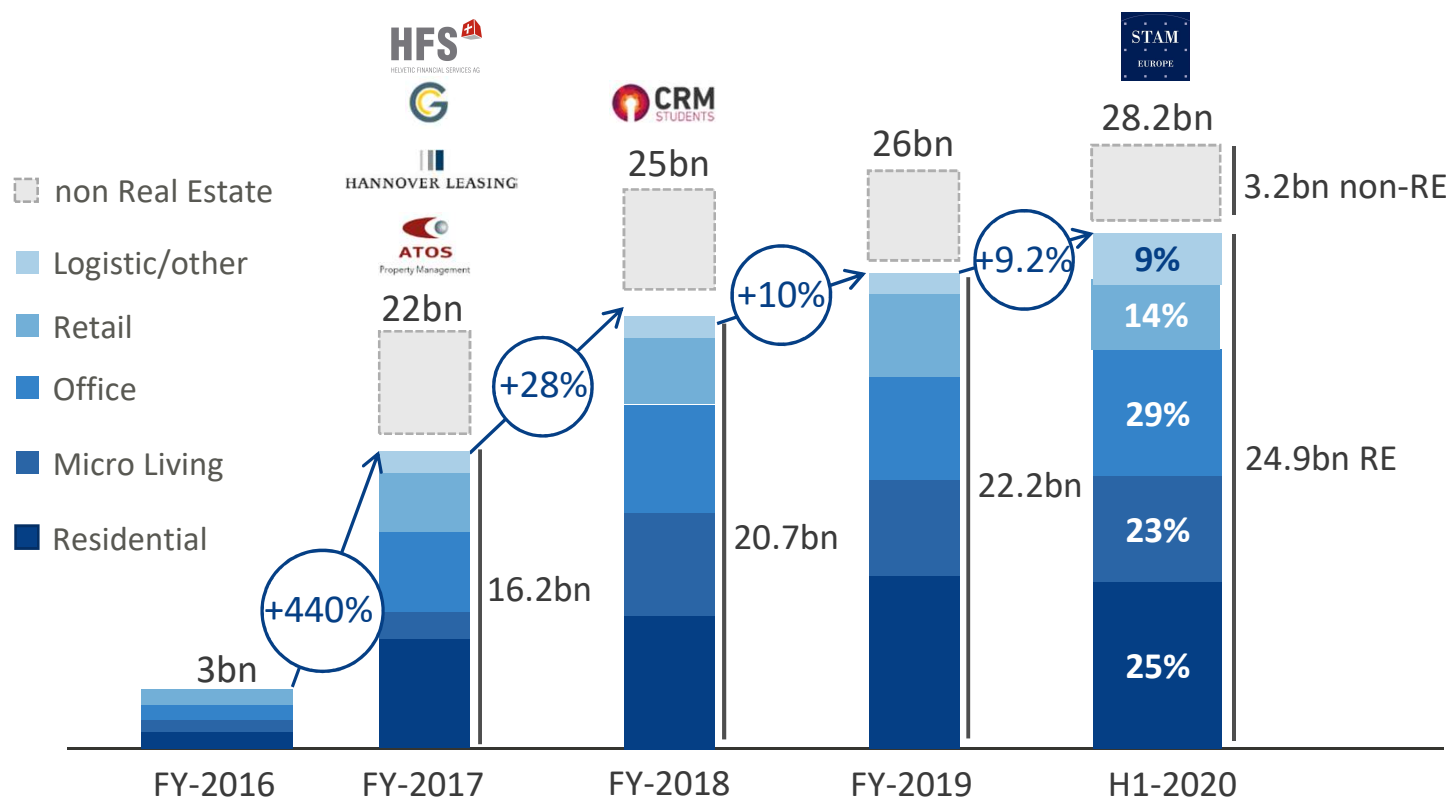
COVID-19 as Catalyst for Shift of Investment Focus



Assets under Management on Record High

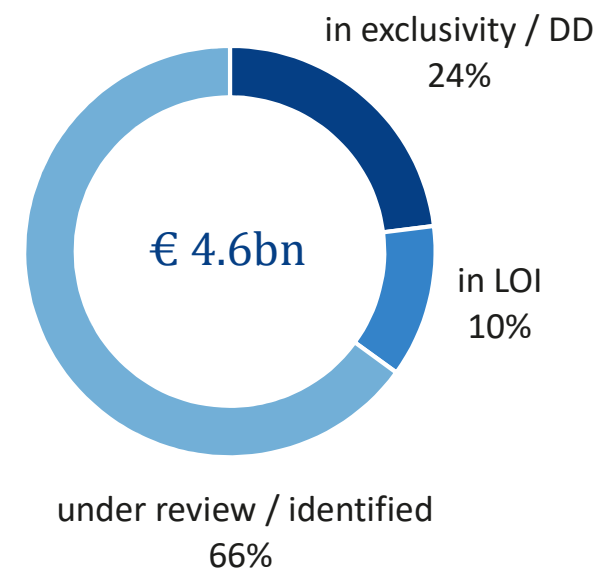
Assets under Management

- +3.1% net organic growth in RE AuM in H1-2020
- Planned decrease in non-Real Estate AuM of € 0.3bn



Sourcing Pipeline

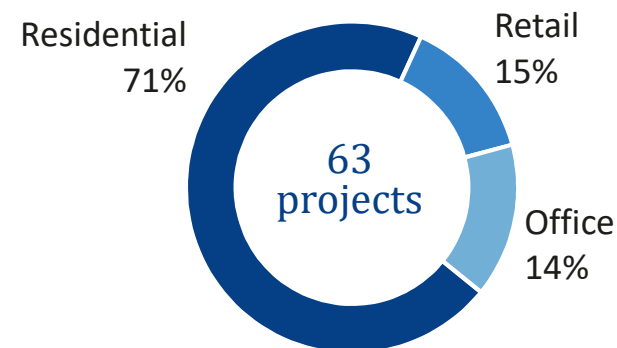
- Deal pipeline impacted by COVID-19, but showing signs of recovery
- High percentage in advanced contractual status



Real Estate Debt Shows Robust Performance Through the Crisis

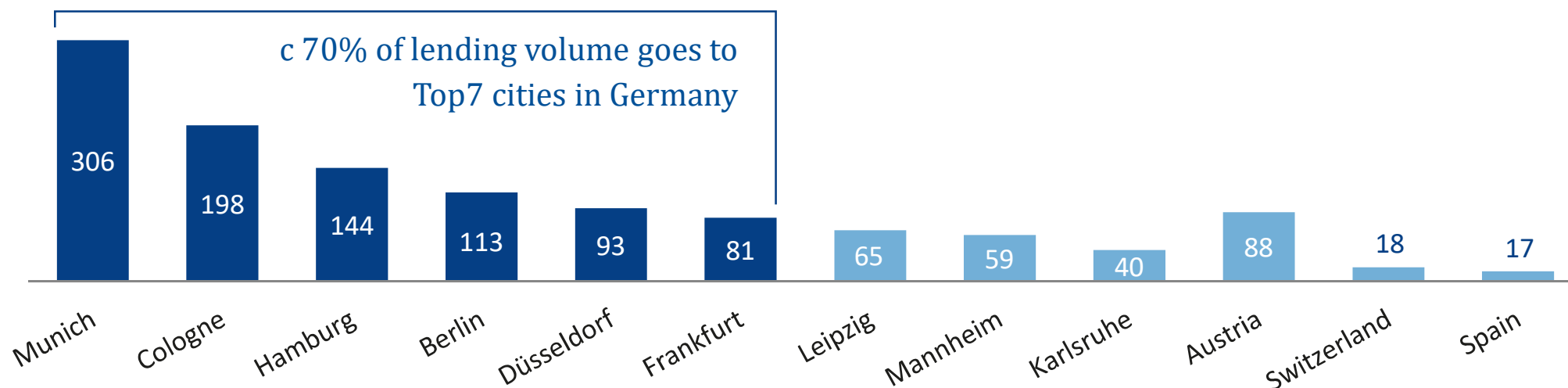
Uses of Mezzanine Funds at the End of H1-2020

- Total committed fund volume: **c € 1.3bn**
- # of financed projects: **63**
- Ø size of mezzanine financing: **c € 21m**
- Very high demand from developers
- Fund raising burdened by changed risk appetite from investors



Regional Break Down of Current Outstanding Financings

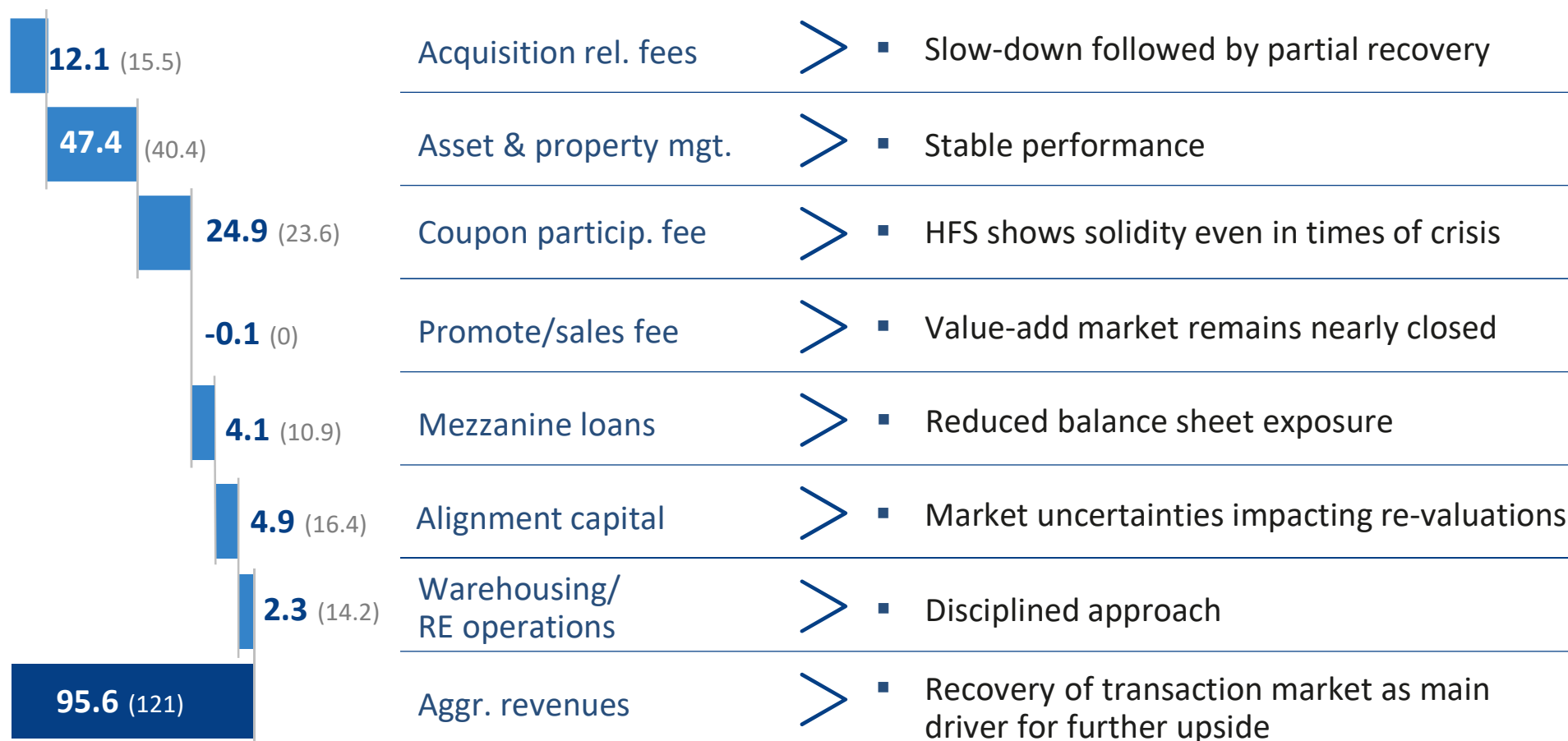
in m€



COVID-19 Leads to Significant Shifts in Fee Pattern

H1-2020 Revenue Split-Up

in m€ (H1-2019)



Changing Market Conditions Burdening Cost Structure

Key P&L Figures H1-2020

in m€

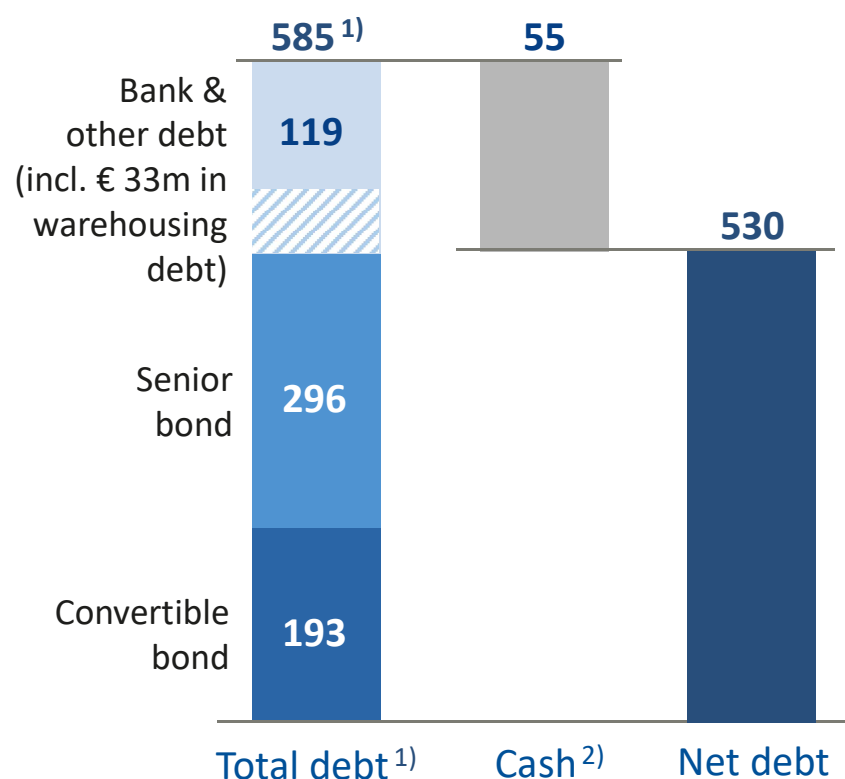
Aggr. revenues	95.6	100%
Expenses from RE Investment Mgt.	-46.0	48.1%
Alignment Capital Expenses	-8.3	8.7%
Warehousing Expenses	-3.5	3.7%
G&A Expenses	-16.5	17.3%
Other Income	4.5	4.7%
EBITDA	25.9	27.1%
D&A	-16.3	17.1%
EBIT	9.6	10.0%
Financial Result	-9.2	9.6%
Net Profit	0.4	0.4%
Adj. Net Profit	11.4	11.9%

- Higher OpEx ratio (>50%) driven by group's fixed cost basis and weaker revenue lines esp. in warehousing and alignment capital
- Increase of Alignment Capital expenses due to higher efforts on COVID-19 affected co-investments (Serviced Apartments, Retail)
- G&A burdened by HR related one-off items incl. first measures of efficiency program (€ 5-10m in FY2020)
- D&A includes IFRS 16 effect and consolidation of STAM
- Adjustments on Net Profit level
 - Management contracts € 12.6m
 - DTA € -1.7m

Key Balance Sheet Figures in times

Debt Overview at the End of June 2020

in m€



- Seasonal cash outflow in Q2
- Net debt reduction planned via
 - Placements out of inventories, associates/JVs and financial instruments (>€ 200m in 18-24M)
 - Cash Flow from operations
- Financial leverage IFRS 16-adjusted at 4.0x³⁾ mid-term target range of between 2x and 3x remains in place
- Main financial instruments not affected by higher leverage (>3.5x limits only issuing of new debt instruments)
- No substantial redemptions/refinancing needs until end of 2022

1) Total financial debt adjusted for rental and leasing liabilities

2) incl. restricted cash

3) Net debt / EBITDA LTM of € 131.4m; excl. IFRS 16 adjustments, financial leverage would be at 4.2x

2020: High Uncertainties in Transaction Markets, but Prudent Signals for a Revival *

- Acquisition-based fees still with broad ranges
 - current expectation: Bottoming-out in Q2, recovery under way and improvement in Q4
- Asset & property management fees will remain steady (incl. fees from real estate debt business)
- Only minor earnings' contributions from warehousing and alignment capital
- Cost base broadly unchanged
 - € 5-10m one-off costs in 2020 from efficiency program
- Operationally clearly profitable

Well Positioned to Return Stronger from the Crisis

- Increasing pressure towards real estate investments (“lower for longer”)
- Attractive product range driven by megatrends urbanization
- Corestate to refine and standardise its brand identity with focus on ESG
- Expansion of sales in the DACH region

* Under the caveat of no long-lasting supra-regional shutdowns or other public measures with severe impacts on transaction environment



Appendix

Definition of Clear and Ambitious ESG Targets

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Issues



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Long term Commitments

- **-20% CO₂ emissions** by 2025
- **+30% energy efficiency** by 2025
- **-20% water consumption** by 2025
- **-20% residual waste** by 2025

- **+30% of women in management** by 2025
- Corestate Foundation and employee charity day

- Supervisory Board extension and independence
- Compliance and Transparency (Inrev, UNPRI, ethics declaration)

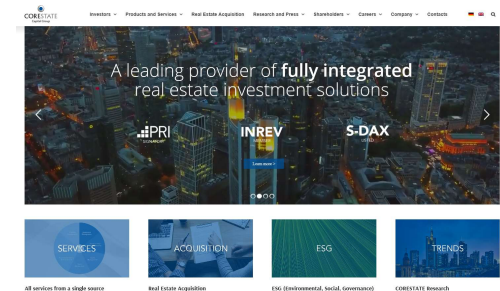


Client Services and Digitalization

- First ESG Report published in 6/2019



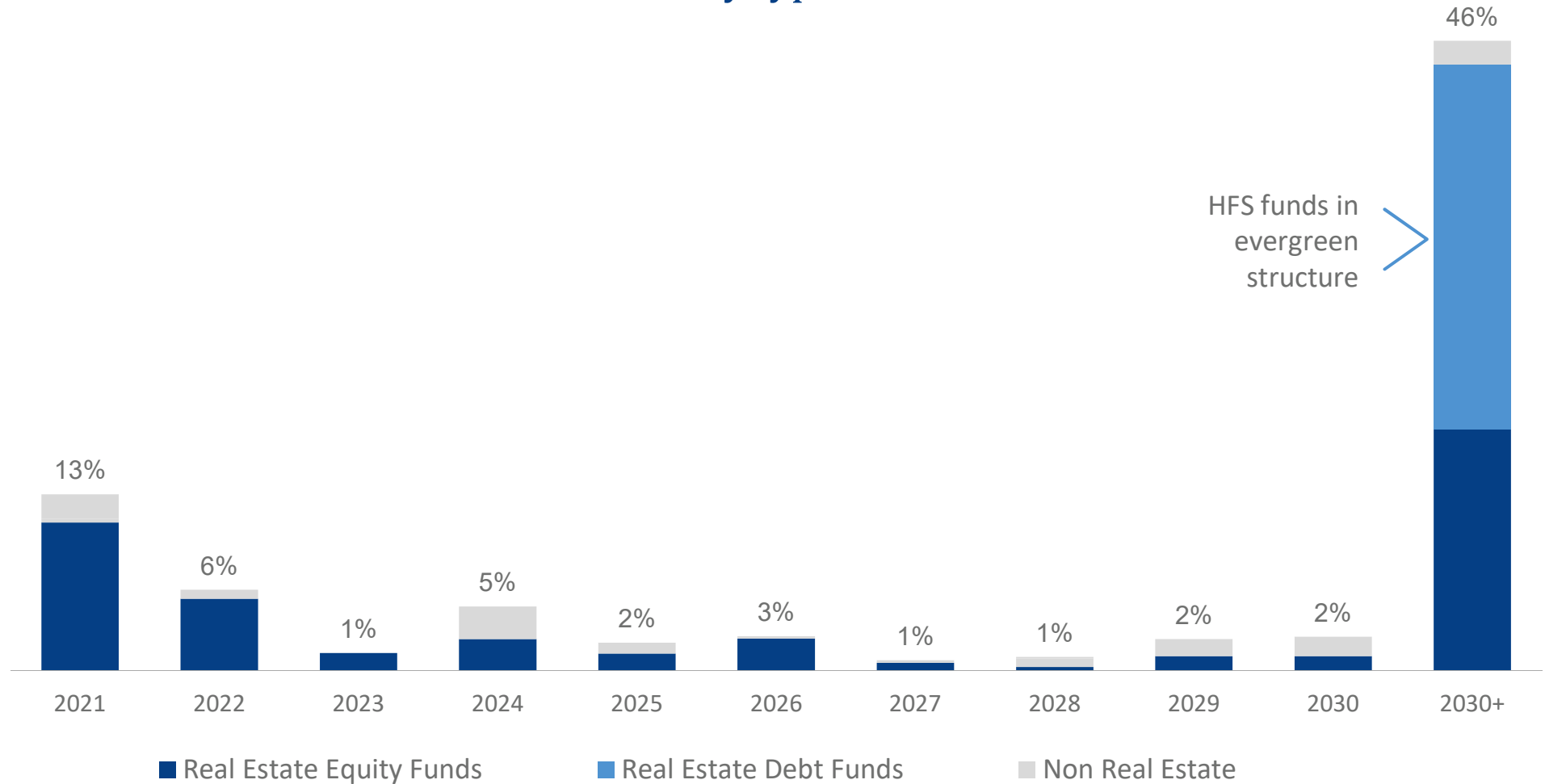
- Launch of compelling new homepage with client focus



- Launch of own digital distribution platform



Maturities by type of funds⁽¹⁾



Notes:

(1) Maturities are defined as the contractual end of the AM contract. It is expected that most of the contracts are renewed or a transfer of the assets into another CORESTATE vehicle takes place..

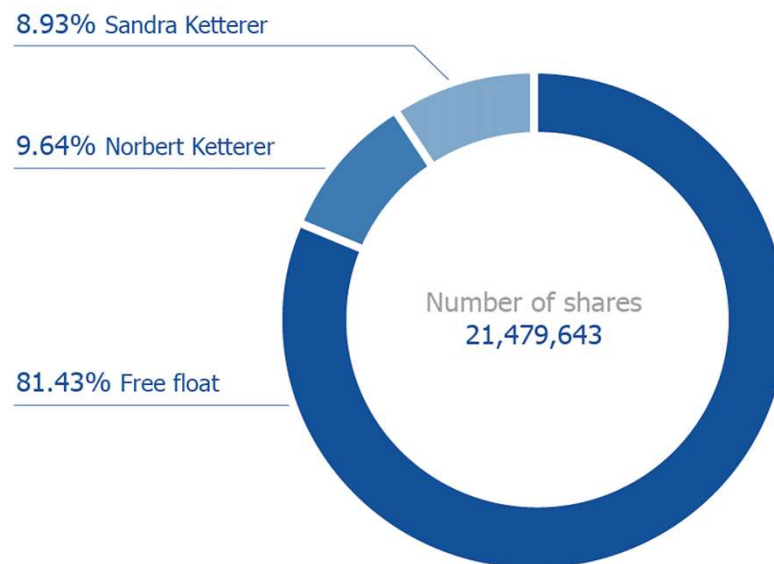
Appendix – H1/2020 Profit & Loss Statement

(€ m)	H1/2020	H1/2019
Revenue from Acquisition Related Fees	12.1	15.5
Revenue from Asset and Property Management	72.3	64.0
Revenue from Promote and Sales Fees realized	(0.1)	0
Income from Mezzanine Loans	4.1	10.9
Revenue from Real Estate Investment Management	88.4	90.5
Management expenses	(46.0)	(40.3)
Earnings from Real Estate Investment Management	42.5	50.1
Net Rental Income	2.8	6.4
Revenue from Service Charges	0.0	3.6
Net Gain from Selling Property Holding Companies	(0.5)	4.2
Total Income from Real Estate Operations / Warehousing	2.3	14.2
Expenses from Real Estate Operations / Warehousing	(3.5)	(10.2)
Earnings from Real Estate Operations / Warehousing	(1.2)	4.0
Earnings from Alignment Capital	(3.3)	11.8
General and Administrative Expenses	(16.5)	(12.1)
Other Income	4.5	15.1
EBITDA	25.9	68.9
Depreciation and Amortisation	(16.3)	(16.8)
EBIT	9.6	52.2
Net Financial Expenses	(9.2)	(12.6)
EBT	0.4	39.5
Income Tax gains / expenses	0.1	(2.6)
Net Profit for the Period	0.4	36.9
of which attributable to equity holders	0.5	36.9

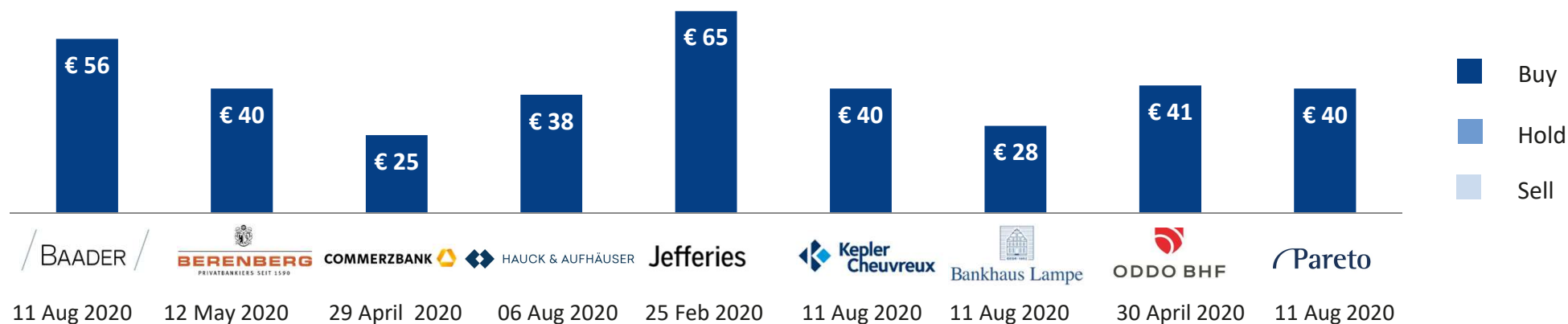
Appendix – Balance Sheet as of 30 June 2020

(€ m)	30 June 2020	31 Dec 2019
Non-Current Assets		
Goodwill	606.8	567.1
Other Financial Instruments	182.0	172.2
Intangible Assets	104.2	109.6
Investment in Associates and Joint Ventures	116.3	126.5
Other Non-Current Assets	97.6	104.9
Total Non-Current Assets	1,106.9	1,069.9
Current Assets		
Inventories	62.3	62.3
Cash and Cash Equivalents	52.7	103.2
Other Current Assets	202.9	172.6
Total Current Assets	317.9	338.1
Total Assets	1,424.8	1,418.4
Total Equity	682.9	676.3
Long-term Financial Liabilities to Banks	5.1	17.0
Other Long-term Financial Liabilities	551.3	520.3
Other Non-Current Liabilities (sum, incl. other non-current Liability positions)	23.6	35.2
Total Non-Current Liabilities	580.0	572.5
Current Liabilities		
Short-term Financial Liabilities to Banks	47.0	37.7
Other Short-term Provisions	12.9	13.9
Other Current Liabilities (sum, incl. other current Liability positions)	102	117.9
Total Current Liabilities	161.9	179.6
Total Equity and Liabilities	1,424.8	1,418.4

Shareholder Structure (acc. to latest public filing)



Average target price > €41 (100% Buy)



Key Investment Proposition

- 1 Fully integrated real estate investment manager with **€ 28bn AuM**
- 2 Solid macro backdrop and strong recurring fee income streams provide **stability**
- 3 **€ >4bn pipeline** drive superior organic AuM growth
- 4 Growing **allocation to real estate** provides fundraising base
- 5 External **growth opportunities** from sector consolidation
- 6 Strong **profitability** and attractive **dividends**

Investor Contact

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Financial Calendar 2020

25 February	Publication preliminary results for FY 2019
24 March	Annual financial report 2019
12 May	Publication results for Q1
5 June	Annual General Meeting
11 August	Publication results for H1
10 September	Capital Markets Day
11 November	Publication results for first nine months

Please note that these dates could be subject to change