CORESTATE
Capital Group

Roadshow Presentation

June

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Disclaimer

CORESTATE Capital Group

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change.

Actual results can differ materially from those anticipated in the forward-looking statements of CORESTATE Capital Holding S.A. (the "Company") as a result of a variety of factors, many of which are beyond the control of the Company, including those set forth from time to time in the Company's press releases and reports and those set forth from time to time in the Company's analyst and investor calls and discussions. The company does not assume any obligation to update the forward-looking statements contained in this presentation.

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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

CORESTATE Capital Group

€ c28bn

Assets under Management

CORESTATE Capital Group

~800 FTEs | 42 Offices | 7 Countries

>50%

EBITDA Margin

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

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Key product range

One-Stop-Shop

	Office	Residential	Micro Living (Market leader)	Retail	Mezzanine (Market leader)
Products	Office	Residential	Micro Living	Retail	Mezzanine
Return*	3.5% - 4%	4% - 4.5%	5% - 5.5%	5% - 6%	11% - 13%

integrated Platform

- Asset & Property Management
- Fundraising, Reporting, Risk Management, Financing etc.

Clients / Investors

- **Semi Institutional** (>300)
- **Institutional** (>100)
- **Retail** (>70.000)

Still underinvested asset allocation to (German) Real Estate (Δ c -30%)

* after costs

Corestate's Embedded Growth Strategy

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Strong upside potential from both organic and inorganic sources

Mid-term growth perspectives

Organic Drivers

Diversified Products
- Recurring income and strong cash flow from innovative and platform synergies
- Urbanization
- Demographic changes

Institutional & Retail Investors
- Structural under allocation to European real estate
- Interest rate environment

Micro Living
- Flexible workforce
- Bologna Protocol

Private debt
- Stable demand in large cities
- Regulation

Digitalization/ Standardization
- Regulation
- Client demand

+5-10% AuM p.a.

Inorganic

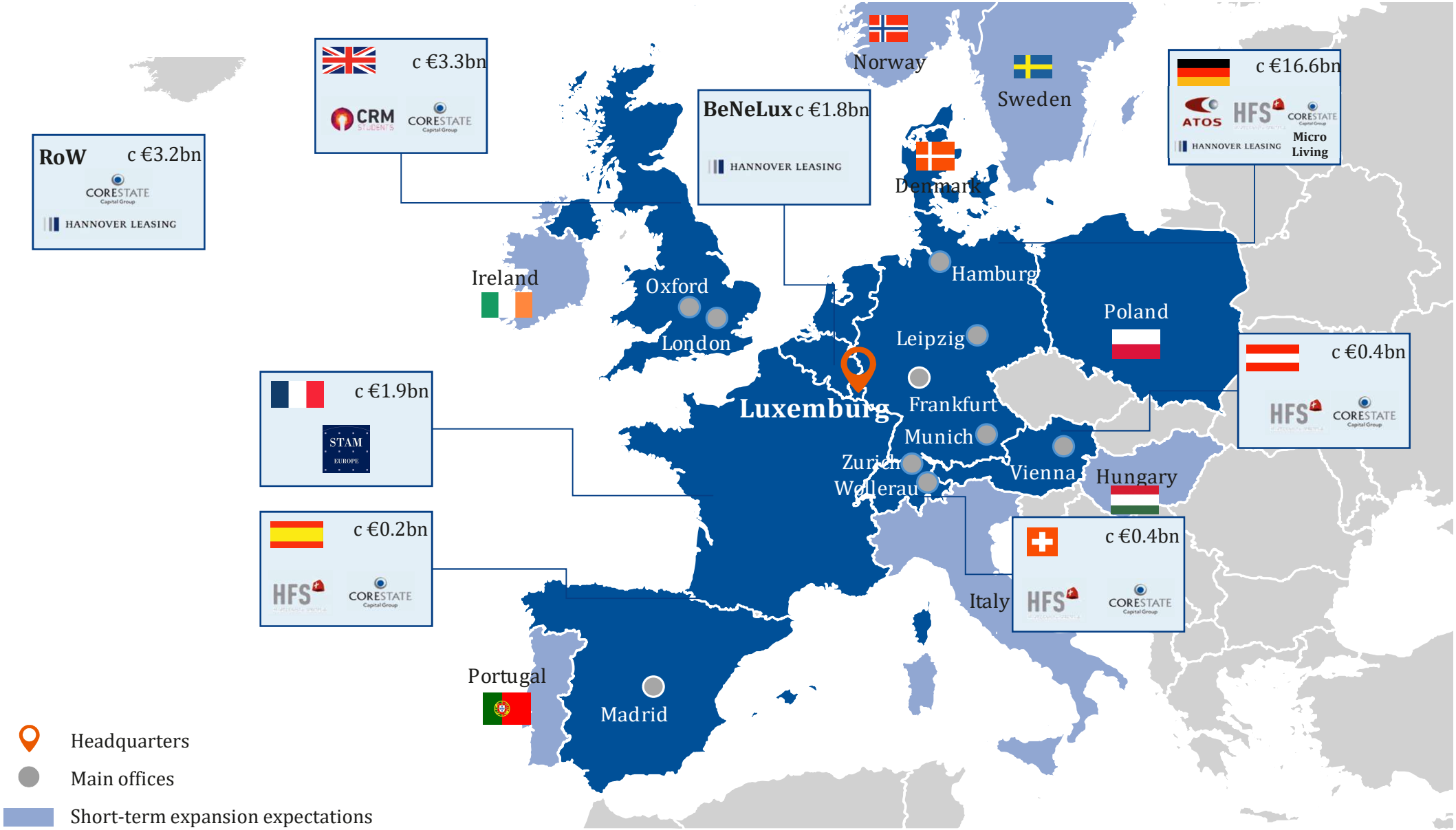
Additional bolt-on or add-in M&A

Fragmented AM market in Europe

Firepower (FCF generation & leverage capacity)

+€ 3-5bn AuM p.a.

Diversified Geographic Exposure and Expected Near-term Expansion



Ample Room for External Growth

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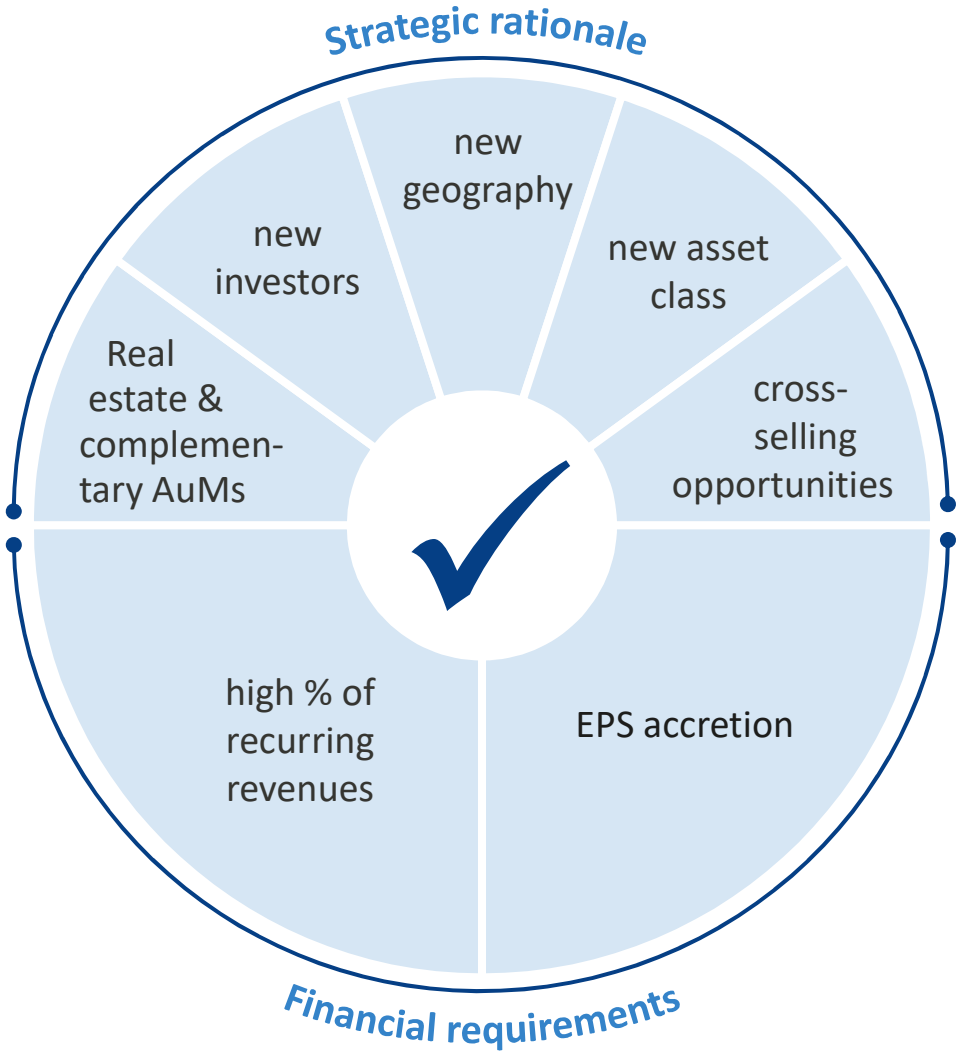
Sector consolidation driven by trend to bigger asset managers and increasing regulatory costs (AIFMD)

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

Strict set of acquisition criteria drives approach to external growth



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COVID-19 Key Consequences & Ambitions

Responsibility

- Safety and healthiness for staff and clients as well as maintenance of operations and quality

Resilience

- Change of near-term focus from active growth to consistent corporate de-risking
- Preserve liquidity, safeguard financial flexibility and limit balance sheet exposure

Recovery

- All market drivers intact
- Shifted transactions facilitate significant catch-up effects for 2021

Solid Start in 2020 Followed by Increasing Market Turmoil

- Decent set off in January and February followed by dynamic impact from Corona Crisis in March
- Nearly complete market slow down in real estate investment
- >2% organic growth on RE AuMs

Update – Real Estate Investment Markets under COVID-19

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Distinct Market Slow Down since March

- Near-term uncertainty and potential macro impact
- Credit crunch & variance in valuations
- Reluctant client sentiment

Various Segments Show Different Vulnerabilities

Retail, hotel and leisure

- Partly rent postponements/losses (on funds levels)

Residential

- Very defensive product

Logistics and office

- Very limited impact

Micro Living

- Student homes depend on universities re-openings
- Standstill in Spanish projects
- Temporary reduced occupancy in serviced apartments

Sneak Preview on Upcoming Months

- Since May, prudent steps to re-start public life
- Clients will very carefully observe the situation, especially in segments like hotel or retail
- General focus will stay on Core and Core+ (residential, logistics and office in top cities)
- Investments in micro living might start later this year
- We expect interesting market opportunities to materialise over the next six to twelve month

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Supervisory Board: Focus on Diversity, Independence and Competences*

Dr. Georg Allendorf (Chairman)
Former Head of Real Estate Europe at DWS

Dr. Gabriele Apfelbacher (Head of Governance Committee)
Former Partner at Cleary Gottlieb Steen & Hamilton

Timothy Blackwell (deputy Chairman)
Former Head of Real Estate IM at Credit Suisse

Marc Driessen
CEO, Bloxxter, former MD of HansaInvest

Olaf Klinger (Head of Audit Committee)
CFO of Symrise

* Further information and full CVs on our website

Assets under Management on Record High

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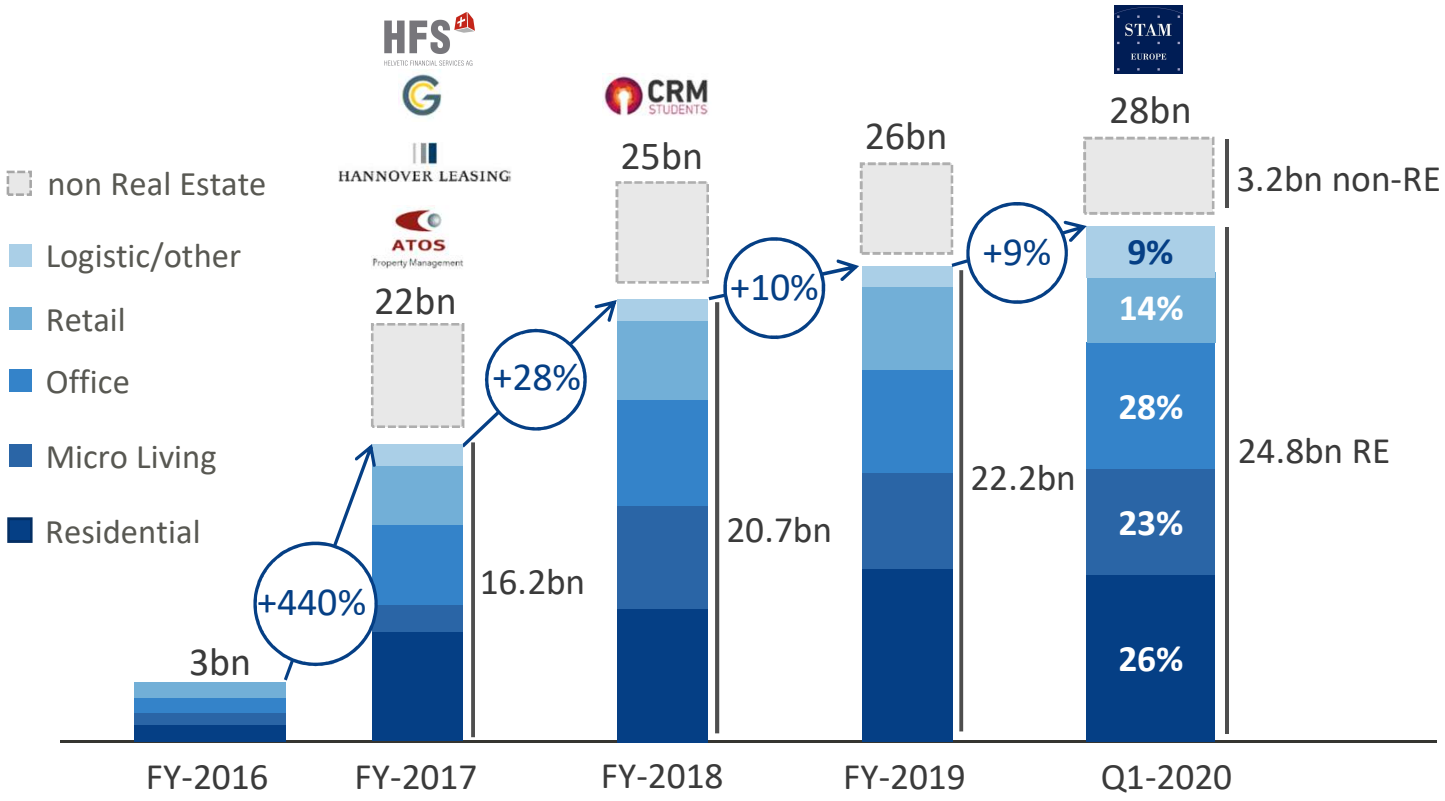
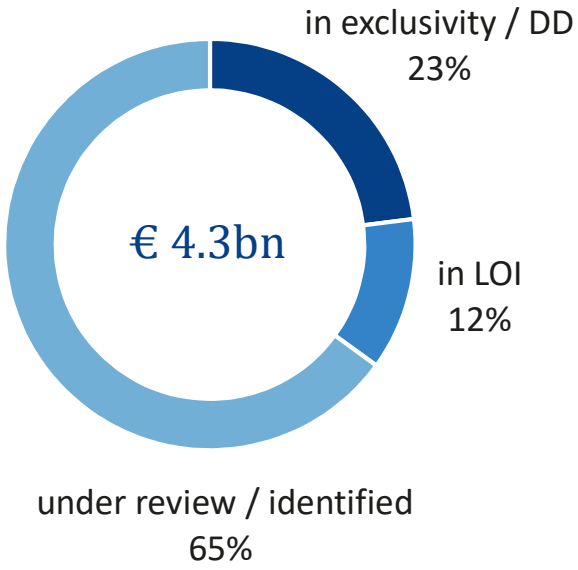
Assets under Management

- +2.2% net organic growth in RE AuM in Q1-2020 and Ø 9-10% since 2016
- STAM added initially net c € 1.4bn in AuM
- Planned decrease in non-Real Estate AuM of € -0.3bn (decreased by c 44% since acquisition)



Sourcing Pipeline

- Deal Pipeline down due to market slow down
- Clients with ongoing cautious deal appetite
- High percentage in advanced contractual status



Real Estate Debt – Highly Diversified with Clear Focus on Residential Projects in Top7 German Cities

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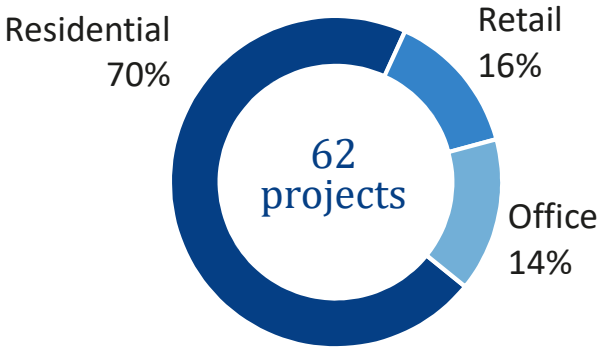
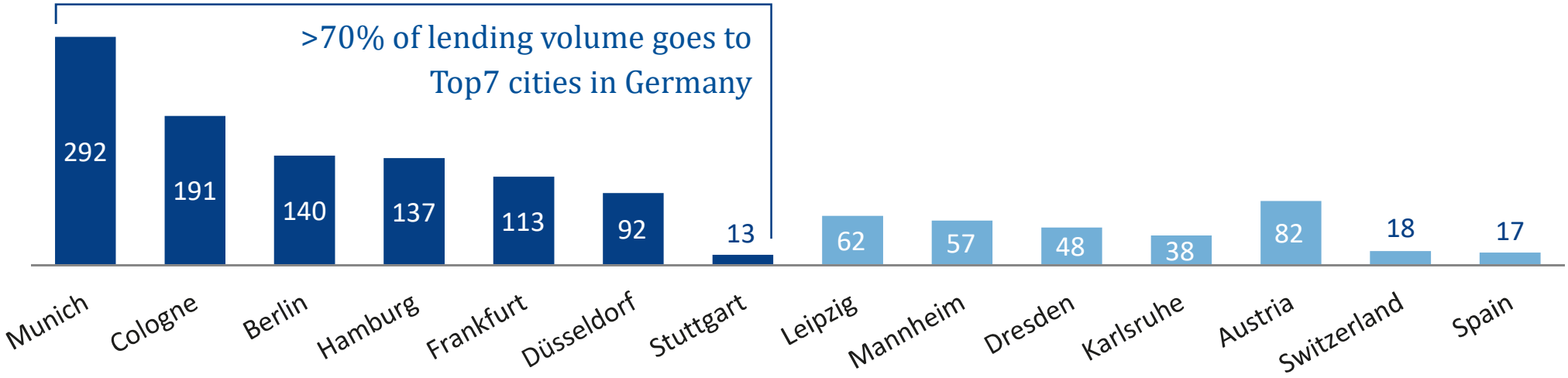
Uses of Mezzanine Funds at the End of Q1-2020

- Total fund volume: **> € 1.3bn**
- # of financed projects: **62**
- Ø size of mezzanine financing: **c € 22m**
- Regular analyses (projects and borrowers) without any negative result or approach to critical risk levels



Regional Break Down of Current Outstanding Financings (in m€)



Overview HFS Stratos Funds

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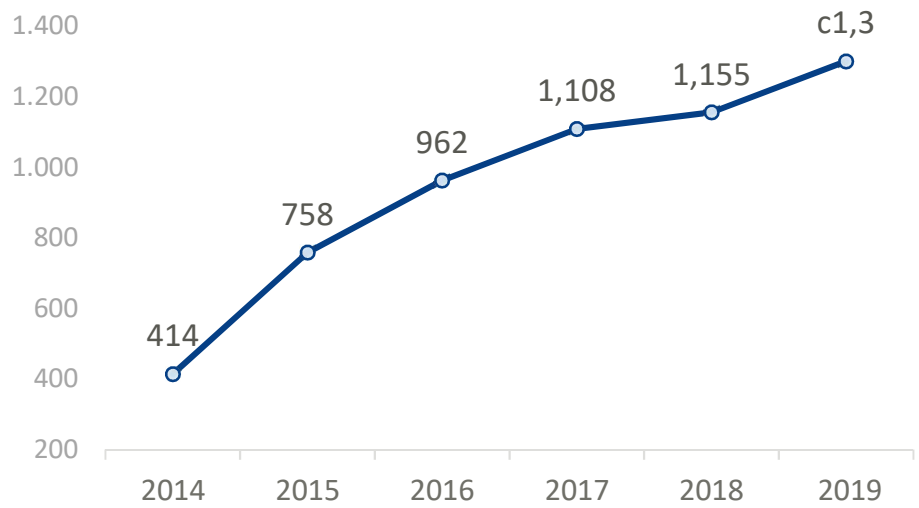
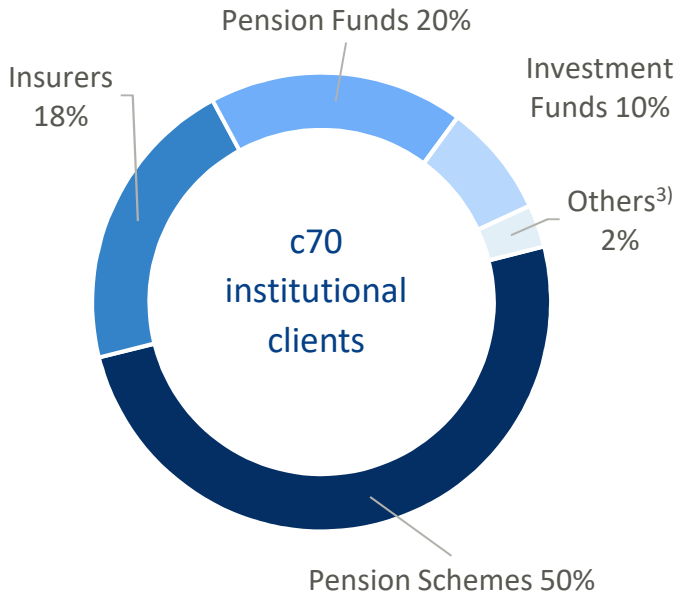
Historic Mezzanine Fund Volumes



	2014	2015	2016	2017	2018	2019
Committed [1]	99.2%	98.6%	98.7%	99.3%	99.2%	99.1%

Stable Investor Base



3) Others incl. Banks, Foundations etc…

Key Performance Parameter

- Avg. performance[2] since inception around 12.0% p.a.
- Interest-bearing share of committed fund volume c 80%
- Very visible investment pipeline for the upcoming quarters

Outstanding performance driven by efficient deployment of funds in combination with cautious volume increase

1) Average commitment of fund volume to projects
2) Based on reported performance of IAF Stratos II & IV acc. to BVI standard

Revenue Streams in Q1 Partly Hit by Covid-19 Pandemic

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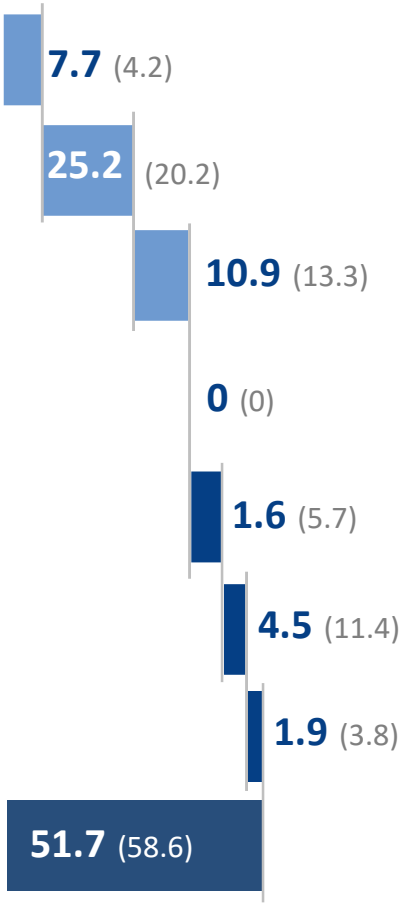
Q1-2020 Revenue Split-Up

in m€ (Q1-2019)



Acquisition rel. fees	Market slow down after decent first weeks
Asset & property mgt.	Solid start into 2020
Coupon Particip. Fee	Slight impact (mainly accounting driven)
Promote/sales fee	Value-add market nearly completely closed
Mezzanine Loans	Less balance sheet exposure
Alignment capital	Valuations reflecting market uncertainties
Warehousing/ RE operations	Changed approach to warehousing
Aggr. revenues	Company operationally clearly profitable

Adjusted Short Term Strategy on Warehousing and Balance Sheet Exposure Led Temporary to Lower Margins

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Key P&L Figures Q1-2020

in m€

Aggr. revenues	**51.7**	*100%*
Expenses from RE Investment Mgt.	-21.9	*42.4%*
Alignment capital expenses	-2.6	*5.0%*
Warehousing expenses	-1.7	*3.3%*
G&A expenses	-7.1	*9.7%*
Other Income	2.4	*4.6%*
EBITDA	**20.9**	*40.4%*
D&A	-8.4	*16.2%*
EBIT	**12.5**	*24.2%*
Financial result	-2.5	*4.8%*
Net profit	8.8	*16.2%*
Adj. net profit	**14.3**	*27.5%*

- Higher OpEx ratio (>50%) due to seasonality and weaker revenue lines esp. in warehousing and alignment capital
- Financial result in last year´s Q1 was driven by higher warehousing debts
- D&A affected by IFRS 16 and consolidation of STAM
- Adjustments on net profit level
  - Management contracts € 6.3m
  - DTA € -0.8m

Key Balance Sheet Figures with Solid Cash Position

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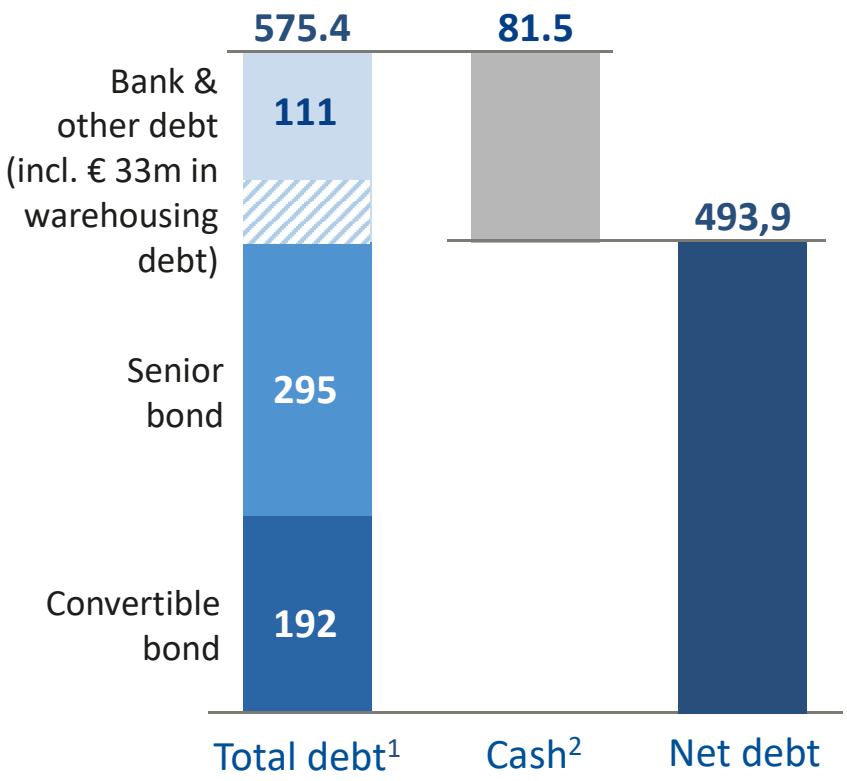
Debt Overview at the End of March 2020

in m€



- Robust liquidity position as key priority
- Slight reduction of Bank & other debt (warehousing debt down to € 33m reflects cautious usage of balance sheet risk)
- Financial leverage IFRS 16-adjusted at **3.1x**,[3] mid-term target range of between 2x and 3x remains in place
- S&P rating update from April 2020: BB+, outlook “stable” (from “positive”)
- 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 € 157.2m; excl. IFRS 16 adjustments, financial leverage would be at 3.3x

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Weather the Crisis Based on Robust Liquidity, Entrepreneurial Flexibility and a Promising Business Perspective

- High cost and capital discipline based on a comprehensive catalogue of measures
- Clearly profitable operations
- Intensified risk and performance analyses on fund structures
- Further negative impacts from crisis in Q2-2020 expected esp. on alignment capital, warehousing and promote fees
- New financial outlook 2020 as soon as possible, most likely during Q3
- Catch-up effects from postponed transactions in a normalized market environment
- Clear objective to reduce net financial debt in the medium term
- Adjusted pay out ratio: at least 30% of EpS (as from 2021)

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Appendix

Appendix: 2019 ESG & Client Initiatives – Sustainability, Transparency and Digitization

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Definition of Clear and Ambitious ESG Targets

Long term Commitments

Envi-ronment

- **-20% CO_2** emissions by 2025
- **+30% energy efficiency** by 2025
- **-20% water** consumption by 2025
- **-20%** residual **waste** by 2025

Social Issues

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

Gover-nance

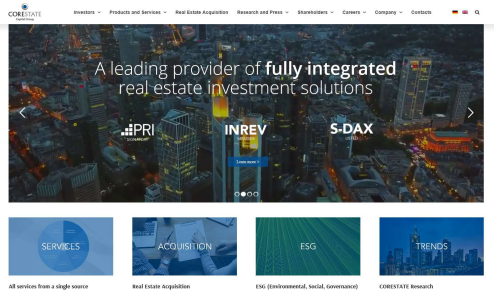
- Supervisory Board extension and independence
- Compliance and Transparency (Inrev, UNPRI, ethics declaration)

Client Services and Digitalization

- First ESG Report published in 6/2019

ESG REPORT 2019

- Launch of compelling new homepage with client foucs



- Launch of own digital distribution platform

accontis

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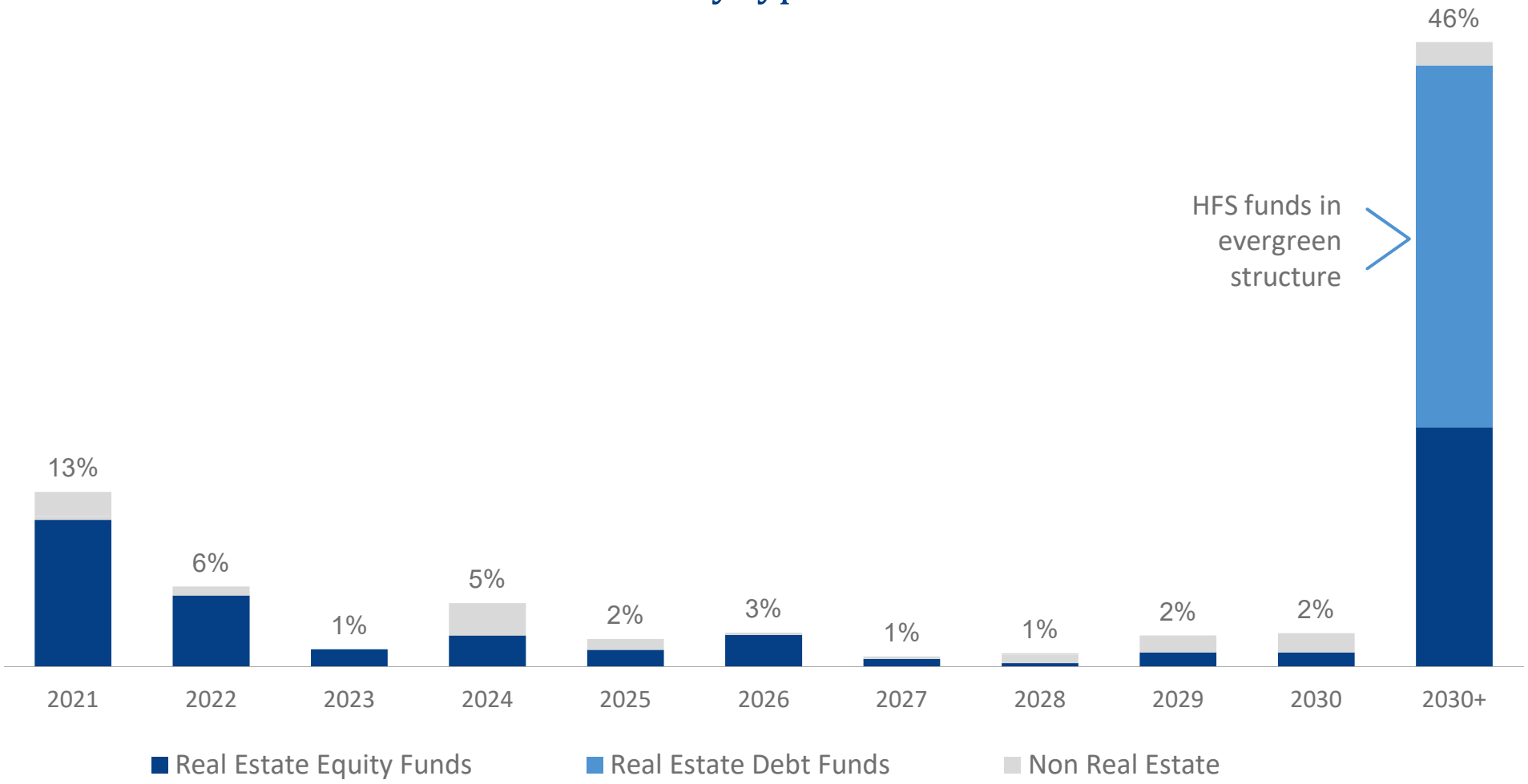
Maturities by type of funds [1]



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 – Q1/2020 Profit & Loss Statement

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(€ m)	Q1/2020	Q1/2019
Revenue from Acquisition Related Fees	7.7	4.2
Revenue from Asset and Property Management	36.1	33.5
Revenue from Promote and Sales Fees realized	(0.1)	0
Income from Mezzanine Loans	1.6	5.7
Revenue from Real Estate Investment Management	**45.3**	**43.4**
Management expenses	(21.9)	(15.5)
Earnings from Real Estate Investment Management	**23.5**	**27.9**
Net Rental Income	1.4	2.7
Revenue from Service Charges	0.8	0.9
Net Gain from Selling Property Holding Companies	(0.3)	0.1
Total Income from Real Estate Operations / Warehousing	1.9	3.8
Expenses from Real Estate Operations / Warehousing	(1.7)	(3.4)
Earnings from Real Estate Operations / Warehousing	**0.2**	**0.5**
Earnings from Alignment Capital	**1.9**	**9.8**
General and Administrative Expenses	(7.1)	(3.6)
Other Income	2.4	4.1
EBITDA	**20.9**	**38.7**
Depreciation and Amortisation	(8.4)	(7.6)
EBIT	12.5	31.1
Net Financial Expenses	(2.5)	(7.4)
EBT	10.0	23.7
Income Tax expenses	(1.2)	(2.6)
Net Profit for the Period	8.8	21.0
of which attributable to equity holders	8.7	21.0

Appendix – Balance Sheet as of 31 March 2020

CORESTATE Capital Group

(€ m)	31 March 2020	31 Dec 2019
Non-Current Assets		
Goodwill	607.4	567.1
Other Financial Instruments	173.9	172.2
Intangible Assets	111.0	109.6
Investment in Associates and Joint Ventures	117.2	126.5
Other Non-Current Assets	76.8	104.9
Total Non-Current Assets	**1,086.3**	**1,069.9**
Current Assets		
Inventories	62.3	62.3
Cash and Cash Equivalents	79.0	103.2
Other Current Assets	196.8	172.6
Total Current Assets	**354.7**	**338.1**
Total Assets	**1,441.0**	1,418.4
Total Equity	**684.9**	**676.3**
Long-term Financial Liabilities to Banks	6.8	17.0
Other Long-term Financial Liabilities	544.3	520.3
Other Non-Current Liabilities	16.6	35.2
Total Non-Current Liabilities	**569.7**	**572.5**
Current Liabilities		
Short-term Financial Liabilities to Banks	47.3	37.7
Other Short-term Provisions	12.1	13.9
Other Current Liabilities	126.9	117.9
Total Current Liabilities	**186.3**	**179.6**
Total Equity and Liabilities	**1,441.0**	**1,418.4**

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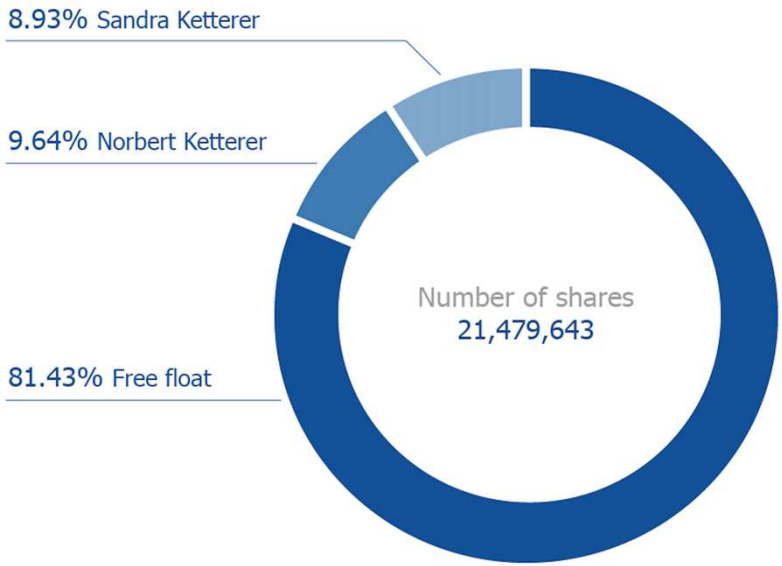
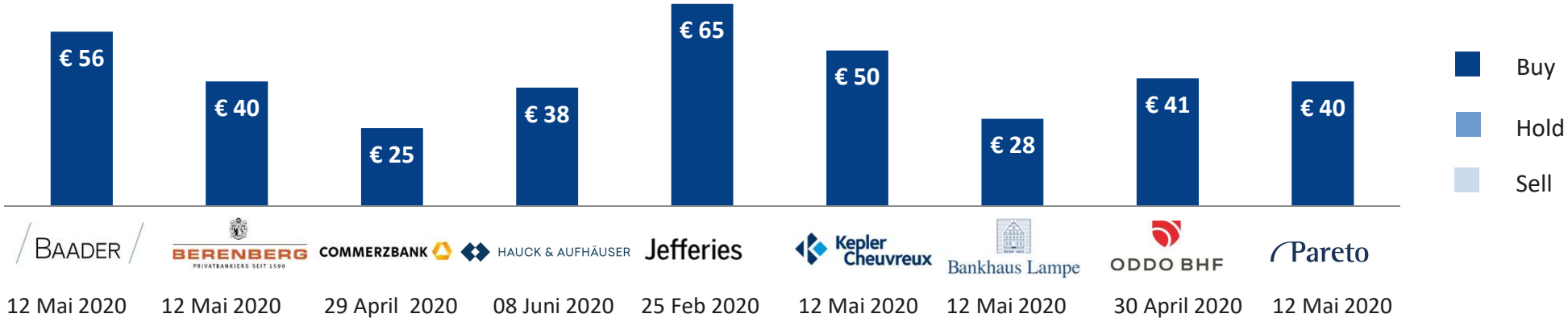
Shareholder Structure (acc. to latest public filing)



Average target price > **€42** (100% Buy)



IR-Contact and Financial Calendar 2020

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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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ir@corestate-capital.com

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