

Results H1-2021

Presentation – Conference Call for Analysts & Investors, 11 August 2021

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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);
k = thousand(s);
m = million(s);
bn = billion(s)

General

Strong performance with dynamic revenue and earnings growth in Q2 ✓

Strategic transformation is already paying off ✓

Operations

Real Estate Debt ✓

- Tailwind from CORESTATE Bank and booming market
- Well-filled pipeline for H2

Real Estate Equity ✓

- Within budgets
- Upswing in H2

Other Segments ✓

- Stability in valuations reached

Outlook

Company very well on track to deliver on financial outlook 2021 ✓

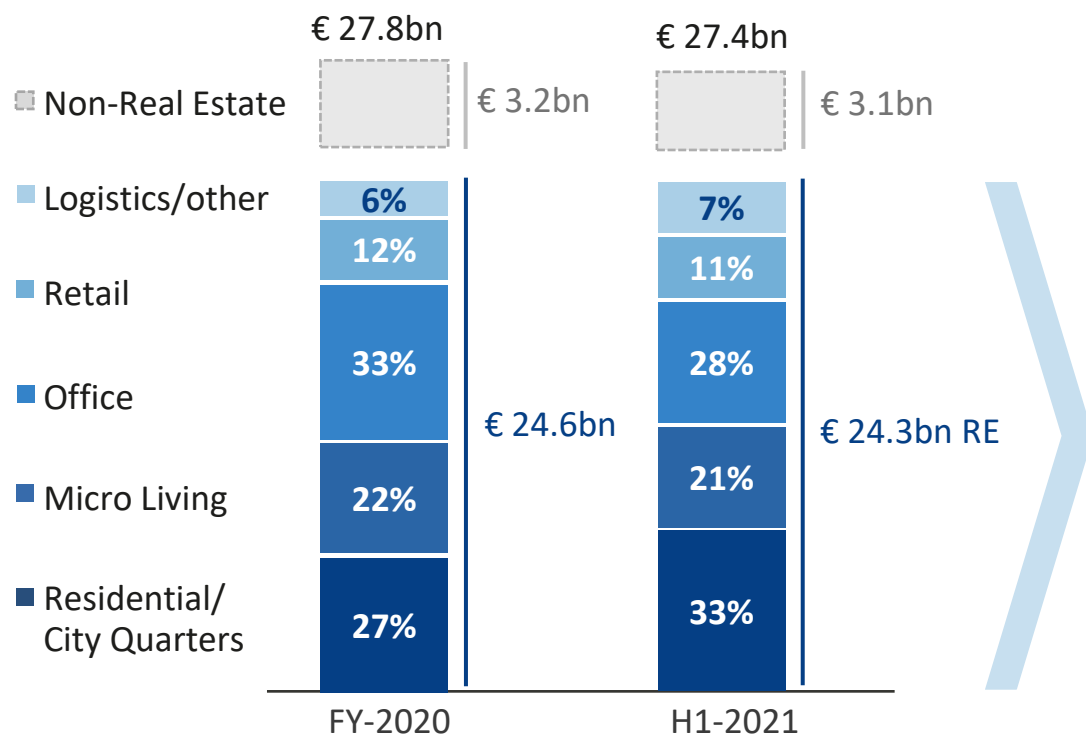
Net debt reduction on schedule with leverage target of 3x ✓

New management team established, COO vacancy to be filled ✓

AuMs – Stable with More Focus on Residential and City Quarters

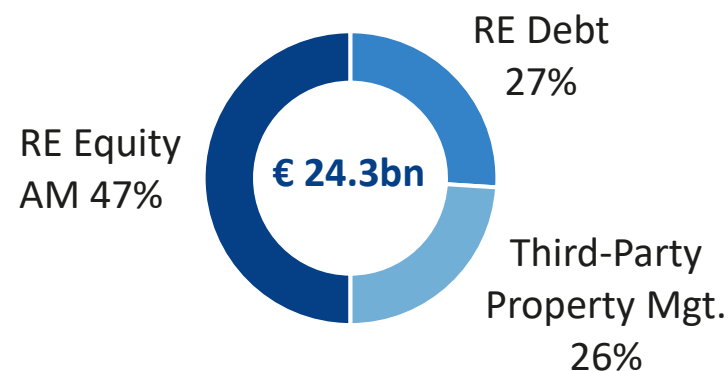
Assets under Management

- Slight reduction of RE AuMs to € 24.3bn mainly due to termination of a large micro-living development projects
- Non-RE AuMs went down as planned to € 3.1bn



Sourcing Pipeline

- RE Debt with mezzanine financing pipeline of c € 500m (project volume > € 2bn)
- RE Equity sourcing pipeline in advanced status of c € 1.6bn (46% LoI/54% exclusivity)





A very
efficient deal
execution ..



- **Closing** in May
- **Rebranding** and **integration** completed

.. backed by a
prosperous
environment ..



- **Private debt** market shows **strong fundamentals**
- CORESTATE Bank hit the ground running: closing of **record financing** in June (project Fürst, Berlin € > 1bn)

.. drives
operational
outlook ..



- **Robust pipeline: c € 1bn** of already mandated financings or projects in preparation

.. and shapes
ground for
growth in RE
Equity



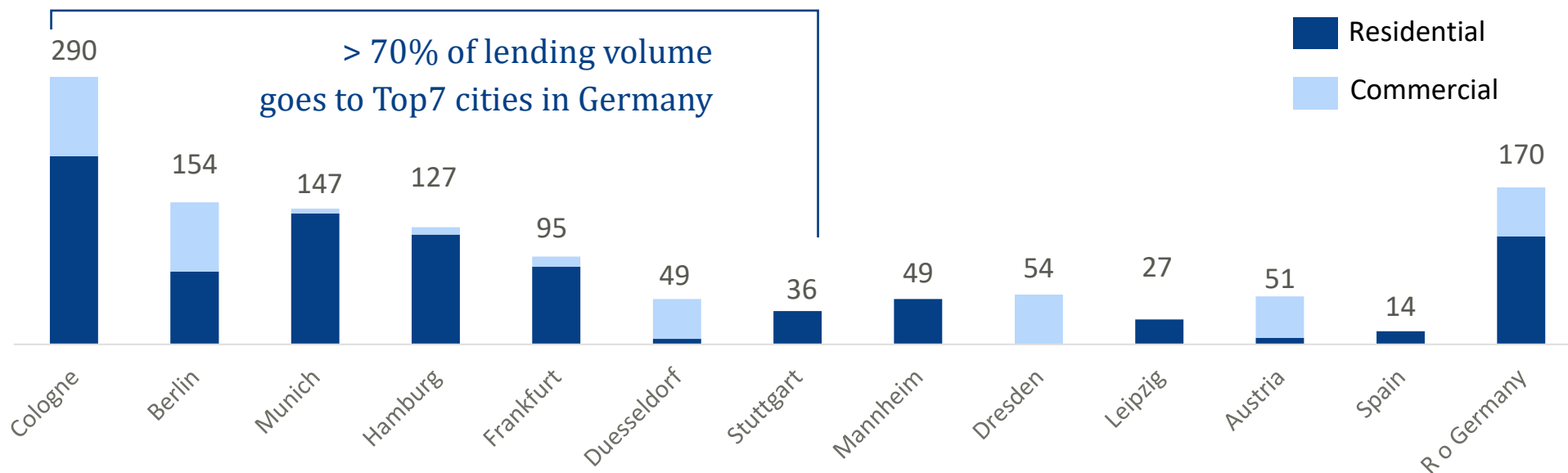
- **Strong synergies:** new clients, enlarged and supplementary product range
- Early stage project involvement enables **follow-up deals** and **cross selling opportunities**

RE Mezzanine – Strong First Half Driven by Unchanged Demand

Uses of HFS/Mezz Funds at the End of H1-2021

- Total fund volume: **c € 1.3bn**
- # of financed projects: **45**
- Ø size of mezzanine financing: **c € 28m**
- **c 70%** in **residential/city quarter** projects (c 30% commercial)
- Focus on Germany's **large cities**
- **26** different **borrowers**
(largest single exposure ≤ 20%)

Regional Break Down of Outstanding Financings (in m€)





Udo Giegerich, CFO and Member of the Management Board
since 1 August 2021

Responsibilities within CORESTATE

- IR, Accounting, Tax, Controlling, Treasury, Risk Management

Long-standing Experience in Finance and IR

- Last position: EVP Group Finance & IR at Uniper
- Before: CFO at 50Hertz Transmission GmbH,
various Finance management roles and management consultant
- Studied mathematics & economics at University of Ulm

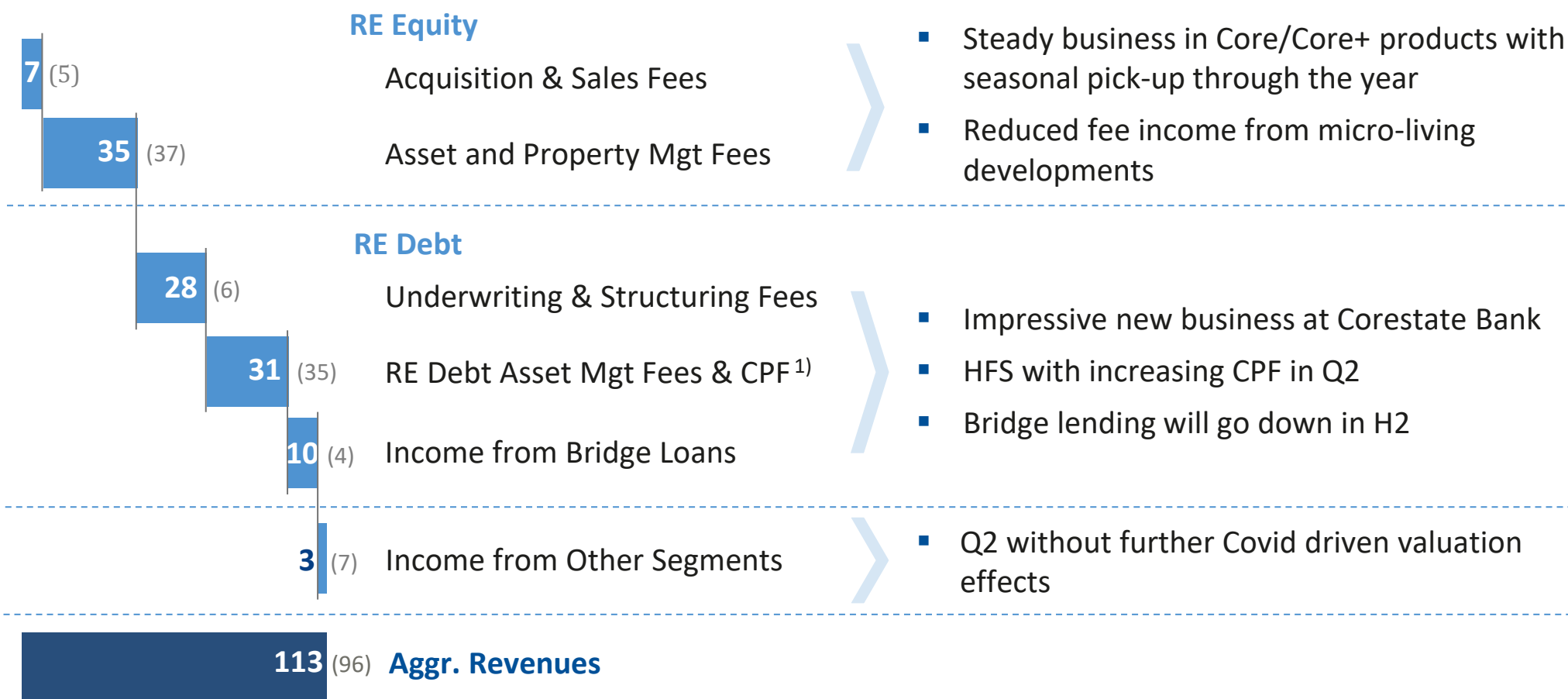
Key Tasks

- Develop and implement funding strategy
- Increase efficiency through integration and digitalization
- Improve investor awareness for the transformation story
- Increase market cap with new experienced management team

Income Lines Shows Strong Recovery from Pandemic

Revenue Split-up for H1-2021

in m€ (H1-2020)



¹⁾ Coupon Participation Fees (performance share from mezzanine funds) in H1: € 22.2m

Profitability Partially Affected By Seasonality and Extraordinary Items

Key P&L Figures H1-2021

in m€

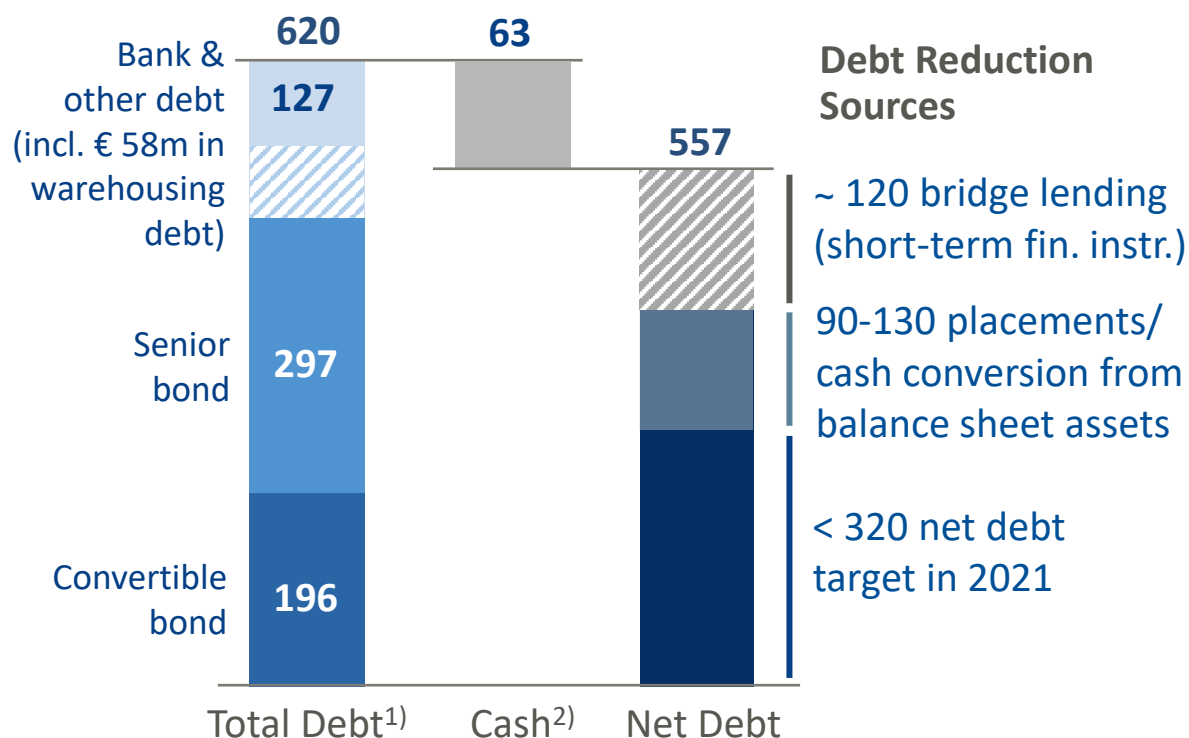
	H1-2021	H1-2020	
Aggr. revenues	112.6	95.6	
Expenses from RE Equity	-46.8	-41.8	OpEx
Expenses from RE Debt	-7.1	-4.1	
Expenses from other segments	-5.0	-11.8	
G&A expenses	-23.8	-16.5	
Other Income	4.7	4.5	
EBITDA	34.7	25.9	
Adjusted EBITDA	39.5	25.9	
D&A	-17.1	-16.3	
EBIT	17.5	9.6	
Financial result	-9.7	-9.2	
Income Tax expenses	-7.4	0.1	
Net profit	0.5	0.4	
Adj. net profit	15.1	11.4	

- OpEx ratio of c 52% (€ 58.9m) driven by seasonality and underlying fix cost base as well as extraordinary transformation costs on business enhancement in RE Equity segment
- G&A includes one-off expenses from M&A and new strategic setup
- Substantial progress on profitability to (adj.) EBITDA margin of 35%
- D&A with consolidation effects from AFS
- Higher tax expenses from limited usability of international tax loss carry forward within group
- Adjustments
 - M&A related expenses € 4.8 m (AFS)
 - Depreciation of € 13.1m on PPA related intangibles (e.g. AM contracts)
 - DTA € -3.3m

Key Balance Sheet Figures

Debt Overview at the End of H1-2021

in m€



- Strong focus **on net debt reduction** in H2
 - Q3-2021: > € 50m (repayments from bridge lending, cash conversion)
 - Q4-2021: > € 180m (deconsolidation of Giessen, further placements and repayments)
 - Further > € 60m in 2022 from co-investments
- Financial leverage H1-2021 LTM³⁾ significantly impacted by one-off items from FY2020
 - Year end ambition of **3x** confirmed
 - Mid-term target range of between 2x and 3x

¹⁾ Total financial debt adjusted for leasing liabilities of € 28m

²⁾ Incl. restricted cash

³⁾ Adjusted EBITDA LTM as of End of June 2021 at € 30.3m

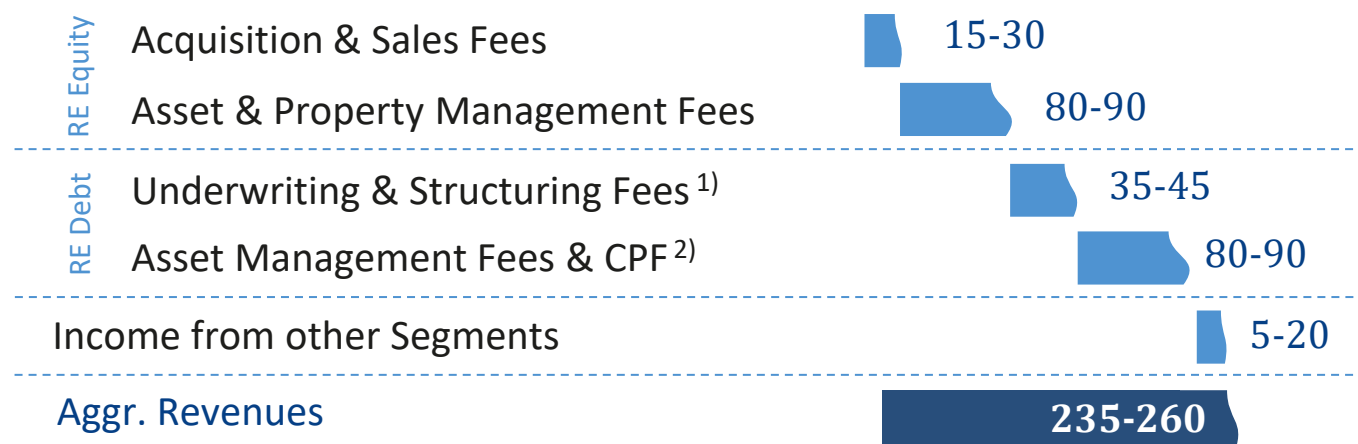
CORESTATE on Very Good Path to Deliver on Guidance

Positive Outlook in H2-2021

- Already vibrant signs of a recovering transaction market with catch-up effects
- Positive impact from advanced product range, pipeline and new sales set-up
- Continuously strong contribution of HFS and CORESTATE Bank

Revenue Split-up for FY-2021 with Minor Shifts Between Segments

(in m€)



¹⁾ Incl. HFS underwriting fees, AFS structuring fees and new issue profits
²⁾ Incl. HFS asset mgt. fees, Coupon Participation Fees, mezzanine lending and AFS trading results

Financial Outlook 2021 Confirmed ³⁾

Aggr. Revenues	adj. EBITDA ⁴⁾	adj. Net Profit ⁴⁾
€ 235-260m	€ 90-115m	€ 50-75m

³⁾ The outlook takes into account the currently foreseeable impact of the COVID-19 pandemic on the business activities and the economic environment of the company

⁴⁾ Expected adjustments: € 5-10m one-off expenses related to AFS acquisition, € 20-25m depreciaton of PPA related intangibles and corresponding DTAs

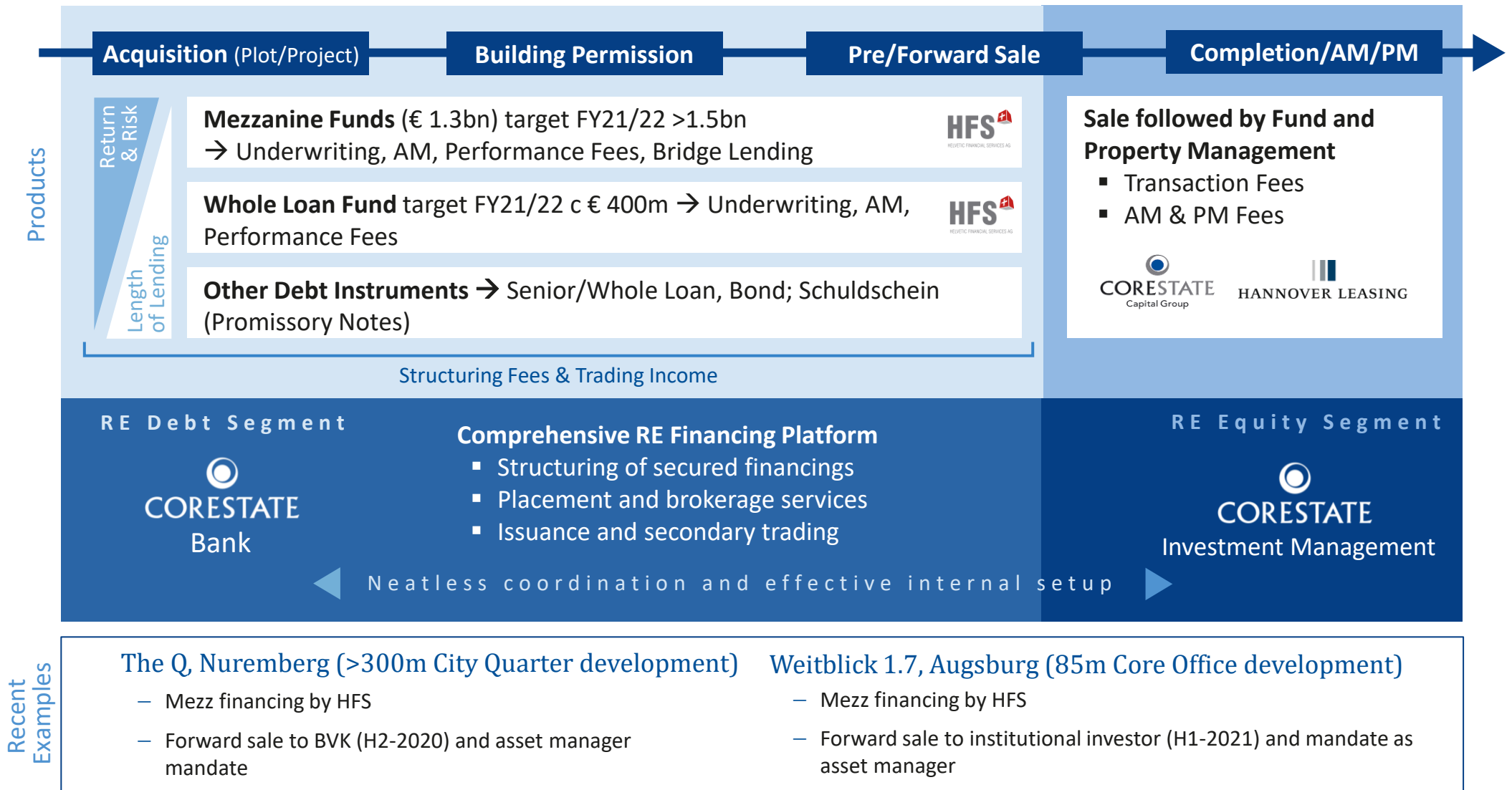
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RE Debt Segment Covers the Entire Investment Life Cycle and Enables a Unique Eco System in Combination with the RE Equity Segment

Integrated Value Chain Approach Secures Strong Synergies Between Products and Clients



Profit & Loss Statement H1-2021

(€ m)	H1 2021	H1 2020
Revenue from Acquisition Related Fees	4.7	5.6
Revenue from Asset Management Fees	18.5	22.1
Revenue from Property Management Fees	16.0	15.2
Revenue from Sales and Promote Fees realised	2.0	(0.2)
Total Revenue from Real Estate Equity	41.2	42.8
Total Expenses from Real Estate Equity	(46.8)	(41.8)
Total Earnings from Real Estate Equity	(5.7)	0.9
Revenue from Underwriting and Structuring Fees	27.7	6.4
Revenue from Asset Management Fees	8.5	10.2
Revenue from Performance Fees	22.2	24.9
Income from Bridge Loans	10.0	4.1
Total Revenue from Real Estate Debt	68.4	45.7
Total Expenses from Real Estate Debt	(7.1)	(4.1)
Total Earnings from Real Estate Debt	61.3	41.5
Income from Rental Income and Service Charges	3.2	2.8
Net Gain from Selling Warehousing Assets	(0.1)	(0.5)
Share of Profit or Loss from Associates and Joint Ventures	1.0	(3.8)
Dividends from other Alignment Capital	1.8	5.8
Gains/Losses from fair value measurement of financial instruments related to Real Estate	(2.8)	3.0
Total Income from Other Segments	3.1	7.2
Total Expenses from Other Segments	(5.0)	(11.8)
Total Earnings from Other Segments	(1.9)	(4.5)
Other Income	4.7	4.5
G&A	(23.8)	(16.5)
EBITDA	34.7	25.9
D&A	(17.1)	(16.3)
Net Financial Result	(9.7)	(9.2)
Income Tax Expense	(7.4)	0.1
Net Profit	0.5	0.4

Balance Sheet as of 30 June 2021

(€ m)	30 June 2021	31 Dec 2020
Non-Current Assets		
Goodwill	642.9	577.7
Other Financial Instruments	159.1	153.9
Intangible Assets	154.5	87.8
Investment in Associates and Joint Ventures	123.2	120.8
Other Non-Current Assets	113.2	116.3
Total Non-Current Assets	1,192.9	1,056.6
Current Assets		
Inventories	79.8	73.8
Cash and Cash Equivalents	47.2	68.2
Other Current Assets	302.3	266.5
Total Current Assets	429.3	408.5
Total Assets	1,622.8	1,465.0
Total Equity	821.5	688.5
Long-term Financial Liabilities to Banks / Bonds	497.2	495.6
Other Long-term Financial Liabilities	29.7	29.3
Other Non-Current Liabilities (sum, incl. other non-current Liability positions)	46.7	23.9
Total Non-Current Liabilities	573.6	548.8
Current Liabilities		
Short-term Financial Liabilities to Banks	68.9	68.7
Other Short-term Provisions	8.3	10.1
Other current Financial Liabilities	52.1	42.0
Other Current Liabilities (sum, incl. other current Liability positions)	98.4	106.9
Total Current Liabilities	227.2	227.7
Total Equity and Liabilities	1,622.3	1,465.0

Cash Flow Statement as of 30 June 2021

(€ m)	H1 2021	H1 2020
Depreciation/write-ups of non-current assets	17.1	16.3
Changes in receivables and other assets that are not attributable to investing activities	(26.8)	(17.4)
Changes in liabilities that are not attributable to financing activities	(13.8)	(20.7)
Investment in Associates and Joint Ventures	123.2	120.8
Income taxes paid	(7.5)	(9.6)
Sum of other line items in cash flows from operating activities	(6.9)	1.6
Net cash flows from operating activities	(20.3)	(20.2)
Payments for the acquisition of subsidiaries net of cash acquired	7.5	(19.7)
Sum of other line items in cash flows from (used in) investing activities	(1.2)	(3.5)
Net cash flows generated from / (used in) investing activities	6.3	(23.2)
Repayment of lease liabilities	(2.7)	(2.6)
Repayment of loans and borrowings	(3.4)	(2.8)
Interest paid	(8.2)	(7.9)
Sum of other line items in cash flows from financing activities	0.6	6.1
Net cash flows used in financing activities	(13.8)	(7.2)
Cash and cash equivalents at beginning of period	91.2	105.8
<i>Net increase in cash and cash equivalents</i>	<i>(27.8)</i>	<i>(50.6)</i>
Cash and cash equivalents at end of period	63.3	55.2

IR Contact and Financial Calendar

Investor Contact

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Financial Calendar 2021

- 24 February • Publication preliminary results for FY 2020
- 24 March • Annual financial report 2020
- 19 May • Publication results for Q1
- 28 June • Annual General Meeting
- 11 August • Publication results for H1
- 10 November • Publication results for first nine months
- 8 December • Capital Market Day

Please note that these dates
may be subject to change