



PUBLICATION OF PRELIMINARY RESULTS FY 2021

8 March 2022 – Stavros Efremidis, CEO | Udo Giegerich, CFO | Dr. Kai Gregor-Klinger, CMO

DICLAIMER

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Glossary

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

All information on FY-2021 is preliminary and not-audited.

STATEMENT TO THE PRELIMINARY FIGURES 2021

- Ernst & Young has not yet fully completed its audit procedures in certain subdivisions with a focus on Corestate Bank
- As a result, the audit opinion and publication of the Corestate Group's consolidated financial statements has been postponed
- Corestate published today the preliminary and unaudited figures 2021
- The company has already prepared the annual financial statements 2021 in full and firmly believes that the ongoing audit procedures will have no impact on the stated figures
- After completion of all necessary audit procedures, the full 2021 annual report will be published promptly, but no later than 31 March 2022

THE NEW INDEPENDENT MANAGEMENT TEAM FOSTERS THE REALIGNMENT AND ACCOMPANIES THE TRANSFORMATION OF THE GROUP

Clear leadership with state-of-the-art functional setup and corporate governance structure¹

Supervisory Board



Dr. Bertrand Malmendier

Chairman
(independent²)



Dr. Roland M. Folz

Deputy Chairman
(independent²)



Dr. h.c. Friedrich Oelrich

Member
(independent²)

Management Board



Stavros Efremidis

CEO (since 7/3/22)



Ralf Struckmeyer

CIO (since 7/3/22)



Izabela Danner

COO (since 7/3/22)



Udo Giegerich

CFO (since 1/8/21)

- René Parmantier, the former CEO, took over the management of the RE debt business and the executive function at Corestate Bank. Due to regulatory requirements he had to give up his position on the Group's Management Board
- In February, the Supervisory Board had decided that Johannes Märklin and Sebastian Ernst would resign from the Management Board with immediate effect and be released from all other functions in the Group
- 9.4% of company's shares owned by new management

1) Further information and CVs on Corestate's webpage

2) Based on criteria of DCGK/proxy advisor

HIGHLIGHTS OF 2021

GUIDANCE REACHED

Strong revenue **growth** of **+33%** and substantially **improved profitability** on all earning lines

Major projects of **asset placement program** signed.

Closing in H1-2022 led to shift in debt reduction.

Financial leverage target of **2x-3x** for 2022 confirmed

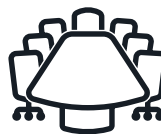
Corestate emerges stronger from the COVID crisis based on a comprehensive restart at all layers



- RE investment powerhouse with a unique equity and debt platform
- Corestate Bank acquisition fully integrated and institutionalized

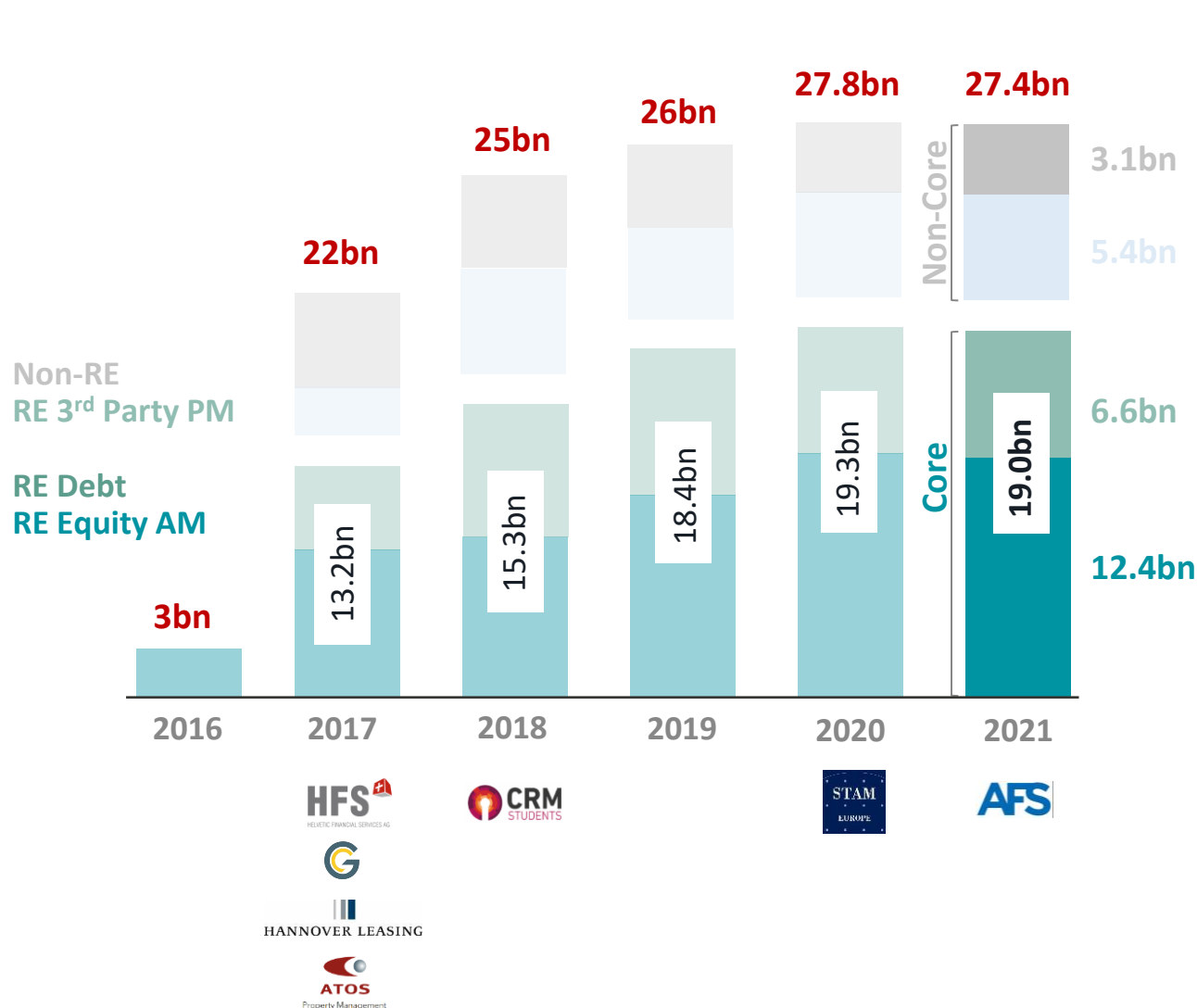


- Business model simplified, improvement of profitability and re-positioning of brand
- Spin-off of non-core business areas
3rd party PM and non-RE AM



- Shareholder base strengthened with new anchor investors
- New and transparent corporate governance

FUTURE FOCUS ON HIGH PROFITABLE CORE BUSINESS



Assets under Management

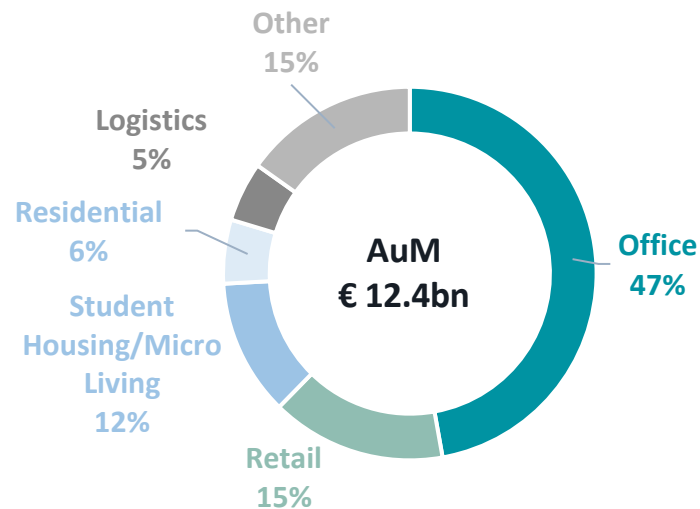
- AuM in core business RE Equity and Debt stable at c € 19bn
- Minor decrease in non-core business, driven by maturity of 3rd party PM portfolio in UK
- Airplane and media funds already carved-out in Q1-2022
- Divestment process of 3rd party PM started

THE REAL ESTATE EQUITY SEGMENT

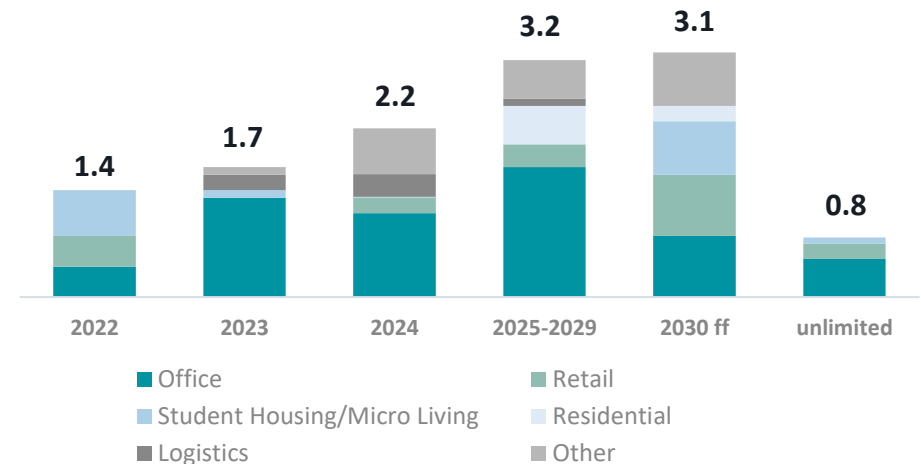
AuMs show stability with some operational outflows in the course of the pandemic

- Market drivers and mega trends in real estate fully intact (esp. high investment pressure and client allocation to European/German RE)
- Strengthening leading position in selected niche markets like student housing, city quarters, AB/BA strategy
- Real estate Equity AuM stable at **€ 12.4bn** (previous year: € 12.8bn) with outflows in micro living
- RE Equity sourcing pipeline in advanced status of **c € 1.3bn** (59% LoI/41% exclusivity)

Asset Class Allocation in RE Equity Segment



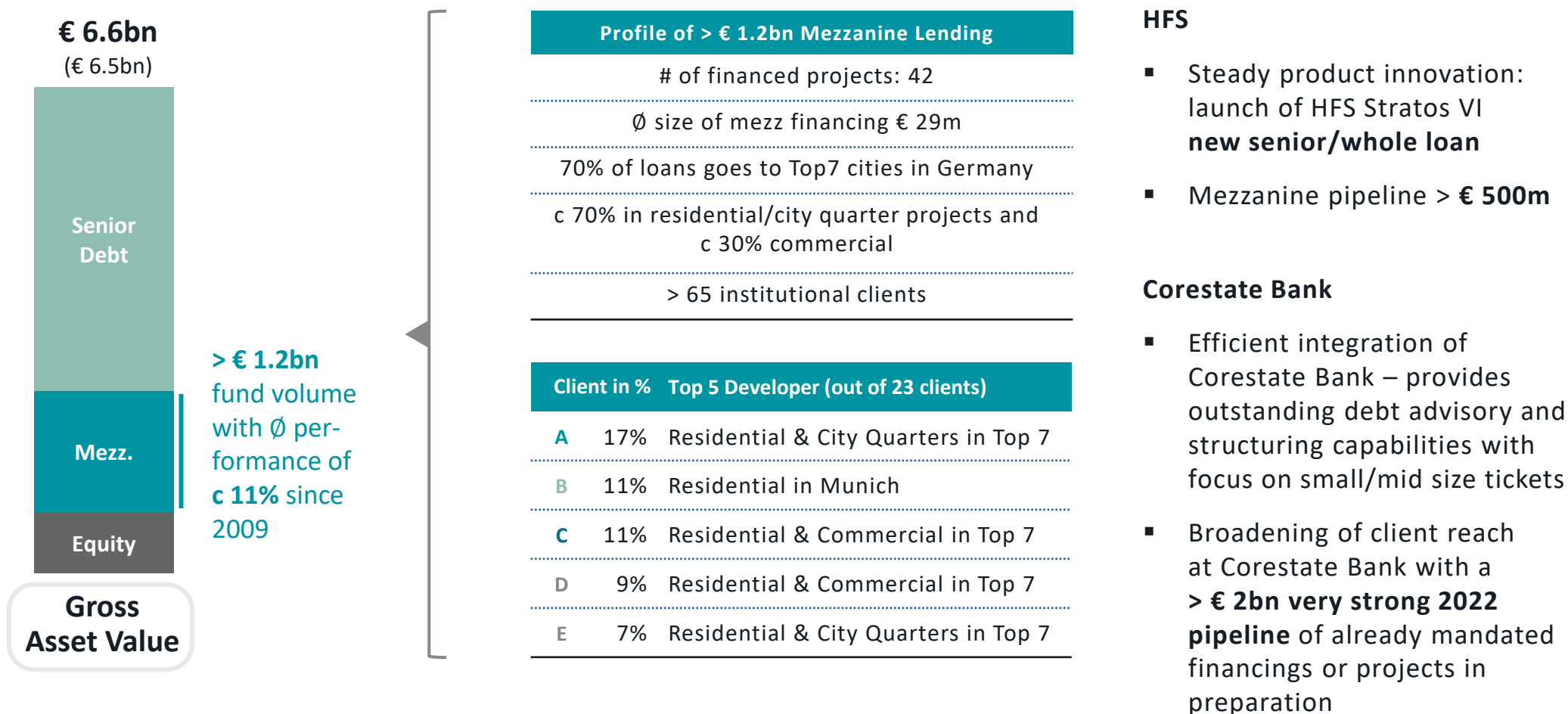
Average Weighted Maturity of c 5 Years (in bn€)



THE REAL ESTATE DEBT SEGMENT

Integrated RE Debt shows again very strong results for 2021

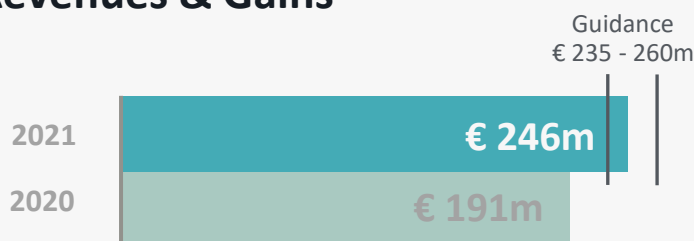
Macro environment remains positive – ongoing constraints in bank credits on higher risk profile



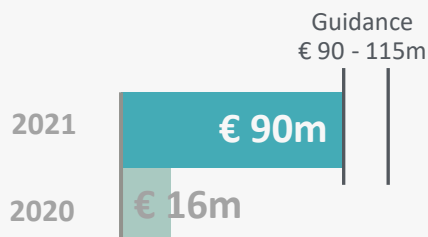
KEY FINANCIALS FY 2021 – REVENUES AND EARNINGS IN LINE WITH GUIDANCE

2021 GUIDANCE REACHED

Aggregated Revenues & Gains



Adj. EBITDA¹



Adjusted Net Result¹

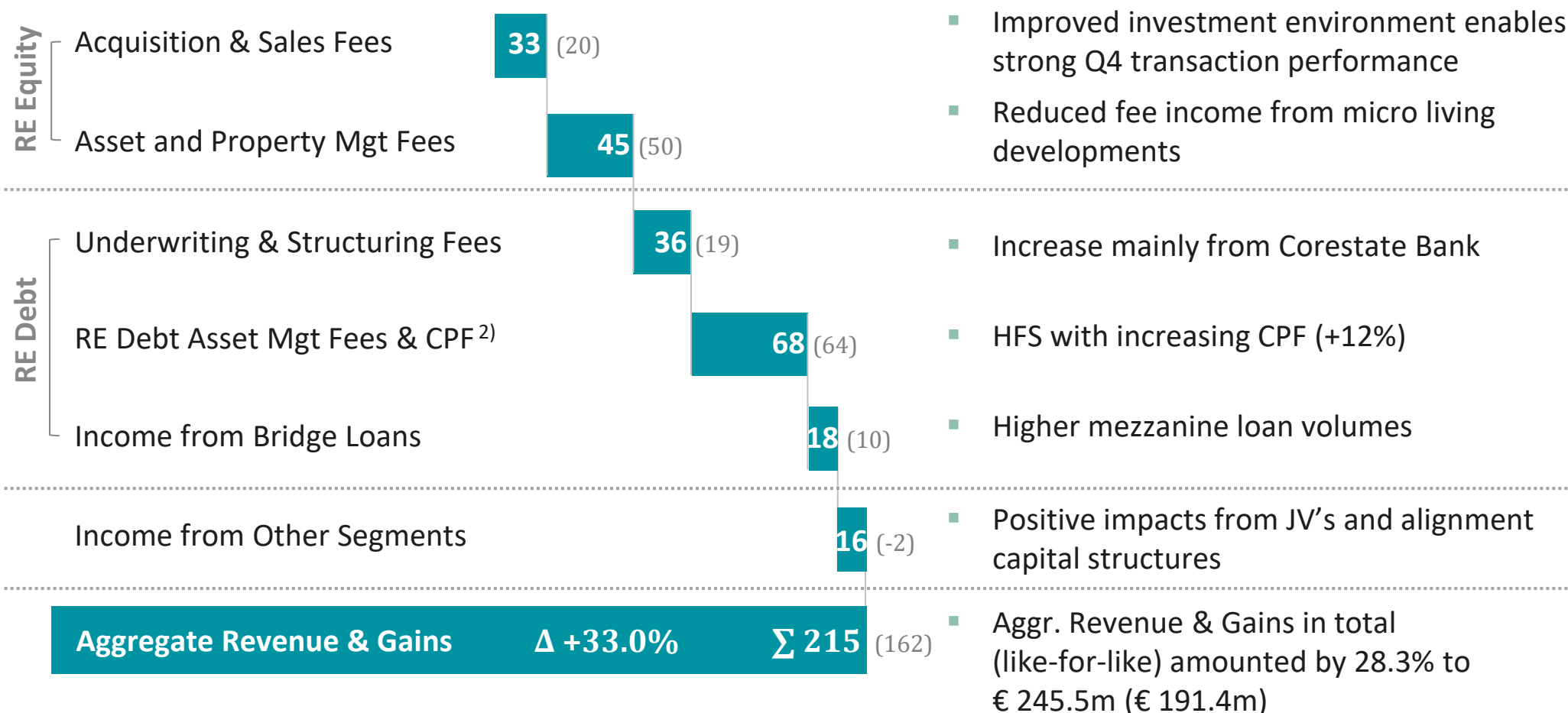


¹) Continued Operations

- Spin-off of 3rd party PM leads to a decreased reported revenue of **c € 30m** (discontinued operations)
- Adjustments on EBITDA of **€ 17.4m** from M&A, transformation and efficiency program
- Further one-off adjustments from ‘purchase-price-allocation’ and deferred tax liabilities in net results

INCOME LINES SHOWS HEALTHY RECOVERY FROM PANDEMIC AND STRONG YEAR-END-BUSINESS

Revenue Split-up for FY 2021¹⁾ in m€ (previous year)



¹⁾ Continued Operations

²⁾ Coupon Participation Fees (performance share from mezzanine funds) in 2021: € 49.5m (€ 44.3m)

IMPROVED PROFITABILITY DESPITE EXTRAORDINARY EFFECTS

Key P&L Figures ¹⁾ in m€

	2021	2020
Aggregate Revenues & Gains	215.4	162.0
Expenses from RE Equity	66.8	78.9
Expenses from RE Debt	24.7	9.1
Expenses from Other	7.5	22.9
G&A Expenses	59.5	45.4
Other Income	15.5	10.6
EBITDA	72.4	16.2
Adjusted EBITDA	89.8	16.2
D&A	39.6	50.6
EBIT	32.8	-34.3
Financial Result	-18.3	-23.8
Income Tax	3.0	-6.9
Net Profit	17.6	-65.1
Adjusted Net Profit	59.4	-45.4
EPS in €	0.54	-2.87

OpEx

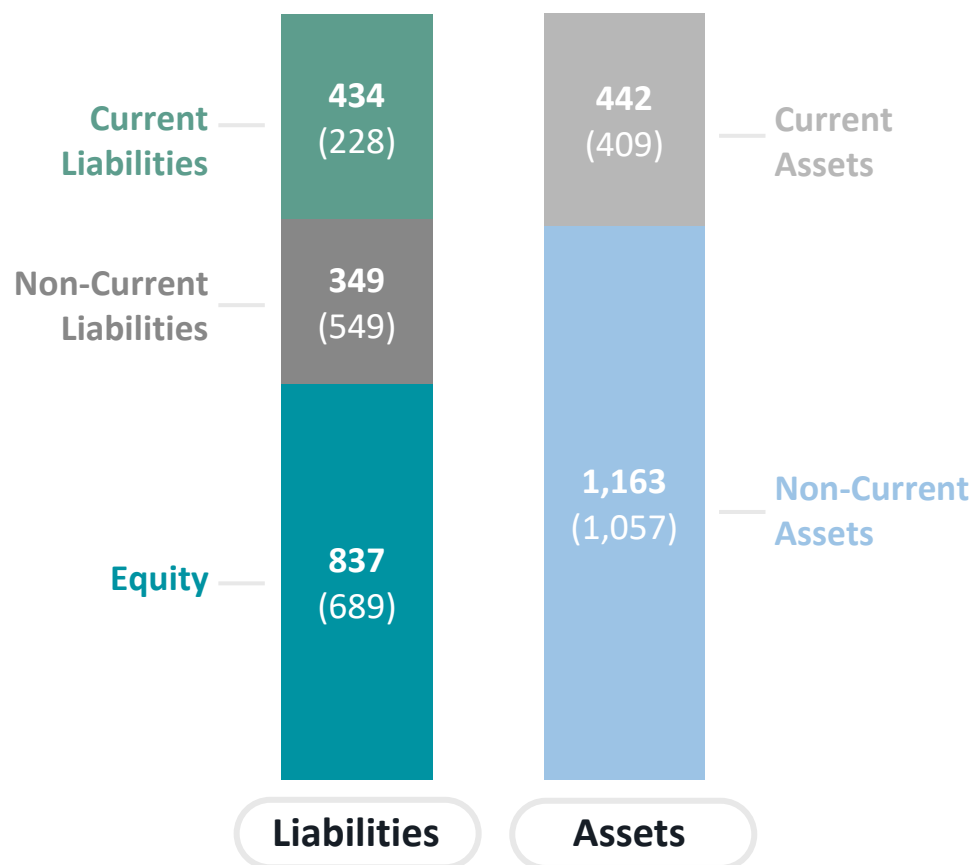
- **OpEx** considerably decreased to **€ 99.0m** (€ 111.0m) and ratio of **46.0%** (68.5%)
- **G&A** including **one-off** expenses from AFS acquisition, group transformation and efficiency program
- Substantial progress on profitability to adjusted **EBITDA margin of 41.7%** (10.0%)
- D&A with consolidation effects from AFS (PPA)
- Positive tax effect from utilization of tax-loss carry forwards in German tax Group
- **One-off** adjustments on **EBITDA** of **€ 17.4m**
 - € 10.9m M&A/transformation measures
 - € 6.5m efficiency program
- Adjustments in **net results** of **€ 41.8m**
 - € 33.2m from PPA
 - € -8.8m from DTL

¹⁾ Continued Operations

KEY BALANCE SHEET ITEMS

Total Balance Sheet € 1,628m (€ 1,465m)

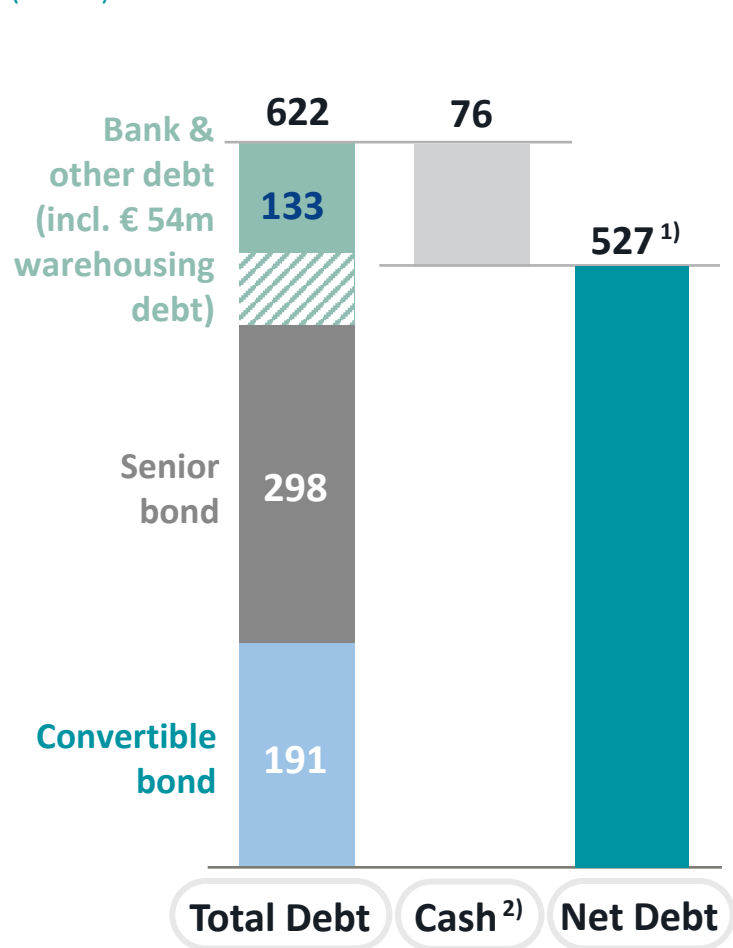
(in m€)



- € 191m Financial Liabilities from bonds reclassified to current liabilities (convertible bond maturity < 1 year)
- € 662m (€ 578m) Goodwill driven by acquisition of Corestate Bank with € 95m
- € 146m (€ 121m) Investment in Associates and JV e.g. bridging € 23m in ‚VisionOne‘ Stuttgart (mostly placed)
- € 152m (€ 154m) Other Financial Instruments
- € 100m (€ 74m) Inventories driven by capex measures at Giessen and a short-term warehousing project
- € 119m (€ 127m) Other Current Financial Assets incl € 93m (€ 107m) bridge loans
- Trade Receivables increased to € 54m from € 33m, primarily related to Q4 sales and promote fees
- 76m (€ 91m) Cash and Cash Equivalents incl. restricted Cash (Giessen)
- Equity ratio increased from 47.0% to 51.4%

DEBT PROFILE & UPDATED CASH CONVERSION PROGRAM

Financial debt overview FY-2021 (in m€)



1) Adjusted for lease liabilities IFRS 16 in amount of € 20m

2) incl. € 13m restricted cash

Path of debt reduction in 2022 largely based on already signed transactions or contractual obligations (in €)

Period	Transaction / Assumption	Value (€)
H1-2022	Remaining contractual performance & promote/sales fees from 2021 (contract assets 59m, receivables)	> 40m
	Reduction of bridge loans (other curr. fin. assets 119m)	50-60m
	Closing Giessen (end of April) and others (Invent. 100m, restr. cash 13m, other fin. instr. 152m)	>90m
	Assumptions for debt reduction in H1	> -180m
<p>► Refinancing of € 300m straight bond envisaged before summer € 200m convertible bond to be repaid from cash position</p>		
H2-2022	Closing/distribution of OppFund I (signed) (Other financial instruments 152m)	> 20m
	Placement Liver, Echo, others (Associates & JVs 146m)	20-30m
	Performance fees 2022 (contract assets 59m)	> 50m
	Assumptions for debt reduction in H2	> -100m

► **Debt reduction of > -280m and healthy financial leverage ratio between 2x - 3x by year-end as fundamental basis for refi**

RESTART AND OPERATIONAL OUTLOOK FY 2022

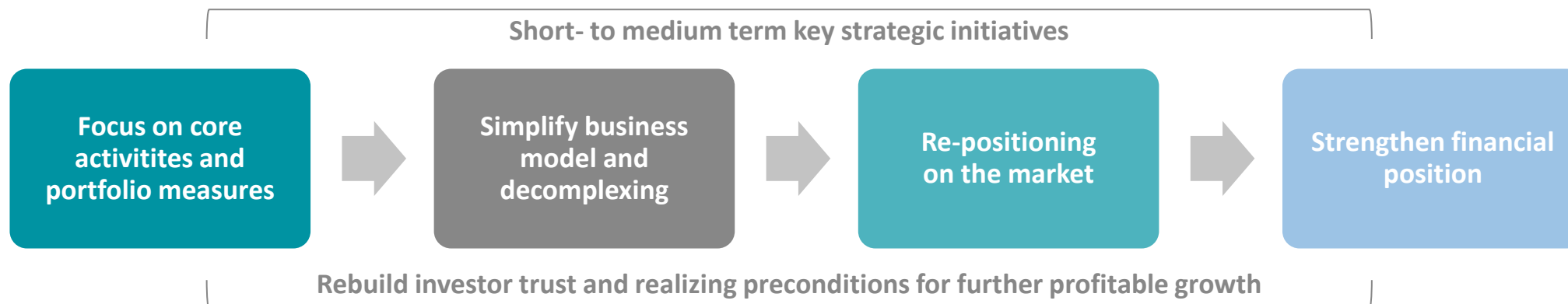
The newly aligned functional management setup accelerates the ongoing transformation process and safeguards continuity and reliability in external appearance

2022 MARKET FUNDAMENTALS

- Unchanged high investment pressure among institutional investors
- Focus on core/core+ with increasing appetite for higher risk profiles
- ESG (zero carbon) as mega trend

Reinvent Corestate on all layers

- **Promising growth and new business pipeline of c € 4bn:** driven by a realigned investment team with various product innovations
- **Efficiency program implemented:** harmonize org structure and streamline double functions and locations
→ annual **cost savings** of > € 10m latest from 2023 onwards
- **New market positioning:** based on a comprehensive re-branding and enhanced transparency and governance
- **Consistent de-risking and balance sheet slim down:** lower bridge lending, reduction of co-investments and alignments, only minor warehousing activities → improve financial policy & leverage



FINANCIAL OUTLOOK FY 2022

Revive of distribution policy and re-positioning as growth and dividend stock

2022 GUIDANCE

Aggr. Revenues € 210 - 230m

EBITDA € 90 - 110m

Medium-term Outlook

Dividend aspiration³⁾ at least € 0.50

Annual AuM growth 5% to 10%

Prospective 2022 revenue split-up

RE Equity

Acquisition, Sales & Promote Fees € 30 - 40m

Asset & Property Management Fees € 40 - 50m

RE Debt

Underwriting & Structuring Fees ¹⁾ € 50 - 60m

Asset Management Fees & CPF ²⁾ € 70 - 80m

Others € 5 - 15m

Further forecast assumptions

- OpEx ratio 40-50%
- Depreciation € 20m to € 25m
- Financial result € -20m to € -25m
- Run rate tax ratio 15-17%
(plus mid-to-high single-digit negative tax one-off in 2022)

¹⁾ Incl. HFS underwriting fees and new issue profits

²⁾ Incl. HFS asset mgt. fees, Coupon Participation Fees, mezzanine lending and trading results

³⁾ Distribution out from FY 2022 net results in FY 2023



APPENDIX



PROFIT AND LOSS STATEMENT FY 2021 (2020)¹

million euros	2021	2020
Revenue from Acquisition Related Fees	9.7	15.1
Revenue from Asset Management Fees	37.0	37.3
Revenue from Property Management Fees	5.3	3.9
Revenue from Sales and Promote Fees realised	25.5	14.0
Total Revenue from Real Estate Equity	77.6	70.4
Total Expenses from Real Estate Equity	(66.8)	(78.9)
Total Earnings from Real Estate Equity	10.8	(8.5)
Revenue from Underwriting and Structuring Fees	36.0	18.8
Revenue from Performance Fees	49.5	44.3
Income from Bridge Loans	18.1	10.3
Revenue from Asset Management Fees	17.3	19.9
Income from Trading Activities	1.0	-
Total Revenue from Real Estate Debt	121.9	93.3
Total Expenses from Real Estate Debt	(24.7)	(9.1)
Total Earnings from Real Estate Debt	97.2	84.2
Income from Rental Income and Service Charges	6.2	6.4
Net Result from Property Holding Warehousing Exists	(2.7)	(0.8)
Share of Profit or Loss from Associates and Joint Ventures	2.4	(9.3)
Dividends from other Alignment Capital	12.8	8.8
Gains/Losses from fair value Measurement of financial Instruments related to Real Estate	(2.9)	(6.8)
Total Income from Other Segments	15.9	(1.8)
Total Expenses from Other Segments	(7.5)	(22.9)
Total Earnings from Other Segments	8.4	(24.7)
Other Income	15.5	10.6
G&A and Others Expenses	(59.5)	(45.4)
EBITDA	72.4	16.2
D&A	(39.6)	(50.6)
Net Financial Result	(18.2)	(23.7)
Income Tax Expense	3.0	(6.9)
Net Profit	17.6	(65.1)

¹⁾ Continued operations

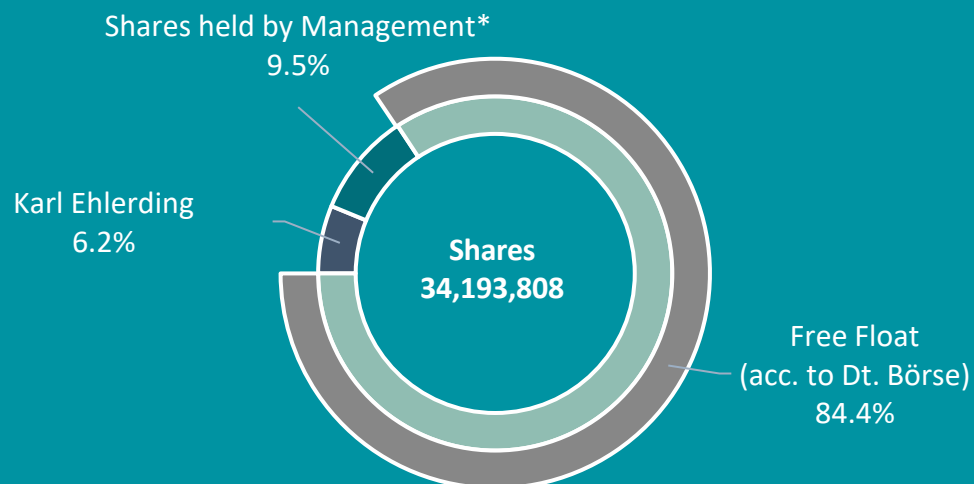
BALANCE SHEET FY 2021 (2020)¹

million euros	2021	2020
Non-Current Assets		
Goodwill	662.0	577.7
Other Financial Instruments	151.5	153.9
Intangible Assets	84.8	87.8
Investment in Associates and Joint Ventures	145.9	120.8
Other Non-Current Assets	118.3	116.3
Total Non-Current Assets	1,162.5	1,056.6
Current Assets		
Inventories	100.0	73.8
Cash and Cash Equivalents	62.8	68.2
Other Current Assets	279.5	266.5
Total Current Assets	442.4	408.5
Total Assets	1,628.4	1,465.0
Total Equity	836.6	688.5
Non-Current Financial Liabilities from Bonds	298.0	491.0
Other Non-Current Financial Liabilities	23.4	33.9
Other Non-Current Liabilities	27.6	24.0
Total Non-Current Liabilities	349.1	548.0
Current Financial Liabilities from Bonds	190.9	-
Current Financial Liabilities to Banks	68.3	68.7
Other Current Provisions	13.6	10.1
Other Current Financial Liabilities	121.0	100.4
Other Current Liabilities	40.0	48.5
Total Current Liabilities	433.8	227.7
Total Equity and Liabilities	1,628.4	1,465.0

¹⁾ Continued operations

SHAREHOLDER STRUCTURE AND RESEARCH COVERAGE

Shareholder Structure (acc. to latest public filing)



* Shares held by Management

Stavros Efremidis:	3,200,000
Ralf Struckmeyer:	32,601
Udo Giegerich:	16,000

Analyst Recommendations

Institute	Date	Recommendation	Price target
Kepler Cheuvreux	19.01.2022	Buy	€ 27.00
Pareto	16.12.2021	Hold	€ 12.00
ODDO BHF	16.12.2021	Buy	€ 15.60
Berenberg	13.05.2021	Hold	€ 15.00
Baader Bank	15.01.2021	Sell	€ 17.00
Average TP:			€ 17.30

FINANCIAL CALENDAR



8 March 2022	Annual financial report FY-2021
10 May 2022	Publication results for Q1-2022
17 May 2022	Annual General Meeting 2022
9 August 2022	Publication results for H1-2022
8 November 2022	Publication results for 9M-2022

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