



RESULTS Q1-2021

PRESENTATION –
CONFERENCE CALL FOR
ANALYSTS & INVESTORS
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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;	

KEY EVENTS OF Q1-2022

The European RE market began the year confidently, but the real challenges still lie ahead



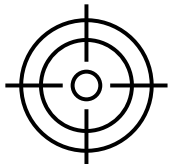
- Historic rise in inflation unleashes global interest rate spiral
- Biggest uncertainty factors: Ukraine war, Russian energy imports and global supply chain
- Q1 operationally impacted by last effects of pandemic and usual seasonality – but recent dynamic developments in macro environment already clearly infecting RE investment market

Considerable momentum across the individual operational areas



- New Management team aboard strengthens Group governance, streamlines org structure and simplifies business model
- Concentrating on core business – divestment of low-margin peripheral activities realized
- Efficiency program with extensive cost savings already in progress

A consistently adapted strategy paves the way for a successful future in a changing RE world

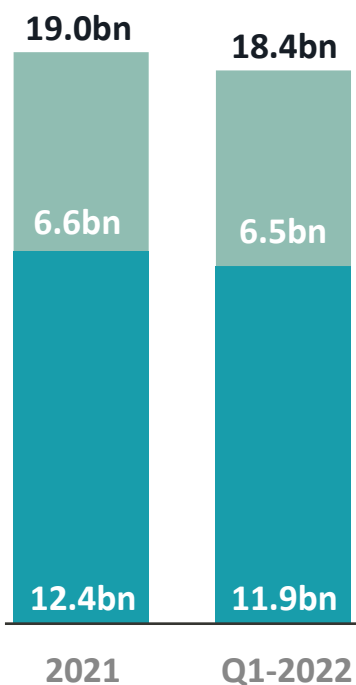


- New magic words of the investment market are opportunity, flexibility and speed
- Repositioning as fully integrated RE investment powerhouse with a new brand
- Q1 figures show a subdued operational start to the year
- Ongoing refinancing and uncertainty strains client relationships and is already impacting new business

STRATEGIC FOCUS ON CORE BUSINESS

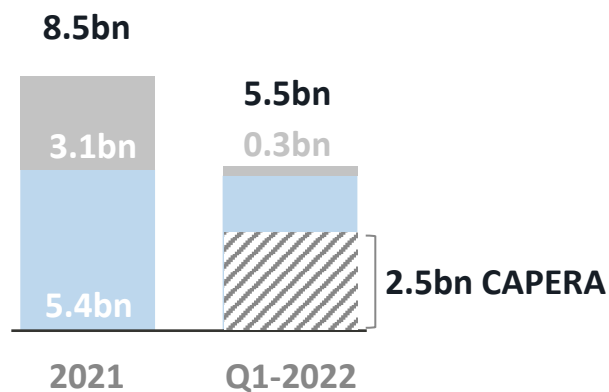
Core

RE Debt
RE Equity AM



Non-Core

Non-RE
RE 3rd Party PM



Assets under Management

- AuM in core RE Debt segment stable; in RE Equity business with regular outflows
- Markedly decrease in non-core business, mainly driven by carve-out of the Airplane and media funds in Q1-2022
- Ongoing sales process of 3rd party PM (CAPERA) will lead to a significant decrease in non-core AuM in the 2nd half of 2022

SALE OF CAPERA SIGNED

Following the discontinuation of the non-RE activities at the beginning of the year, the strategic sale of our 3rd party management business - **CAPERA** - is progressing according to plan.

- **Signing has taken place end of April 2022**
- **Closing is envisaged latest until end of the first half 2022**
- **Expected proceeds of € 14.5m**

CAPERA – Real Estate Services

- **Property Manager** for residential and commercial real estate
- **Part of the Corestate Group** since 2013
- **Locations**
15 in Germany
- **AuM**
€ 2,470m
- **Management of**
>30,000 units with 1.35 mio sqm
- **Revenue:**¹
€ 18m
- **Book value:**¹
€ 2.6m
- **FTE:**¹
269

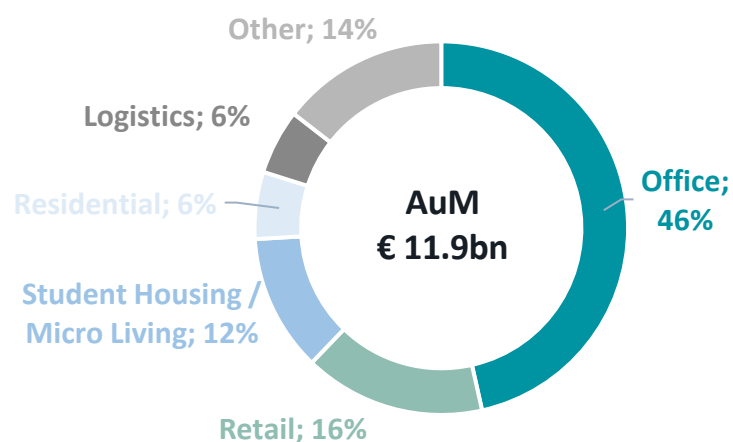
¹) FY 2021

THE REAL ESTATE EQUITY SEGMENT

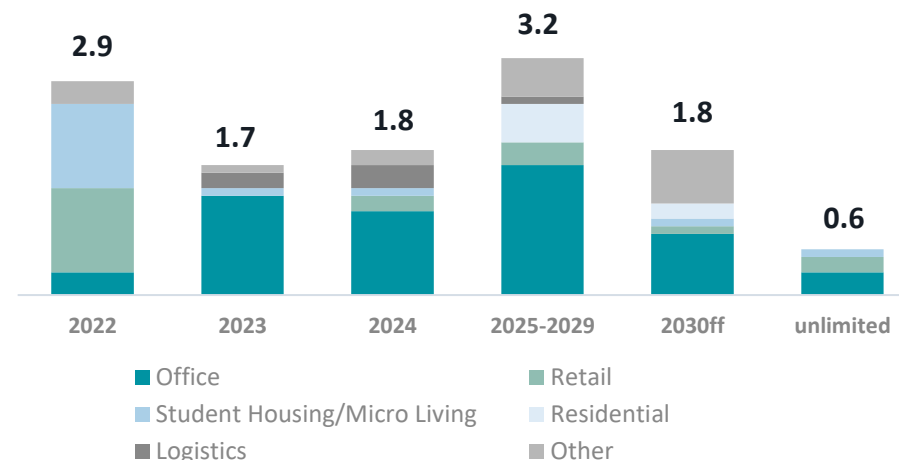
AuMs show stability with some regular operational outflows

- Key market drivers and megatrends in real estate are still intact, but investment behavior is already changing
- Strengthening leading position in selected niche markets like student housing, city quarters, AB/BA strategy
- Real estate Equity AuM went down a bit to **€ 11.9bn** (2021: € 12.4bn) due to regular outflows of commercial assets
- RE Equity sourcing pipeline continuing in advanced status of **c € 0.9bn** (65% Lol/35% exclusivity)

Asset Class Allocation in RE Equity Segment

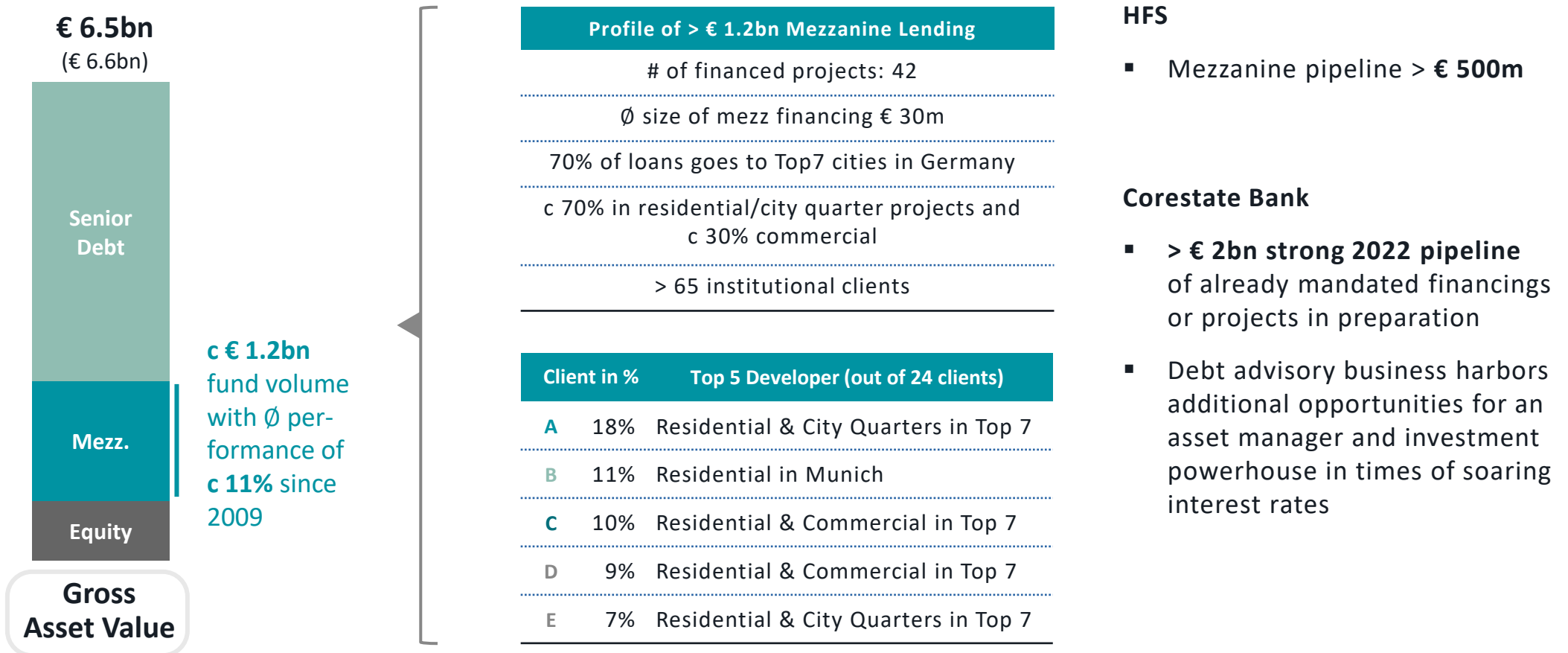


Average Weighted Maturity of >4 Years (in bn€)



THE REAL ESTATE DEBT SEGMENT

The macroeconomic environment remains positive with high demand – however, in view of increasing inflation and investor uncertainty, we have significantly stepped up our monitoring activities



INCOME LINES SHOW A SUBDUED START TO 2022

Revenue Split¹⁾

in m€ (previous year)

	Q1-2022	Q1-2021		
RE Equity	Acquisition & Sales Fees	1.3	(2.1)	<ul style="list-style-type: none"> Lower transaction volume in the first three months 2022
	Asset and Property Mgt Fees	11.2	(9.6)	<ul style="list-style-type: none"> Solid business base, AM fees on the previous year level
RE Debt	Underwriting & Structuring Fees	0.2	(3.7)	<ul style="list-style-type: none"> Weakish private debt market in Q1
	RE Asset Mgt & Performance Fees	14.3	(12.1)	<ul style="list-style-type: none"> Increased fund's profitability
	Income from Bridge Loans	2.1	(5.5)	<ul style="list-style-type: none"> Prudent risk provisions
	Income from Other Segments	-0.4	(-2.9)	<ul style="list-style-type: none"> Positive impacts from JV's and alignment capital structures
Aggregate Revenue & Gains		29.7	30.2	<ul style="list-style-type: none"> Aggr. Revenue & Gains in total (like-for-like) amounted to € 37.6m (€ 37.3m)

¹⁾ Continued Operations

LOWER COST BASE AND SLIGHTLY IMPROVED EARNINGS

Key P&L Figures ¹⁾ in m€

	Q1-2022	Q1-2021
Aggregate Revenues & Gains	37.6	37.3
Expenses from RE Equity	15.1	15.2
Expenses from RE Debt	6.5	2.6
Expenses from Other	2.2	2.9
G&A Expenses	8.5	12.4
Other Income	3.3	0.9
EBITDA	0.7	(0.2)
D&A	3.6	4.1
EBIT	(2.9)	(4.3)
Financial Result	(3.7)	(3.7)
Income Tax	(2.8)	(4.0)
Net Profit	(9.3)	(12.0)
Adjusted Net Profit	(7.6)	(7.0)
EPS in €	(0.30)	(0.53)

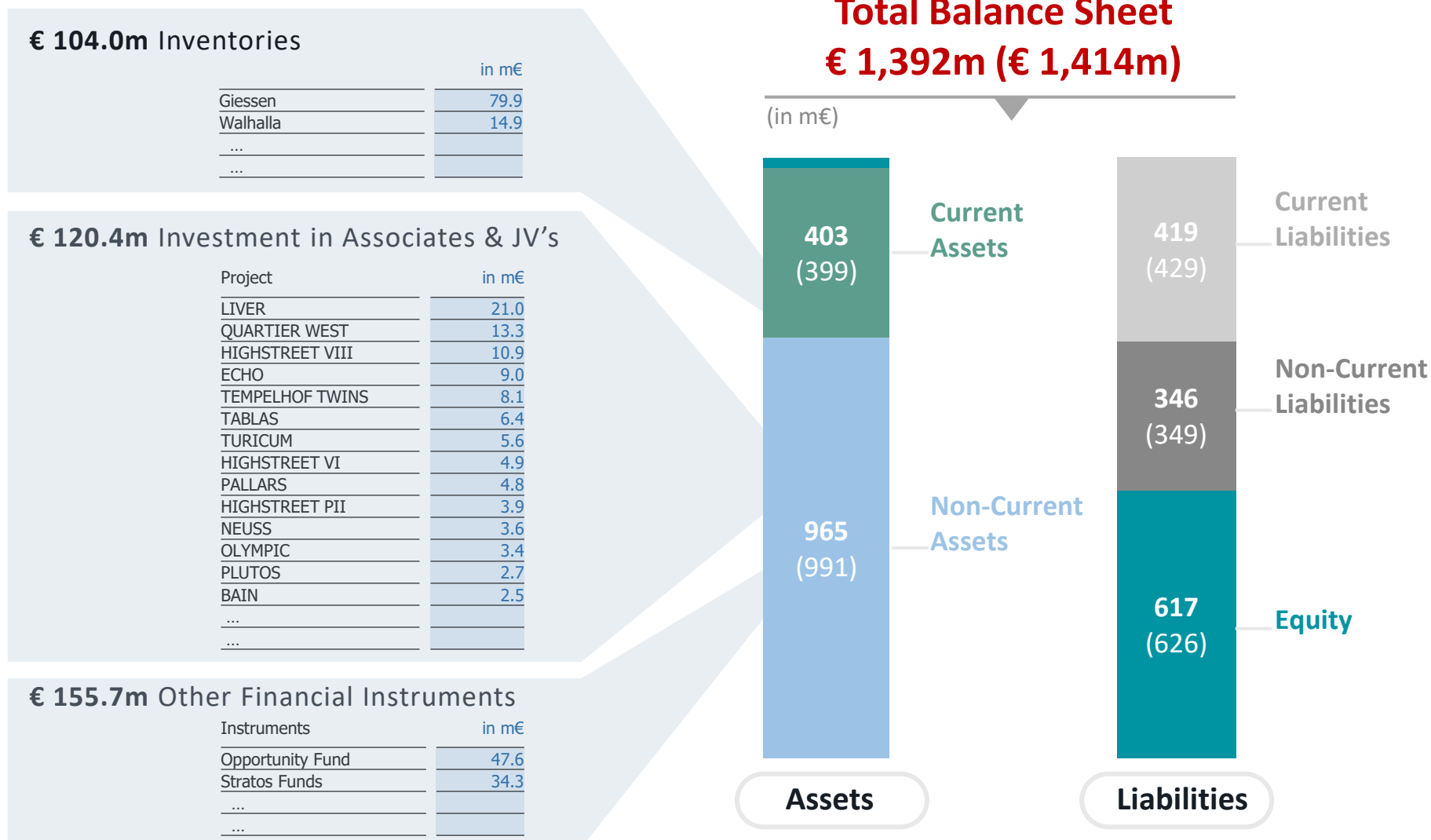
OpEx

- **OpEx** increased primarily due to first-time consolidation of AFS in the debt segment to **€ 23.8m** (€ 20.7m)
- Reduced **G&A** as 2021 includes also one-off's from AFS acquisition
- Adjustments in **net results** of **€ 1.7m** (€ 4.9m)
 - € 2.2m from PPA (€ 2.6m),
 - € -0.5m from DTL (€ 0.3m)

¹⁾ Continued Operations

SELECTED BALANCE SHEET ITEMS

Strong underlying quality of assets



CORESTATE RE-STARTS PLACEMENT OF “neustädter” IN GIESSEN

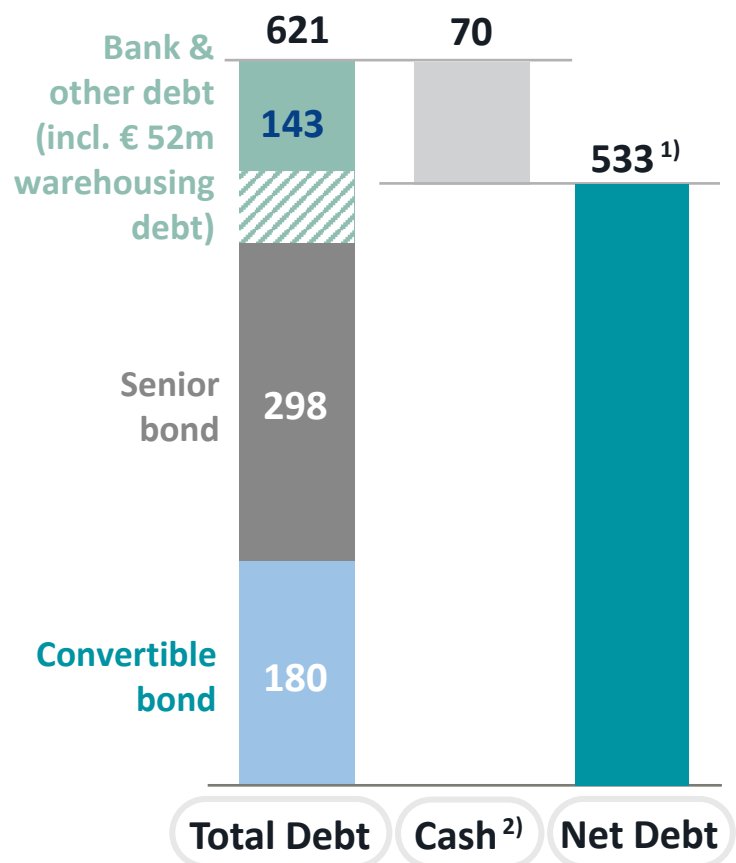
- **Inner city shopping center** in the heart of the university city of Giessen, second largest shopping mall in Mittelhessen
- **Corestate repositioned** the neustädter with an excellent extension and conversion program since 2019
- **New tenant structure** established with e.g., restaurants, kindergarten, grocery and food anchored shops, including around **60 retail stores**
- **33k sqm rental space** with a current letting ratio of ~ 82% and **rental income of € 5.3m** (targeted > € 6m)
- **Equity of c € 36m** and **debt of c € 52m** on balance (remaining restricted cash of c € 3.6m for capex spending)



- **Corestate re-starts placement after completion of refurbishment measures in Q3 2022**

DEBT PROFILE & REFINANCING

Financial debt overview Q1-2022 (in m€)



The overriding goal is to ensure refinancing

- Cash conversion program continues with high priority but is delayed in the current difficult market environment (e.g. Giessen or bridge loans)
- Ongoing preparation of refinancing options for the 2022 and 2023 notes (incl. assessment of alternative refinancing measures)
- Onboarding of financial and legal advisors

1) Adjusted for lease liabilities IFRS 16 in amount of € 18.5m (€ 19.5m)

2) incl. € 6.5m restricted cash

OUTLOOK FY-2022

Key priorities are to de-risk, execute the refinancing and to accelerate the ongoing transformation process for a comprehensive reboot at all levels

- **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 an adjusted strategy and a comprehensive re-branding in combination with 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

MARKET FUNDAMENTALS AND PERCEPTION

- Recent serious geostrategic and macroeconomic challenges favor a highly dynamic interest rate environment with clear implications for sector allocation and asset valuations
 - Significantly lower risk appetite and transaction volume in the RE investment market in 2022
 - In addition, uncertainties on corporate side with implications on new business
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- Notably lower revenue primarily from acquisition and performance-related fees
 - Management withdraws financial outlook for 2022
 - In the course of the year reassessment of the business forecast considering all market information of the overall economy and real estate industry

FINANCIAL CALENDAR



10 May 2022	•	Publication results for Q1-2022
28 June 2022	•	Annual General Meeting 2022
9 August 2022	•	Publication results for H1-2022
8 November 2022	•	Publication results for 9M-2022

www.corestate-capital.com/share



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