



**PRELIMINARY
PUBLICATION OF
QUARTERLY STATEMENT
AS OF 30 SEPTEMBER 2023**

17 January 2024

KEY FIGURES

9M 2023



		9M 2023	9M 2022
Aggregated revenue and gains	€ million	36.4	49.7
EBITDA ¹	€ million	353.8	-108.3
Net profit ¹	€ million	309.7	-581.9
Earnings per share¹	€	1.86	-17.02
		30.09.2023	31.12.2022
Number of Shares outstanding ²		166,159,451	34,193,808
Equity Ratio	%	36.7	-
Cash and Cash Equivalents	€ million	43.1	55.5
Net Debt	€ million	152.2	541.6
Net Debt / EBITDA ¹		0.5	-
Assets under Management at End of Period	€ billion	13.4	18.4
Number of Employees at End of Period	FTE	322	415

¹ EBITDA includes € 394m due to an extraordinary gain from the financial restructuring

² thereof 131,965,643 shares are not yet listed for trading

LETTER TO OUR SHAREHOLDERS

**Dear Shareholders,
Ladies and Gentlemen,**

The third quarter of 2023 remained challenging, characterised by the ongoing war in Ukraine and growing geopolitical tensions. While it is true that the markets are now not expecting any further interest rate hikes, economic momentum remained subdued, both globally and in the core markets of CORESTATE Capital Holding S.A. (“Corestate”).

In the third quarter, Corestate continued its consistent strategic realignment, focussing on asset management. Meanwhile, it significantly reduced its financial liabilities by successfully completing its balance sheet restructuring and recapitalisation on 25 August 2023.

The prerequisites for this were the resolutions of the Creditors' Meeting on 21 June 2023 and the Extraordinary General Meeting on 14 July 2023, in which both the bondholders and the shareholders approved the strategic realignment and the necessary haircut by a large majority.

Financial liabilities reduced

Financial liabilities from bonds were significantly reduced from € 535m to around € 143m.

The basis for this was the reduction in the nominal amounts of the two bonds from 2017 and 2018 by around 78 percent. At the same time, the respective terms were extended until 31 December 2026. Further, the existing bridging loan from December 2022 and May 2023 plus accrued interest was replaced with new senior secured notes (“New Super Senior Notes”) in the amount of € 37m with a term until 31 December 2026.

As a result of these steps, the Corestate Group is significantly deleveraged and has secured long-term financing. After the debt restructuring, the group has a leverage ratio that is appropriate in relation to balance sheet assets and potential earning power.

Capital increase attracts new major shareholders

Regarding equity, a milestone was reached with the issue of 132 million new shares as part of the company’s capital reduction, approved at the Extraordinary General Meeting on 14 July 2023. The total number of shares thus rose from around 34.5 million to 166.2 million.

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113.5 million of the new shares were issued to the investors of the notes (“New Super Senior Notes”). Some of the remaining new shares, around 18.5 million, will form the basis for a management incentive programme under which the management will in future hold up to 10 percent of the company. These measures will provide Corestate with long-term oriented major shareholders.

This contributes significantly to stabilising the Group and at the same time documents the new-found investor confidence.

The new shares are to be licensed for trading as soon as possible, which depends particularly on the pending appointment of an auditor. Corestate is continuing its intensive efforts to find a solution.

As such, the completion of the comprehensive recapitalisation of the group allows for the creation of a significantly positive equity base in the low to mid three-digit million euro range. The new, long-term oriented major shareholders that were acquired with the capital increase fully support the Group’s strategic realignment while guaranteeing stability and broad support for the management during this phase of the company’s development.

Strategy is being implemented as planned

Operationally, the extensive restructuring of Corestate, initiated last year, coupled with a steadfast cost-cutting programme, has been successfully implemented as planned in the third quarter. In future, the Group structure will consist of a holding company and operating subsidiaries focussing on asset management, which will operate independently.

For this reason, on 27 September 2023, Corestate decided to discontinue the banking business bundled in Corestate Bank GmbH and to return the licence as a securities business. The remaining goodwill of Corestate Bank GmbH after impairment in the course of 2022 was around € 13.1m as at 31 December 2022 based on preliminary figures. In the course of discontinuing the bank’s business operations, this will be fully adjusted.

Corestate also successfully completed two transactions at the end of September. Two assets were sold in Spain. These are two development properties in Valencia and in Pamplona, respectively. The sale of the remaining Spanish investment portfolio is planned for Q4 2023.

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Corestate is also in a stable position in terms of personnel: Since May 2023, the former Chairman of the Supervisory Board, Dr Nedim Cen, has taken over the functions of CEO and CFO and manages the company together with Izabela Danner (COO/CIO). The Annual General Meeting confirmed Dr Sven-Marian Berneburg, the new Chairman of the Supervisory Board, and Dr Carlos E. Mack as members of the Supervisory Board and appointed them for the next three years.

The management of the HANNOVER LEASING Group is being expanded and strengthened. Two new managing directors were appointed as of 1 October 2023 and 1 November 2023. Oliver Priggemeyer and Stefan Damberger will be jointly responsible for the long-term development of the Group in future, supported in part by the current management team. HANNOVER LEASING will thus continue to drive forward the company's digitalisation and modernisation in a difficult market phase and create the conditions for future growth.

In the current market environment, which remains very challenging, the management will continue to systematically drive forward Corestate's realignment. We thank you, dear shareholders, for your trust!

Luxembourg, 17 January 2024

Dr Nedim Cen

Chief Executive Officer
Chief Financial Officer

Izabela Danner

Chief Operating Officer
Chief Investment Officer