DIC

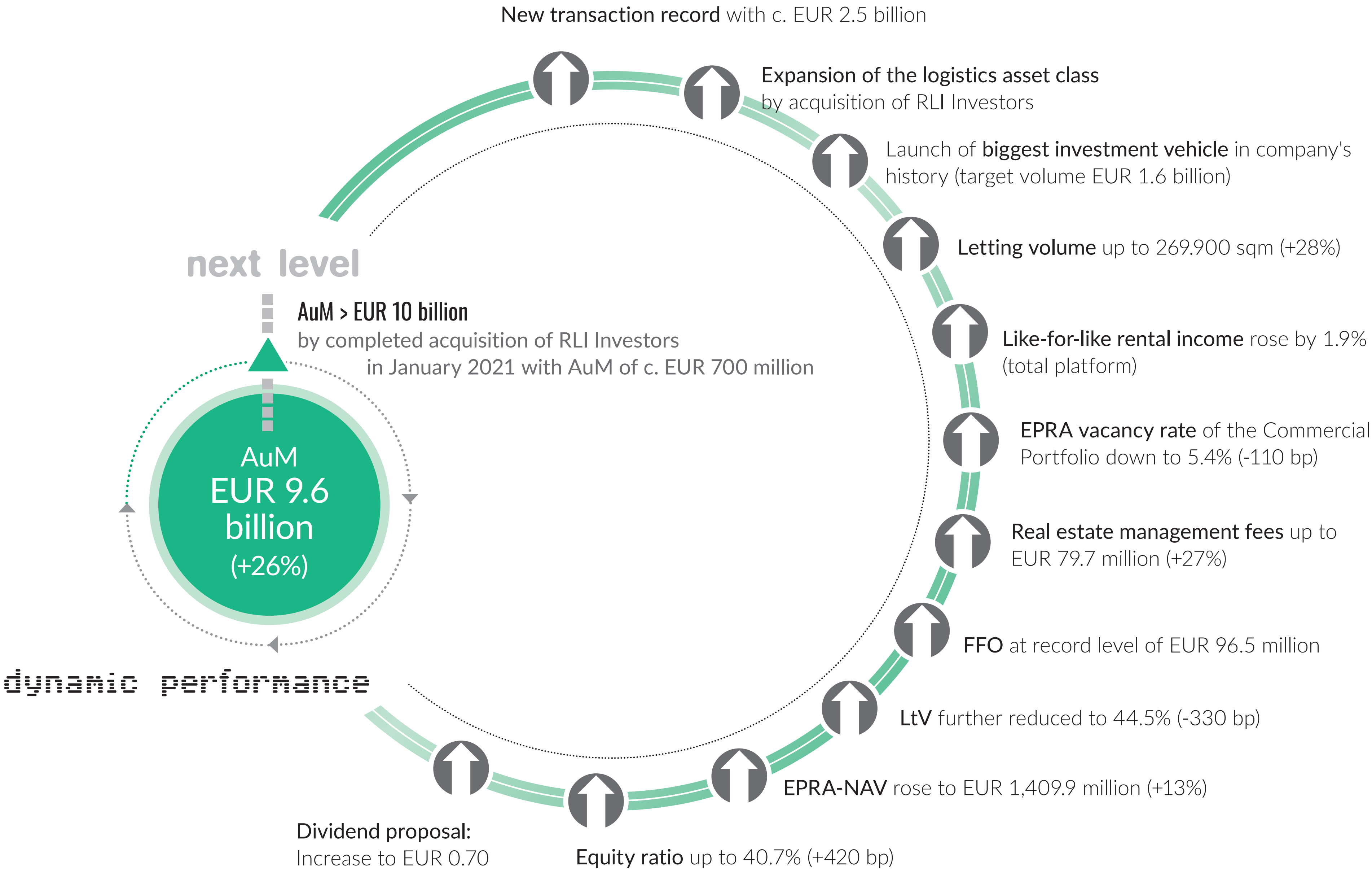
2020

FULL YEAR RESULTS CONFERENCE CALL

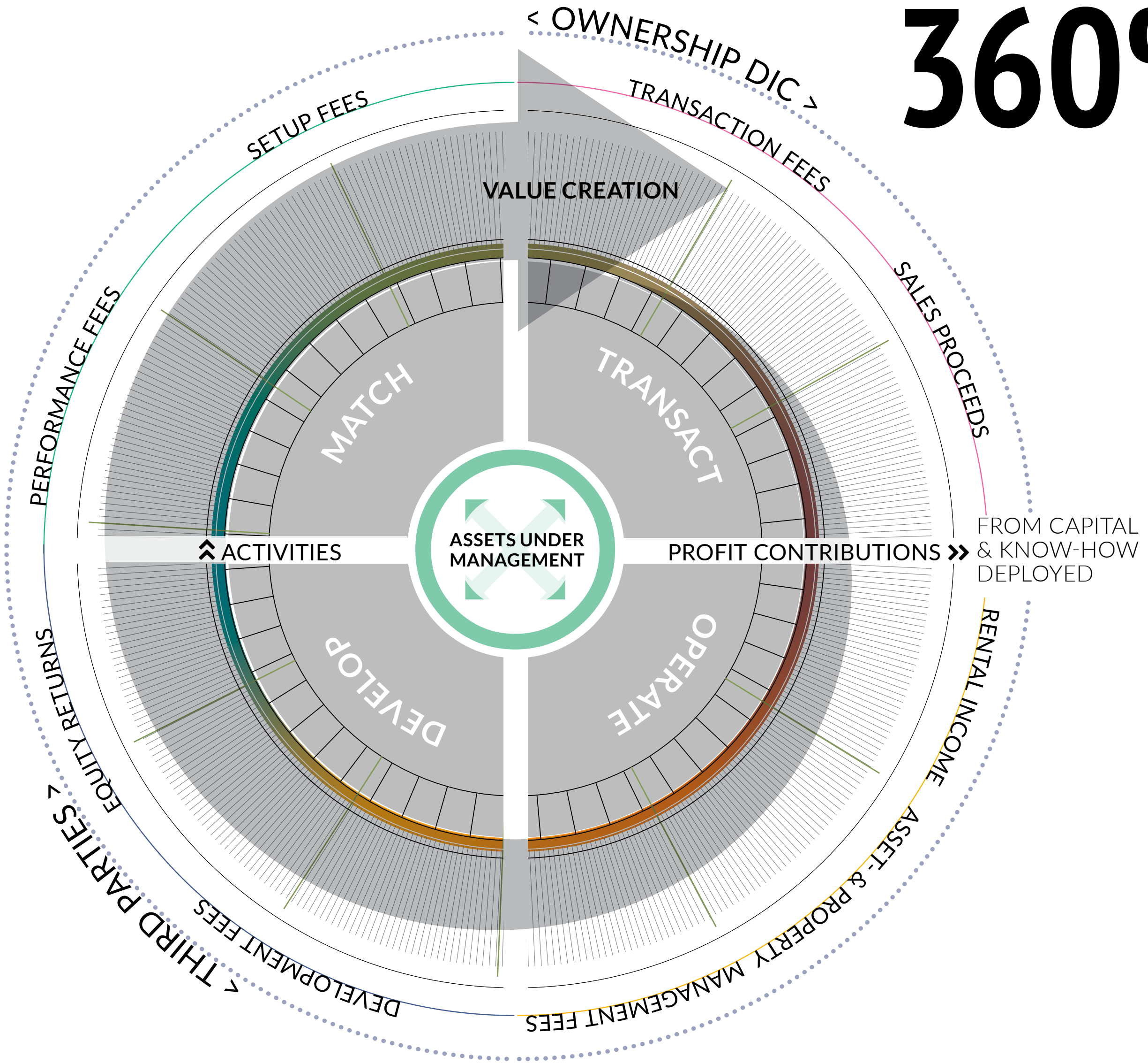
10 February 2021

dynamic performance

Outstanding performance in 2020 despite COVID-19



Leading full-service provider for commercial real estate investments



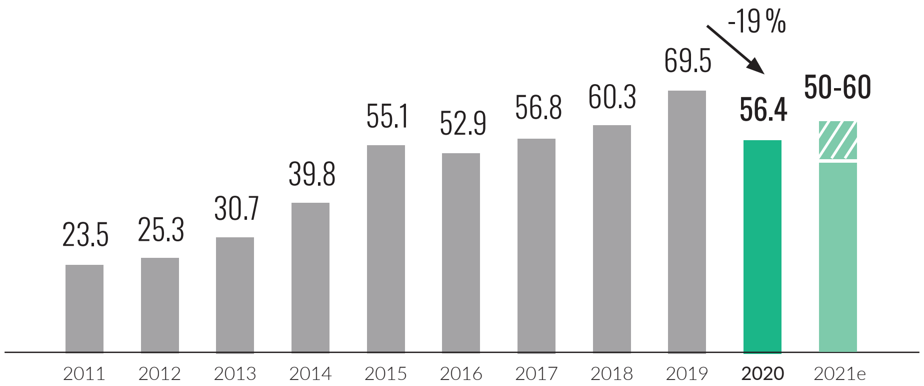
360° Value creation

- Covid-19 has proven our strategy to combine the strengths of a property holding company with the know-how and track record as initiator and manager of investment products for institutional clients
- Our 360° approach involves all stakeholders in the relevant real estate management process to ensure the optimised use of capital resources and effective linkage of properties, tenants and investors on DIC's plattform
- Complementary segments and revenue structures enables us to generate diversified income streams

Commercial real estate market 2021 – recovery from 2020 pandemic

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE

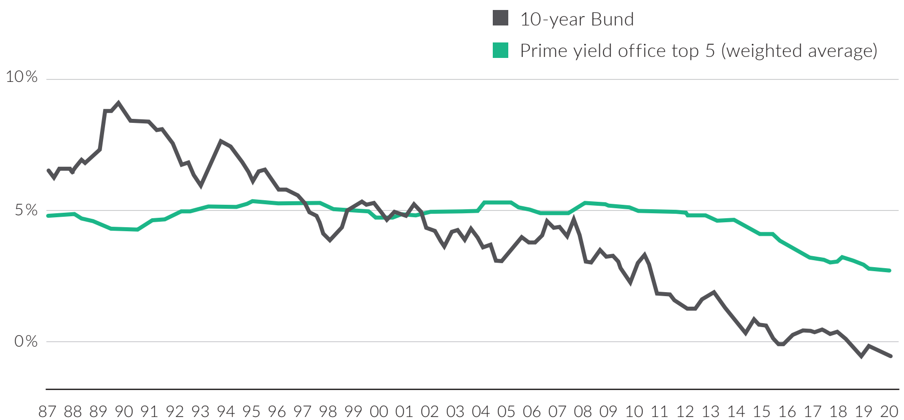
in EUR billion



Source: JLL

YIELD SPREAD FOR OFFICE PROPERTY VS. 10-YEAR BUNDS

Figures for December



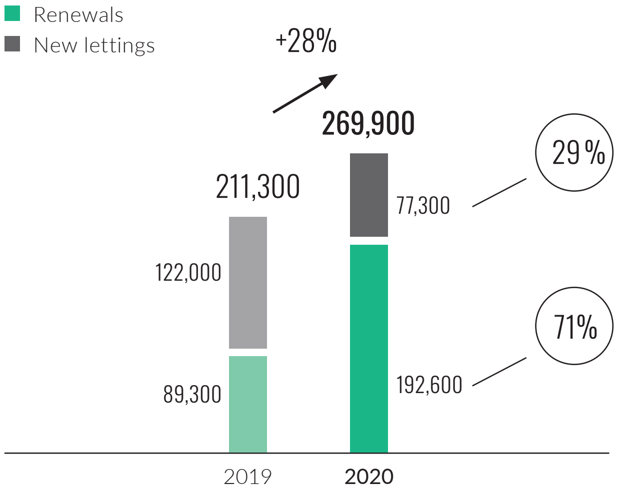
Quelle: CBRE Research

- **GDP recovery in Germany** for 2021 expected, but with a wide range of 2.8% to 5.3% by researchers
- 2020 with fourth-best annual **transaction volume** in the last 10 years of EUR 56.4 billion demonstrates ongoing investors' confidence in the German real estate market. Expectations for 2021 are in the range of EUR 50–60 billion
- According to JLL, 1.5 million sqm of **newly constructed office space** came to the market in 2020, below the initially expected 1.9 million sqm, but 29% above 2019. Supply-demand gap closes only slowly.
- Ongoing **yield compression**, especially in Core office segment, driven by investor appetite and low interest rate environment
- **"Working from home" effect** overestimated, especially in the short-term. Only 6% of companies plan to reduce office spaces (research by IW Cologne)

Highly dynamic letting performance on total platform

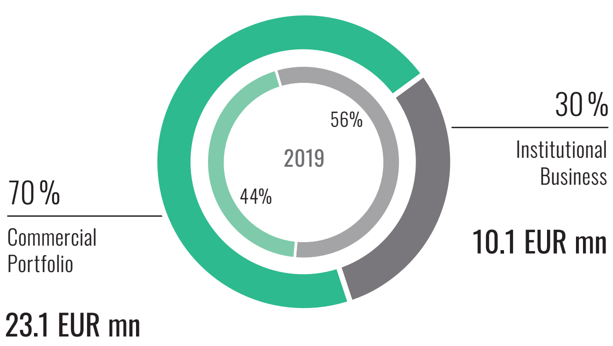
LETTING VOLUME

in sqm



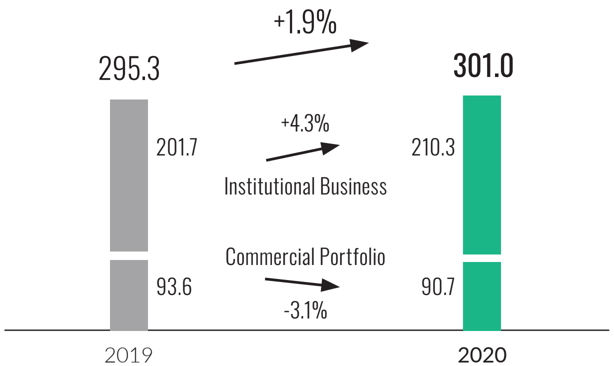
LETTING VOLUME BY SEGMENTS

contracted annualised rental income in EUR million



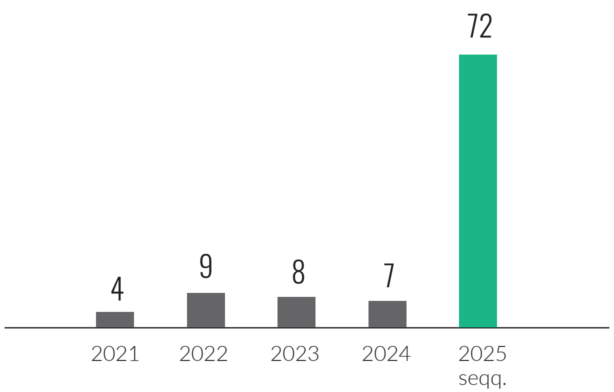
LIKE-FOR-LIKE RENTAL INCOME

annualised, in EUR million



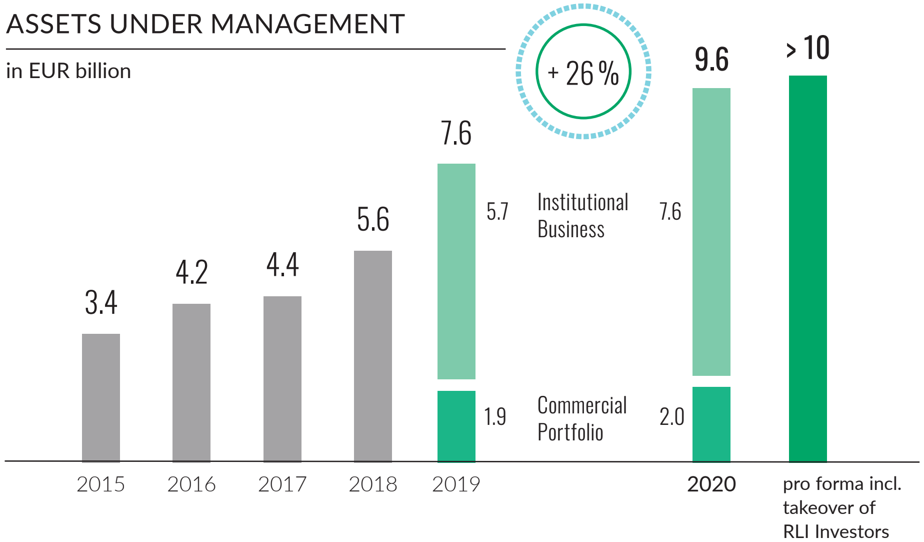
LEASE MATURITY TOTAL PORTFOLIO

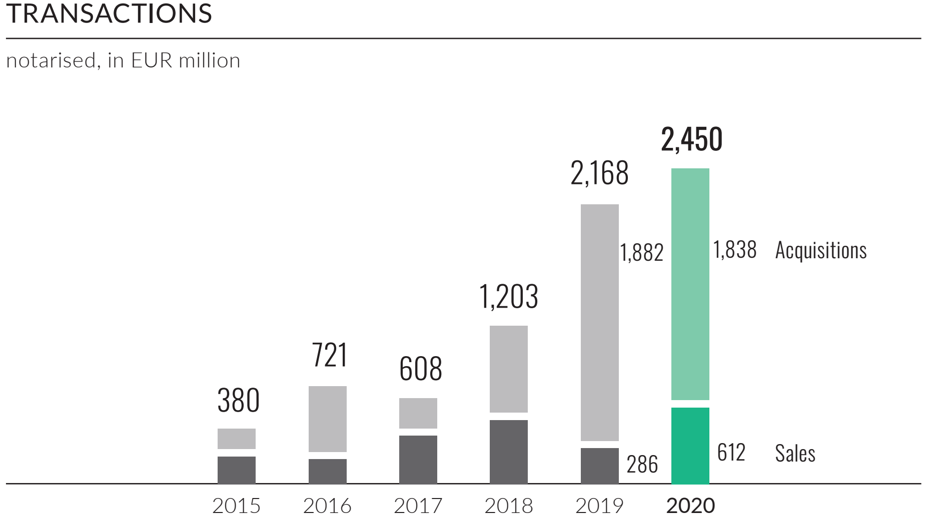
as at 31.12.2020, by annualised rental income in %



- **Letting performance** was up 28 % year-on-year to 269,900 sqm
- There was a strong trend towards **lease renewals** with about 71% of the total letting volume
- The contracted **annualised rental income** amounted to EUR 33.2 million, of which 70% (EUR 23.1 million) was attributable to the Commercial Portfolio and 30% (EUR 10.1 million) to the Institutional Business
- On a **like-for-like** basis, rental income was up 1,9 %, based mainly on strong growth of like-for-like rental income in the Institutional Business of 4.3%. The 3.1 % decline in the Commercial Portfolio is mainly due to rent adjustments for the Kaufhof properties
- The 2021 **lease expiry volume** is at a very low level of around 4%. More than 70% of leases expire in 2025 or later

New **transaction record** – AuM target of EUR 10 billion reached in January





- **Assets under management** rose by 26 % year-on-year to EUR 9.6 billion, distributed across 189 properties (2019: 180) with rental space of 2.2 million sqm (2019: 2.0 million sqm)
- With the takeover of RLI Investors with assets under management of more than EUR 700 million, which was announced in December and closed in January 2021, the pro-forma **assets under management increased to more than EUR 10 billion**
- Our transaction teams have again set a **new record** with a notarized **transaction volume** of EUR 2,450 million
- On the **acquisition side**, 16 properties with a total volume of EUR 1,838 million (total investment cost) were purchased:
  - 4 properties for EUR 213 million for the Commercial Portfolio
  - 12 properties for EUR 1,625 million for the Institutional Business
- On the **sales side**, the sale of 10 properties with a total value of EUR 612 million has been notarised:
  - 5 properties for EUR 242 million from the Commercial Portfolio
  - 5 properties with a value of EUR 370 million from the Institutional Business

Valuable additions to our balance sheet with notarised volume of EUR 213 million

Eschborn, "SAP tower"

Fully let property in the Eschborn-Süd commercial district (near Frankfurt am Main)

Single tenant	SAP
Year of construction	2018
Rental space	8,950 sqm
WALT	approx. 8 years

Hanover, "ING-DiBa"

High-end office property in Hanover

Single tenant	ING-DiBa
Rental space	9,350 sqm
WALT	approx. 9.5 years

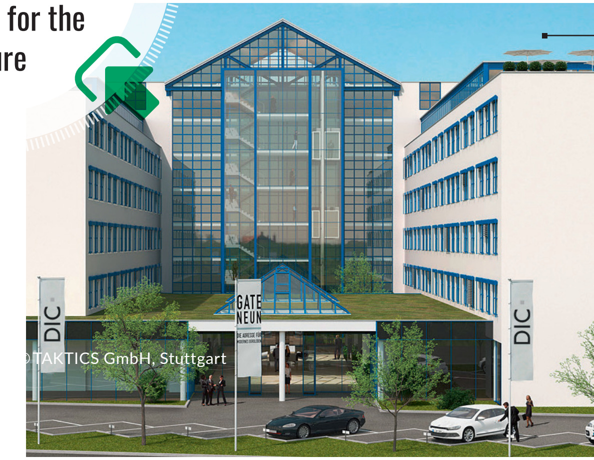
COMMERCIAL PORTFOLIO

New acquisitions with stable cash flows and potential for the future

Bremen, "Airport-Stadt Nord"

Upscale logistics property in an attractive micro-environment

Single tenant	Airbus Group subsidiary
Rental space	8,500 sqm
WALT	approx. 9.5 years



Stuttgart, "Gate NEUN"

Refurbishment under cash flow
Multi-tenant office building

Rental space	17,900 sqm
Target WALT	8.5 years
Pre-letting ratio:	56%

Transaction volume in the Institutional Business on a record level

c. EUR
2 billion

Selected high-profile acquisitions

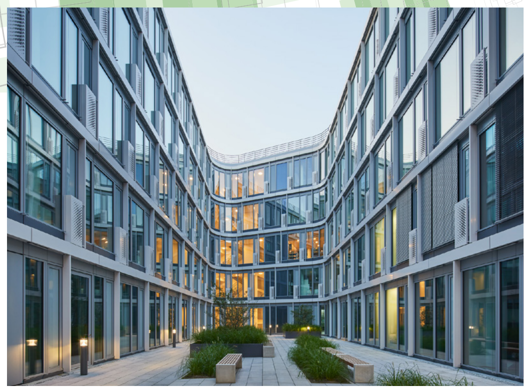
EUR 39 million
MANNHEIM,
„Galilei“

EUR 38 million
KÖLN-OSSENDORF,
„HangarOne“

EUR 65 million
KASSEL,
„Magazinhof“

EUR 122 million
STUTTGART,
„LOOK 21“

Club Deal | EUR 175 million
DÜSSELDORF,
„Infinity Office“



Club Deal | EUR 192 million
FRANKFURT,
„Goldenes Haus“

all figures notarised TIC

KPIs improved by focus on **portfolio quality** and strong letting activities

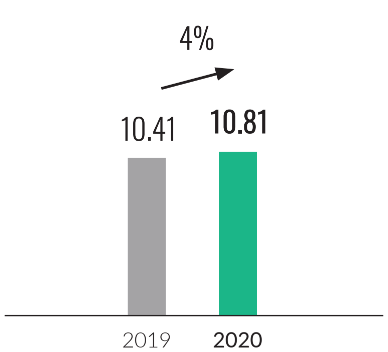
DEVELOPMENT OF THE COMMERCIAL PORTFOLIO*

	2020	2019
Number of properties	**91**	93
Market value in EUR million	**2,000.0**	1,900.0
Rental space in sqm	**807,800**	842,400
Annualised rental income in EUR million	**95.8**	101.8
Avg. rent per sqm in EUR	**10.81**	10.41
WALT in years	**6.5**	6.0
EPRA vacancy rate in %	**5.4**	6.5
Gross rental yield in %	**4.9**	5.4

* all figures excluding project developments and repositioning except number of properties, market values and rental space

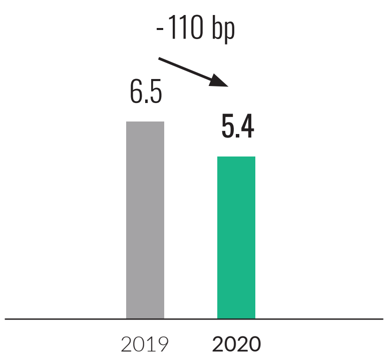
AVERAGE RENT

in EUR/sqm



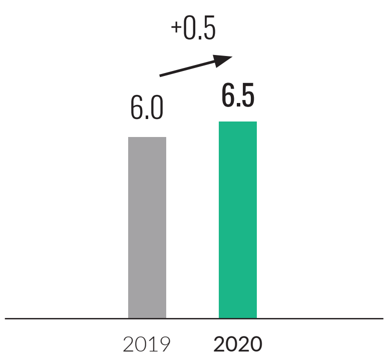
EPRA VACANCY RATE

in %



WALT

in years



- As of the reporting date, the Commercial Portfolio comprised 91 properties with a market value of around EUR 2.0 billion and rental space of 807,800 sqm
- The **EPRA vacancy rate** fell significantly by 110 basis points to 5.4% (31 December 2019: 6.5%) as a result of the strong letting performance and acquisitions
- The **average rent** increased by 4 % to EUR 10.81 per sqm
- The **annualised rental income** decreased to EUR 95.8 million, mainly due to disposals and corona-related rent reductions
- **WALT** was up by 0.5 years at 6.5 years

Commercial Portfolio – Total valuation effect of 3.4% - growth focus **in office and in logistics**



ASSET CLASSES COMMERCIAL PORTFOLIO*

Type of use	No. of properties	market value EUR million	%	rental income p.a. EUR million	%	EPRA vacancy rate	WALT
Office	55	1,390.6	70 %	66.2	69 %	5.8 %	6.8
Mixed-use	13	267.2	13 %	13.7	14 %	4.3 %	5.6
Retail	11	285.9	14 %	12.6	13 %	4.4 %	7.2
Logistics	8	47.9	2 %	2.8	3 %	2.9 %	5.0
Other	4	8.4	1 %	0.5	1 %	15.2 %	3.2
Total	91	2,000.0	100 %	95.8	100 %	5.4 %	6.5

* all figures without project developments and repositioning properties, except for number of properties and market value

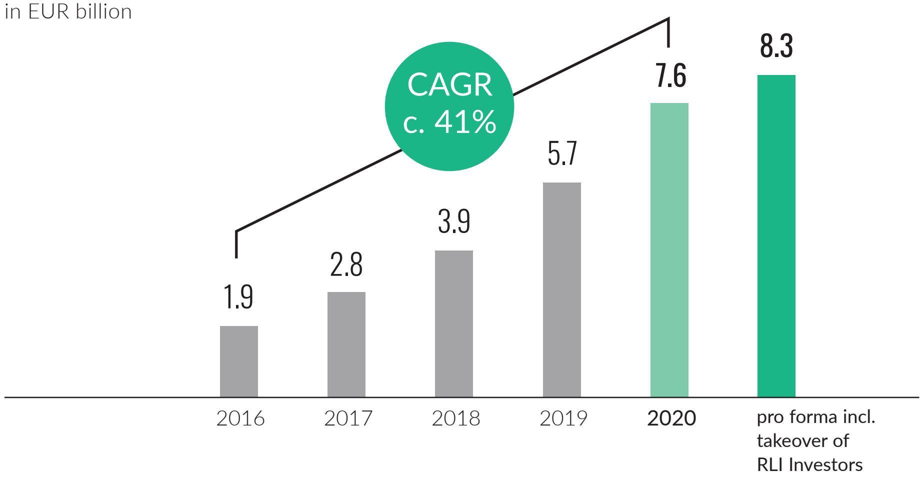
- **Market valuation carried out by external experts** by year end revealed substantial increase in the value of the properties in our Commercial Portfolio
- **Total valuation uplift** of EUR 65.9 million or 3.4 %

- Office
  - Largest asset class, roughly 40% of market value located in Top 7 cities
- Logistics
  - Sub-portfolio with growth strategy and high potential for further investments due to know-how transfer from recent M&A activities
- Mixed-use
  - Combines diversified cash flows (from office, retail, hotel or storage) under one roof
- Retail
  - Focus on stable food retail

Institutional Business on growth path: Launch of the biggest investment vehicle in the company's history

ASSETS UNDER MANAGEMENT

in EUR billion



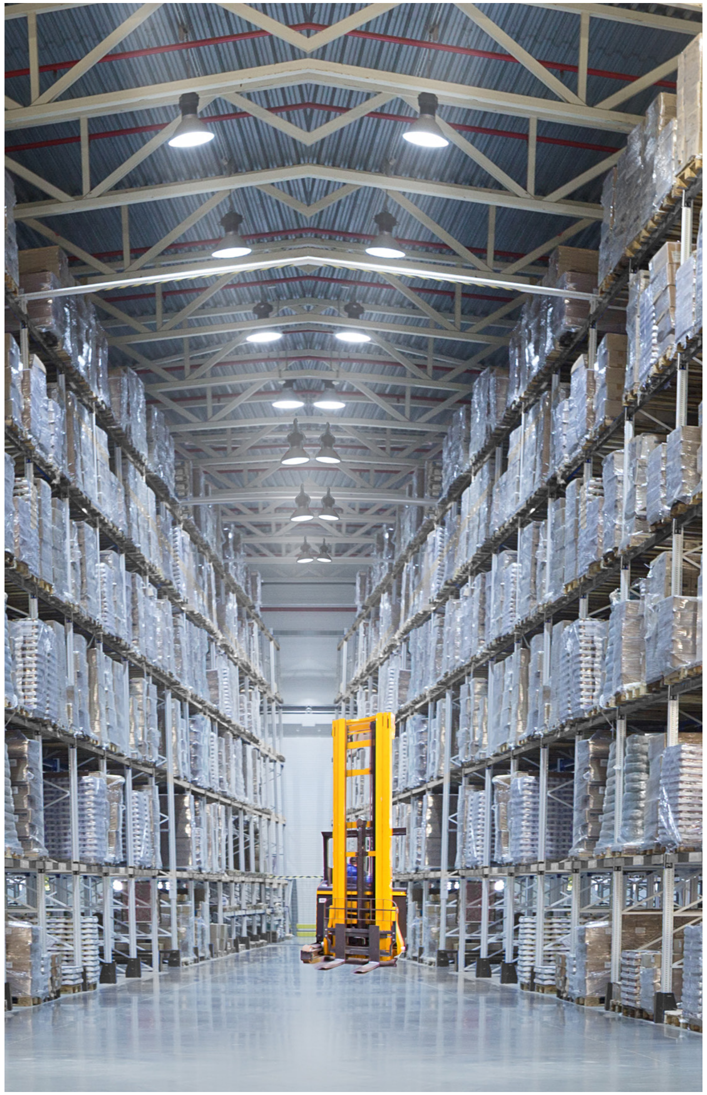
- **Assets under management** in the Institutional Business rose by 33% to EUR 7.6 billion driven by a strong year-end rally on the transaction market
- With a target volume of EUR 1.6 billion, the **biggest investment vehicle in the company's history** has been launched in December: The seed portfolio contains four Core office assets with a combined value of c. EUR 780 million. Equity capital of EUR 800 million is fully subscribed
- **Pipeline 2021 already secured: committed equity outstanding** of more than EUR 700 million to fund acquisition target 2021
- **Expecting again strong contribution and mix of transaction and set up fees** from newly launched discretionary pool funds, club deals and separate mandates in 2021

Seed Portfolio New Open-Ended Institutional Fund

Strategic **expansion in logistics asset class**: Acquisition of independent German **logistics specialist** RLI Investors

TRANSACTION RATIONALE

- **Strategic expansion** of the logistics asset class (36 new properties)
- Expansion of the **investor base** (24 investors, thereof 17 new), cross-selling potential in the future
- Acquisition is budgeted to contribute c. EUR 4 million to the **EBITDA** in 2021
- **Assets under management** of the Institutional Business increase by more than EUR 700 million
- Increased logistics **product know-how and market presence**



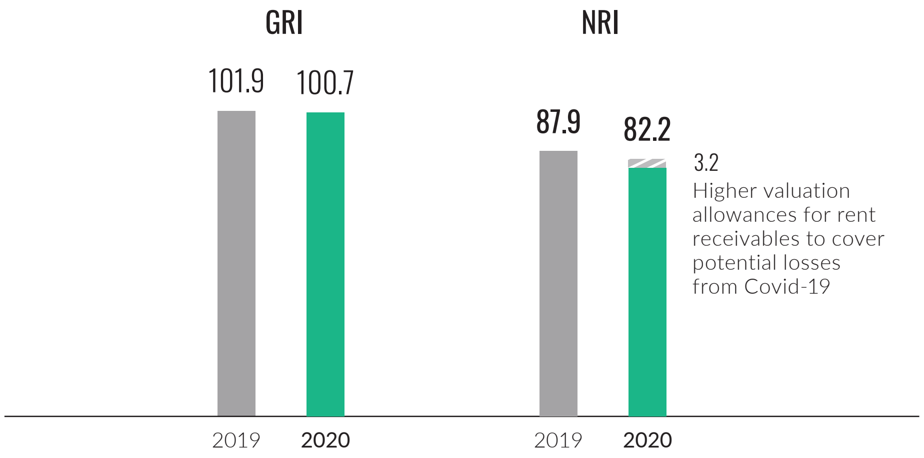
ACQUISITION DETAILS

- Acquisition of **100% of RLI Investors GmbH**: One of Germany's leading independent logistics real estate investors, employing 16 staff in its offices in Berlin and Munich
- Acquisition of **25% of Realogis Holding GmbH:** Germany's market-leading independent consultancy in the industrial and logistics sector. Realogis employs 60 staff in seven branch offices across Germany
- Total **purchase price** (EV) of EUR 42 million, transaction closed in January 2021

Strong earnings contributions through constant growth of the real estate platform

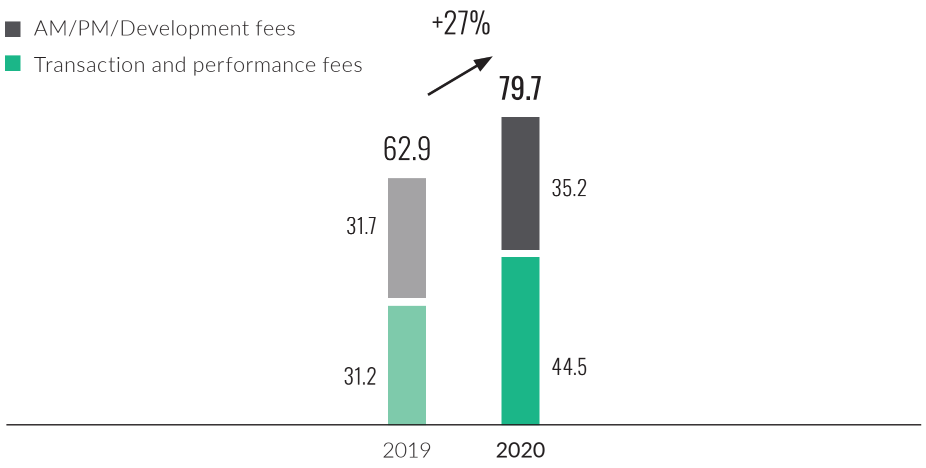
STABLE DEVELOPMENT OF RENTAL INCOME ...

in EUR million



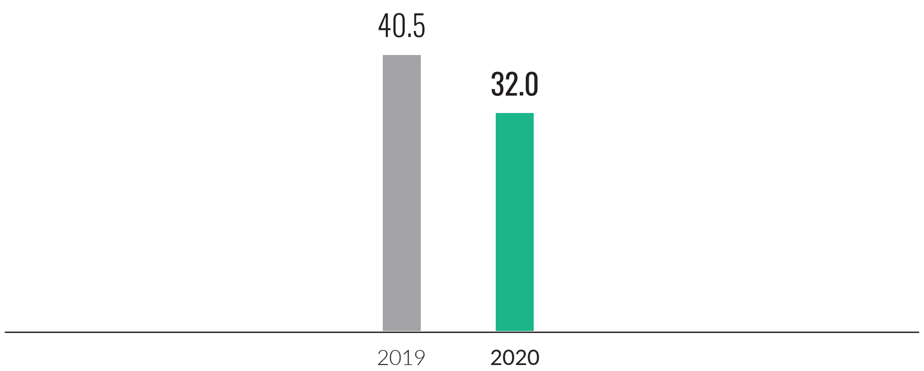
... PLUS STRONG GROWTH OF REAL ESTATE MANAGEMENT FEES

in EUR million



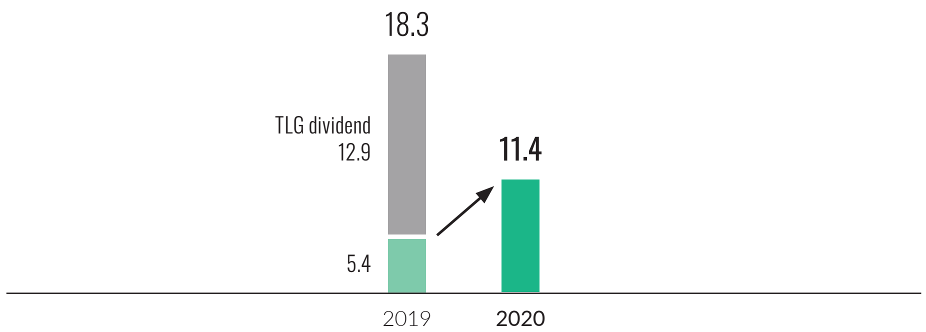
IN ADDITION, SALES PROFIT AND ...

in EUR million



... PROFIT OF ASSOCIATES SUPPLEMENT MAIN INCOME STREAMS

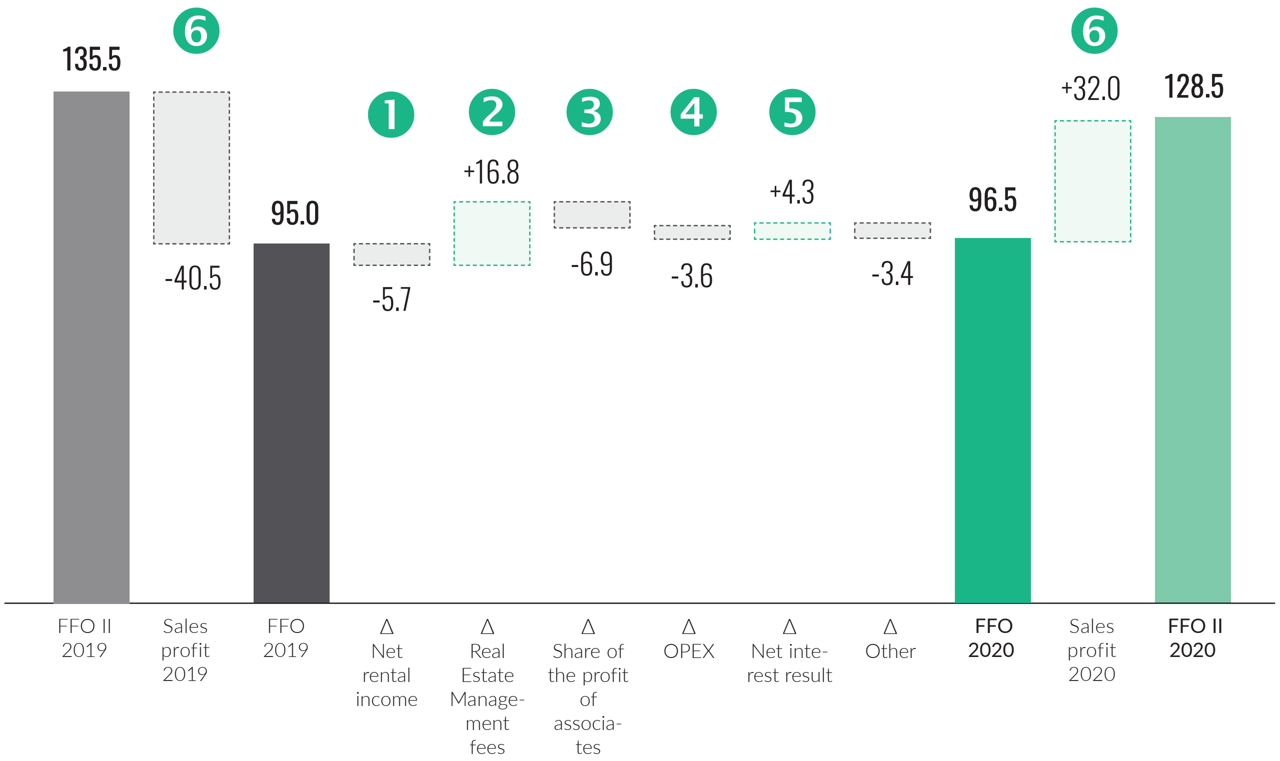
in EUR million



FFO up 2% despite COVID-19 impacts

FFO BRIDGE

in EUR million



Key issues in year-on-year comparison:

1. COVID-19 related gross rental income adjustments of EUR 1.4 million, higher valuation allowances for deferred rents of EUR 3.2 million and higher property-related expenses are responsible for the decline in net rental income
2. The significant increase in real estate management fees reflects the growth in the Institutional Business segment
3. The share of the profit of associates in the previous year included the TLG dividend of EUR 12.9 million
4. Operating expenses rose, driven primarily by growth, e.g. GEG contributed for 12 months (2019: 7 months)
5. The net interest result improved due to promissory note replacing high-coupon bond in September 2019
6. Higher sales volume and profit from disposal led to a higher FFO II in the previous year

Platform synergies set another earnings record

SEGMENT REPORTING

in EUR million	2020			2019		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business**	Total
Key earnings figures						
Gross rental income (GRI)	100.7		100.7	101.9		101.9
Net rental income (NRI)	82.2		82.2	87.9		87.9
Profits on property disposals*	32.0		32.0	40.5		40.5
Real estate management fees		79.7	79.7		62.9	62.9
Share of the profit or loss of associates		11.4	11.4		18.3	18.3
Net other income	0.8	– 0.4	0.4	1.0	– 0.4	0.6
Net interest result	– 24.6	– 3.5	– 28.1	– 28.6	– 3.8	– 32.4
Operational expenditure (OPEX)	– 11.4	– 38	– 49.4	– 12.8	– 33.0	– 45.8
of which admin costs	– 4.4	– 14.7	– 19.1	– 4.9	– 13.0	– 17.9
of which personnel costs	– 7.0	– 23.3	– 30.3	– 7.9	– 20.0	– 27.9
Other adjustments	0.3	0.0	0.3	0.0	3.5	3.5
Funds from Operations (FFO)	47.3	49.2	96.5	47.5	47.5	95.0
Funds from Operations II (FFO II)	79.3	49.2	128.5	88.0	47.5	135.5
EBITDA	103.6	52.7	156.3	116.6	47.9	164.5
EBIT	70.9	46.7	117.6	85.8	44.4	130.2

* not proportionate / based on 100 %, incl. project developments and repositioning properties
** including separate shown TLG dividend last year

- **Combination of the two business segments successfully created synergies and added value through our platform:** i.e. warehousing of the "Infinity Office", the value enhancing repositioning and disposal of properties "BKA Wiesbaden" and "Wilhelminenhaus Darmstadt"

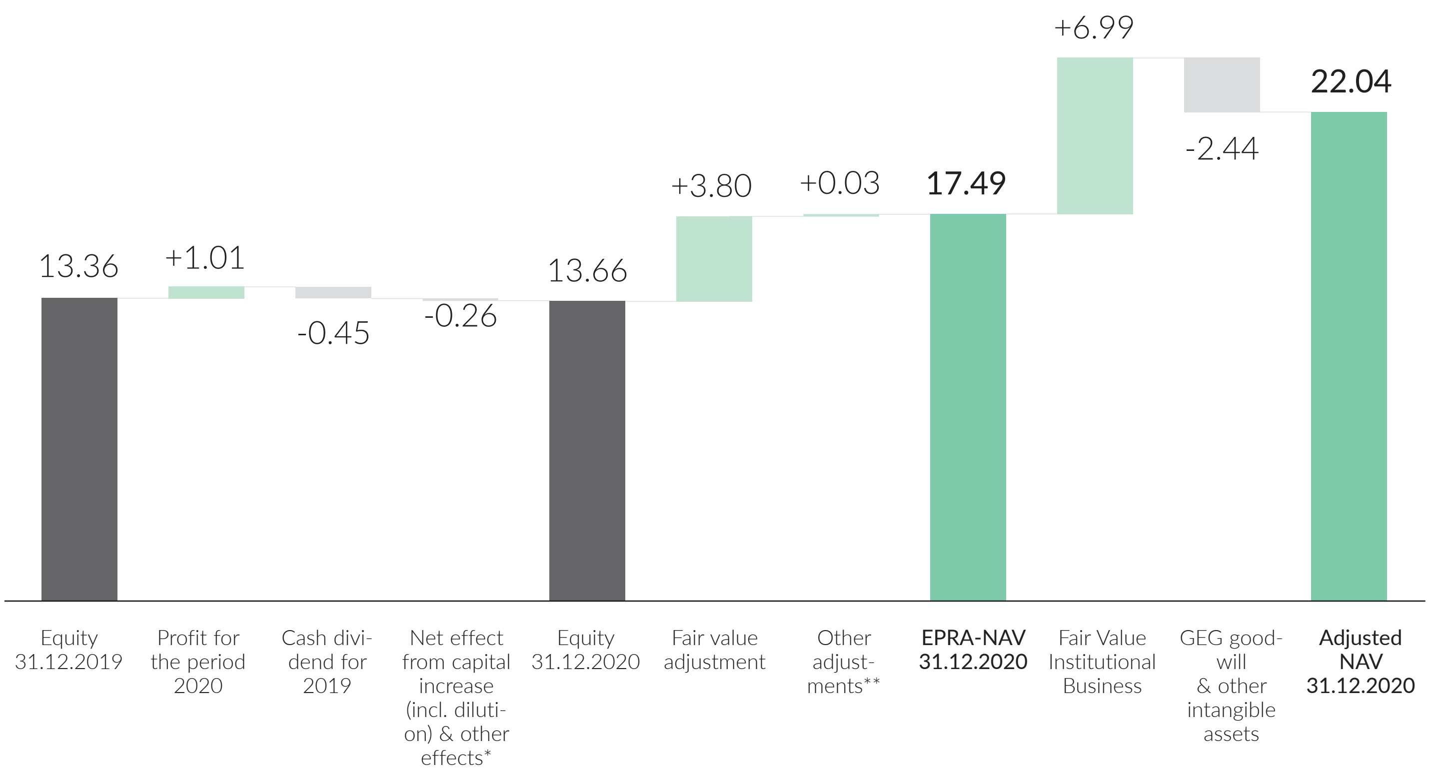
- Key factors in the Commercial Portfolio:
  - Gross rental income almost steady at EUR 100.7 million due to acquisitions and letting activities
  - OPEX improvement of EUR 1.4 million
  - The net interest result significantly improved by EUR 4.0 million
  - Stable FFO margin of 47% (2019: 47%)

- Key factors in the Institutional Business:
  - Full-year inclusion of GEG (2019: 7 months)
  - Real estate management fees rose by 27 %
  - Adjusted for the TLG dividend of EUR 12.9 million included in the previous year, the share of the profit of associates improved by EUR 6.0 million
  - Operating expenses increased, in particular due to the full year consolidation of GEG
  - FFO margin of 54% (2019: 59%, excl. TLG 51%)

Strong resilience of Business model reflected in Adjusted NAV

NAV BRIDGE

in EUR per share



* Net proceeds from capital increase, cashflow hedges and losses on financial instruments classified as measured at fair value through other comprehensive income

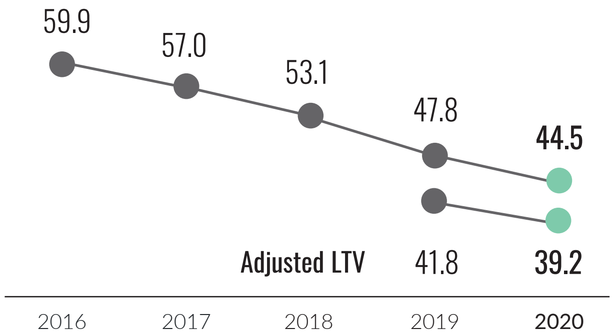
** Adjustments for deferred tax on investment properties in IFRS financial statements and fair value of financial instruments

- The EPRA-NAV increased by 165.7 Mio. Euro to EUR 1,409.9 million on 31 December 2020
- The EPRA-NAV per share was up 1.5% to EUR 17.49 (31 December 2019: EUR 17.23), with an increased number of shares (+8,373,253)
- The adjusted NAV, which includes the full value of the Institutional Business, also rose by EUR 169.1 million to EUR 1,776.4 million on 31 December 2020
- The adjusted NAV per share was EUR 22.04 (31 December 2019: EUR 22.26) based on the increased number of shares

Optimised financial structure: no significant maturities until mid 2022

LOAN-TO-VALUE*/ADJUSTED LTV**

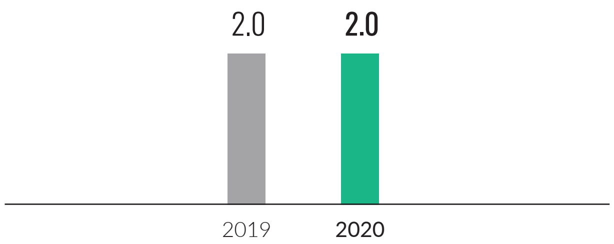
in %



* The ratio of total financial debt, corporate bonds and liabilities to related parties minus cash in banks on the one hand and the fair value of investment property, equity investments and receivables from related parties and intangible assets, e.g. goodwill on the other hand, adjusted for warehousing. ** including fair value of Institutional Business

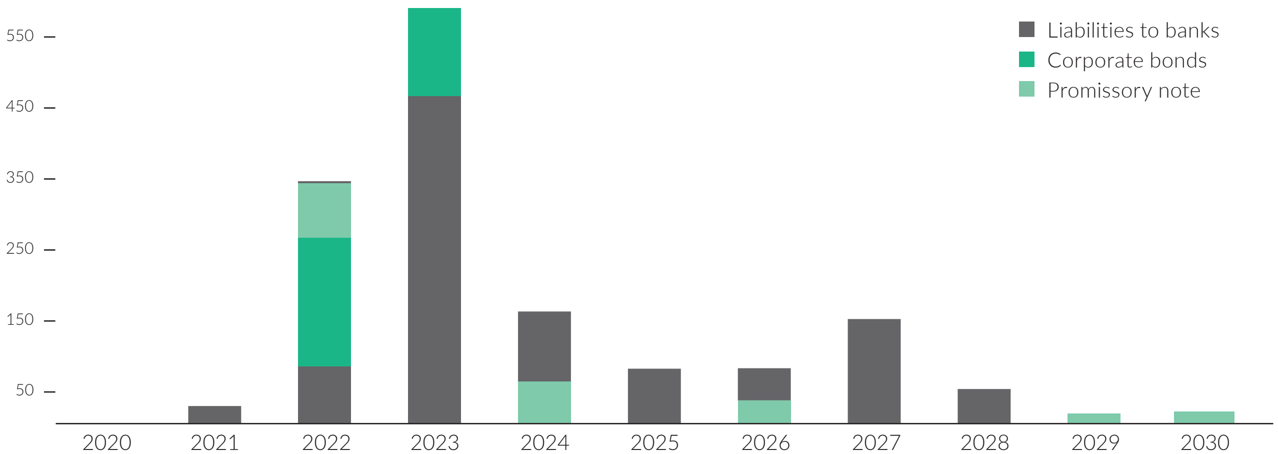
AVERAGE INTEREST RATE

in % of total financial debt



MATURITIES OF LOANS AND BORROWINGS*

in EUR million



- The **average maturity of loans and borrowings stays stable at** 3.6 years (31 December 2019: 3.9 years)
- The **average interest rate** of loans and borrowings at the reporting date unchanged at low level of 2.0 %
- The **interest cover ratio** (ICR, the ratio of EBITDA to net interest result) rose by 48 bp to 557% due to the improved net interest result
- The **LTV** (adjusted for warehousing) decreased substantially by 330 bp to 44.5 % (31 December 2019: 47.8 %), mainly due to the increased market values of our properties in the Commercial Portfolio
- Only minor amount of **maturities** up for refinancing in 2021, EUR 340 million up for refinancing in 2022
- **Cash and cash equivalents** increased by roughly EUR 20 million to around EUR 371 million

Widening competencies and footprint as basis for further growth

Strengthening the network in local real estate markets

- Local presence expanded
- New offices opened in **Cologne** and **Stuttgart**
- On site now in all of Germany's "Big 7" cities

Expanding the asset class logistics

- New position of Head of Logistics created
- **Investments in logistics real estate** stepped up
- Logistics specialist RLI Investors added to the platform

Intensifying ESG activities

- New position of Head of Sustainability implemented, company-wide dialogue on ESG topics deepened
- **In-depth ESG strategy** on the way, with focus on energy efficiency and CO_2 reduction approaches, Green finance opportunities, reporting enhancements, among others

International investor base to be expanded in the Institutional Business

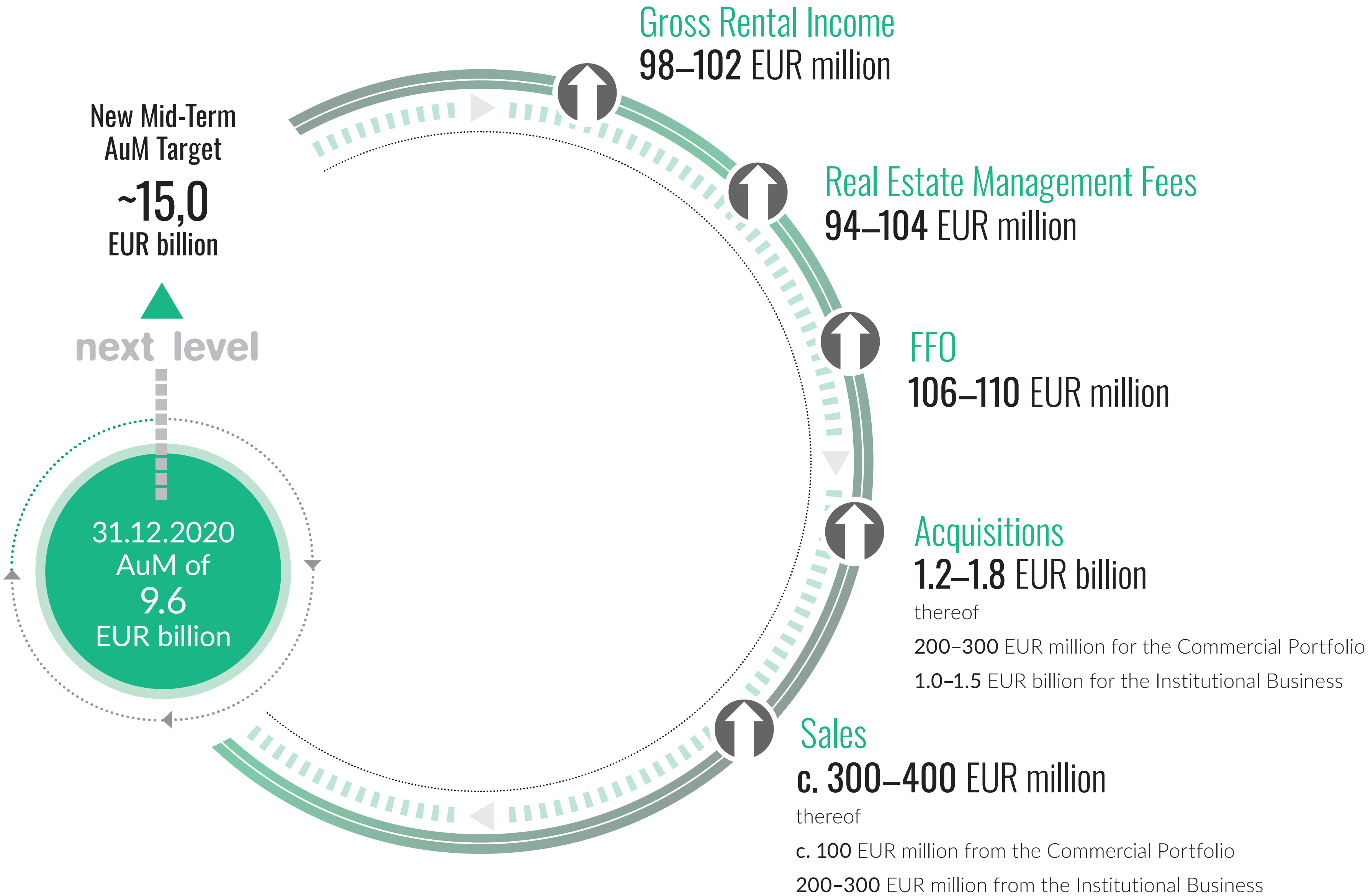
- Two additional specialists appointed to the senior management of GEG
- Fundraising activities among institutional investors intensified, including outside the German-speaking countries (DACH region)

Presence

Expertise

Network

2021 guidance – **the next level of our growth course**



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Financial calendar 2021

16.02.	Roadshow (London)
18.02.	Roadshow (Vienna)
23.02.	Roadshow (Nordics, Germany)
24.02.	ODDO SEYDLER Digital Small & Mid Cap Conference 2021
02.03.	Roadshow (Switzerland)
March	Roadshow (US)
24.03.	Annual General Meeting
26.03.	Commerzbank German Real Estate Forum 2021
06.05.	Publication Quarterly Statement Q1 2021
30.06.	Publication Sustainability Report 2020
11.08.	Publication Half-Year Report 2021
08.09.	SRC Forum Financials + Real Estate 2021
Sep.	Berenberg GS German Corporate Conference 2021
Sep.	Baader Investment Conference 2021
11.11.	Publication Quarterly Statement Q3 2021
Nov.	German Equity Forum 2021

Disclaimer

For more information:
www.dic-asset.de/en/ir/

Legal

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Realisation
LinusContent AG, Frankfurt am Main

Steady contributions to earnings delivered by growing real estate platform

CONSOLIDATED INCOME STATEMENT

in EUR million	2020		2019	Δ
Gross rental income	100.7	1	101.9	-1%
Profit on disposal of properties	32.0		40.5	-21%
Real estate management fees	79.7	2	62.9	27%
Share of the profit of associates	11.4		18.3	-38%
Net other income	0.4		0.6	-33%
Operating expenses	-49.4	3	-45.8	8%
Administrative expenses	-19.1		-17.9	7%
Personnel expenses	-30.3		-27.9	9%
Depreciation and amortisation	-38.8		-34.2	13%
Net interest result	-28.1	4	-32.4	-13%
Interest income	8.7		10.3	-16%
Interest expenses	-36.8		-42.7	-14%
Profit for the period	73.1	5	80.7	-9%

1. Gross rental income in the Commercial Portfolio is down 1% to EUR 100.7 million (2019: 101.9 million): The effects from sales (EUR -9.9 million) and lettings adjustments due to COVID-19 (EUR -1.4 million) were not fully compensated by acquisitions (EUR 9.5 million) and other effects (EUR 0.6 million)

2. Real estate management fees increased by 27% to EUR 79.7 million amid a significant expansion of the Institutional Business. Of this amount, EUR 44.5 million is transaction-related whereas EUR 35.2 million results from higher asset and property management as well as development fees

3. The 8% increase in operating expenses to EUR 49.4 million is mainly due to growth in the Institutional Business. The COVID-19 pandemic has also led to higher expenses, especially in relation to IT and consulting costs

4. The ongoing optimisation of financing terms, in particular the repayment of the 14/19 bond (coupon of 4.625% p.a.; volume of EUR 175 million), which was replaced by low-interest promissory note loans (average of 1.55% p.a.; volume of EUR 180 million), led to a reduction in interest expense and thus to an improvement in the net interest result of EUR 4.3 million

5. At EUR 73.1 million, the profit for the period is below the previous year (EUR -7.6 million). The decrease is mainly due to lower sales profits in 2020 (EUR -8.5 million)

Balance sheet equity ratio further strenghtened

BALANCE SHEET OVERVIEW

in EUR million	2020		2019
Total assets	2,724.2	1	2,657.4
Non-current assets	2,083.8	2	2,105.6
– thereof goodwill	177.9		177.9
Current assets	640.4		551.9
Total equity	1,108.4	3	968.8
Non-current loans and borrowings	1,441.0	4	1,292.3
Current loans and borrowings	33.4	4	219.9
Other liabilities	141.4		176.5
Total liabilities	1,615.8		1,688.7
Balance sheet equity ratio	40.7%	5	36.5%

1. Net assets were mainly impacted by the capital increase in January (EUR +107.3 million) and the cash dividend payment in September (EUR -36.0 million). As a result, total assets rose by EUR 66.8 million to EUR 2,724.2 million as against year-end 2019
2. Non-current assets decreased by 1% to EUR 2,083.8 million compared with 31 December 2019, mainly due to regular depreciations of investment properties and reduced investments of associates. Acquisitions and disposals of investment properties almost balance each other. Goodwill stays on the previous year's level
3. The profit for the period of EUR 73.1 million and the net inflow of EUR 123.3 million from the capital increase carried out in January as well as the scrip dividend in September were key factors in causing equity to increase by EUR 139.6 million to EUR 1,108.4 million compared to 31 December 2019. Mainly the payment of a cash dividend for the 2019 financial year totalling EUR 36.0 million in the third quarter had an offsetting effect. Another high acceptance rate of around 40% for the scrip dividend demonstrates shareholders' high level of confidence in DIC Asset AG's strategy
4. The refinancing carried out and repayments made in 2020 reduced current interest-bearing loans and borrowings and caused non-current interest-bearing loans and borrowings to increase. New borrowings associated with the acquisition of properties in the Commercial Portfolio also contributed to the rise in non-current loans and borrowings
5. The reported equity ratio rose from 36.5% on 31 December 2019 to 40.7%