

The spirit to create **excellence**

FULL YEAR RESULTS CONFERENCE CALL

15 February 2023

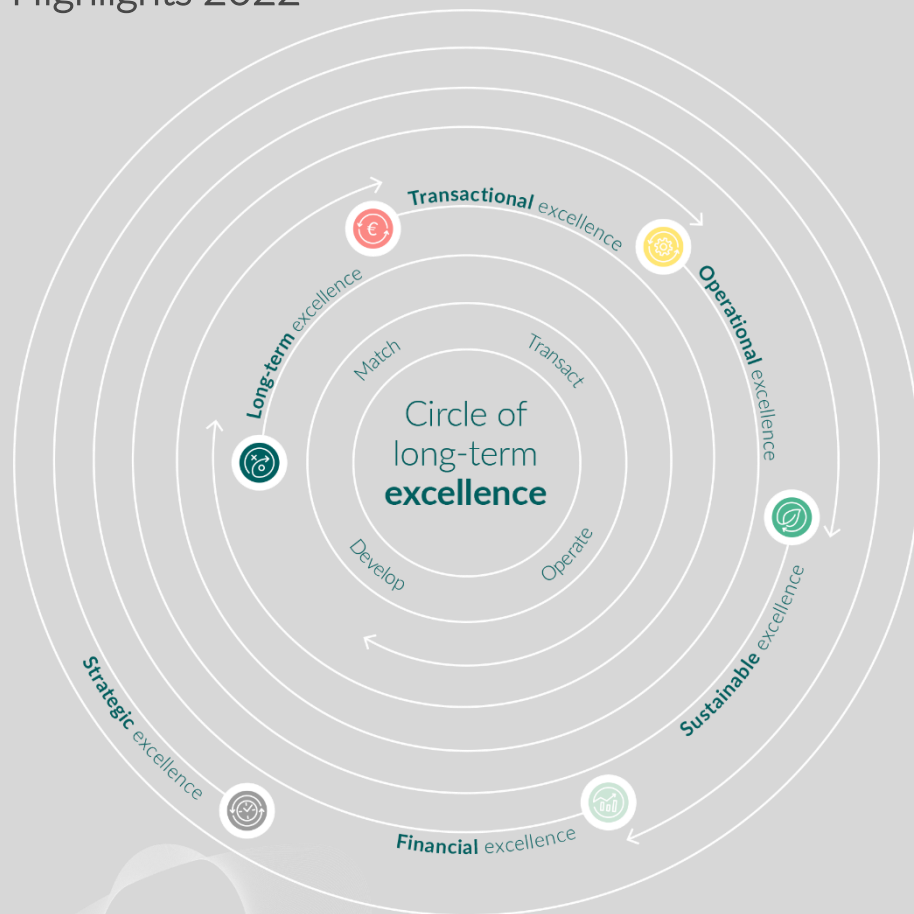
DIC ■



The spirit to create excellence

Best FFO result since IPO

Highlights 2022



19%

Logistics share on the platform
(39% of Commercial Portfolio)



31%

Green Buildings
In % of market value
Commercial Portfolio



5.8%

Like-for-like rental growth
On the platform



114.2

FFO
In EUR million



176.0

Gross rental income
In EUR million



0.75

Dividend 2022
In EUR per share, proposed



1.5%

Value increase
For Commercial Portfolio

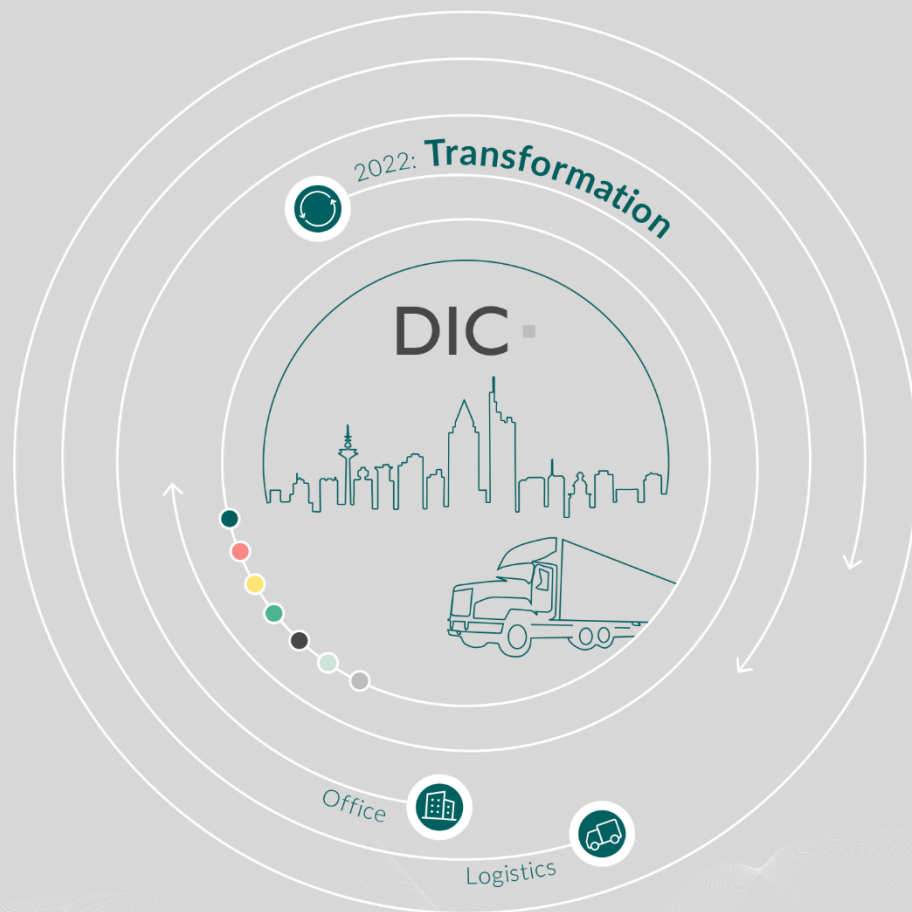


14.7

Assets under Management
In EUR billion

Long-term excellence

Transformation to leading German Office & Logistics expert



VIB Vermögen AG

Leading specialist for logistics and light industrial real estate expertise for around 30 years



Gross rental income p.a.	EUR 99.8 million
Market value	EUR 2.3 billion
Letting area	1.37 million sqm
EPRA vacancy rate	1.5 %
Development pipeline of	156,000 sqm
Stable WALT at	5.4 years



Transactional excellence

Growth to EUR 14.7 billion AuM despite difficult market

Growth despite difficult market environment - Assets under management (AuM) increased by 28% to EUR 14.7 billion.

The growth was driven in particular by the **majority takeover of VIB** (+ EUR 2.3 billion).

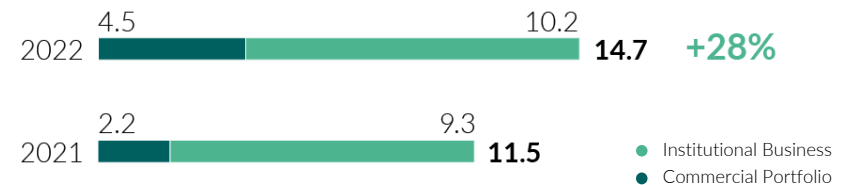
Following the consolidation of VIB, own properties held in the **Commercial Portfolio** more than doubled year-on-year to EUR 4.5 billion.

Transformation to German Office and Logistics market leader:

The share of the logistics asset class on the entire platform increased significantly year-on-year to a total of around 19%. Within the proprietary Commercial Portfolio, logistics increased from 4% to 39%.

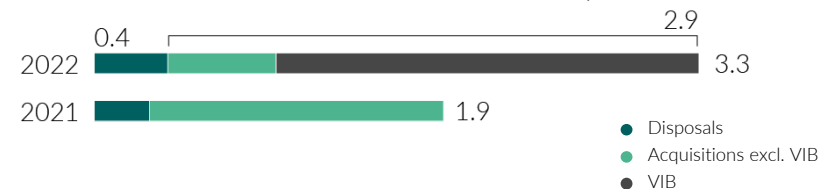
Assets under Management

in EUR billion



2022 transaction volume (TIC)

in EUR million, notarised since the start of the year



Portfolio by segments

		Commercial Portfolio	Institutional Business	Total
Number of properties	2022	207	153	360
	2021	94	143	237
Market value in EUR million	2022	4,451.9	10,254.2	14,706.1
	2021	2,222.2	9,280.8	11,503.0
Rental space in sqm	2022	2,103,500	2,691,100	4,794,600
	2021	829,900	2,313,300	3,143,200

Operational excellence

Like-for-like rental income up 5.8% for total platform

Letting performance on the DIC platform in the FY 2022 was up 21% year-on-year to 374,900 sqm.

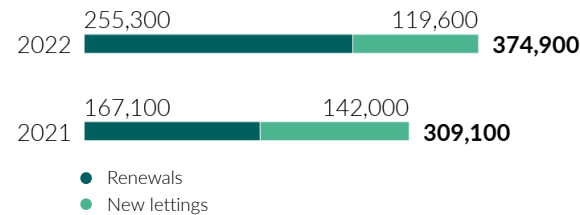
The **growth in letting performance** is mainly due to the growth of **renewals** to 255,300 sqm, driven by strong lease renewal activities in office and logistics properties. The shift in demand was affected by the current macro environment (uncertainty triggered by Ukraine conflict, inflation and energy crisis).

Leases representing total **annualised rents** of EUR 48.9 million were signed, which was a year-on-year increase of 48% (previous year: EUR 33.0 million). Of this figure, EUR 19.2 million is attributable to the Commercial Portfolio and EUR 29.7 million to the Institutional Business.

The value of new contractually agreed **monthly rents per sqm** rose year-on-year from EUR 15.56 to EUR 18.72 for office space and from EUR 4.24 to EUR 4.80 for logistics space.

Like-for-like rental income for the entire portfolio under management was up 5.8%. Both the Commercial Portfolio (+3.6%) and the Institutional Business (+6.4) saw rents increase based mainly on indexations and higher lease renewals.

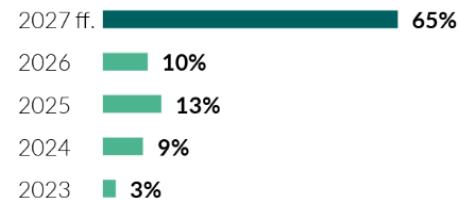
Letting performance in sqm



Like-for-like rental income annualised, in EUR million



Lease expiry volume in % of annualised rental income



Letting by segment Contracted annualised rent, in EUR million



Financial excellence

Recurring income increased to 78%

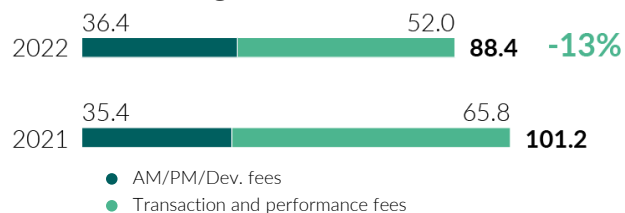
All figures in EUR million

Net rental income

incl. VIB assets since Q2 2022



Real estate management fees

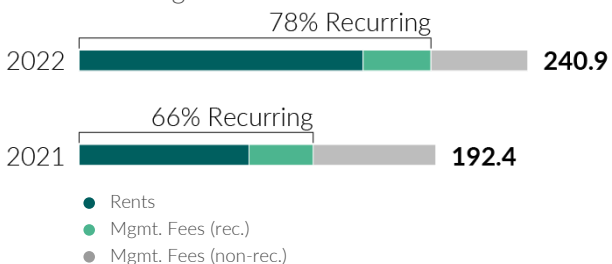


Increased income from associated companies



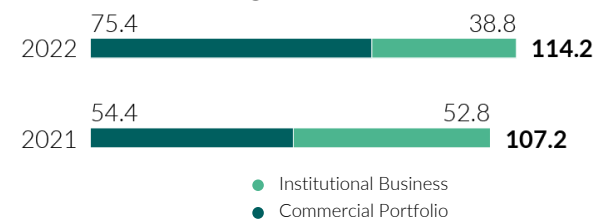
Income

Rents & management fees



FFO I by segments

(excl. non-controlling interests)



Adjusted profit for the period

slightly below prior-year

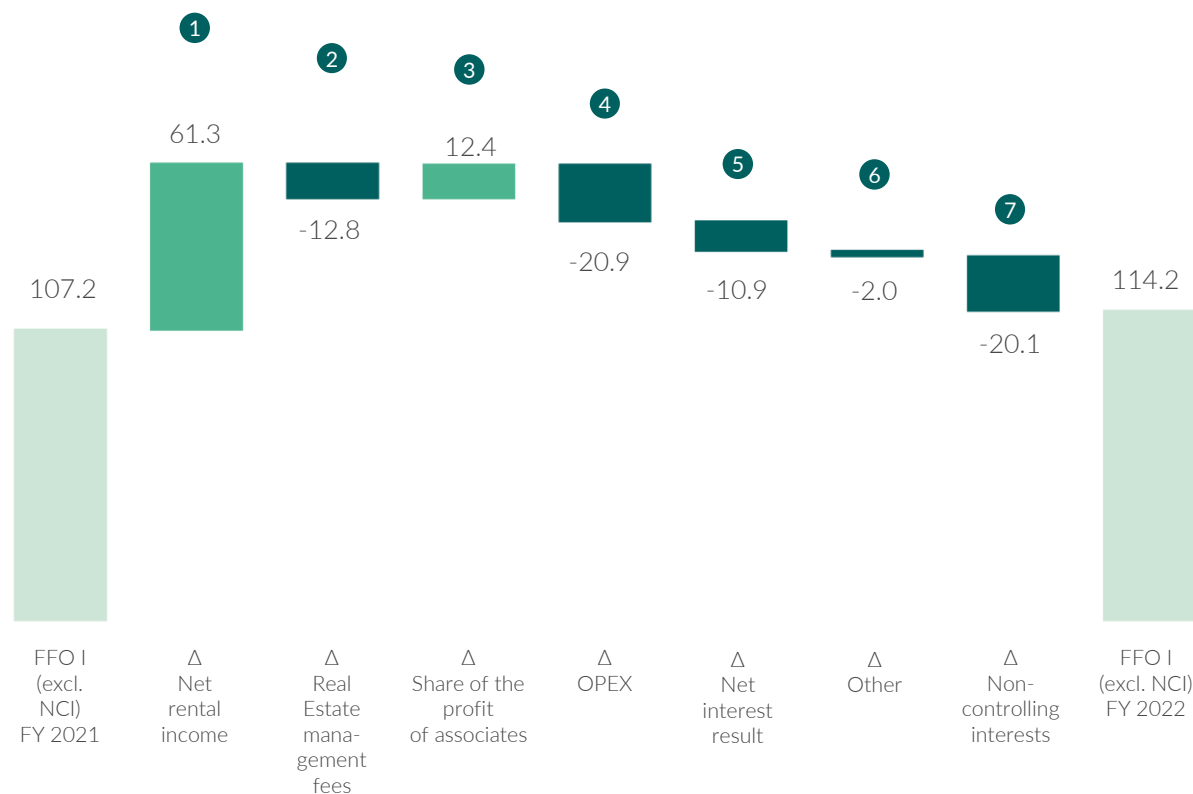


FFO: best result since IPO

Improved cashflow quality

FFO reconciliation FY 2021 to FY 2022

in EUR million, excl. non-controlling interests (excl. NCI)



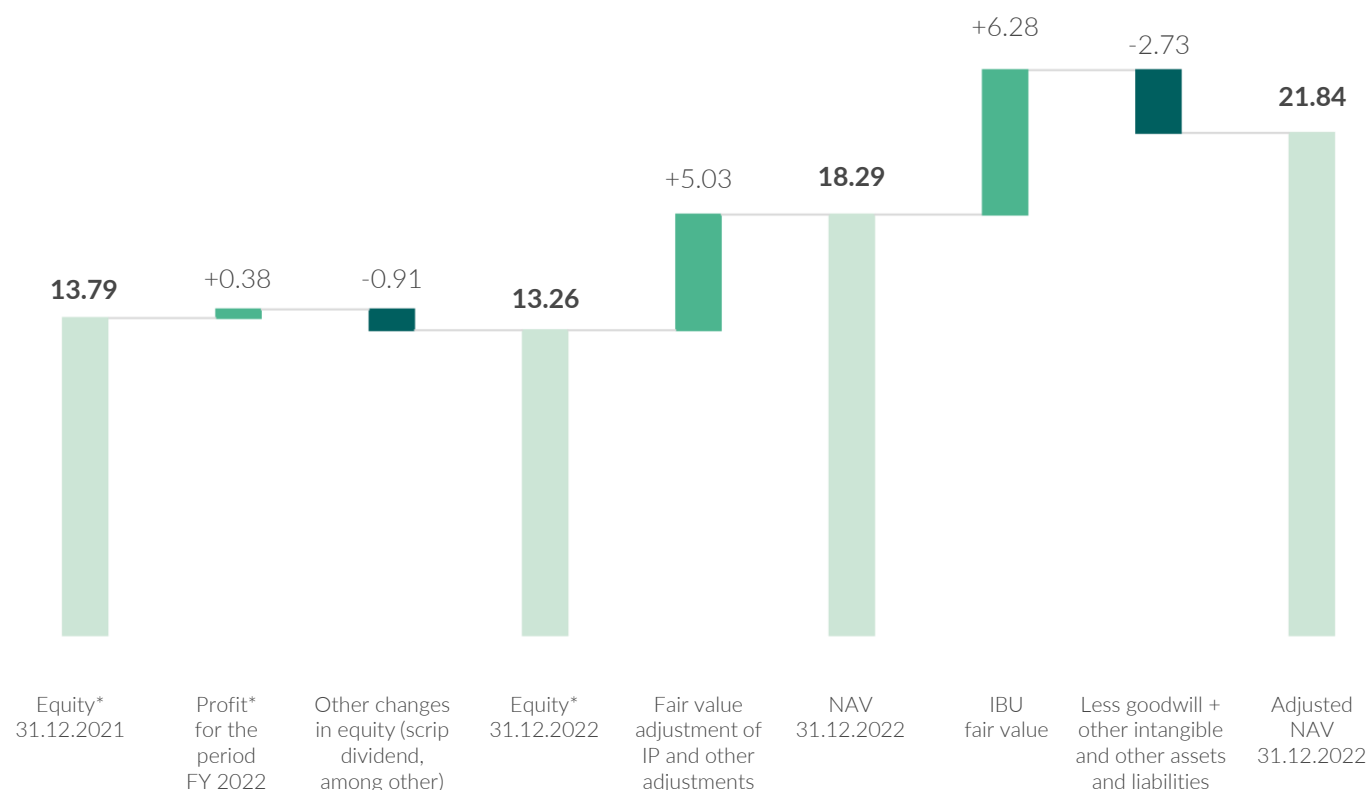
- 1 Net rental income with strong growth due to VIB consolidation and like-for-like growth of gross rental income
- 2 Decrease of management fee income mainly due to lower contribution of transaction-related fees
- 3 Income from profit from associates driven by disposal of WDP joint venture by VIB in Q2 2022
- 4 OPEX increased due to the growth of the real estate platform incl. VIB
- 5 Net interest result is down mainly due to the initial recognition of VIB, the financing measures implemented in 2021 (ESG-linked promissory note and Green Bond) as well as the VIB bridge loan.
- 6 Mainly adjustment of VIB transaction costs
- 7 Higher non-controlling interests reflecting minority stake at VIB

Adjusted NAV

With EUR 21.84 per share at high level

Reconciliation of Net Asset Value (NAV) to Adjusted NAV

all values in EUR per share



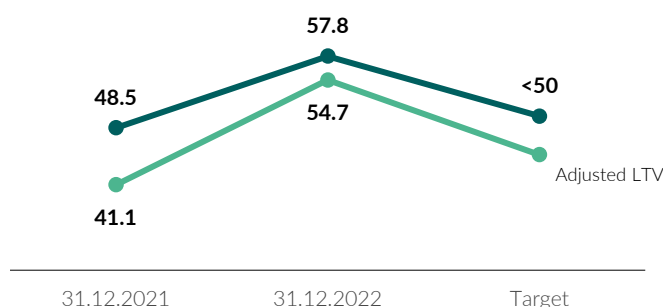
- **Net Asset Value (NAV) per share** remained stable at EUR 18.29 at the end of 2022, mainly due to the slight dilution from the scrip dividend and the offsetting effect of higher investment properties and co-investments on the one hand and mainly higher financial liabilities and non-controlling interests on the other hand
- **Adjusted NAV per share** decreased to EUR 21.84. The decrease is mainly attributable to the lower value of the Institutional Business segment and the increase in the number of shares by 1,291 thousand

* Excl. non-controlling interests

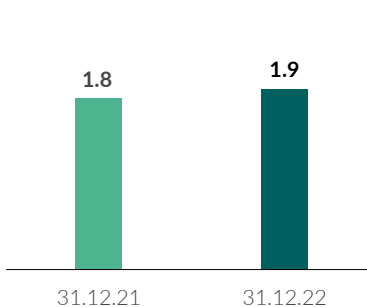
The spirit to create trustful financing

Focus on optimisation of financial structure

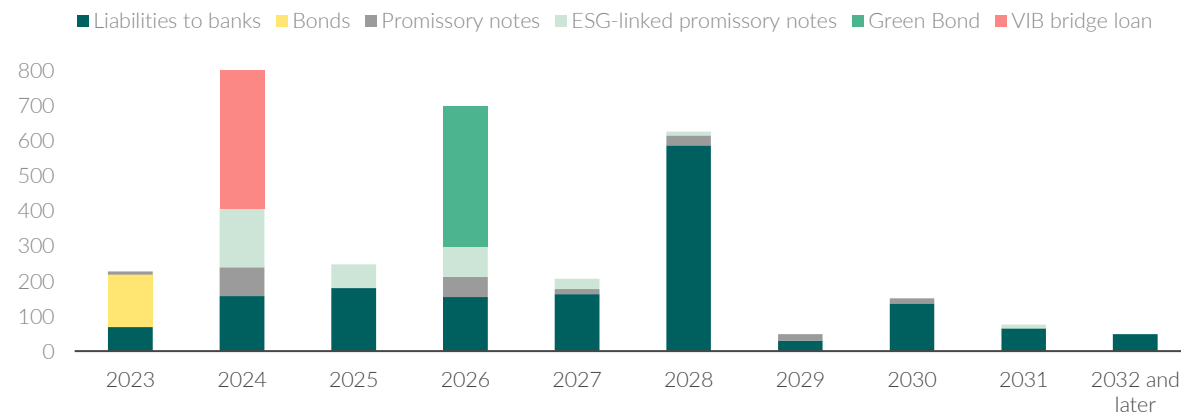
LTV¹ and Adj. LTV², at year-end (%)



Average interest rate³ (%)



Maturities of loans and borrowings⁴ in EUR million



- The **average maturity** of loans and borrowings (excl. Warehousing and VIB bridge) stood at 3.8 years, incl. bridge loan at 3.5 years
- At around **88%** (excluding bridge financing), the vast majority of the financings is **fixed-interest** or hedged against interest rate fluctuations
- The **average interest rate** across all loans and borrowings excl. Warehousing at the reporting date was 1.9% (2.4% incl. VIB bridge loan)
- Robust **cash** level of EUR 188.4 million at end of 2022
- **Maturities 2023:** Next to repayment of EUR 150 million bond 2018/2023 we are also assessing the market for refinancing options
- The **LTV** (adjusted for Warehousing) increased to 57.8% at the end of 2022 (31 December 2021: 48.5%), mainly due to the financing of the VIB transaction
- **Covenants** at 31 December 2022 with sufficient headroom:
 - Bond LTV 54.9% (covenant level 60.0%)
 - Secured LTV 23.3% (covenant level 45.0%)
 - ICR 3.5x (covenant level 1.8x)

¹ 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; ² LTV incl. full value of Institutional Business; ³ Based on total interest bearing liabilities excl. Warehousing at end of period and VIB bridge loan; ⁴ nominal values as of 31 December 2022, excl. Warehousing/IFRS 5

The spirit to achieve strategic excellence

Focus 2023



With sustainability and efficiency

- Pursue ESG strategy with goal of reducing per sqm CO₂ emissions by 40% by 2030
- Steady expansion of green financings
- Digitisation of operational processes
- Continuous stakeholder dialogue



With stability and foresight

- Further increasing share of recurring cash flows
- Optimisation of balance sheet and financial structure: reduction of LTV to below 50%
- Attractive dividend policy with continuity



Seizing opportunities, creating values

- Expansion of market leadership for logistics and office in Germany
- Continuing the internationalisation of DIC's real estate platform
- Strong partner for active investment strategies
- New Work concepts from a single source

Guidance 2023



Gross rental income

EUR 185 – 195 million

Real estate management fees

EUR 70 – 80 million

FFO I

(after minority interests, before tax)

EUR 90 – 97 million

Acquisitions

Commercial Portfolio:
no acquisitions

Institutional Business:
EUR 300 – 800 million

Sales

Commercial Portfolio:
EUR 300 – 500 million

Institutional Business:
EUR 100 – 200 million



The spirit to create relations

The perfect handover. We keep you updated.

Financial calendar

2023

30.03.	Annual General Meeting
11.05.	Publication Quarterly Statement Q1 2023
17.05.	Publication Sustainability Report 2022
03.08.	Publication Half-Year Report 2023
08.11.	Publication Quarterly Statement Q3 2023



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More information



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Appendix

More facts and figures

P&L – Commercial Portfolio segment

Rental income up by 62% after VIB integration

Commercial Portfolio

- **Net rental income** rose sharply to EUR 152.5 million (2021: EUR 91.2 million), driven mainly by the VIB consolidation and like-for-like growth of gross rents (+3.6%).
- The **share of the profit or loss of associates**, which shows the profit or loss from investments that are not allocated to the Institutional Business segment, is mainly attributable to VIB's successful sale of a joint venture investment.
- The segment's **operating expenses** of EUR 29.3 million (2021: EUR 11.9 million) in the reporting period include **transaction costs** of EUR 12.1 million for the VIB acquisition. Excluding this special item, operating expenses rose by EUR 5.3 million to EUR 17.2 million, mainly due to the VIB consolidation.
- At EUR –57.0 million, the **net interest result** is down on the previous year (2021: EUR –45.0 million). This is mainly due to the recognition of VIB, the financing measures implemented in 2021 (ESG-linked promissory note and Green Bond) as well as the VIB bridge loan.
- The **other adjustments** mainly relate to the transaction costs of the VIB acquisition.
- The **segment's FFO contribution** after deducting minority interests increases to EUR 75.4 million, which was up 39% on the previous year (2021: EUR 54.4 million).

Segment reporting

	Total			Commercial Portfolio		
in EUR million	2022	2021	Δ	2022	2021	Δ
Net rental income	152.5	91.2	67%	152.5	91.2	67%
Profit on disposals	12.7	23.8	–47%	12.7	23.8	–47%
Administrative expenses	–37.9	–21.5	76%	–18.7	–4.3	>100%
Personnel expenses	–42.6	–38.1	12%	–10.6	–7.6	39%
Other operating income / expenses	2.3	2.0	15%	2.7	3.2	–16%
Real estate management fees	88.4	101.2	–13%			
Share of the profit or loss of associates without project developments and sales	18.9	6.5	>100%	12.6	1.6	>100%
Net interest income	–60.6	–49.7	22%	–57.0	–45.0	27%
Other adjustments	13.3	15.6	–15%	13.0	15.3	–15%
Funds from operations	134.3	107.2	25%	94.5	54.4	74%
Non-controlling interest	–20.1	0.0	>100%	–19.1	0.0	>100%
Funds from Operations (excluding non-controlling interest)	114.2	107.2	7%	75.4	54.4	39%
Funds from Operations II (including profit on disposals)	147.0	131.0	12%	107.2	78.2	37%
Funds from Operations II (including profit on disposals, excluding non-controlling)	126.9	131.0	–3%	88.1	78.2	13%

P&L – Institutional Business segment

Fees impacted by challenging market environment

Institutional Business

- **Real estate management fees** at EUR 88.4 million (2021: EUR 101.2 million) are driven by a year-on-year decrease in transaction and performance fees to EUR 52.0 million (2021: EUR 65.8 million). At EUR 36.4 million, asset management, property management and development fees are slightly higher year-on-year (2021: EUR 35.4 million).
- The **share of the profit or loss of associates** increases slightly, mainly as a result of the higher contribution from transaction-related investment income
- **Operating expenses** rise year-on-year to EUR 51.2 million, reflecting the expansion of resources associated with the AuM growth of DIC's real estate management platform.
- The **net interest result** decreases by EUR 1.1 million.
- Lower real estate management fees and higher operating expenses result in a lower contribution to earnings in the reporting period compared with the previous year.
- The **segment's FFO contribution** is down 27% on the previous year at EUR 38.8 million (2021: EUR 52.8 million).

Segment reporting

	Total			Institutional Business		
in EUR million	2022	2021	Δ	2022	2021	Δ
Net rental income	152.5	91.2	67%			
Profit on disposals	12.7	23.8	-47%			
Administrative expenses	-37.9	-21.5	76%	-19.2	-17.2	12%
Personnel expenses	-42.6	-38.1	12%	-32.0	-30.5	5%
Other operating income / expenses	2.3	2.0	15%	-0.4	-1.2	-67%
Real estate management fees	88.4	101.2	-13%	88.4	101.2	-13%
Share of the profit or loss of associates without project developments and sales	18.9	6.5	>100%	6.3	4.9	29%
Net interest income	-60.6	-49.7	22%	-3.6	-4.7	-23%
Other adjustments	13.3	15.6	-15%	0.3	0.3	0%
Funds from operations	134.3	107.2	25%	39.8	52.8	-25%
Non-controlling interest	-20.1	0.0	>100%	-1.0	0.0	>100%
Funds from Operations (excluding non-controlling interest)	114.2	107.2	7%	38.8	52.8	-27%
Funds from Operations II (including profit on disposals)	147.0	131.0	12%	39.8	52.8	-25%
Funds from Operations II (including profit on disposals, excluding non-controlling)	126.9	131.0	-3%	38.8	52.8	-27%

Balance sheet

Reflecting transformation in wake of VIB takeover

- 1 **Total assets** as at 31 December 2022 increased by EUR 1,686.6 million compared to year-end 2021, primarily due to the acquisition of a 68% share in VIB Vermögen AG (incl. participation in scrip dividend and capital increase in kind at VIB) and its subsequent consolidation.
- 2 The rise in **non-current assets** to EUR 4,247.6 million at 31 December 2022 is mainly attributable to the VIB properties recognised during purchase price allocation (31 December 2021: EUR 2,342.9 million).
- 3 **Current assets** decreased to EUR 932.7 million at 31 December 2022 (31 December 2021: EUR 1,150.8 million), primarily as a result of the purchase price payment for the acquisition of VIB and the repayment of bond 2017/22 in the volume of EUR 180 million
- 4 **Equity** is EUR 530.1 million higher than at the end of 2021. The positive profit for the period attributable to the Group's shareholders amounting to EUR 31.0 million includes non-recurring expenses of EUR 9.3 million. At 32.1%, the **equity ratio** falls only slightly compared to 31 December 2021.
- 5 **Liabilities** rise by EUR 1,156.5 million to EUR 3,516.2 million compared to the end of 2021. The increase in long-term loans and borrowings is primarily attributable to the acquisition of VIB, comprising both the loans and borrowings incurred and the funds raised to finance the transaction. The increase in other liabilities is mainly due to the deferred tax liabilities recognised as part of the consolidation.

Balance sheet overview

in EUR million	31.12.2022	31.12.2021
Total assets	5,180.3	3,493.7
Total non-current assets	4,247.6	2,342.9
Total current assets	932.7	1,150.8
Equity	1,664.1	1,134.0
Total non-current financial liabilities	2,697.6	1,872.9
Total current financial liabilities	402.2	295.2
Other liabilities	416.4	191.6
Total liabilities	3,516.2	2,359.7
Equity ratio book value	32.1%	32.5%
Loan To Value*	57.8%	48.5%
Adjusted Loan To Value*	54.7%	41.1%
NAV	1,520.9	1,509.8
Adjusted NAV	1,815.9	2,046.5

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