

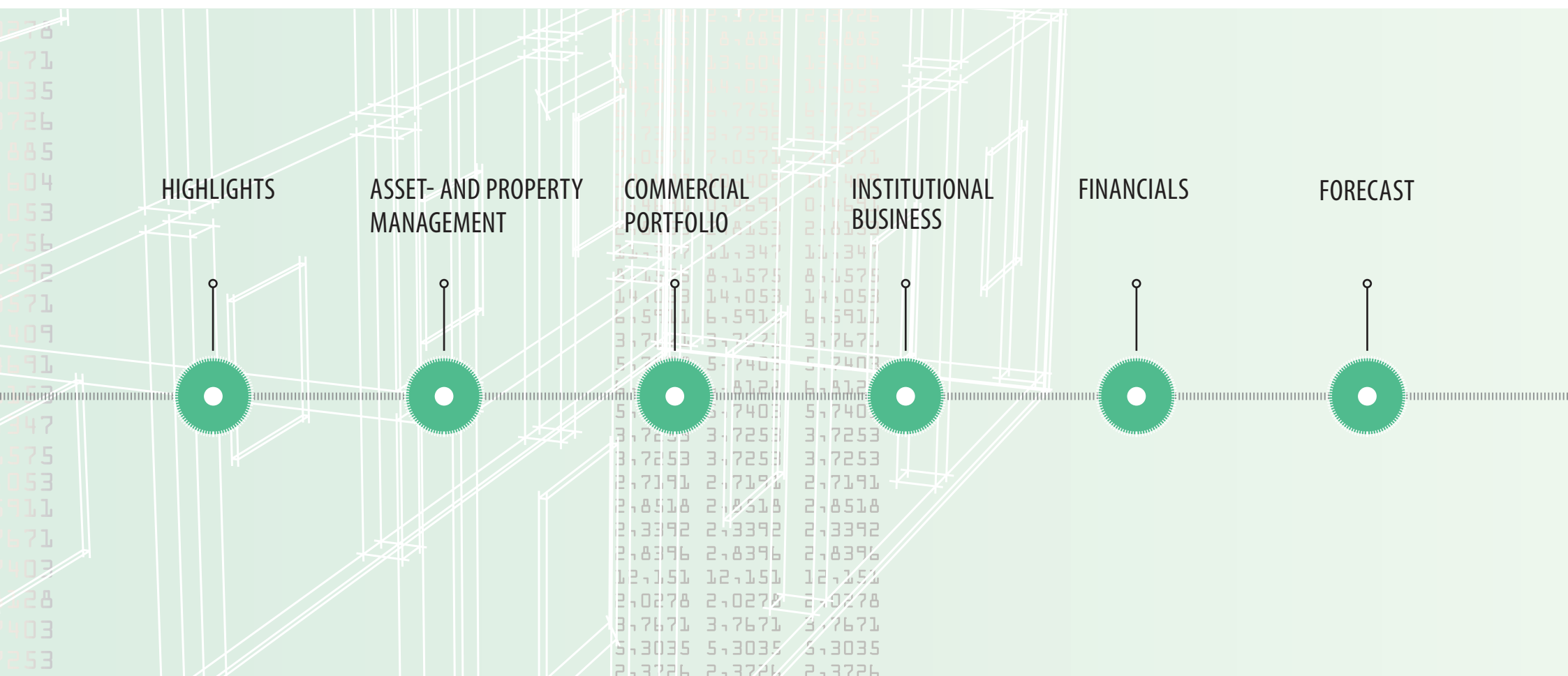


DIC

H1 2019

HALF-YEAR RESULTS
WEBCAST

AGENDA



HIGHLIGHTS

EPRA VACANCY RATE

of the Commercial Portfolio **reduced** by 110 bp to 7.8% y-o-y

WALT

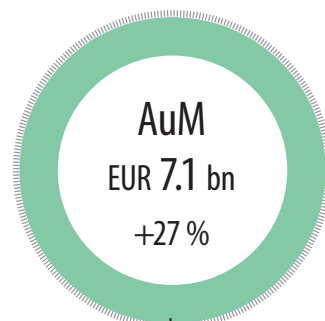
in the Commercial Portfolio **rises** from 5.2 to 6.2 years y-o-y

GEG ACQUISITION

contribution to earnings in June 2019

ACQUISITIONS IN H1

EUR 853 mn notarised



INCOME FROM INSITUTIONAL BUSINESS

up 59% to EUR 20.3 mn

FFO

increased by 34% to EUR 43.0 mn

Forecast raised

for FFO by EUR 18 mn to EUR 88–90 mn
for acquisition volume from EUR 500 mn to c. EUR 1.3 bn

Financial structure strengthened

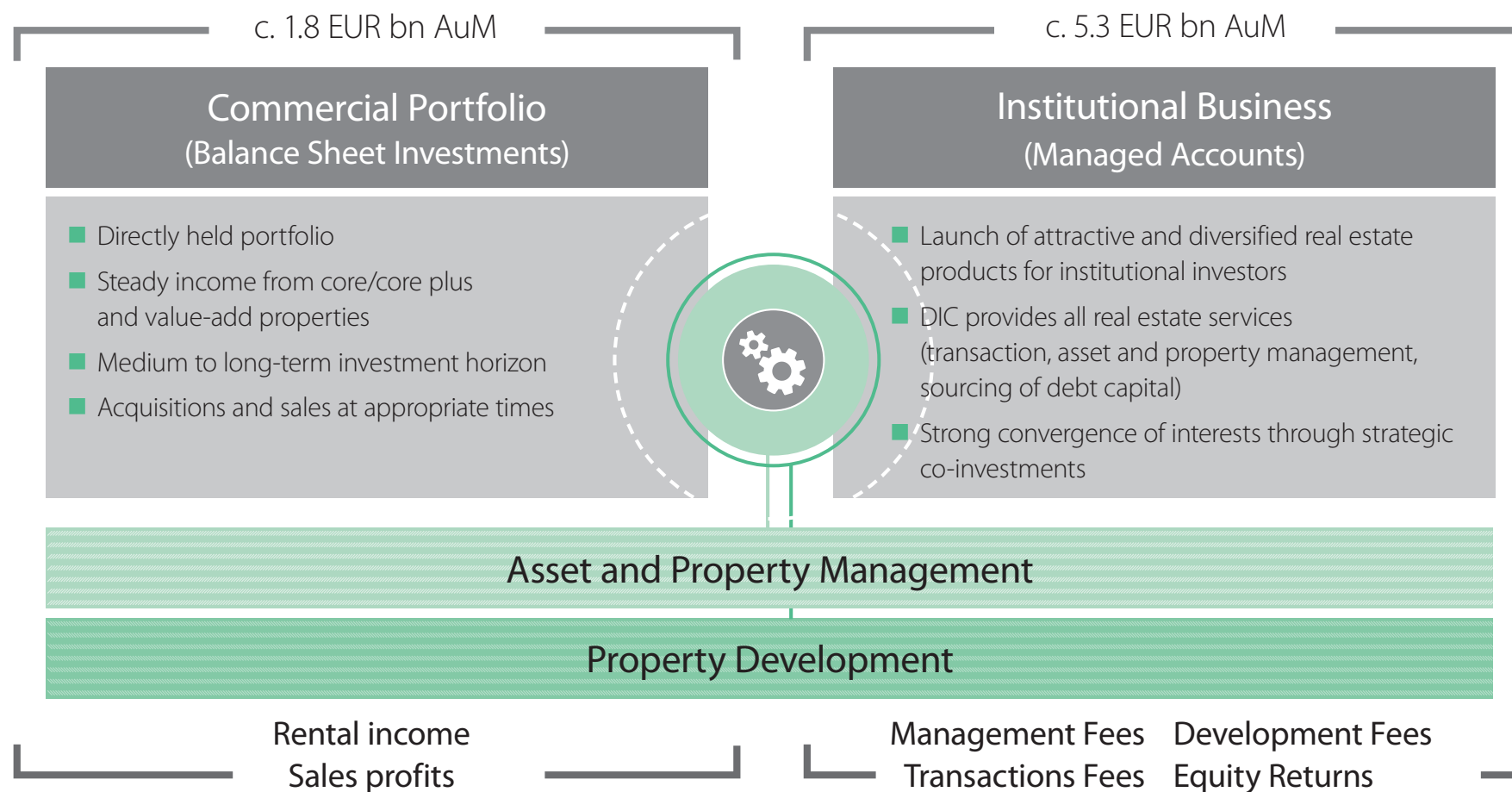
Promissory Note of EUR 150 mn placed, positive effects on avg. interest rate and maturity profile

H1 2019



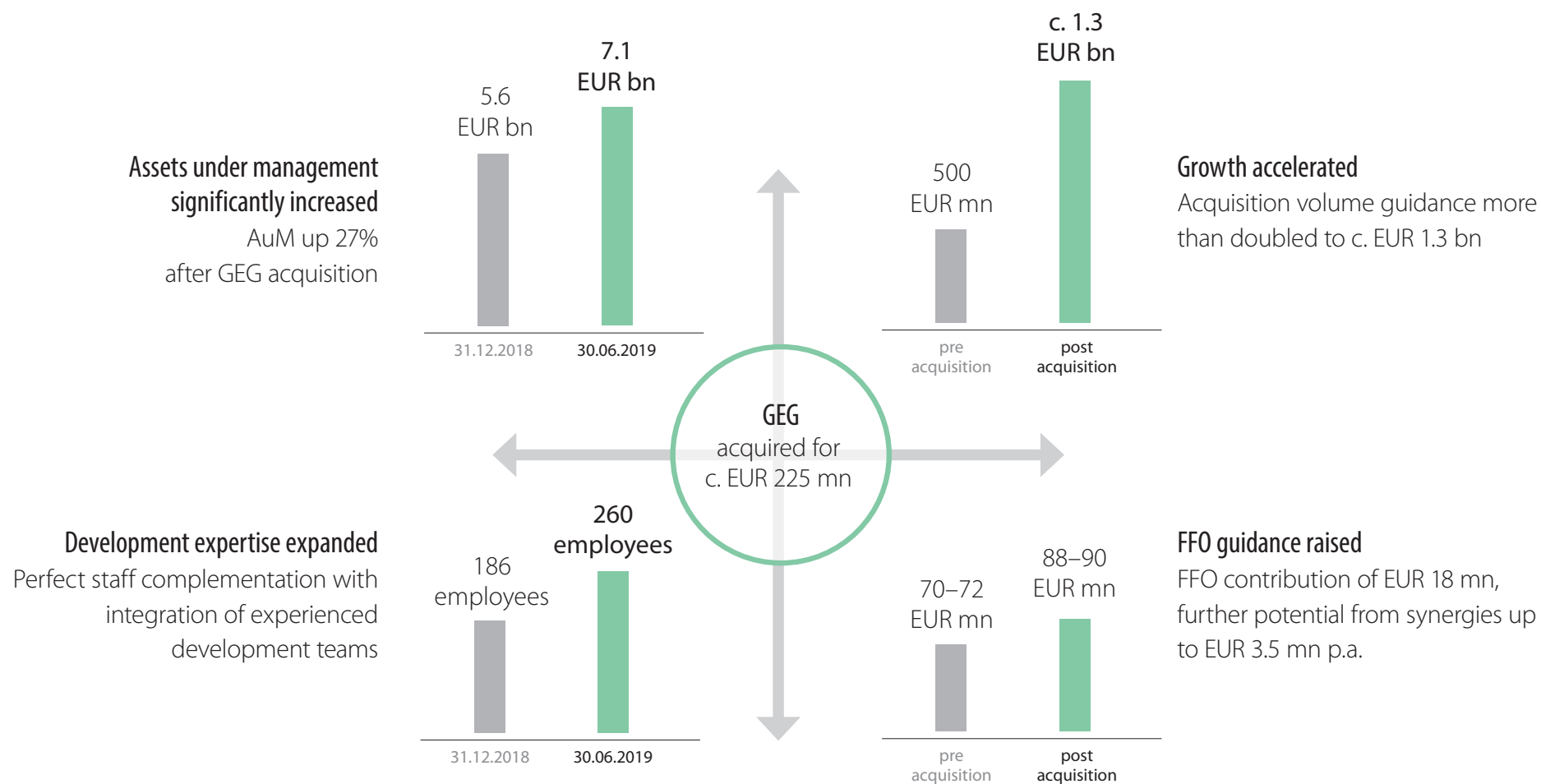
BUSINESS STRUCTURE

Lean operating model with two strong segments



GEG ACQUISITION COMPLETED

Bolstering Market Position and Boosting Further Growth

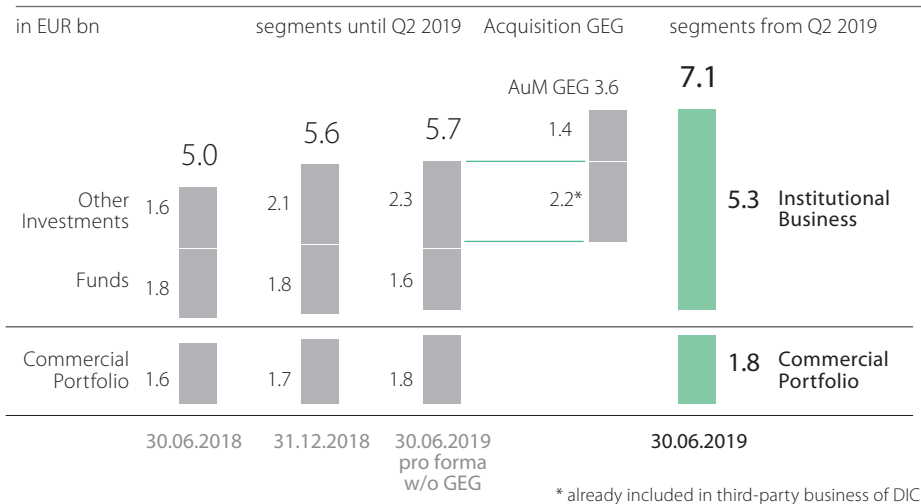


ASSET- AND PROPERTY MANAGEMENT

PERFORMANCE OF THE ASSET- AND PROPERTY MANAGEMENT (1/3)

GEG acquisition drives assets under management to EUR 7.1 bn

ASSETS UNDER MANAGEMENT



- **Assets under Management** increased by 27% to EUR 7.1 bn (31.12.2018: EUR 5.6 bn), mainly due to acquisition of GEG
- **Assets under Management worth EUR 3.6 bn** have been acquired through GEG, EUR 2.2 bn thereof were already included in the third-party business of DIC. As a result, the GEG acquisition led to a net increase in AuM of EUR 1.4 bn
- The **Commercial Portfolio** comprises 100 properties with a market value of c. EUR 1.8 bn (31.12.2018: 101 properties totalling EUR 1.7 bn)
- The **Institutional Business** comprises 75 properties with a market value of EUR 5.3 bn (31.12.2018: EUR 3.9 bn)

PORTFOLIO BY SEGMENT

| | | Commercial Portfolio | Institutional Business | Total |
|---------------------------|------------|----------------------|------------------------|-----------|
| Number of properties | 30.06.2019 | 100 | 75 | 175 |
| | 31.12.2018 | 101 | 77 | 178 |
| Market value* (in EUR mn) | 30.06.2019 | 1,798.1 | 5,261.0 | 7,059.1 |
| | 31.12.2018 | 1,696.8 | 3,948.9 | 5,645.7 |
| Rental space (in sqm) | 30.06.2019 | 923,100 | 1,041,400 | 1,964,500 |
| | 31.12.2018 | 893,500 | 966,700 | 1,860,200 |

* Market value as at 31.12.2018, later acquisitions generally considered at cost

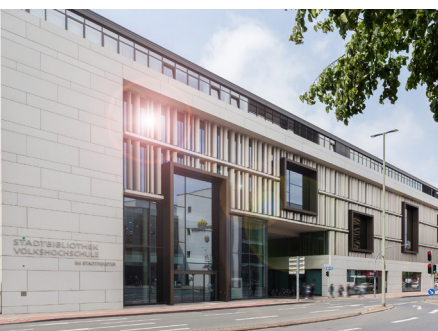
PERFORMANCE OF THE ASSET- AND PROPERTY MANAGEMENT (2/3)

High acquisition volume of EUR 853 mn

TRANSACTION VOLUME

| in EUR mn (no. of properties) | Signing 2019 | Signing 2019/ Transfer H1 2019 | Signing 2018/ Transfer H1 2019 |
|-------------------------------|-----------------|-----------------------------------|-----------------------------------|
| Acquisitions | | | |
| Commercial Portfolio | 73 (2) | 73 (2) | 45 (1) |
| Institutional Business | 780 (7) | 529 (4) | 296 (3) |
| Total | 853 (9) | 602 (6) | 341 (4) |
| Sales | | | |
| Commercial Portfolio | 22 (6) | 9 (3) | 7 (1) |
| Institutional Business | 1 (1) | 1 (1) | - |
| Total | 23 (7) | 10 (4) | 7 (1) |

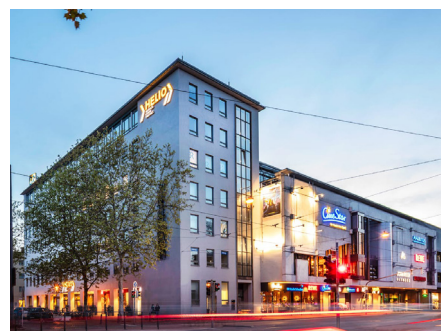
- Total **transaction volume** amounted to EUR 876 mn in the first half of 2019
- **Acquisitions:** c. EUR 853 mn were notarised as of 30 June 2019, thereof c. EUR 73 mn for the Commercial Portfolio and c. EUR 780 mn for the Institutional Business (incl. acquisitions via GEG since beginning of 2019)
- **Sales:** Six properties from the Commercial Portfolio (EUR 21.6 mn) and one property from the Institutional Business (EUR 1.3 mn) have been **sold** as of 30 June 2019, sales prices on average 10% above latest market values



Duisburg, Stadtfenster



Berlin, Pressehaus am Alexanderplatz



Augsburg, Helio



Frankfurt, Palazzo Fiorentino



Munich, Fashion Mall

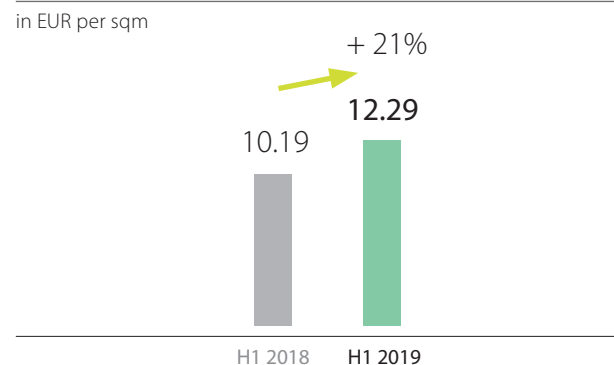
PERFORMANCE OF THE ASSET- AND PROPERTY MANAGEMENT (3/3)

Letting performance reduces lease maturity 2019 to only 3.3 %

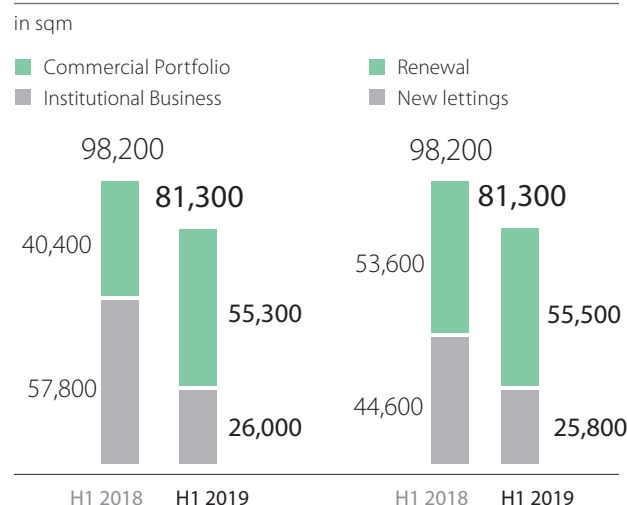
LETTING VOLUME

| by type of use | in sqm | | in EUR mn (annualised) | |
|--------------------|---------------|---------------|------------------------|-------------|
| | H1 2019 | H1 2018 | H1 2019 | H1 2018 |
| Office | 48,000 | 72,000 | 6.3 | 9.4 |
| Retail | 2,300 | 9,800 | 0.6 | 1.6 |
| Storage/logistics | 14,600 | 10,600 | 0.9 | 0.6 |
| Further commercial | 15,000 | 5,200 | 4.0 | 0.3 |
| Residential | 1,400 | 600 | 0.2 | 0.1 |
| Total | 81,300 | 98,200 | 12.0 | 12.0 |
| Parking | 829 units | 1,085 units | 0.6 | 0.6 |

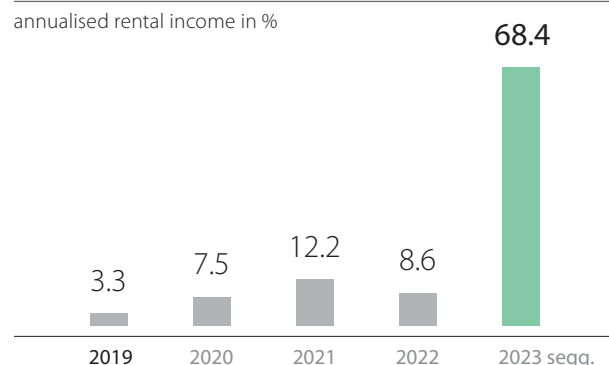
AVERAGE RENT OF SIGNED CONTRACTS



LETTING STRUCTURE



LEASE MATURITY



- Total **letting volume** with EUR 12.0 mn on the high level of H1 2018
- Strong increase in the **average rent per sqm** of new contracts from EUR 10.19 per sqm to EUR 12.29 per sqm
- Of the 81,300 sqm let, 68 % (55,300 sqm) were attributable to the **Commercial Portfolio** and 32 % (26,000 sqm) to the **Institutional Business** segment
- **Lease renewals** accounted for 68 % (55,500 sqm) of the letting volume, **new leases** contributed 32 % (25,800 sqm)
- **Lease expiry** volume in 2019 decreased to 3.3 %; more than 68 % of leases expire in 2023 or later

COMMERCIAL PORTFOLIO

COMMERCIAL PORTFOLIO SEGMENT

Key performance indicators significantly improved

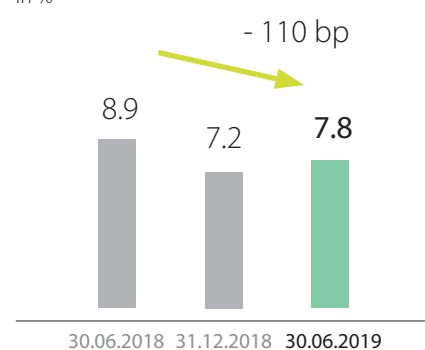
DEVELOPMENT COMMERCIAL PORTFOLIO*

| | 30.06.2019 | 31.12.2018 | 30.06.2018 |
|--------------------------------------|------------|------------|------------|
| Number of properties | 100 | 101 | 108 |
| Market value in EUR mn | 1,798.1 | 1,696.8 | 1,598.3 |
| Rental space in sqm | 923,100 | 884,000 | 927,800 |
| Annualised rental income in EUR mn | 103.0 | 97.6 | 96.2 |
| Average rental income in EUR per sqm | 9.82 | 9.64 | 9.49 |
| WALT in years | 6.2 | 5.8 | 5.2 |
| EPRA vacancy rate in % | 7.8 | 7.2 | 8.9 |
| Gross rental yield in % | 5.7 | 5.9 | 6.3 |

* without project developments and repositioning properties, except for number of properties, market value and rental space

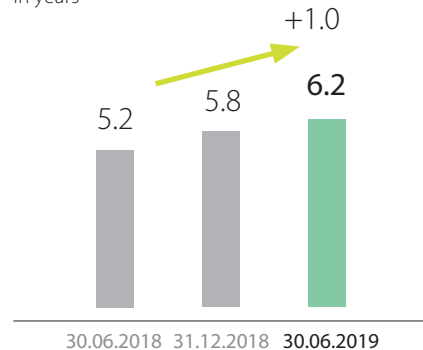
EPRA VACANCY RATE

in % *



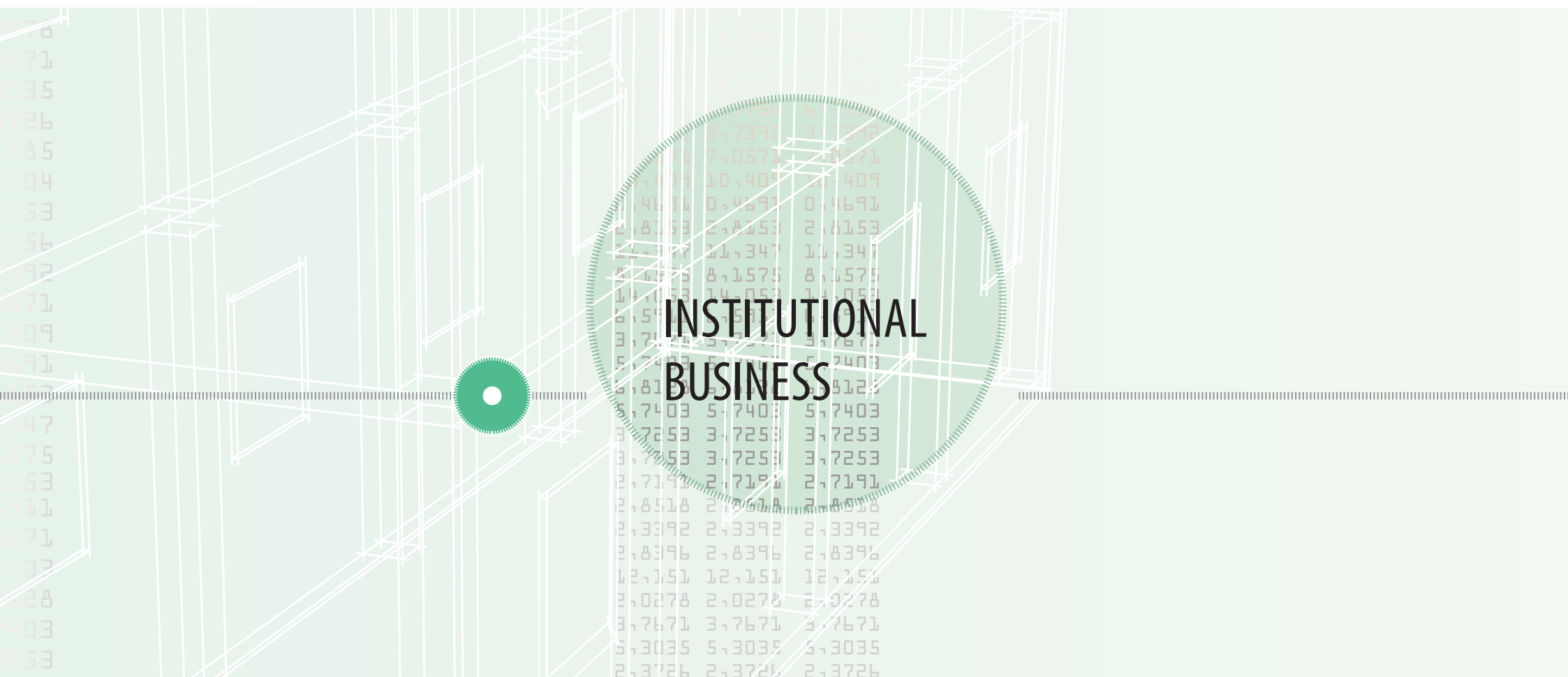
WALT

in years *



* without project developments and warehousing

- **Commercial Portfolio** comprises 100 properties with a market value of approx. EUR 1.8 bn and **rental space** of 923,100 sqm
- Three properties worth c. EUR 118 mn with transfer of ownership in H1 2019, two thereof acquired in 2019 (c. EUR 73 mn)
- Six properties have been **sold** for c. EUR 22 mn, three with transfer of ownership in H1 2019 (c. EUR 16 mn)
- **Key performance indicators** significantly improved
 - **Annualised rental income** rose to EUR 103.0 mn (H1 2018: EUR 96.2 mn) due to lettings and acquisitions, **like-for-like rental income** increased 0.2% to EUR 93.8 mn
 - **Average rent** rose to 9.82 EUR/sqm (30.06.2018: 9.49 EUR/sqm)
 - **WALT** increased significantly from 5.2 years to 6.2 years
 - **EPRA vacancy rate** was reduced by 110 basis points to 7.8% (30.06.2018: 8.9%)

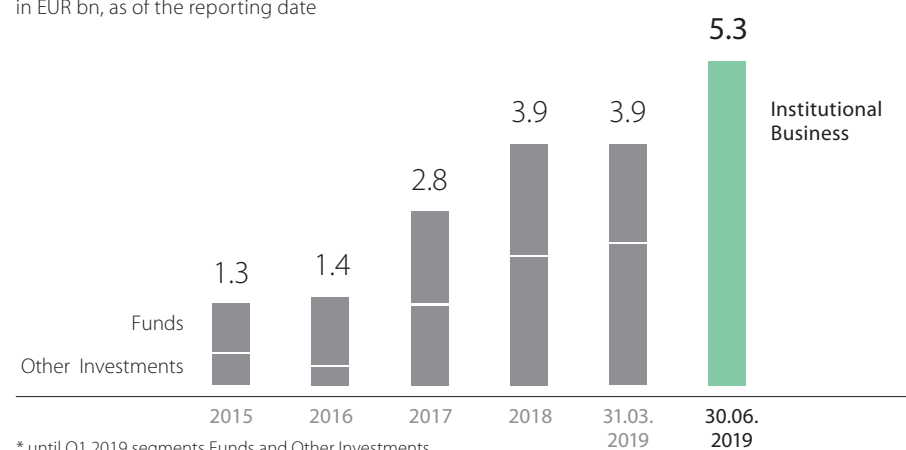


INSTITUTIONAL BUSINESS

Strong increase in Assets under Management to EUR 5.3 bn

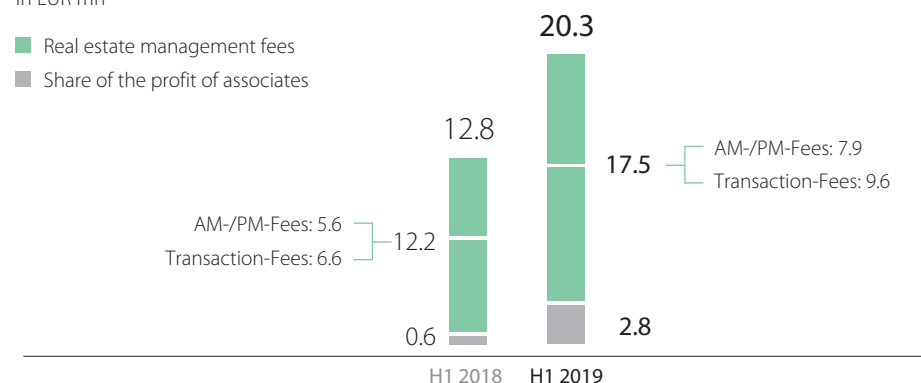
ASSETS UNDER MANAGMENT

in EUR bn, as of the reporting date

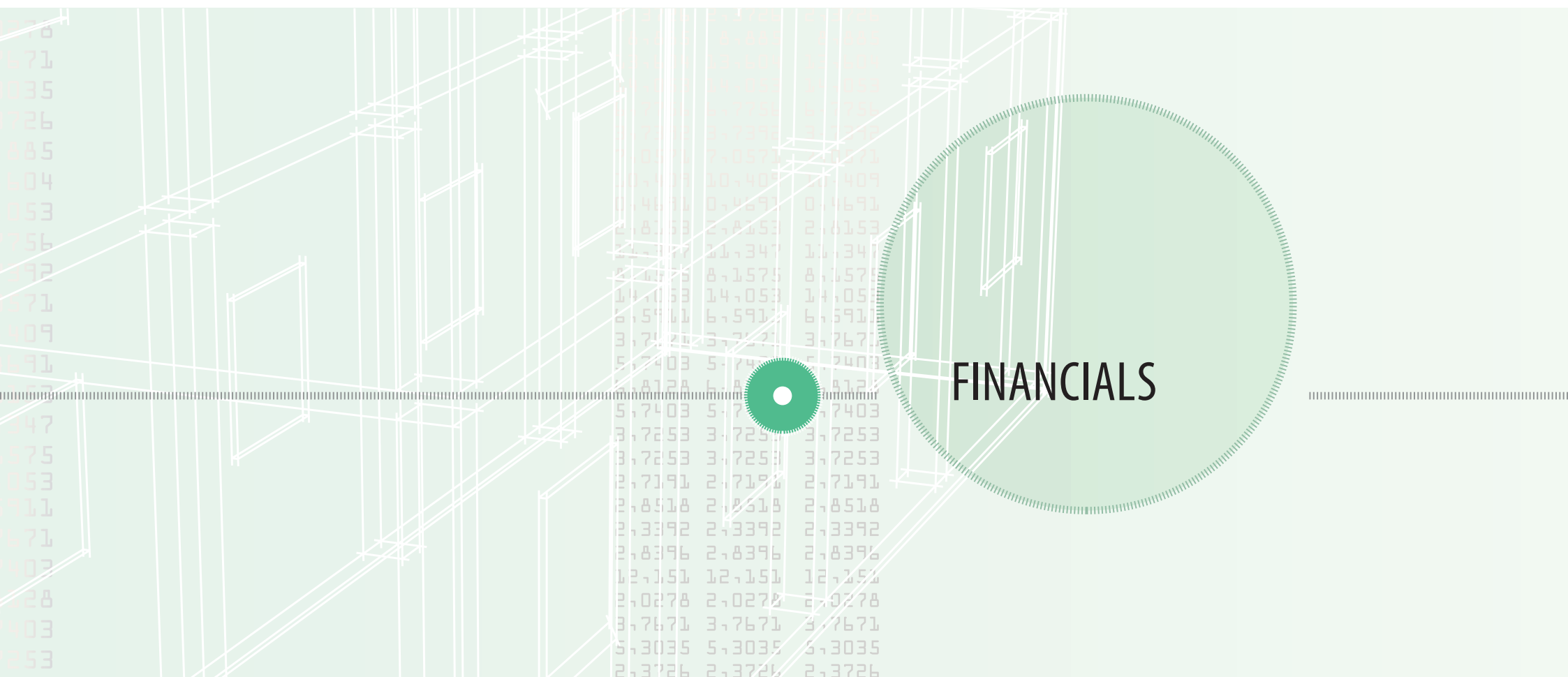


INCOME FROM INSTITUTIONAL BUSINESS

in EUR mn



- **Assets under management** grew to EUR 5.3 bn (31.12.2018: EUR 3.9 bn, 30.06.2018: EUR 3.4 bn)
- **Acquisitions:** 7 properties with total investment costs of EUR 780 mn
- Several **high-volume transactions** like "Pressehaus" in Berlin (TIC of EUR 367 mn), "Fashion Mall" in Munich (TIC of EUR 89 mn) and "Helio" in Augsburg (TIC of around EUR 112 mn) were notarised
- **Sales:** 1 property worth EUR 1.3 mn
- **Income from Institutional Business** segment up 59% to EUR 20.3 mn (H1 2018: EUR 12.8 mn)
- Both **real estate management fees** (+43 %) and the **share of the profit of associates** (>100 %) increased significantly. Consolidated GEG management fees for June 2019 already contributed EUR 4.2 mn (thereof EUR 3.1 mn transaction-related)



FINANCIALS

INCOME STATEMENT

Sustainable increase in real estate management fees

CONSOLIDATED INCOME STATEMENT

| in EUR mn | H1 2019 | H1 2018 | |
|-----------------------------------|--------------------|---------|-------|
| Gross rental income | 49.7 ¹ | 50.3 | -1% |
| Profit on disposal of properties | 1.7 | 11.1 | -85% |
| Real Estate Management fees | 17.5 ² | 12.2 | 43% |
| Share of the profit of associates | 15.8 ³ | 10.8 | 46% |
| Net other income | 0.0 | -0.1 | >100% |
| Operating expenses | -16.8 ⁴ | -15.2 | 11% |
| Administrative expenses | -6.1 | -5.9 | 3% |
| Personnel expenses | -10.7 | -9.3 | 15% |
| Depreciation and amortisation | -15.6 | -14.7 | 6% |
| Net interest result | -16.9 ⁵ | -19.2 | 12% |
| Interest income | 5.2 | 4.4 | 18% |
| Interest expenses | -22.1 | -23.6 | -6% |
| Profit for the period | 25.9 ⁶ | 23.9 | 8% |

- Gross rental income** almost unchanged at EUR 49.7 mn (H1 2018: EUR 50.3 mn). The decline y-o-y from sales and transfers of assets into funds was nearly offset by acquisitions and rent increases
- Real estate management fees** increased significantly by 43 % to EUR 17.5 mn (H1 2018: EUR 12.2 mn), thereof EUR 9.6 mn transaction fees (H1 2018: EUR 6.6 mn) and EUR 7.9 mn fees for asset and property management (H1 2018: EUR 5.6 mn)
- Share of the profit of associates** rose sharply by 46% mainly due to higher dividend income from TLG (+EUR 2.8 mn) and higher equity returns from funds (+EUR 1.6 mn)
- Operating costs** were affected by the GEG consolidation, increased 10% to EUR -16.8 mn (H1 2018: EUR -15.2 mn). Pro forma adjusted for GEG, operating costs would have decreased to EUR -14.5 mn
- Net interest income** improved to EUR -16.9 mn (H1 2018: EUR -19.2 mn) mainly as a result of the improved financing structure after repayment of the bond 13/18 (coupon 5.75%) and the issuance of the bond 18/23 (coupon 3.50%) in the second half of 2018
- Profit for the period** increased by 8% to EUR 25.9 mn (H1 2018: EUR 23.9 mn). The increase in the share of the profit of associates and real estate management fees compensated for lower sales profits

SEGMENT REPORTING AND FFO

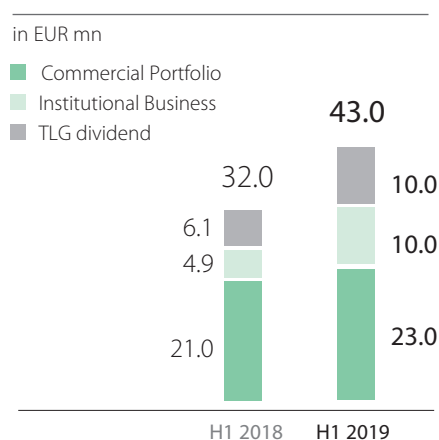
Funds from operations increased by 34 % year-over-year

FFO RECONCILIATION FROM PROFIT & LOSS TO FFO

| in EUR mn | H1 2019 | H1 2018 | Δ |
|---|---------|---------|-------|
| Net rental income | 43.0 | 42.5 | 1% |
| Administrative expenses | -6.1 | -5.9 | 3% |
| Personnel expenses | -10.7 | -9.3 | 15% |
| Other operating income/expense | 0.0 | -0.1 | >100% |
| Real estate management fees | 17.5 | 12.2 | 43% |
| Share of the profit or loss of associates without project developments and sale | 15.8 | 11.6 | 36% |
| Net interest income | -16.9 | -19.1 | -11% |
| Other adjustments* | 0.4 | 0.1 | >100% |
| Funds from operations (FFO) | 43.0 | 32.0 | 34% |

* thereof transaction, legal and consulting expenses EUR 0.3 mn (H1 2018: 0.1), administrative and personnel expenses EUR 0.1 mn (H1 2018: 0)

FFO



- FFO increased 34 % to EUR 43.0 mn, mainly as a result of the sharp increase in the share of the profit of associates, significantly higher real estate management fees and an improved net interest result
- The contribution of the **Commercial Portfolio** rose 10% to EUR 23.0 mn (30.06.2018: EUR 21.0 mn), due to increased net rental income and lower operating and financing costs
- The contribution of the **Institutional Business segment** more than doubled to EUR 10.0 mn (H1 2018: EUR 4.9 mn), driven by higher real estate management fees and an increase in the share of the profit of associates
- The column **TLG dividend** reflects contributions from the investment in TLG which we have sold in the first half of 2019

SEGMENT REPORTING

| in EUR mn | H1 2019 | | | | H1 2018 | | | |
|-----------------------------------|----------------------|------------------------|--------------|-------|----------------------|------------------------|--------------|-------|
| | Commercial Portfolio | Institutional Business | TLG dividend | Total | Commercial Portfolio | Institutional Business | TLG dividend | Total |
| Gross rental income | 49.7 | | | 49.7 | 50.3 | | | 50.3 |
| Net rental income | 43.0 | | | 43.0 | 42.5 | | | 42.5 |
| Profit on disposal of properties | 1.7 | | | 1.7 | 11.1 | | | 11.1 |
| Real estate management fees | | 17.5 | | 17.5 | | 12.2 | | 12.2 |
| Share of the profit of associates | | 2.8 | 13.0 | 15.8 | | 0.6 | 10.2 | 10.8 |
| Net interest income | -14.2 | -1.1 | -1.6 | -16.9 | -14.7 | -1.2 | -3.3 | -19.2 |
| Operating expenses | -5.8 | -9.5 | -1.5 | -16.8 | -6.8 | -7.6 | -0.8 | -15.2 |
| - administrative expenses | -2.0 | -3.6 | -0.5 | -6.1 | -2.6 | -3.0 | -0.3 | -5.9 |
| - personnel expenses | -3.8 | -5.9 | -1.0 | -10.7 | -4.2 | -4.6 | -0.5 | -9.3 |
| FFO | 23.0 | 10.0 | 10.0 | 43.0 | 21.0 | 4.9 | 6.1 | 32.0 |

BALANCE SHEET

Higher total equity

BALANCE SHEET OVERVIEW

| in EUR mn | 30.06.2019 | 31.12.2018 |
|----------------------------------|----------------------|------------|
| Total assets | 2,533.1 ¹ | 2,490.1 |
| Non-current assets | 2,077.3 | 2,086.5 |
| Current assets | 455.8 | 403.6 |
| Total equity | 914.2 ² | 895.9 |
| Non-current loans and borrowings | 1,126.3 ³ | 1,181.0 |
| Current loans and borrowings | 356.3 ³ | 300.1 |
| Other liabilities | 136.3 | 113.0 |
| Total liabilities | 1,618.9 | 1,594.1 |
| Balance sheet equity ratio | 36.1% ⁴ | 36.0% |

- 1 Total assets** increased by EUR 43 mn mainly due to acquisitions of investment properties. Additionally non-current and current assets has been impacted by the GEG and TLG transaction in H1/2019. Whereas the TLG transaction significantly reduced the investments in non-current assets and increased the cash position in current assets, the GEG transactions mainly increased the non-current assets (Goodwill) and reduced the cash position in current assets.
- 2 Total equity** increase of EUR 18.3 mn mainly caused by the profit for the period. The dividend of EUR 33.9 mn for FY 2018 had an off-setting impact but was lowered by EUR 16.1 mn from scrip dividend with high acceptance rate of 50% (results in cash dividend paid of EUR 17.8 mn).
- 3** Due to decreased maturities **non-current loans and borrowings** has been shifted to **current loans and borrowings** compared to year end 2018
- 4** The **equity ratio** remained virtually unchanged at 36.1% (31.12.2018: 36.0%)

FINANCIAL STRUCTURE (I)

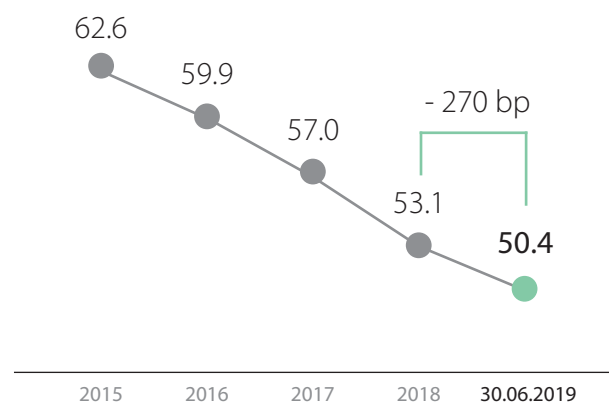
LTV significantly decreased by 270 bp

DEBT MATURITIES

as at 30.06.2019, incl. bond/IFRS 5



LOAN-TO-VALUE* 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 goodwill on the other hand.

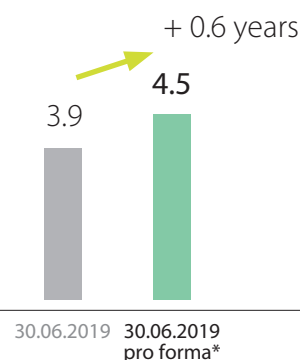
- The **LTV ratio** decreased by 270 bp to 50.4% mainly as a result of the sale of TLG shares and the related inflow of cash and cash equivalents
- The **weighted average term of loans and borrowings** remained unchanged at 3.9 years (31.12.2018: 3.9 years).
- The **average interest rate** of liabilities to banks remained steady at a low 1.8% compared with 31.12.2018, incl. bonds average interest rate at 2.5%
- The **interest cover ratio** (ICR, the ratio of EBITDA to net interest income) increased to 362 % (31.12.2018: 333%)
- Around 94% of the Company's financial debt is at a **fixed-rate or hedged** (31.12.2018: 88 %)

FINANCIAL STRUCTURE (II)

First-time placement of senior unsecured Promissory Note – further strengthening of financial profile

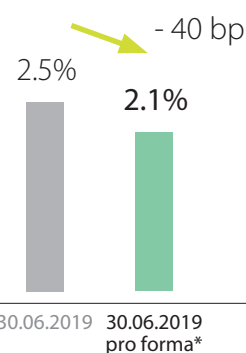
AVERAGE DEBT MATURITY

in years



* after placement of promissory note and repayment of bond 14/19 in September 2019

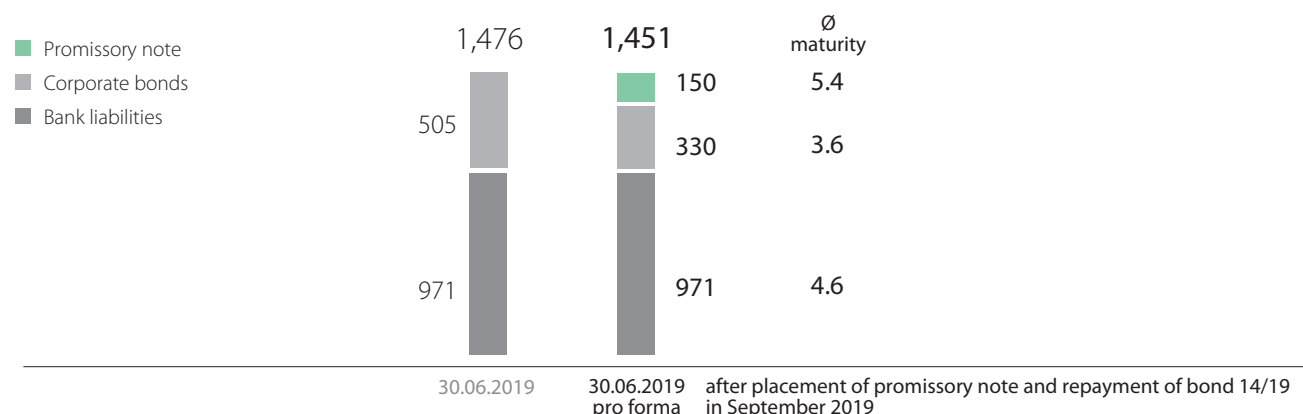
AVERAGE INTEREST RATE



- First-time placement of **Promissory note** with a total volume of EUR 150 mn in July, average interest expenses of 1.58 % and 5.4-year maturity
- The transaction was significantly **oversubscribed** and placed with around c. 40 German and international **institutional investors**
- **Proceeds** will be used for general corporate purposes, i.e. to boost our further growth of the two business segments
- **Strong positive effects after placement of promissory note and repayment of bond 14/19:**
 - average interest rate will decrease by 40 bp to 2.1 % and
 - average debt maturity up by 0.6 years to 4.5 years on a pro forma basis

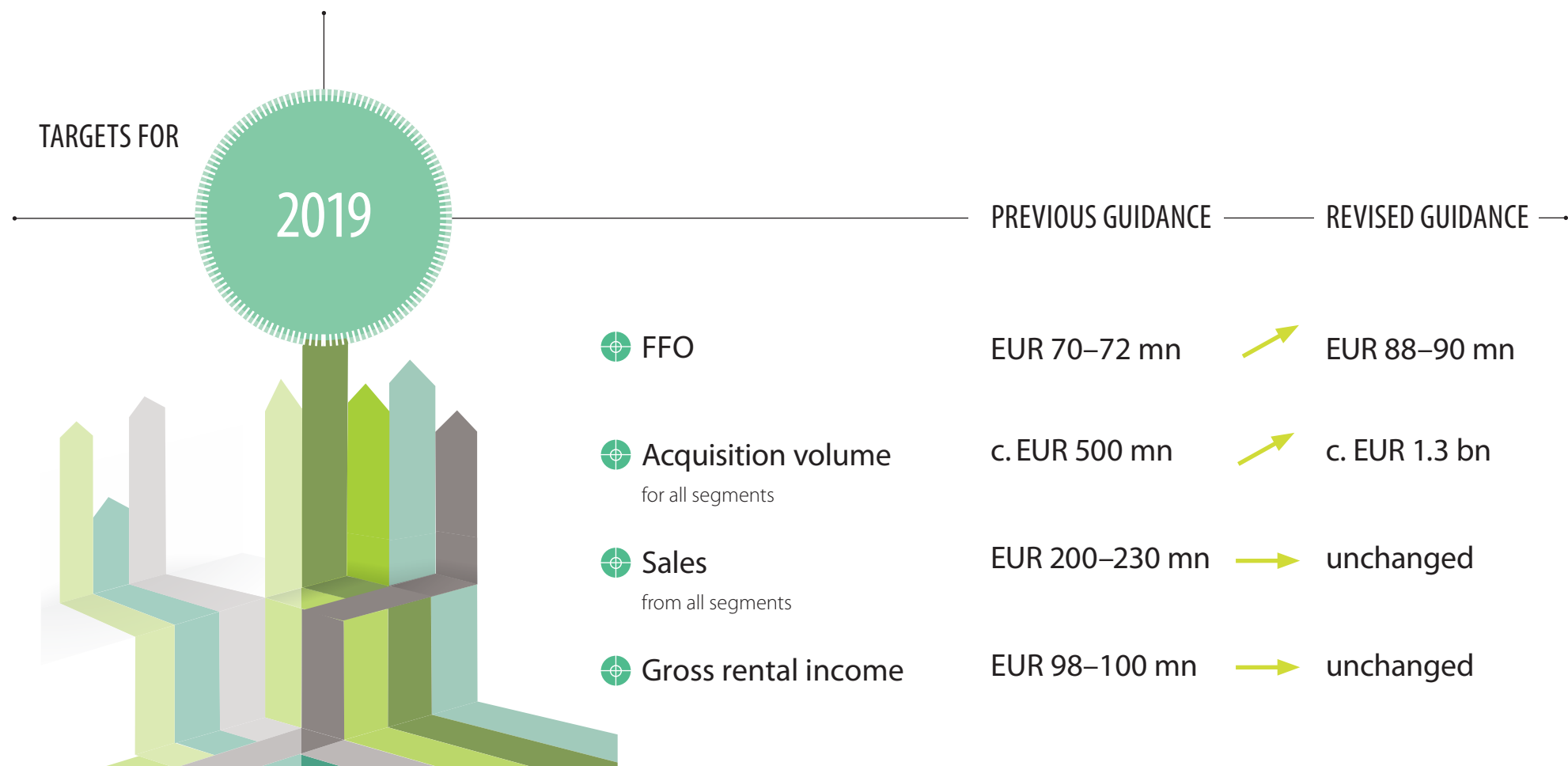
FINANCIAL DEBT OVERVIEW

nominal values, in EUR mn



FORECAST 2019

Targets raised after GEG acquisition

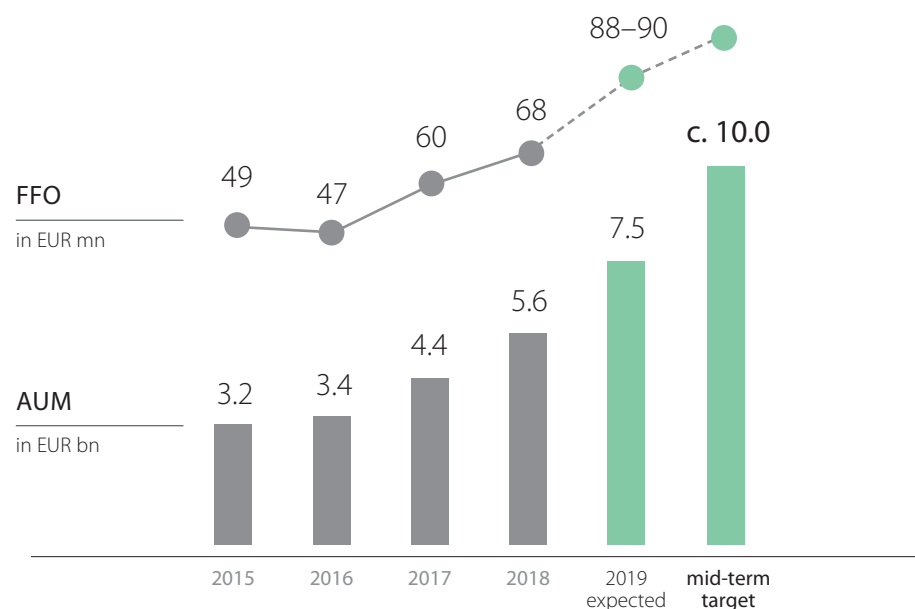


H1 2019 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

DIC'S MID-TERM GROWTH TARGET

Further growth of our real estate platform in Germany

GROWTH OF ASSETS UNDER MANAGEMENT AND FFO



- Until the end of 2019 DIC expects to manage an **asset volume of c. EUR 7.5 bn**
- **Further growth** is planned in both segments Commercial Portfolio and Institutional Business – with a mid-term goal of Assets under Management of c. EUR 10 bn
- **FFO contribution** from the two segments Commercial Portfolio and Institutional Business expected to be at a 55:45 ratio at year end 2019
- **Strategic mid-term target** of maintaining a 50:50 FFO balance between the Commercial Portfolio and the Institutional Business

INVESTOR RELATIONS

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www.dic-asset.de/engl/investor-relations

For instance

- >> Up-to-date company presentation
- >> Audio webcast

FINANCIAL CALENDAR 2019

06.11.2019 Publication of Q3 2019 Financial Statement

Disclaimer

This quarterly statement contains forward-looking statements including associated risks and uncertainties. These statements are based on the Management Board's current experience, assumptions and forecasts and the information currently available to it. The forward-looking statements are not to be interpreted as guarantees of the future developments and results mentioned therein. The actual business performance and results of DIC Asset AG and of the Group are dependent on a multitude of factors that contain various risks and uncertainties. In the future, these might deviate significantly from the underlying assumptions made in this quarterly statement. Said risks and uncertainties are discussed in detail in the risk report as part of financial reporting. This quarterly statement does not constitute an offer to sell or an invitation to make an offer to buy shares of DIC Asset AG. DIC Asset AG is under no obligation to adjust or update the forward-looking statements contained in this quarterly statement.

For computational reasons, rounding differences from the exact mathematical values calculated (in EUR thousand, %, etc.) may occur in tables and cross-references.

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