

DIC.

H1 2021

HALF-YEAR RESULTS

11 August 2021

CONFERENCE CALL

next level

dynamic performance

Successful H1 2021: 360° value creation accelerates our growth and profit

MATCH

Investor closing for **third logistics property fund** with target volume of EUR 400 million successfully completed after only four months

Successful warehousing generates additional rental cash flows: acquisition of largest office property "Uptown Tower" in Munich for marketing to international and national investors

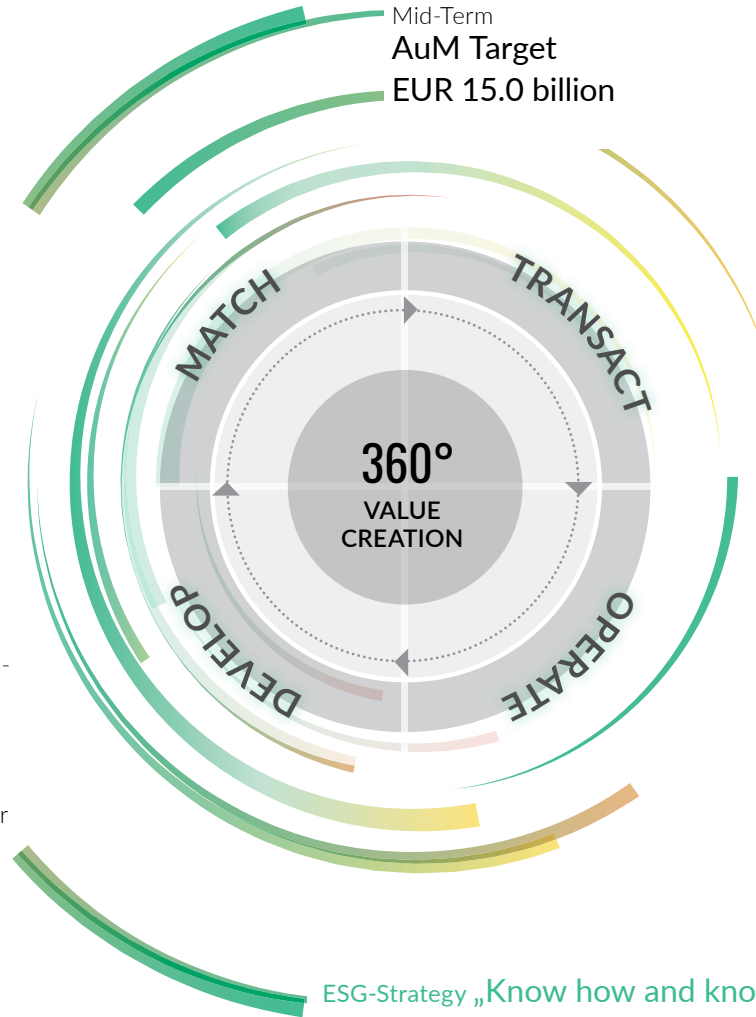
Additional equity commitments of more than EUR 700 million available for investments

DEVELOP

ESG portfolio screening: focus on carbon reduction and development of further development potential in the balance sheet portfolio

Manage to Core: currently nine properties under repositioning, refurbishment or development, four of which are in the balance sheet portfolio

Mid-Term
AuM Target
EUR 15.0 billion



TRANSACT

Successful placement of first **ESG-linked promissory note** for EUR 250 million ensures early refinancing of liabilities in 2022; used temporarily for high-yield warehousing activities

Logistics expertise enhanced: integration of RLI Investors completed

Transaction volume around EUR 900 million: half way to achieving annual target

Acquisitions in Cologne and Munich for approx. EUR 138 million strengthen balance sheet portfolio with **rental income** of EUR 7.1 million p.a.

OPERATE

Assets under Management increase by 33% to EUR 11.3 billion

Balance sheet portfolio optimised further: **EPRA vacancy rate** drops by 140 basis points to 6.1%, **WALT** remains stable at 5.9 years

Real estate management fees increase by 20% to EUR 50.5 million

FFO reaches half-year high of EUR 53.0 million

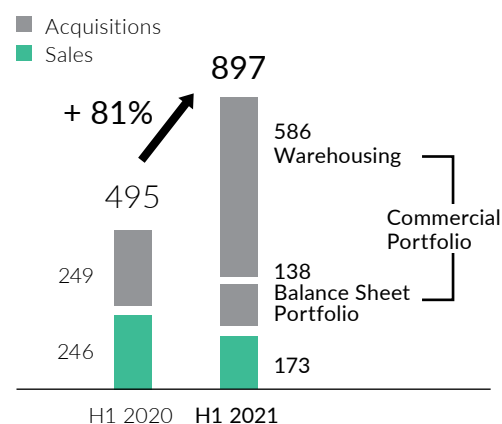
Profit for the period increases by 32% to EUR 37.7 million

ESG-Strategy „Know how and know why“
Comprehensive ESG roadmap published

Mid-year targets achieved: high transaction volume and strong AuM growth

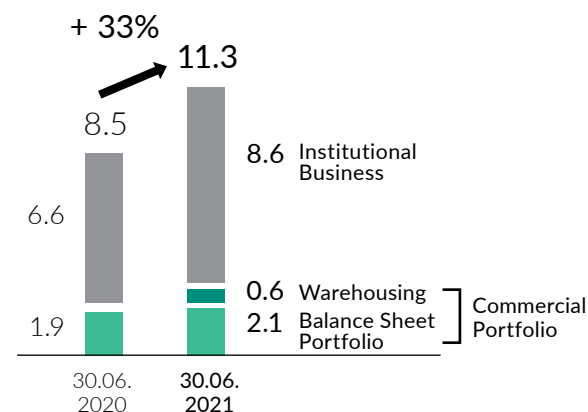
Transaction volume

in EUR million, notarised since 1.1.2021



Assets under management

in EUR billion



Portfolio by segment

30.06.2021	Commercial Portfolio Balance Sheet Portfolio	Ware- housing	Institutional Business	Total
Number of properties	93	3	138	234
Market value in EUR million*	2,110.1	620.2	8,576.4	11,306.7
Rental space in sqm	826,100	81,900	2,204,200	3,112,200

30.06.2020	Commercial Portfolio Balance Sheet Portfolio	Ware- housing	Institutional Business	Total
Number of properties	93	0	94	187
Market value in EUR million*	1,902.9	0	6,598.2	8,501.1
Rental space in sqm	837,200	0	1,358,400	2,195,600

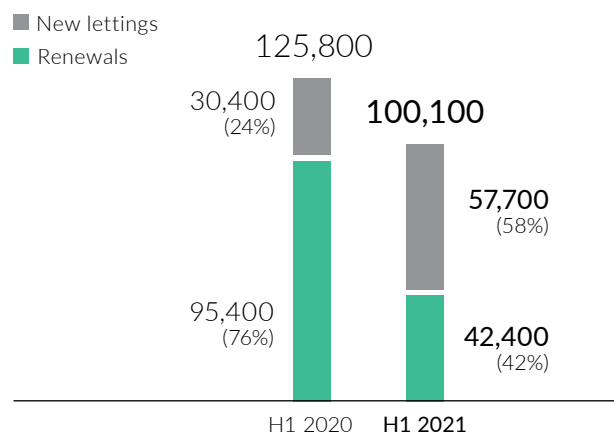
* Market value as at 31.12. of the previous year, later acquisition generally considered at cost

- **Transaction volume** rose 81% year-on-year to EUR 897 million (all figures are total investment costs)
 - **Balance Sheet Portfolio:** Access at two properties for around EUR 138 million (Campus C in Munich and MBC Cologne)
 - **Warehousing:** Purchase of two properties for around EUR 586 million (logistic property "ILP" nearby Erfurt and office property "Uptown Tower" in Munich), to be transferred to the **Institutional Business**
 - **Sale** of two properties from the Institutional Business for around EUR 173 million in Frankfurt am Main ("Villa Kennedy" and "Riverpark" project development)
- As a result of transactions and valuation gains, **Assets under management** increased 33% year-on-year to EUR 11.3 billion
- DIC's real estate **platform** comprises a total of 234 properties with a rental space of around 3.1 million sqm
- The **Balance Sheet Portfolio** (Commercial Portfolio excl. Warehousing) as at 30 June 2021 contains 93 properties with a market value of approx. EUR 2.1 billion
- **Warehousing** contains 3 assets for further placement (approx. EUR 620 million)
- Assets under management in the **Institutional Business** increased to around EUR 8.6 billion as at 30 June 2021, e.g. due to the acquisition of RLI

OPERATE: Increased rental income on like-for-like basis in both segments

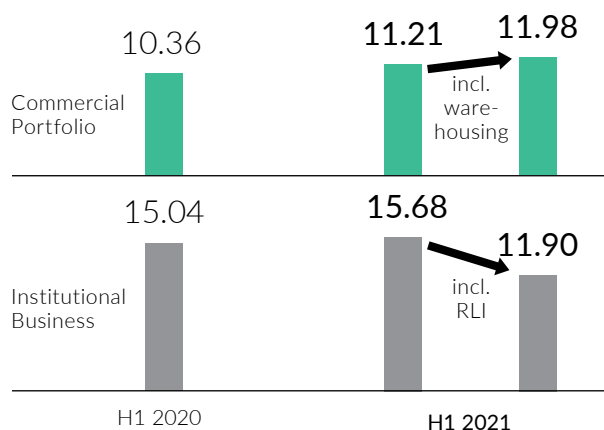
Letting volume

in sqm



Average rents

in EUR/sqm

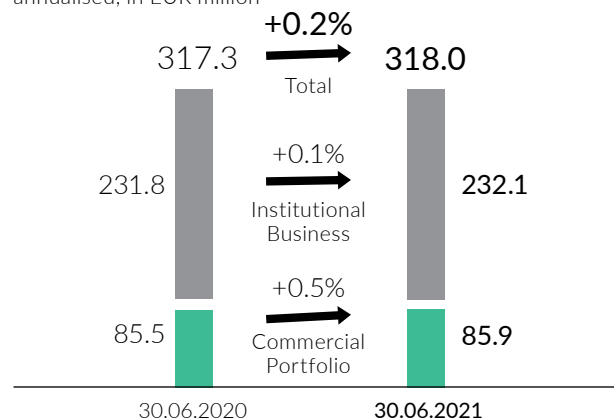


- **Letting performance** in the first six month amounted to 100,100 sqm (H1 2020: 125,800 sqm), with several new high-volume lettings dominating the activities (58%, 57,700 sqm). This was in sharp contrast to last year, when most signings were renewals

- **Average rents** in Commercial Portfolio (incl. Warehousing) increases to EUR 11.98 per sqm. In the Institutional Business, they increased to EUR 15.68 per sqm (excl. RLI, lower average rents for logistics properties)

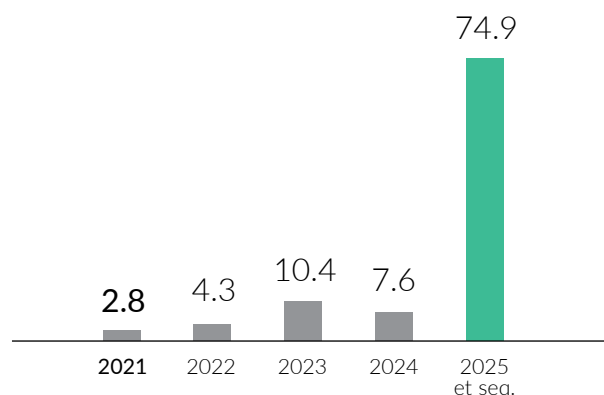
Like-for-like rental income

annualised, in EUR million



Lease maturity total portfolio

in % of annualised rental income






- **Like-for-like rental income** generated across the platform increased by +0.2%, with both the Commercial Portfolio (+0.5% I-f-I) and the Institutional Business (+0.1% I-f-I) contributing to the increase

- The 2021 **lease expiry volume** fell to just 2.8 % as a result of the letting activities. More than 74% of leases expire in 2025 or later

OPERATE: Optimised Balance Sheet Portfolio with low vacancy

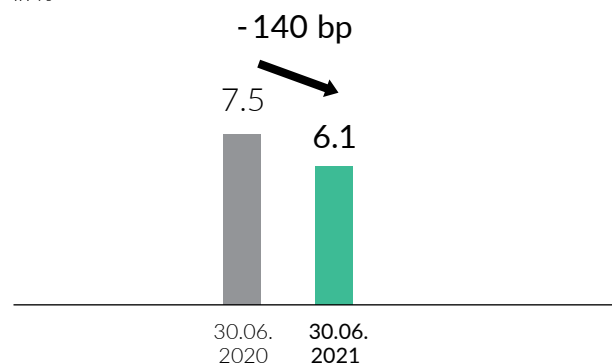
Commercial Portfolio – Asset classes

	Asset class	No. of properties	market value in EUR million	market value in %	rental income p.a. in EUR million	rental income p.a. in %	EPRA vacancy rate	WALT
	Office	55	1,426.9	68%	67.9	66%	6.5%	6.0
	Mixed-use	15	341.0	16%	18.4	18%	6.3%	5.2
	Retail	11	285.9	14%	12.9	13%	4.2%	6.7
	Logistics	8	47.9	2%	2.8	3%	2.9%	5.0
	Other	4	8.4	0%	0.4	0%	16.2%	2.8
	Balance Sheet Portfolio	93	2,110.1	100%	102.4	100%	6.1%	5.9
	in Warehousing	3	620.2		19.2		0.0%	9.9
	Total (incl. Warehousing)	96	2,730.3		121.6		5.1%	6.5

- **Office properties** are the largest **asset class** at 68% of market value
- The **most significant transactions 2021** were the acquisitions of the "MBC" in Cologne (Mixed-Use) and of "Campus C" in Munich (Office)
- The **EPRA vacancy rate** decreased 140 basis points year-on-year to 6.1% (30 June 2020: 7.5%) due to our letting activities and acquisitions of properties with low vacancy rates
- Currently, we manage three properties with a market value of EUR 0.6 billion in **warehousing** for new property funds, thereby generating **attractive rental cash flows**

EPRA vacancy rate

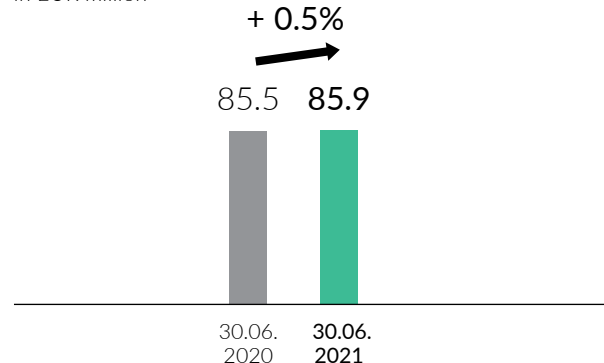
in %*



* without warehousing and repositioning properties

Like-for-like rental income

in EUR million*



* without warehousing and repositioning properties

TRANSACT: Strengthening our balance sheet portfolio with attractive rental cash flows

Cologne | "MBC"

Purchase Price (TIC):	c. EUR 71 million
Rental space (sqm):	approx. 34,600
Parking spaces:	around 400
WALT/Option:	4.7 years / 2 x 5 years
Year of construction:	2006

Munich | "Campus C"

Purchase Price (TIC):	c. EUR 66 million
Rental space (sqm):	approx. 9,200
WALT:	3.1 years
Year of construction:	2004



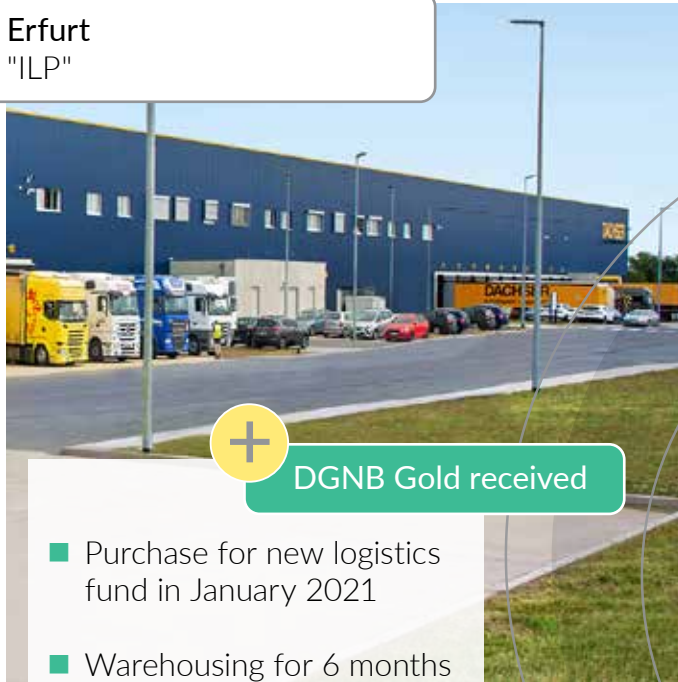
GROWTH ON TRACK

Properties for c. EUR 138 million acquired for our balance sheet portfolio

- "MBC" in Cologne West
 - Hybrid building with state-of-the-art exhibition space, office, conference and catering space as well as workshops
 - Location with high potential for further development
 - Gross rental yield >7%
- "Campus C" in Munich
 - Fully let multi-tenant office
 - Annual rental income of EUR 2.4 million
 - Attractive cash-flow generating acquisition with additional value and rental growth potential in the future

TRANSACT/MATCH: Warehousing of highly attractive properties - growth of Institutional Business

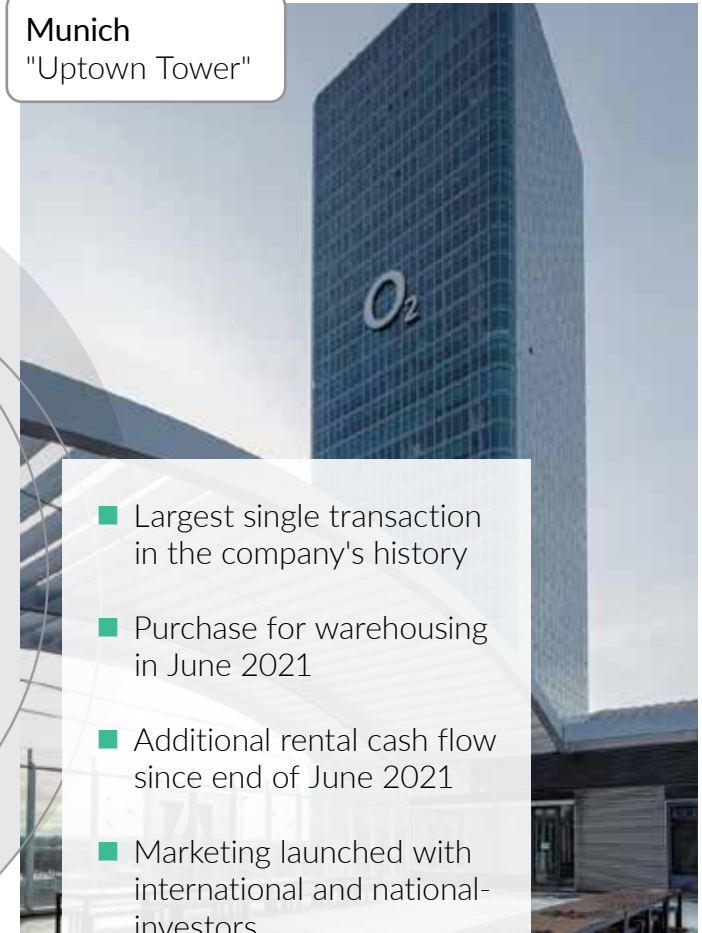
Erfurt
"ILP"



DGNB Gold received

- Purchase for new logistics fund in January 2021
- Warehousing for 6 months
- Transfer to fund "RLI-GEG Logistics & Light Industrial III" in Q3 2021 completed

Munich
"Uptown Tower"



- Largest single transaction in the company's history
- Purchase for warehousing in June 2021
- Additional rental cash flow since end of June 2021
- Marketing launched with international and national-investors
- Transfer to new investors vehicle expected in H2 2021

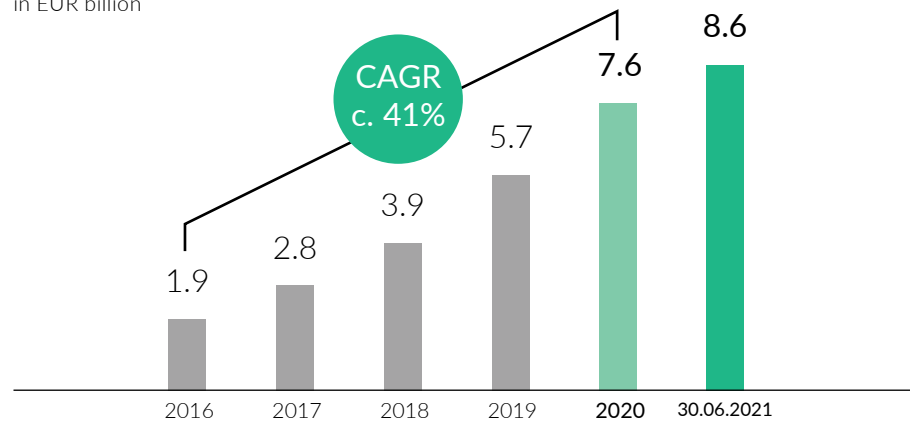
WAREHOUSING

High-class real estate secured for over half a billion euros

MATCH: New logistics property fund closed - high level of equity investments to drive further AuM growth

Assets under Management

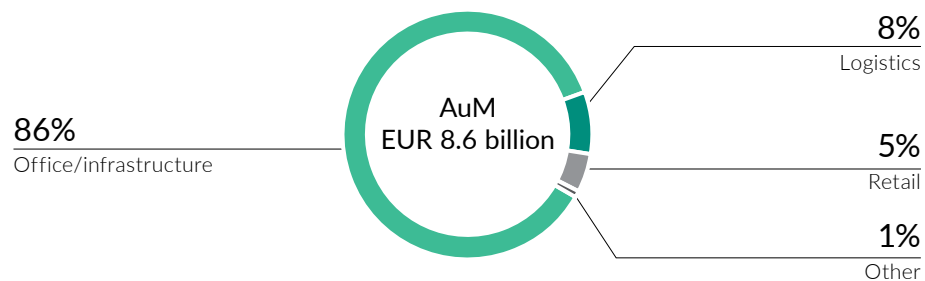
in EUR billion



- **Assets under management** in the Institutional Business rose 33% to EUR 8.6 billion (30.06.2020: EUR 6.6 billion)
- **Real estate management fees with substantial increase of 20%** to more than EUR 50 million in H1 2021
- **Third logistics property** fund fully placed, fundraising of EUR 210 million completed after four months – future market with attractive yield upside
- **Further investments secured:** current **equity commitments** in the Institutional Business of more than EUR 700 million allow further acquisitions in the amount of up to c. EUR 1.3 billion

Types of use Institutional Business

Basis: assets under management in EUR million

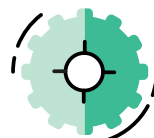


Mid-term Target: Assets under Management of 15+ billion



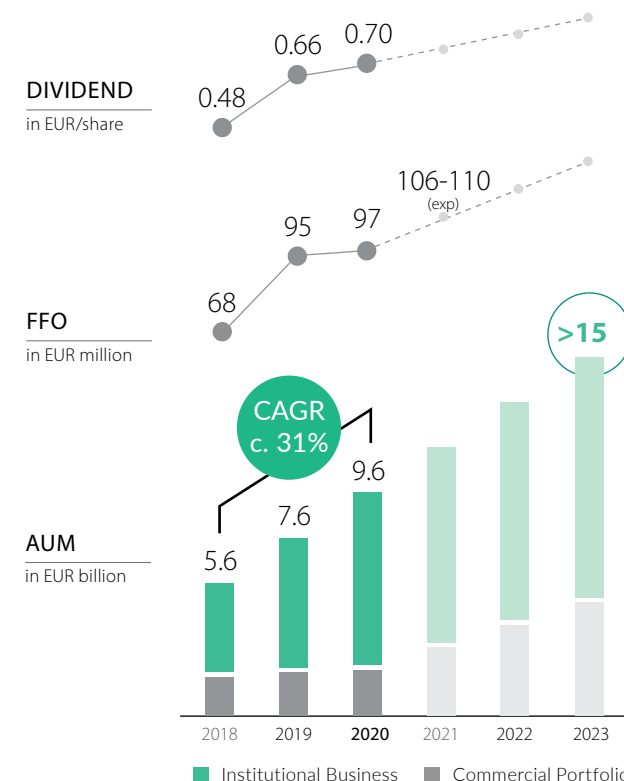
Our market expectations and ...

- Germany continues to be the most attractive and sustainable real estate market in Europe, but promising opportunities outside Germany
- "Run for Core": unrestrained investor demand for German Top-7 locations
- Especially post-covid, **attractive opportunities** will arise in the **value-add segment**
- Entrepreneurial action and high deal speed is necessary to tap opportunities along different risk profiles
- Active management approach is key to succeed
- ESG becomes more and more important



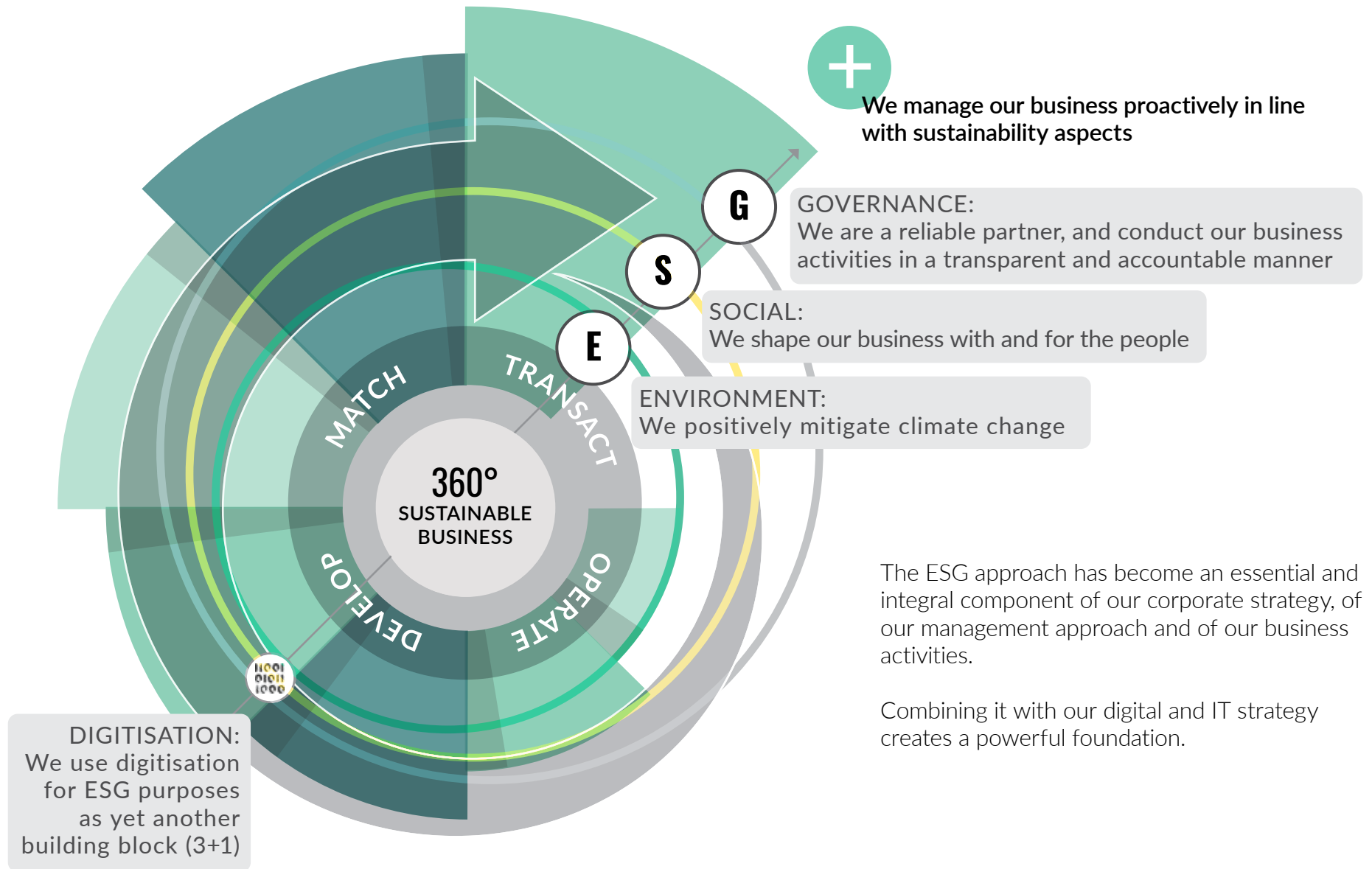
action plan – built on our long-term track record

- **Growth targeted** in both business segments
- **Expand product offer** inside & outside of Germany
- **DIC's competitive advantage:** highest level of vertical integration of real estate services and strong access to the market vs. peers
- **Deliver on our ESG Roadmap**
- **Institutional Business**
 - Significant expansion of international investor base
 - Targeting higher share of recurring management fees along with AuM growth
- **Commercial Portfolio**
 - Use potential from selective repositionings/re-furbishments of own stock
 - Further strengthening of portfolio quality by acquisitions/disposals
- **Using our warehousing capacity** to generate significant setup fees and additional cash flow from rents



→ Further increase of the value of both the Institutional Business and the Commercial Portfolio

Our ESG strategy – know how and know why



ESG: sustainability report 2020 published

DIC Asset AG stands for responsibility and values:

Our ESG JOURNEY



ESG – foundation of our 360° value creation for over 10 years

2009: First-time communication about sustainable business activities

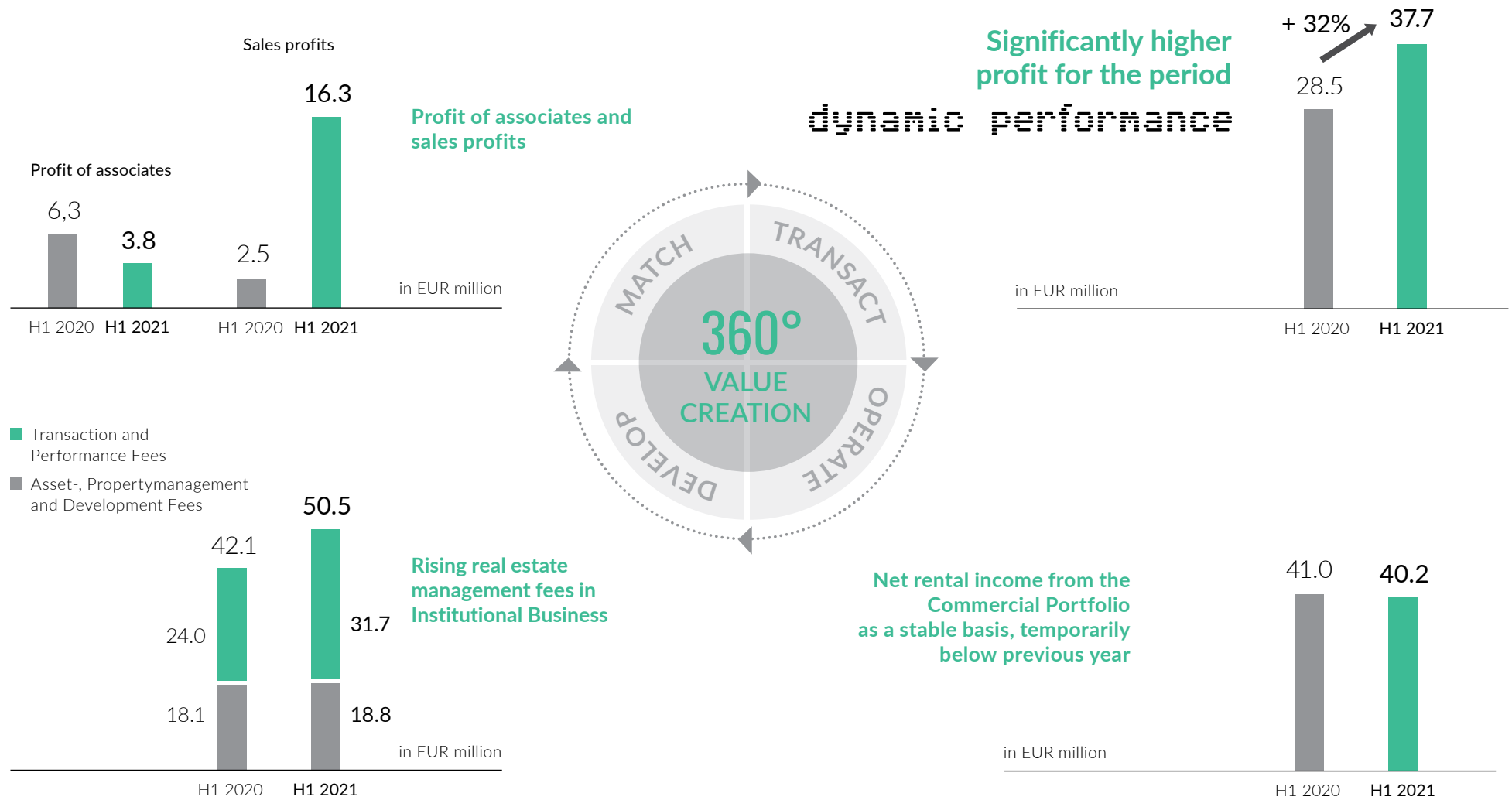
We are on track: ESG Milestones in H1 2021

- ESG strategy presented in sustainability report 2020
- Newly created position **Head of Sustainability and start of ESG committee**
- Definition of a **20% green building quota** by the end 2023 for the existing property portfolio
- Placement of **ESG-linked promissory note** with a volume of EUR 250 million
- Launch of new **ESG website** for regular updates

ESG Roadmap: Focus on our sustainable future

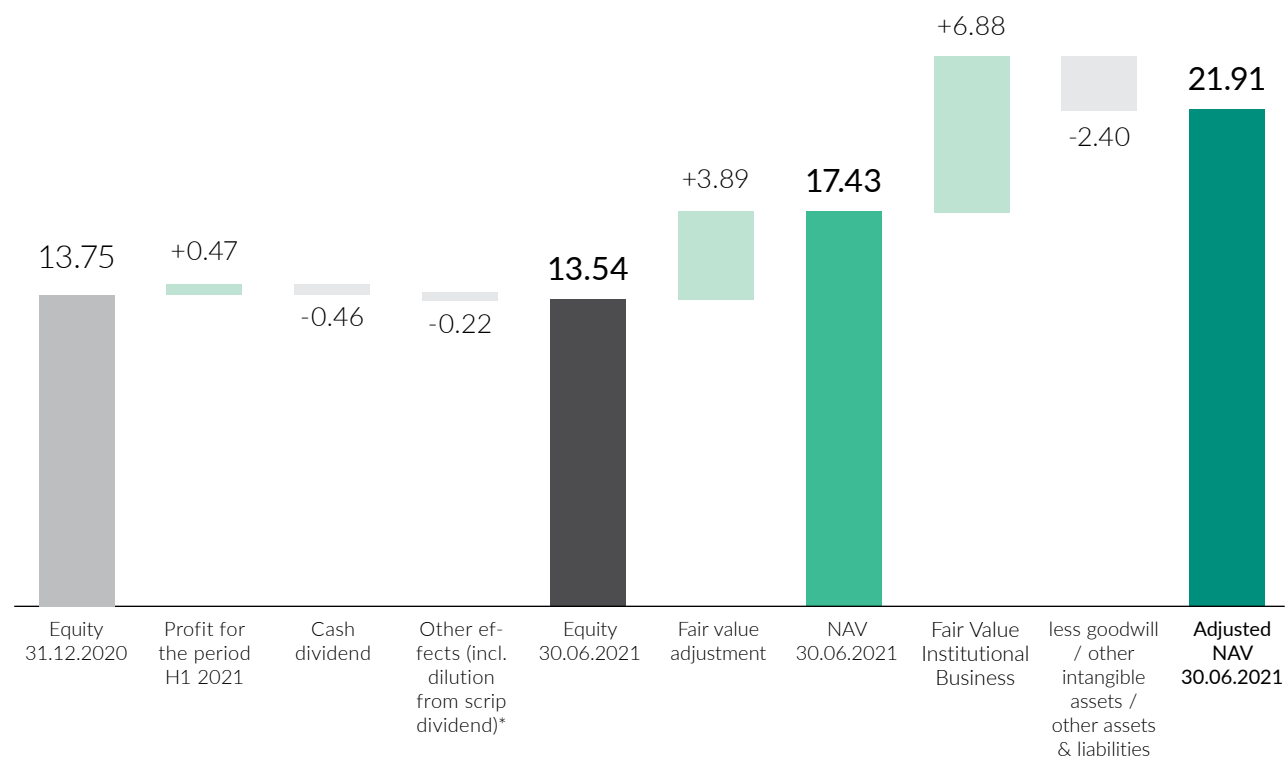
- E** – Further investment in energy-efficient and sustainable real estate
 - ESG portfolio screening with prioritised ESG criteria
 - Carbon Due Diligence of selected assets to identify further measures to reduce CO₂ emissions
- S** – Increase attractiveness as employer and focus on occupational health and safety
 - Charitable/societal involvement and further engagement in the future
- G** – Broadening our guidelines & reporting
 - Guidelines and risk management including ESG aspects
- D** – Digitalisation of raw data for our control and reporting processes
 - Initiating and offering sustainable and digital concepts

Transact – Operate – Develop – Match: 360° value creation leads to higher profit for the period



Adjusted NAV rises to EUR 21.91 per share

Reconciliation of net asset value to adjusted net asset value

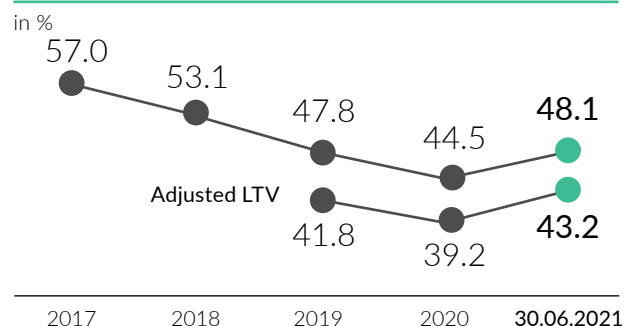


- **NAV** rose by 1.2% to EUR 1,427.2 million or EUR 17.43 per share compared to the year-end 2020, mainly due to the positive profit for the period in the first half year of 2021.
- **Adjusted NAV** slightly increased to EUR 1,793.7 million or EUR 21.91 per share as of 30 June 2021
- **Number of shares increased** by c. 1.3 million following the scrip dividend

* Other effects: cashflow hedges and losses on financial instruments classified as measured at fair value through other comprehensive income

Strong Financial Structure with ESG profile

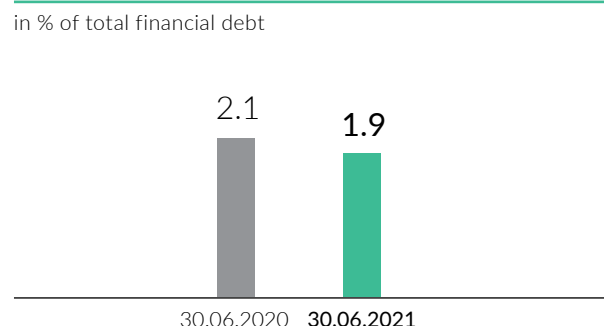
Loan-to-value*/Adjusted LTV**



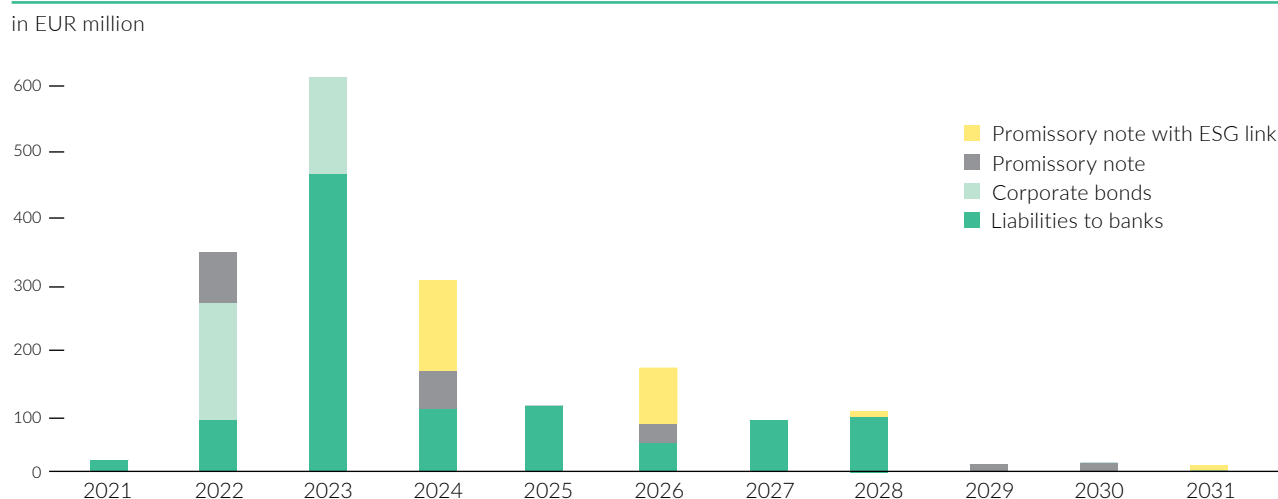
* The ratio of total financial debt, corporate bonds and liabilities to related parties minus cash in banks on the one hand and the fair value of investment property, equity investments and receivables from related parties and intangible assets, e.g. goodwill on the other hand, adjusted for warehousing.

** including fair value of Institutional Business

Average interest rate



Maturities of loans and borrowings (H1 2021)*



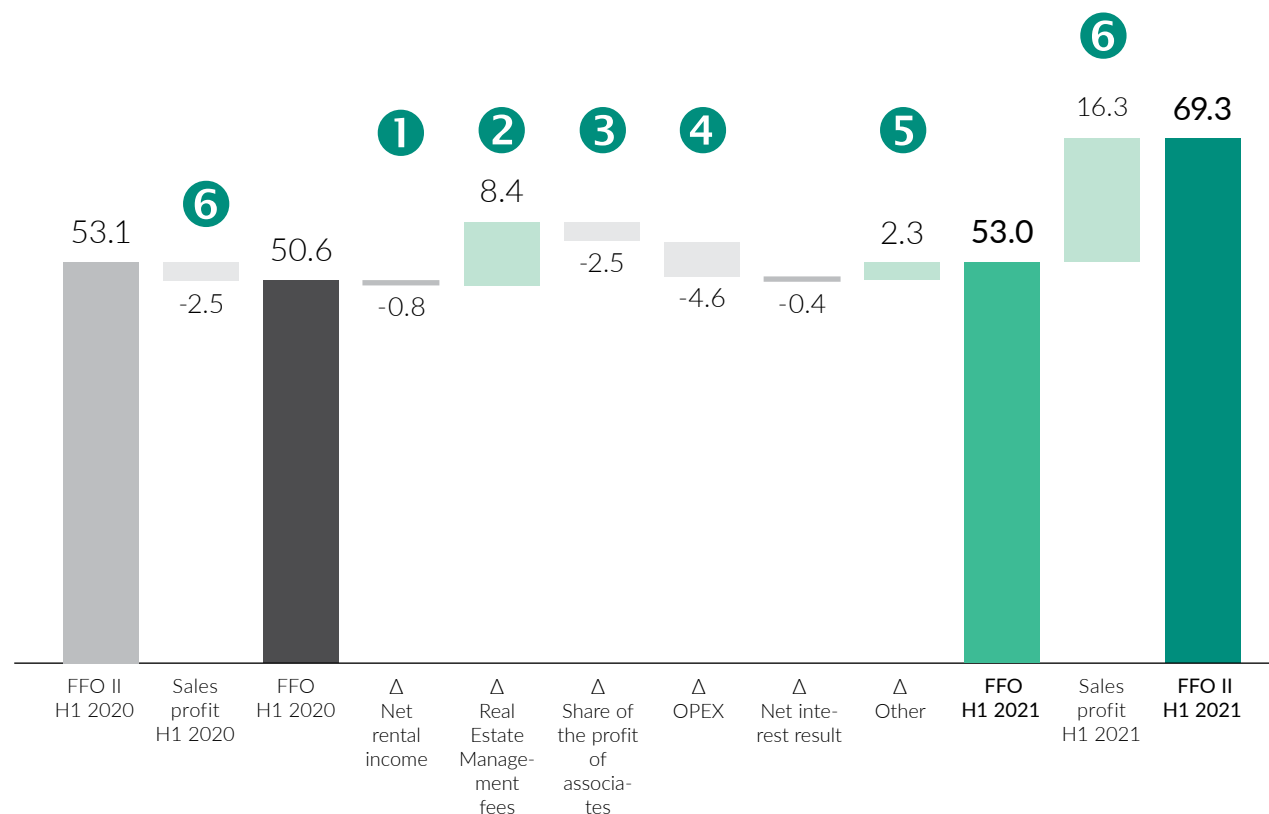
* nominal values as of 30 June 2021

- **ESG-linked promissory note** for refinancing 2022 maturities and temporarily financing warehousing activities
- The **average maturity of loans and borrowings** increased to 4.2 years due to the newly issued ESG-linked promissory note (31 December 2020: 3.6 years)
- The **average interest rate** of loans and borrowings at the reporting date decreased to 1.9%
- The **interest cover ratio** (ICR, the ratio of EBITDA to net interest result) rose to 572% in H1 2021
- The **LTV** (adjusted for warehousing) increased by 360 bp to 48.1 % (31 December 2020: 44.5 %), mainly due to the most recent acquisitions for the Commercial Portfolio and the (cash) dividend payment in April 2021
- Only a minor amount of **maturities** remains up for refinancing in 2021, EUR 340 million are up for refinancing in 2022
- **Cash and cash equivalents** decreased to c. EUR 214 million, mainly due to investment activities in H1 2021

FFO up 5% year-on-year – higher disposal gains boost FFO II

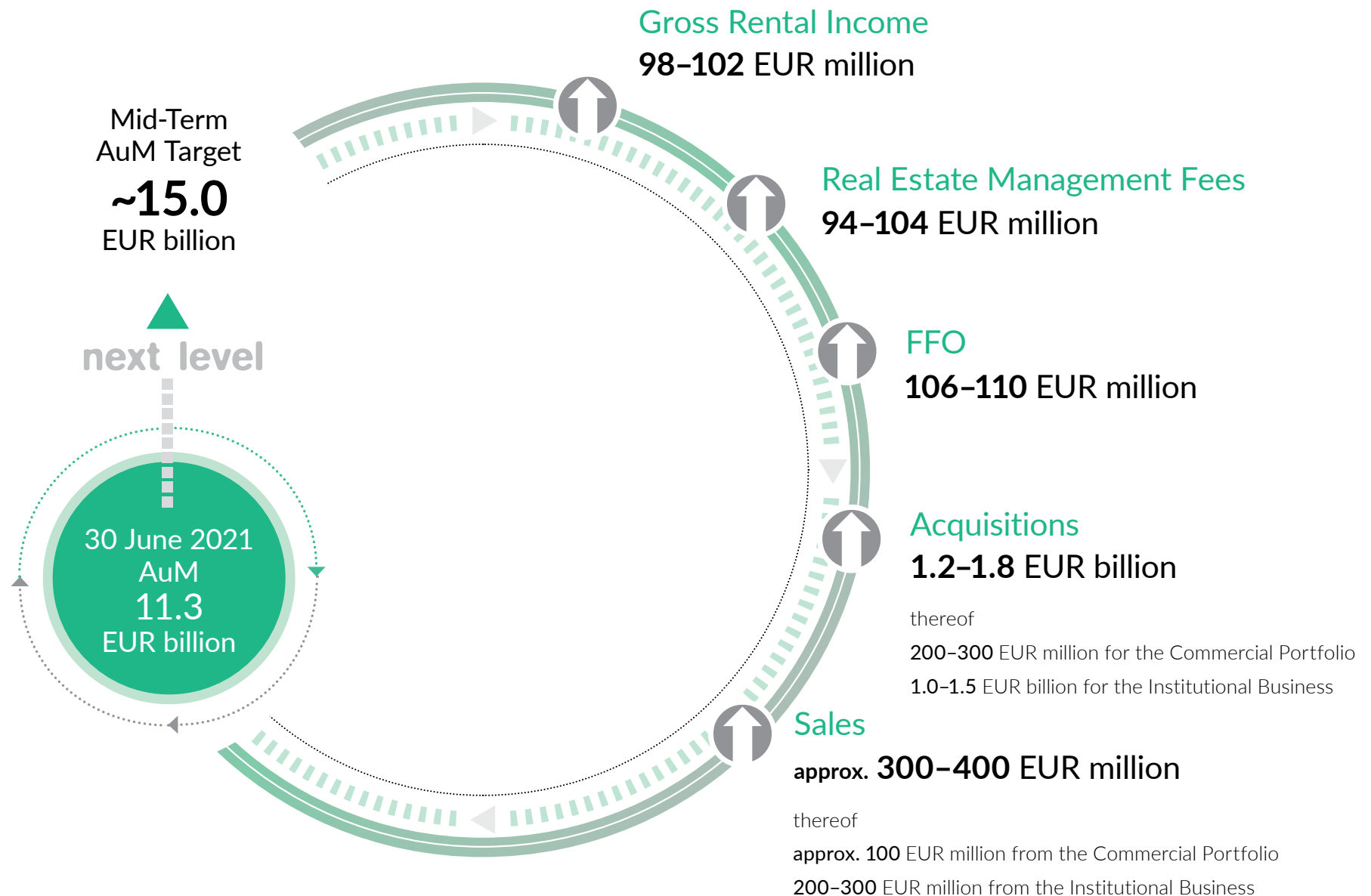
FFO Bridge H1 2020 / H1 2021

in EUR million



- 1 Net rental income slightly decreased by EUR 0.8 million, especially as a result of lower gross rental income compared to the previous year due to sales and transfer of warehoused assets
- 2 The increase in real estate management fees reflects the successful growth of our management platform in the Institutional Business
- 3 Share of the profit of associates decreased due to lower transaction-related profits
- 4 Operating expenses rose due to the growth of the real estate platform and the acquisition of RLI Investors
- 5 Other operating income/expenses mainly increased y-o-y due to the re-release of provisions in Q1 2021
- 6 The increase in sales volume led to a 31% increase in FFO II

Half-year 2021 - targets achieved, guidance confirmed



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

IR Calendar 2021

02.09.2021	Commerzbank Corporate Conference 2021
08.09.2021	SRC Forum Financials + Real Estate 2021
20.09.2021	Berenberg GS German Corporate Conference 2021
21.09.2021	Baader Investment Conference 2021
11.11.2021	Publication Q3 2021 Financial Statement
November	German Equity Forum 2021
01.12.2021	DZ Bank Equity Conference 2021

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