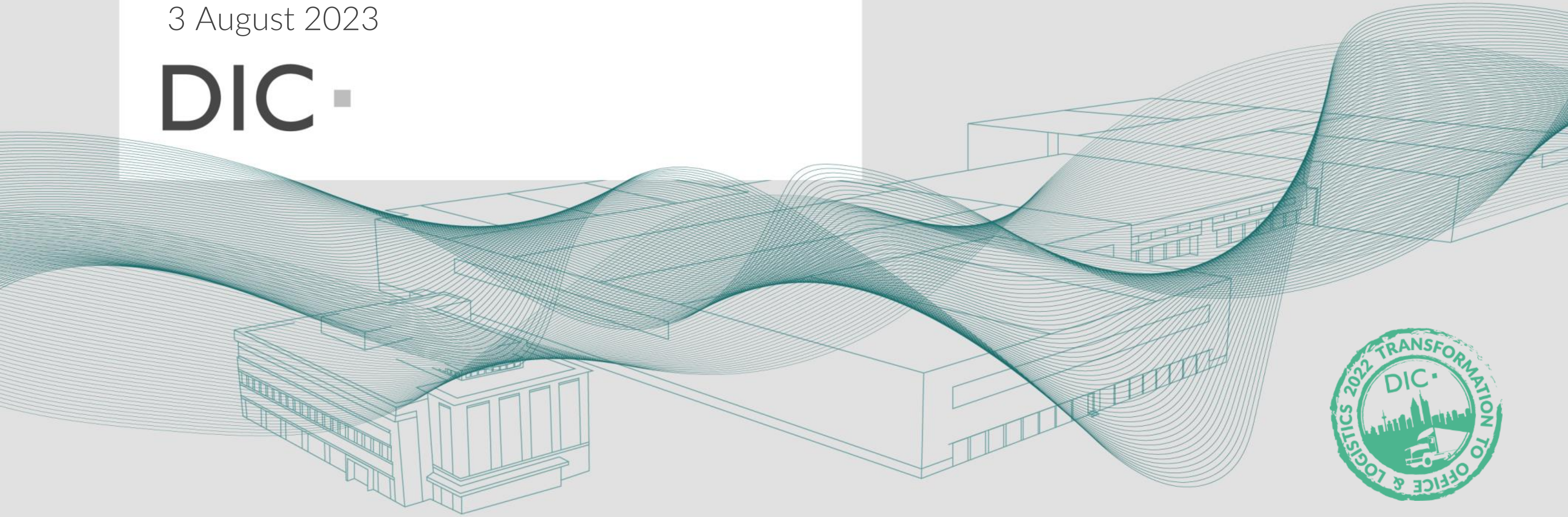
The spirit to create **excellence**

H1 2023 RESULTS CONFERENCE CALL

3 August 2023

DIC



Macroeconomic environment

German economy slipped into technical recession

German economy stabilises
GDP in Q2 2023 +/– 0.0%
(y-o-y)

Still high
Inflation +6.4%
(June 2023)

Robust labour market development
+360 thousand employed
(y-o-y)

- German economy not immune to the effects of a challenging global environment dominated by the impact of the war in Ukraine, high inflation and rising interest rates worldwide
- Rental market in the first half of 2023 saw a sharp decline in office space take-up, but prime rents rise further
- Take-up in Germany's top 7 office locations totalled 1.16 million sqm in the first half of the year, a decrease of 40% compared to the same period last year
- Transaction activity becomes selective, after weak first quarter with the lowest investment volume since 2010, transaction activity remained subdued due to changing financing conditions and challenging macroeconomic environment in the second quarter

Highlights H1 2023

Setting the right course for DIC's future

LIQUIDITY MANAGEMENT

- New syndicated loan of EUR 505 million with seven-year term
- Notarised disposals of EUR 132 million by end of June
- First capital raising of EUR 10 million for new Club Deal with property "Offenbach Unite"

EUR 485 million Cash at hand

OPERATIONAL RESULTS

Lettings y-o-y +50%

Like-for-like rental growth of 7.3%

- Strong letting activities with 257,900 sqm of take-up despite challenging market environment
- Asset classes Logistics and Office now representing c. 78% of total market value of the Commercial Portfolio

OPTIMISING FINANCIAL STRUCTURE

- Repayment of bridge financing in a volume of c. EUR 200 million plus prolongation of remaining EUR 200 million until the end of July 2024

Bond LTV of 55.3%

Bond ICR 2.6x

Average interest rate of 2.9%

FINANCIAL RESULTS

H1 2023 FFO down y-o-y to EUR 22.4 million

Profit for the period of EUR –16.6 million

- Due to lack of transaction activity and higher interests, full year guidance 2023 adjusted in early July
- Additional write-downs on disposals negatively impact the profit for the period
- New action plan „Performance 2024" implemented

„Performance 2024“ action plan

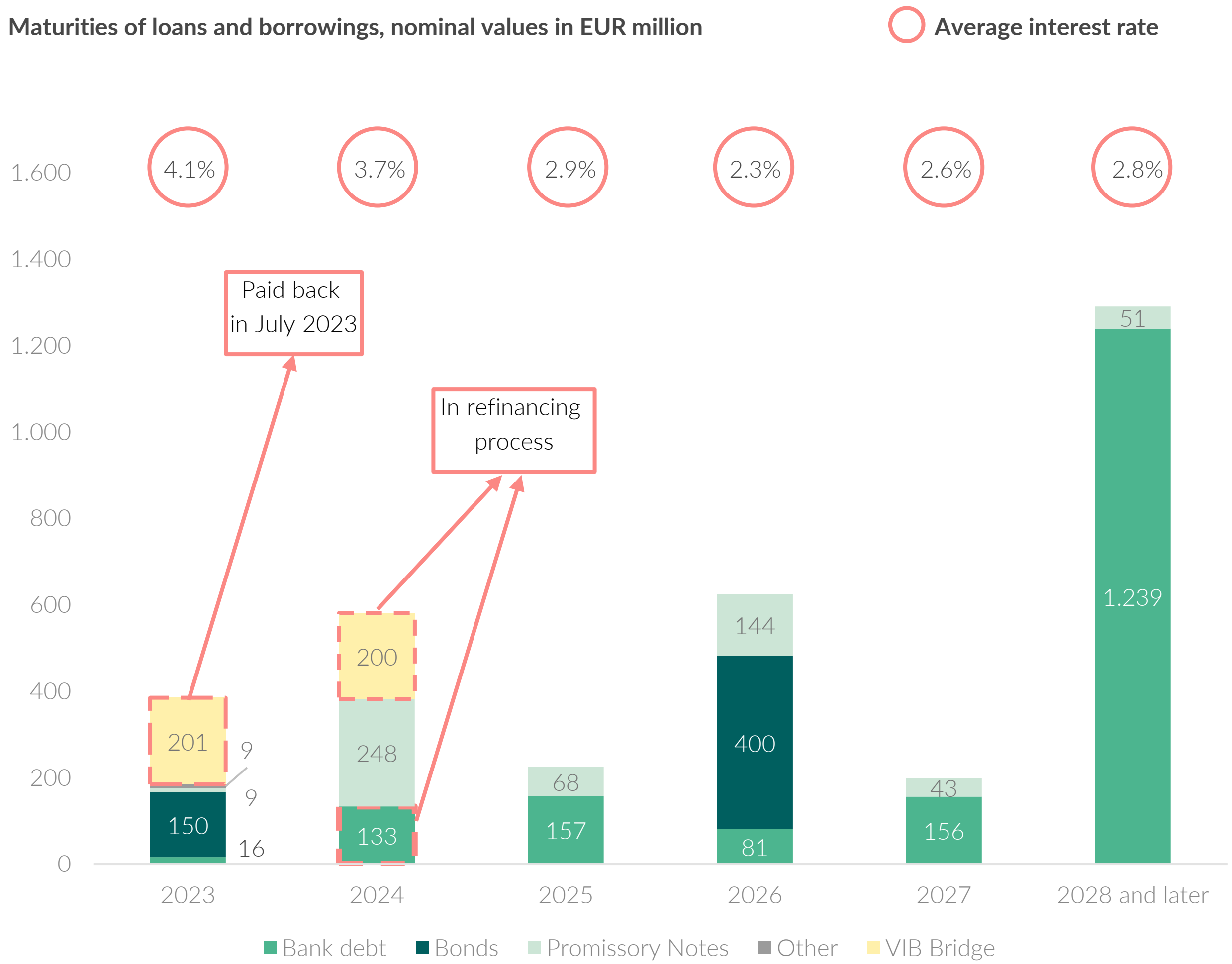
Five key priorities to cope with the current market environment

12–18 months timeframe

Focus	Measures	Actions
1 Reducing liabilities and boosting liquidity	Decreasing LTV Stabilising Bond ICR	Equity release from disposals to be used for further pay down of debt
2 Portfolio management	NAV / EPRA NTA	Ongoing high letting results with strong like-for-like rental growth (incl. indexations) in 2023 seqq., steady increase of Green building quota (now at c. 32%), selective refurbishments, portfolio devaluation of c. 4% to 7% at year-end expected
3 Increasing cost efficiency	Lower OPEX	Selective reorganisation, optimisation and increasing efficiency through redirection of workflows, OPEX to be reduced by 5% to 10%, mainly from 2024 onwards
4 Portfolio optimisation through transactions	Increasing liquidity, reducing portfolio risks	Targeting EUR 300 to 500 million disposals from Commercial Portfolio in 2023
5 Reliable business partner for 3rd parties	New equity inflow and additional fee income	Further placement of fund shares and setting up of new investment strategies for our 3rd party clients

Returning to normalised FFO path from 2024 onwards

Financial profile
Focus on deleverage while monitoring covenants



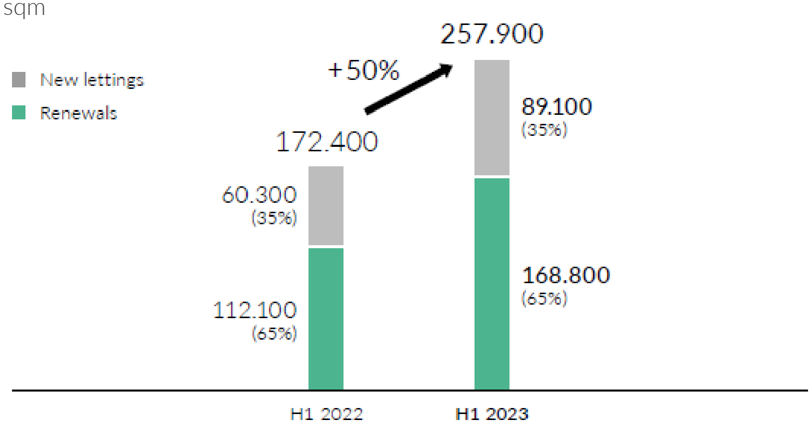
- **VIB bridge loan was renegotiated**, an additional amount of EUR 201 million was repaid in July 2023
- **Remaining financial maturities in 2023** (mainly EUR 150 million 18/23 bond) covered by remaining cash on hand after recent bridge loan repayment (pro-forma c. EUR 284 million)
- **Remaining bridge loan in 2024** will be paid back from equity release of disposals and free cash flow
- **Bank debt 2024** already in refinancing process
- **Bond covenants** at 30 June 2023 with sufficient headroom:
  - Bond LTV 55.3% (covenant level 60.0%)[1]
  - Secured LTV 25.0% (covenant level 45.0%)[1]
  - Bond ICR 2.6x (covenant level 1.8x)[2]
- **LTV covenants** will be challenged by expected portfolio devaluation, but stabilised by disposals
- **ICR covenant** challenged by bridge costs and low fee income in 2023 but should see a turning point in 2024
- **Average interest rate** of 2.9% reflects high cost of debt of short-term maturities

[1] Incurrence-based; [2] Maintenance-based

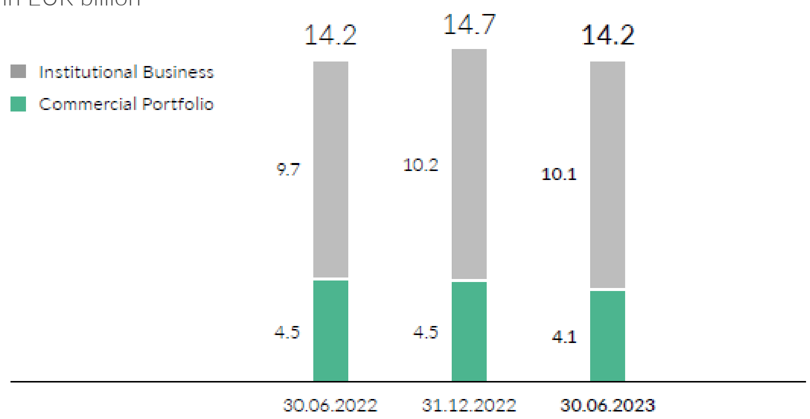
Platform overview

Strong letting performance and like-for-like rental growth of 7.3%

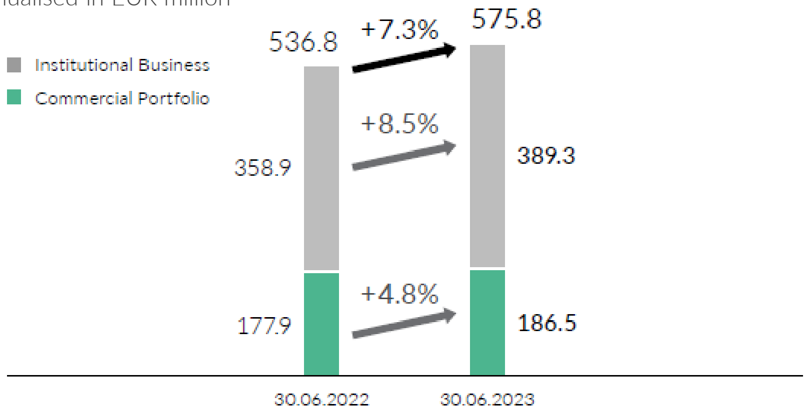
Letting performance
in sqm



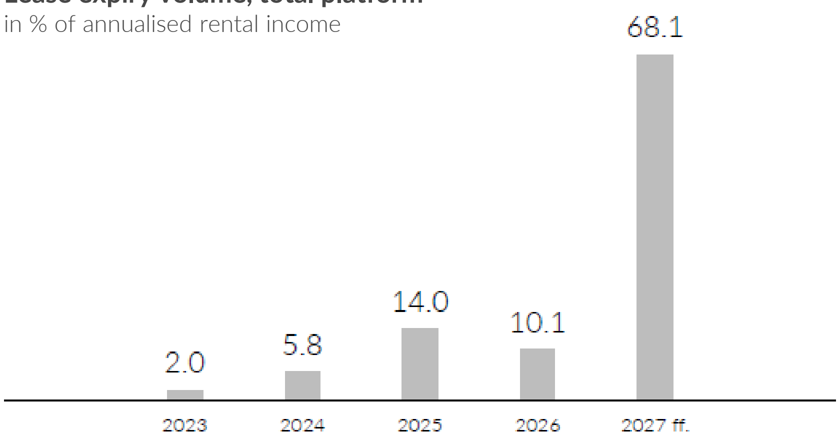
Assets under Management
in EUR billion



Like-for-like rental income
annualised in EUR million



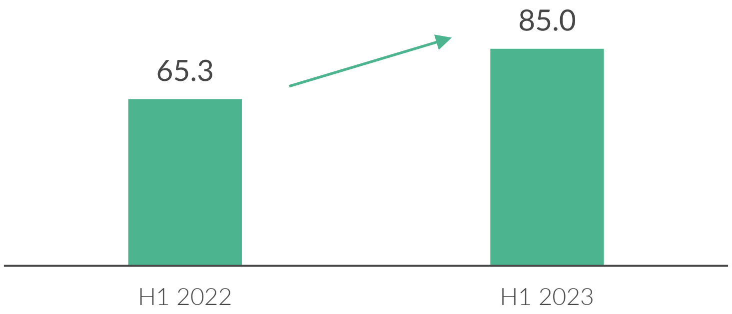
Lease expiry volume, total platform
in % of annualised rental income



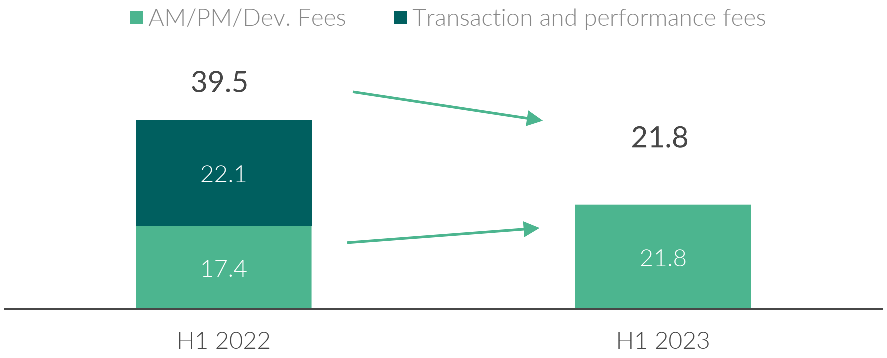
Income overview

Higher contribution from directly-held portfolio, lack of transaction-related income

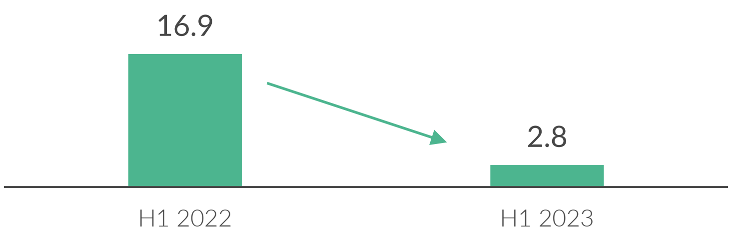
Net rental income
incl. VIB since Q2 2022



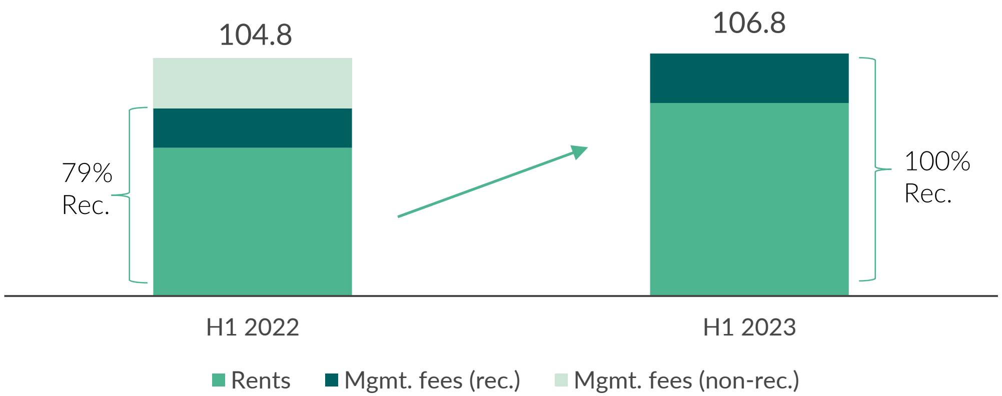
Real estate management fees



Income from associated companies

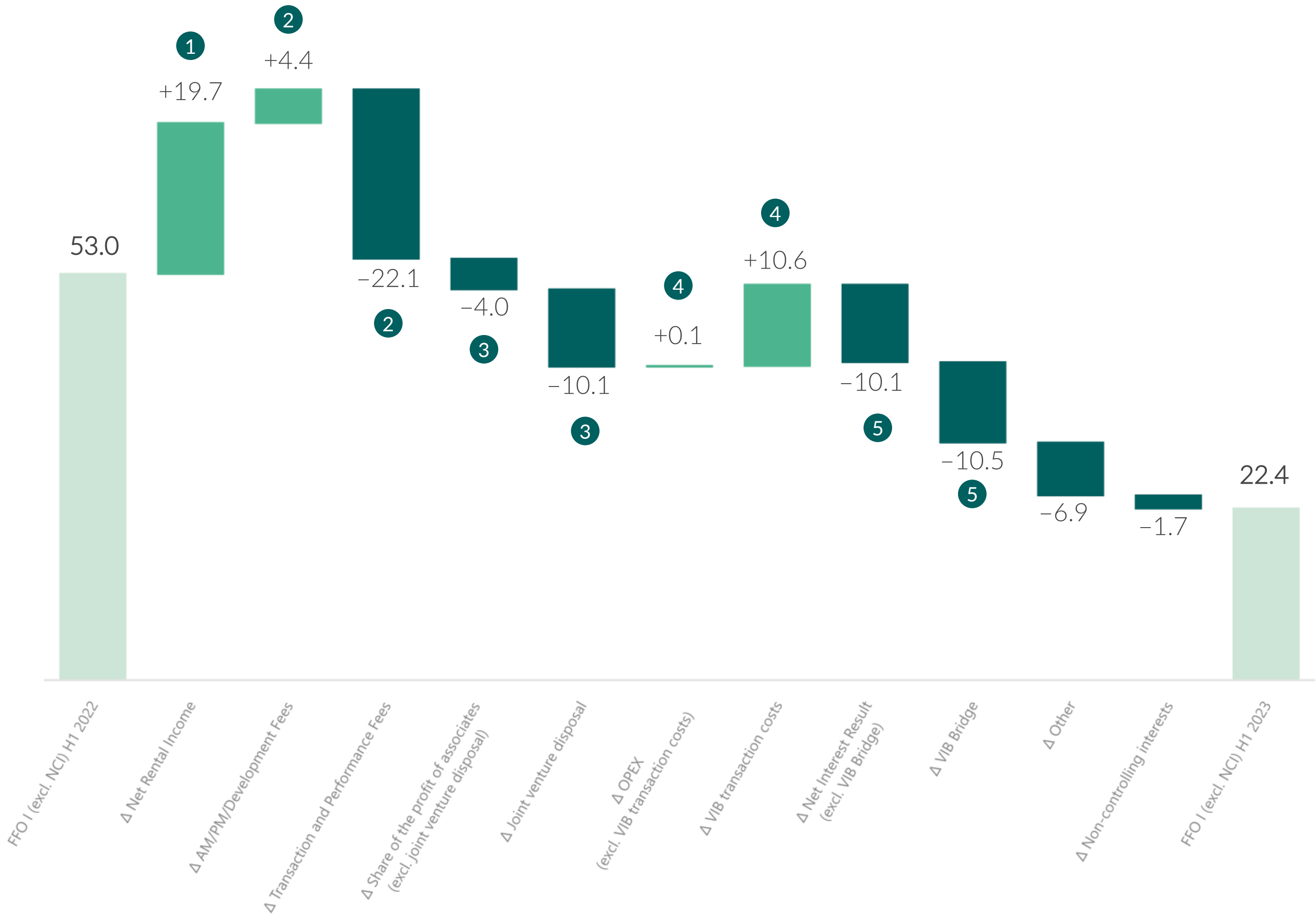


Recurring income
Rents and management fees



All figures in EUR million

Funds from Operations (FFO)[1]

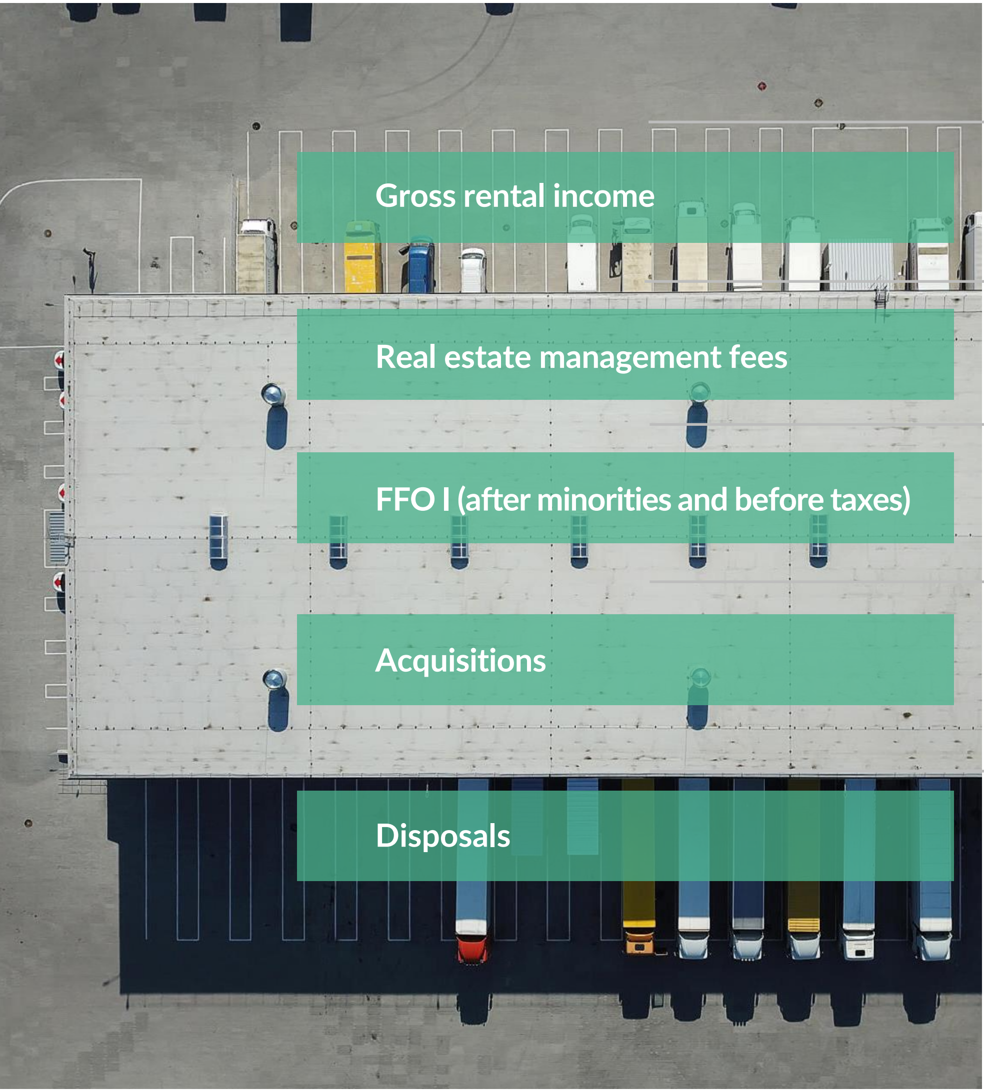


1. **Net rental income** growth from VIB consolidation and like-for-like increases of rents
2. Increase of recurring management fee income but lack of transaction-related **fee income**
3. Lower transaction-related income from associates and joint venture disposal effect in prior-year lead to lower **share of the profit of associates**
4. Transaction cost effect in prior-year and first cost efficiency measures improve **OPEX**
5. Increase of **interest expenses** by EUR 10.1 million due to VIB consolidation and refinancing activities and EUR 10.5 million due to unhedged interest costs for VIB bridge

[1] Excluding non-controlling interest (NCI), before taxes

Outlook 2023

Updated guidance confirmed



Gross rental income	EUR **185–195** million
Real estate management fees	EUR **50–55** million
FFO I (after minorities and before taxes)	EUR **50–55** million
Acquisitions	EUR **c. 100** million, thereof: Commercial Portfolio: no acquisitions Institutional Business: c. EUR 100 million
Disposals	EUR **300–600** million, thereof: Commercial Portfolio: EUR 300–500 million Institutional Business: EUR 0–100 million

Contact

Financial calendar

2023

03.08.	Publication Half-Year Report 2023
12.09.	SRC Forum Financials + RE 2023
20.09	Baader Investment Conference 2023
26.09	Degroof Petercam's Real Estate Conference
08.11.	Publication Quarterly Statement Q3 2023
28.11	German Equity Forum 2023

Peer Schlinkmann
Head of Investor Relations &
Corporate Communications

Tel. +49 69 94 54 858-1492
Fax +49 69 94 54 858-9399
ir@dic-asset.de

Maximilian Breuer, CFA
Senior Investor Relations Manager

Tel. +49 69 94 54 858-1465
Fax +49 69 94 54 858-9399
ir@dic-asset.de

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Appendix

More facts and figures

P&L – Commercial Portfolio segment

Strong rental growth after VIB integration

Commercial Portfolio

- Comparability with the prior-year quarter is only possible to a limited extent, as VIB was not yet included in the first quarter of 2022.
- Due to good letting performance in the first half of 2023 with a like-for-like growth of the directly received rental income of 4.8 %, but also due to the first-time recognition of VIB in the first half of 2022, the net rental income rose to EUR 85.0 million (previous year: EUR 65.3 million).
- Operating expenses increased to EUR 11.4 million in the first half of 2023 (previous year: EUR 7.8 million, adjusted for EUR 10.6 million in one-off effects from the VIB transaction in 2022), primarily because VIB was integrated for the entire six months of the current financial year, whereas its initial consolidation on 1 April 2022 meant it was only integrated for three months in the previous year.
- The net interest result of EUR -45.1 million (previous year: EUR -23.0 million) fell in particular due to the interest costs for the bridge financing concluded in the previous year and due to one-off financing costs of EUR 1.1 million.
- The segment's FFO contribution fell to EUR 22.0 million after deduction of minorities (previous year: EUR 35.9 million). This is mainly due to the significantly higher interest expenses compared to the previous year.
- The segment’s FFO II contribution that includes the value added by disposals was at EUR 29.5 million (previous year: EUR 48.3 million).

Segment reporting

in EUR million	H1 2023			H1 2022		
	Commercial Portfolio	Instit. Business	Total	Commercial Portfolio	Instit. Business	Total
Gross rental income (GRI)	96.6		96.6	75.2		75.2
Net rental income (NRI)	85.0		85.0	65.3		65.3
Profits on property disposals	8.2		8.2	12.4		12.4
Real estate mgmt. fees		21.8	21.8		39.5	39.5
Share of the profit or loss of associates	1.4	1.4	2.8	12.1	4.8	16.9
Depreciation	-58.2	-2.0	-60.2	-27.4	-4.3	-31.7
Net other income	0.3		0.3	1.1		1.1
Net interest result	-45.1	0.0	-45.1	-23.0	-1.5	-24.5
Operational expenditure (OPEX)	-11.4	-22.0	-33.4	-18.4	-25.7	-44.1
- of which admin costs	-3.7	-7.6	-11.3	-13.4	-9.3	-22.7
- of which personnel costs	-7.7	-14.4	-22.1	-5.0	-16.4	-21.4
Other adjustments	2.4	0.2	2.6	8.7	0.0	8.7
Non-controlling interests	-10.6	-1.0	-11.6	-9.9	0.0	-9.9
Funds from operations (FFO) after non-controlling interests	**22.0**	**0.4**	**22.4**	**35.9**	**17.1**	**53.0**
Funds from operations II (FFO II) after non-controlling interests	**29.5**	**0.4**	**29.9**	**48.3**	**17.1**	**65.4**

P&L – Institutional Business segment

Increase of recurring management fees

Institutional Business

- Real estate management fees from asset management, property management and development fees rose year-on-year to EUR 21.8 million (previous year: EUR 17.4 million). In the prior-year period, additional transaction and performance fees of EUR 22.1 million were received. Overall, real estate management fees amounted to EUR 21.8 million compared with EUR 39.5 million in H1 22.
- At EUR 1.4 million, the share of the profit or loss of associates is down y-o-y due to the lower transaction-related income (previous year: EUR 4.8 million).
- Despite the y-o-y increase in assets under management, operating expenses at EUR 22.0 million were down around 14% on the previous year. This was mainly the result of lower transaction activity compared to the prior year, with the biggest proportion of cost savings coming from personnel costs, which fell by EUR 2.0 million to EUR 14.4 million (previous year: EUR 14.4 million)
- The segment's FFO contribution excluding non-controlling interests is EUR 0.4 million (previous year: EUR 17.1 million).

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Balance sheet:
Characterised by high liquidity

1. Total assets have slightly increased by EUR 41.7 million to EUR 5,222.0 million since the beginning of the year.
2. Non-current assets decreased by EUR 149.3 million to EUR 4,098.3 million (previous year: EUR 4,247.6 million) mainly due to the reclassification of three logistics properties (EUR 115.2 million) to current "non-current assets held for sale".
3. The increase in current assets is mainly due to the increase in cash and cash equivalents by EUR 296.7 million to EUR 485.1 million (previous year: EUR 188.4 million). The increase primarily results from the net cash inflows from financing at VIB in the amount of EUR 181.1 million.
4. Compared to 31 December 2022, equity as at 30 June 2023 fell by EUR 77.7 million to EUR 1,586.4 million (31 December 2022: EUR 1,664.1 million), mainly as the result of the payment of the cash dividend in the amount of approx. EUR 59.6 million and negative consolidated net income of EUR -16.6 million euros in the first half of 2023. The balance sheet equity ratio stood at 30.4 % as at the reporting date (31 December 2022: 32.1%).
5. Non-current financial liabilities fell only slightly by EUR 2.9 million, while the increase in current financial liabilities was mainly due to the partial repayment of the bridge financing in the amount of EUR 200.8 million (cash outflow occurred after the balance sheet date)

Balance sheet overview

in EUR million	30.06.2023	31.12.2022	
Total assets	**5,222.0**	5,180.3	1
Total non-current assets	**4,098.3**	4,247.6	2
Total current assets	**1,123.7**	932.7	3
Equity	**1,586.4**	1,664.1	4
Total non-current financial liabilities	**2,694.7**	2,697.6	
Total current financial liabilities	**566.7**	402.2	
Other liabilities	**374.2**	416.4	
Total liabilities	**3,635.6**	3,516.2	5
Balance sheet equity ratio	**30.4%**	32.1%	4

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