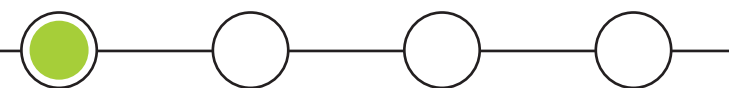


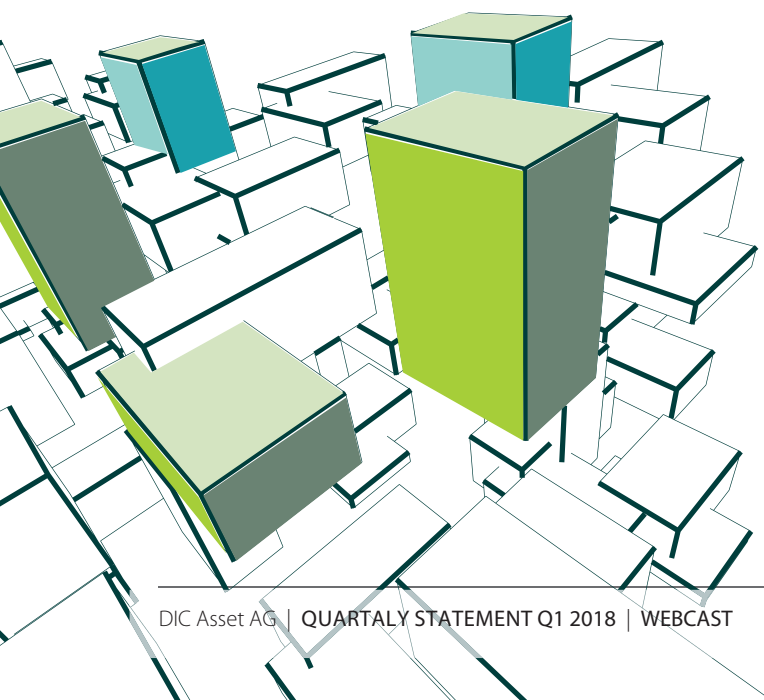
# Q1 2018

QUARTERLY STATEMENT | WEBCAST



AGENDA

# Q1 2018



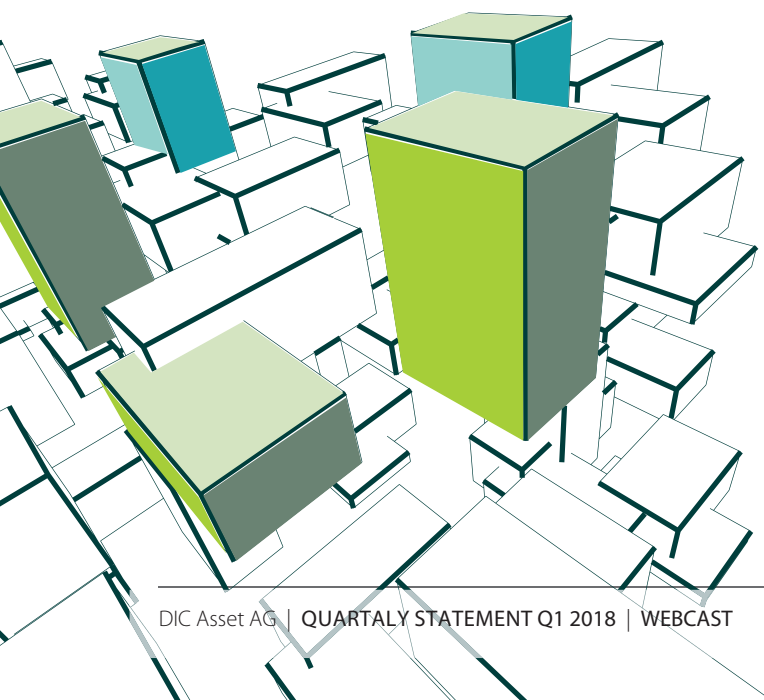
## HIGHLIGHTS

# Q1 2018

- **DIC HighStreet Balance fund** successfully placed by way of a sale of share certificates
- **Profit for the period** up 21% to EUR 9.2 million
- **Assets under management** raised to EUR 4.8 billion
- General Shareholders' Meeting approves **scrip dividend**; 44% acceptance rate results in the Group retaining cash of approx. EUR 19 million to support further growth
- **Real estate management fees** more than doubled to EUR 8.9 million
- **FFO** is at EUR 13.6 million
- **Like-for-like rental income** in the Commercial Portfolio up 1.7%
- **LTV** reduced further to 56.2%

AGENDA

# Q1 2018

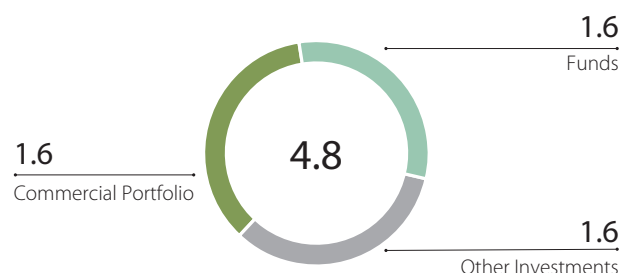


# PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

## Increase in assets under management in third-party business

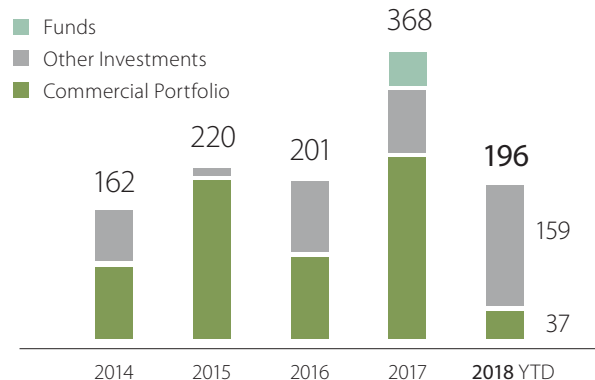
### ASSETS UNDER MANAGEMENT

in EUR billion



### SALES VOLUME

in EUR million, YTD



- **Assets under management** increased to EUR 4.8 billion (Q1 2017: EUR 4.2 billion), of which EUR 1.6 billion was attributable to the Other Investments segment (Q1 2017: EUR 1.1 billion)
- **Acquisitions:** Approx. EUR 36 million YTD, further acquisitions in the pipeline
- **Sales:** Properties with a volume of EUR 196 million have been notarised so far in 2018, including 2 properties with a volume of EUR 37 million from the Commercial Portfolio and 1 property with a volume of EUR 159 million from Other Investments
- **Joint ventures** reduced further, from 7 properties in Q1 2017 to just one remaining property to be sold

### PORTFOLIO BY SEGMENT\*

		Commercial Portfolio	Funds	Other Investments	Total
Number of properties	Q1 2018	110	59	13	182
	Q1 2017	140	50	14	204
Market value in EUR million**	Q1 2018	1,614.5	1,533.2	1,630.1	4,777.8
	Q1 2017	1,931.1	1,248.2	1,065.1	4,244.4
Rental space in sqm	Q1 2018	937,300	632,800	244,300	1,814,400
	Q1 2017	1,152,300	541,500	215,900	1,909,700

\* all figures including warehousing, project developments and repositioning properties

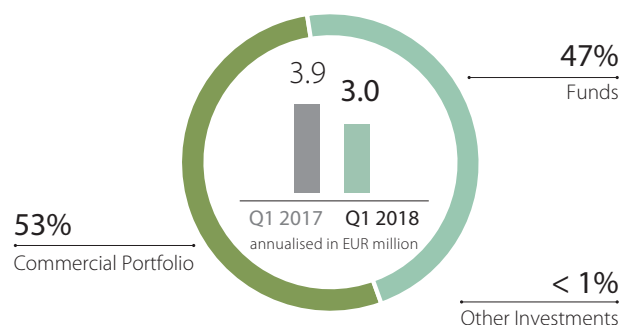
\*\* Market value as at 31.12.2017, later acquisitions considered at cost

# PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

WALT increased year-on-year from 4.6 to 5.0 years

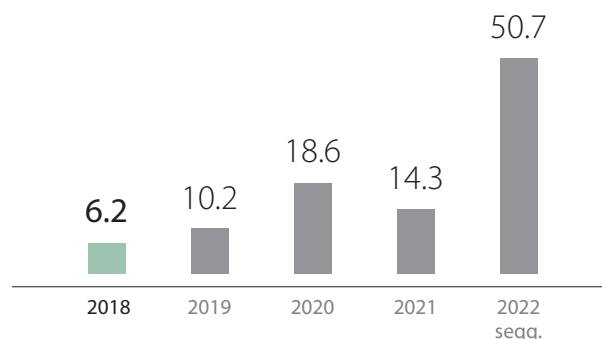
## LETTING VOLUME

by segment



## LEASE MATURITY

annualised rental income in %



- **Letting volume** of EUR 3.0 million in Q1 (Q1 2017: EUR 3.9 million), thereof 53% for the Commercial Portfolio
- Of the 27,300 sqm leased, 16,900 sqm were attributable to **new leases** (62%) and 10,400 sqm to **lease renewals** (38%)
- Increase in **WALT** to 5.0 years as at 31 March 2018 (Q1 2017: 4.6 years)
- Rental success reduced **2018 lease expiry volume** to 6.2%
- In early April, the Company achieved further **successful lease renewals** covering approx. 16,500 sqm for two properties from the DIC Office Balance II fund

## TOP LETTINGS

Maintrans Intern. Sped. GmbH	New Lettings	Commercial Portfolio	Langenselbold	5,800 sqm
Unicepta Gesellschaft für Medienanalyse GmbH	New Lettings	Funds	Cologne	3,500 sqm
Gefco Deutschland GmbH	Renewals	Commercial Portfolio	Mörfelden	2,500 sqm
Interessengemeinschaft Koblenz GbR	Renewals	Funds	Koblenz	2,100 sqm
Crawford & Company (Deutschland) GmbH	Renewals	Commercial Portfolio	Düsseldorf	1,800 sqm

## SEGMENT COMMERCIAL PORTFOLIO

### Like-for-like rental income up 1.7%

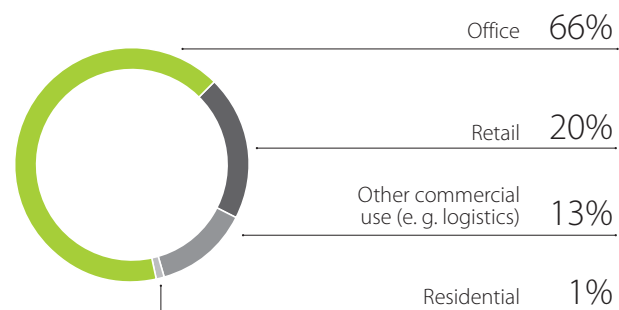
#### DEVELOPMENT COMMERCIAL PORTFOLIO\*

	Q1 2018	Q1 2017
Number of properties	110	140
Market value in EUR million	1,614.5	1,931.1
Rental space in sqm	937,300	1,152,300
Annualised rental income in EUR million	93.1	105.7
Rental income in EUR per sqm	9.40	9.44
WALT in years	4.9	4.3
EPRA vacancy rate in %	9.4	12.5
Gross rental yield in %	6.3	6.5

\* all figures excluding project developments and warehousing properties, except for number of properties, market value and rental space

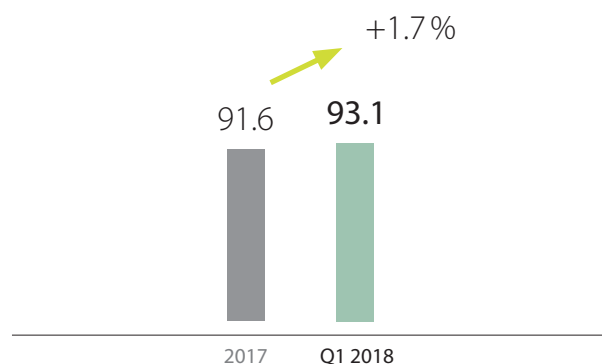
#### TYPES OF USE

based on annualised rental income



#### LIKE-FOR-LIKE RENTAL INCOME GROWTH

based on annualised rental income in EUR million



- **Commercial Portfolio** as at 31 March 2018 comprised 110 properties with a **market value** of approx. EUR 1.6 billion
- **Like-for-like rental income** increased by 1.7% due to new contracts and indexations
- Letting activities lifted the weighted average lease term (**WALT**) to 4.9 years (Q1 2017: 4.3 years)
- The EPRA **vacancy rate** was reduced strongly to 9.4% year-on-year (Q1 2017: 12.5%)
- **Annualised rental income** decreased as planned to EUR 93.1 million as a result of sales
- The **tenant structure** broken down by usage type did not change compared to the prior-year quarter

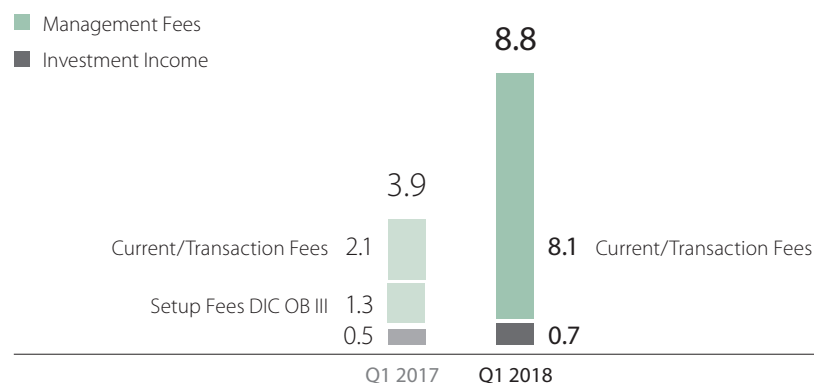
## SEGMENT FUNDS

### Successful trading platform: DIC HighStreet Balance sold

#### KEY DATA DIC HIGHSTREET BALANCE

- ➔ Investment focus: Retail properties in German main- and medium-sized centres
- ➔ Operational launch: 2012
- ➔ Portfolio: 15 retail properties with approx. 85,000 sqm rental space
- ➔ Fund volume: approx. EUR 210 million
- ➔ Annual rental income: approx. EUR 11.8 million
- ➔ Yield: > 5% p.a.
- ➔ Equity stake DIC: 5%

#### INCOME OF FUND BUSINESS in EUR million



#### ■ Sale of DIC HighStreet Balance:

- Deal structure: Sale of share certificates
- DIC Asset AG generates transaction fees totalling EUR 5.9 million
- DIC investors benefit from savings in incidental sales costs amounting to approx. EUR 13 million

#### ■ Income from fund business at EUR 8.8 million more than doubled (Q1 2017: EUR 3.9 million)

#### ■ Acquisition of a property in Eschborn for approx. EUR 17 million notarised for the DIC Office Balance IV fund, further acquisitions in the pipeline

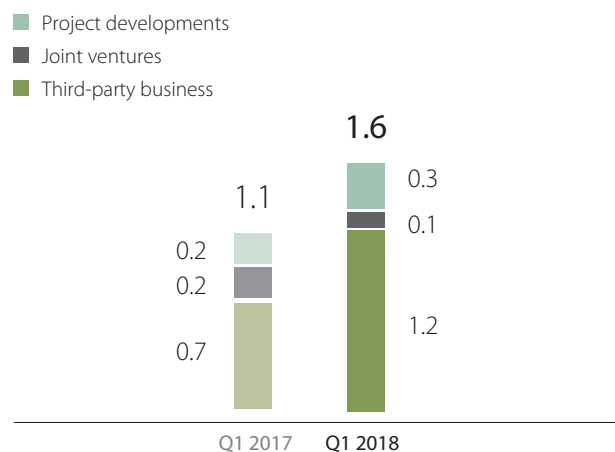
#### ■ New fund in the DIC Office Balance series in preparation



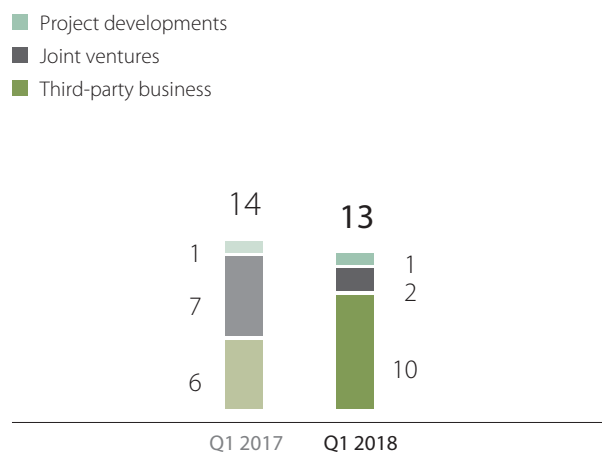
## SEGMENT OTHER INVESTMENTS

Joint ventures reduced, third-party business expanded

ASSETS UNDER MANAGEMENT in EUR billion



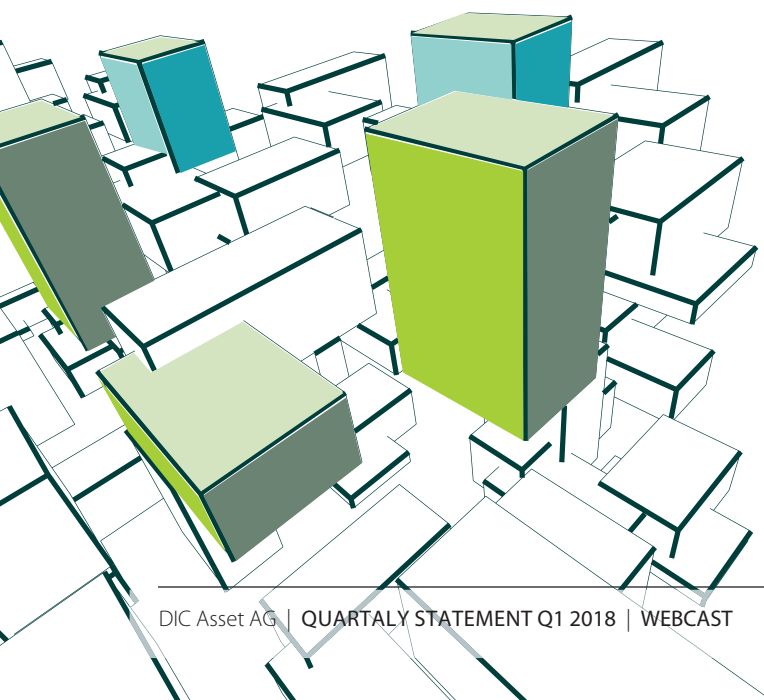
NUMBER OF PROPERTIES



- **Assets under Management** increased to EUR 1.6 billion mainly due to expansion of third-party business (10 properties with a market value of EUR 1.2 billion)
- **Management fees** in the Other Investments segment increased to EUR 0.7 million (Q1 2017: EUR 0.5 million)
- **Project developments** MainTor nearing completion; WINX Tower to be completed in early 2019
- **Joint ventures** reduced as planned: After the transfer of two properties in Q1 2018, just one remaining property to be sold

AGENDA

# Q1 2018



## INCOME STATEMENT

### Real estate management fees more than doubled

#### CONSOLIDATED INCOME STATEMENT

in EUR million	Q1 2018	Q1 2017	Δ
Gross rental income	24.8 <sup>1</sup>	30.5	-19%
Profit on disposal of properties	6.2 <sup>2</sup>	2.2	>100%
Real estate management fees	8.9 <sup>3</sup>	3.9	>100%
Share of the profit of associates	0.4 <sup>4</sup>	1.0	-60%
Operating expenses	-7.6	-7.6	0%
Depreciation and amortisation	-7.4	-8.0	-8%
Net interest result	-9.1 <sup>5</sup>	-7.9	15%
<b>Profit for the period</b>	<b>9.2 <sup>6</sup></b>	<b>7.6</b>	<b>21%</b>

- 1** **Gross rental income** decreased as planned to EUR 24.8 million as a result of sales and transfers of warehousing properties
- 2** **Profits on property disposals** increased by more than 100% to EUR 6.2 million; sales prices were around 11% higher than the most recently determined market value
- 3** **Real estate management fees** increased by more than 100% to EUR 8.9 million, mainly due to fees for the DIC HighStreet Balance transaction
- 4** **Share of the profit of associates** decreased mainly due to the planned reduction of joint ventures
- 5** **Net interest result** at EUR -9.1 million, impacted by higher interest expenses after the issue of the fourth corporate bond
- 6** Significant rise in sales profits results in a 21% increase in the **profit for the period** to EUR 9.2 million (Q1 2017: EUR 7.6 million)

## SEGMENT REPORTING AND FFO

### FFO contribution of the Funds segment more than doubled

#### RECONCILIATION TO FFO

in EUR million	Q1 2018	Q1 2017	Δ
Net rental income	20.5	25.7	-20%
Administrative expenses	-3.0	-3.1	-3%
Personnel expenses	-4.6	-4.4	+5%
Other operating income/expenses	0.0	0.0	0%
Real estate management fees	8.9	3.9	> 100%
Share of the profit or loss of associates without project developments and sales	0.8	1.6	-50%
Interest result	-9.0	-7.9	+14%
<b>Funds from operations (FFO)</b>	<b>13.6</b>	<b>15.8</b>	<b>-14%</b>

#### SEGMENT REPORTING

in EUR million	Q1 2018				Q1 2017				
	CP	Funds	OI*	adj. **	Total	CP	Funds	OI	Total
Gross rental income	24.8				24.8	30.5			30.5
Net rental income	20.5				20.5	25.7			25.7
Profit on disposal of properties	6.2				6.2	2.2			2.2
Real estate management fees		8.1	0.7		8.9	3.4	0.5		3.9
Share of the profit or loss of associates		0.7	2.3	-2.6	0.4	0.5	0.5		1.0
<b>FFO</b>	<b>10.2</b>	<b>5.4</b>	<b>0.6</b>	<b>-2.6</b>	<b>13.6</b>	<b>14.0</b>	<b>1.7</b>	<b>0.1</b>	<b>15.8</b>

\* according to management reporting, includes pro rata expected TLG dividend

\*\* adjusted to external reporting

- **FFO contribution of Funds** increased considerably to EUR 5.4 million (Q1 2017: EUR 1.7 million) due to sharp rise in real estate management fees, mainly due to the DIC HighStreet Balance transaction
- **FFO contribution of the Commercial Portfolio** decreased as planned to EUR 10.2 million as a result of lower net rental income following sales
- **FFO contribution of Other Investments** adjusted to management reporting mainly increased due to the pro-rata expected TLG dividend by 0,5 Mio. EUR.
- **FFO** as planned at EUR 13.6 million; FFO per share amounts to EUR 0.20 (Q1 2017: EUR 0.23)

## BALANCE SHEET

### Tapping of corporate bond strengthens financing structure

#### BALANCE SHEET OVERVIEW

in EUR million	31.03.2018	31.12.2017
Total assets	2,412.2 <sup>1</sup>	2,341.3
Non-current assets	1,981.7	1,955.6
Current assets	430.5	385.7
Total equity	836.7 <sup>2</sup>	828.9
Non-current financial liabilities	1,186.3 <sup>3</sup>	1,109.6
Current financial liabilities	265.0 <sup>4</sup>	296.1
Other liabilities	124.3	106.7
Total liabilities	1,575.6	1,512.4
Balance sheet equity ratio	34.7% <sup>5</sup>	35.4%
Loan-to-value ratio (LTV)*	56.2%	57.0%

\* adjusted for warehousing

- 1** **Total assets** increased by EUR 70.9 million. **Non-current assets** higher mainly due to acquisitions for the Commercial Portfolio. **Current assets** rose to EUR 44.8 million, primarily driven by higher cash and cash equivalents due to the tapping of the fourth corporate bond
- 2** **Equity** up EUR 7.8 million to EUR 836.7 million, mainly due to the profit for the period
- 3** **Non-current loans and borrowings** up following the tapping of the fourth corporate bond and acquisitions in the Commercial Portfolio
- 4** **Current loans and borrowings** decreased as a result of loan repayments after sales
- 5** **Equity ratio** slightly lower at 34.7% due to increase in loans and borrowings

## FINANCIAL STRUCTURE

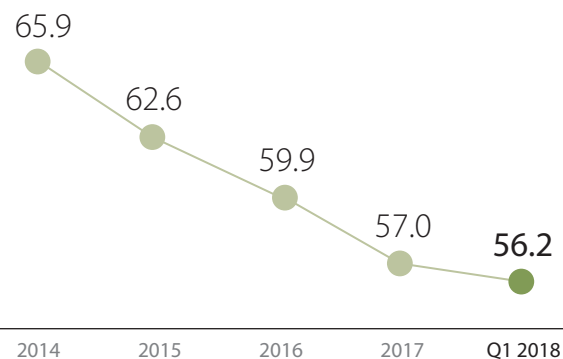
Optimised financial structure, LTV reduced further to 56.2%

### FINANCIAL DEBT MATURITIES

as at 31.03.2018, incl. bond/IFRS 5



LTV\* in %

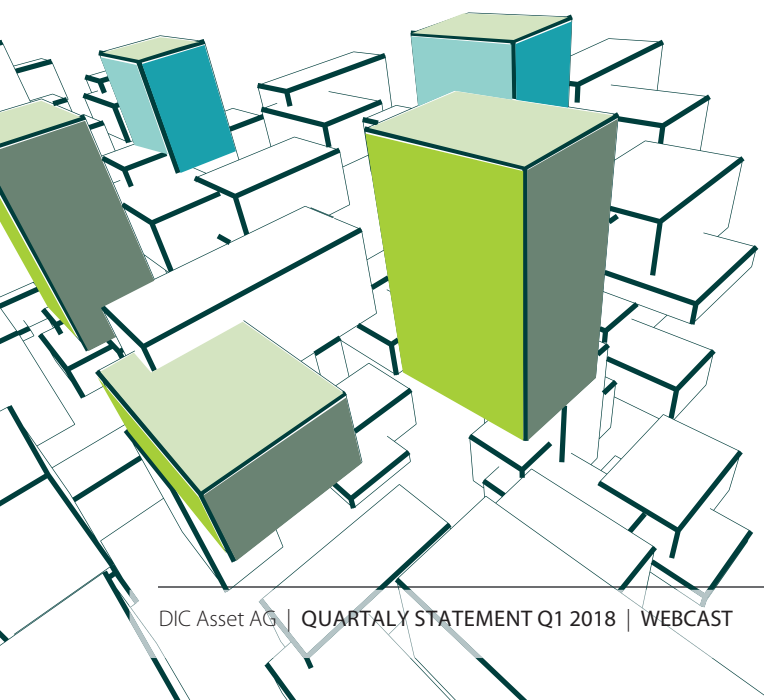


\* adjusted for warehousing

- Corporate bond tapped by EUR 50 million to EUR 180 million in 2017
- Average maturity of loans and borrowings is at 4.3 years
- Average interest rate of liabilities to banks remains at 1.8% compared with 31 December 2017
- Interest cover ratio (Net rental income/interest expenses) at 182%
- LTV reduced further to 56.2%
- High acceptance rate of 44% for the scrip dividend improves financing structure. Approx. EUR 19 million in cash remain within the Company and strengthen its equity

AGENDA

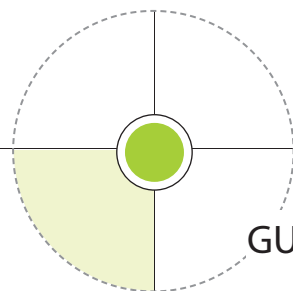
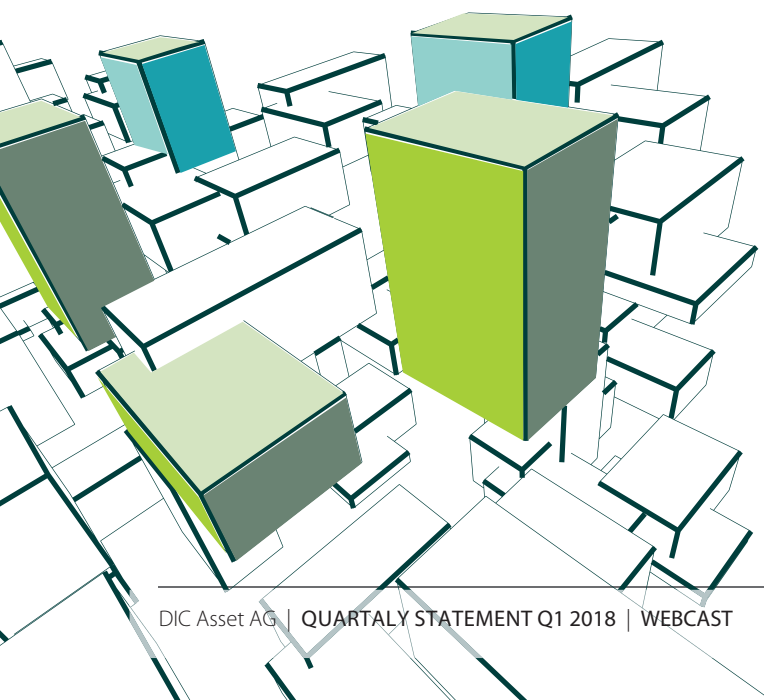
# Q1 2018



FORECAST




Full-year guidance confirmed


Q1  
2018



GUIDANCE FOR 2018

EUR million

- 
Gross rental income
95–98
- 
FFO
62–64
- 
Sales
100–120

from the Commercial Portfolio
- 
Purchasing volume
450–500

for all segments  
with focus on the fund business





# INVESTOR RELATIONS

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### 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.

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This quarterly statement is also available in German (binding version).

Realisation  
LinusContent AG, Frankfurt am Main



For more information:

<http://www.dic-asset.de/engl/investor-relations/>

For instance:

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

### FINANCIAL CALENDAR 2018

30.07.2018	Publication of H1 2018 Financial Report
08.11.2018	Publication of Q3 2018 Financial Statement