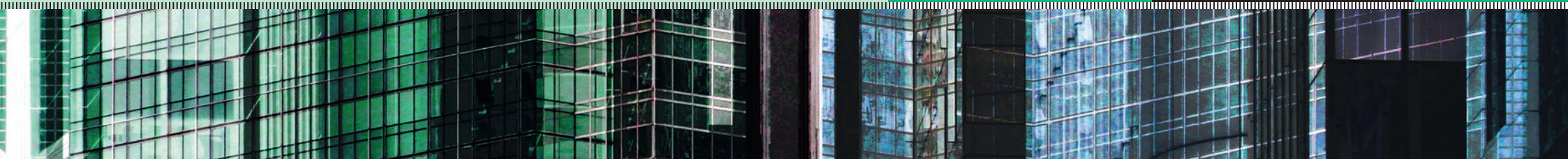


Q3 2020

QUARTERLY STATEMENT CONFERENCE CALL

28 October 2020



dynamic performance

Q3 continues positive trend in lettings and transactions



We are focused on our short-term target.

Assets under Management

up +19% y-o-y to **EUR 8.7 billion**



The transaction market has regained its momentum.

Acquisition volume

reaches EUR 483 million for both segments; ensuring the quality and quantity of rental income and management income



Our lettings teams are busier than ever.

Letting performance

year-on-year up by **72%** to **214.300 qm**



And all of these efforts are bearing fruit once again.

FFO

up **6%** to EUR 72.7 million



Our adjusted NAV remains at a high level.

Adjusted NAV

at EUR **21.56**, incl. full value of Institutional Business

STRONG TRANSACTION PIPELINE

AuM
EUR 8.7 billion

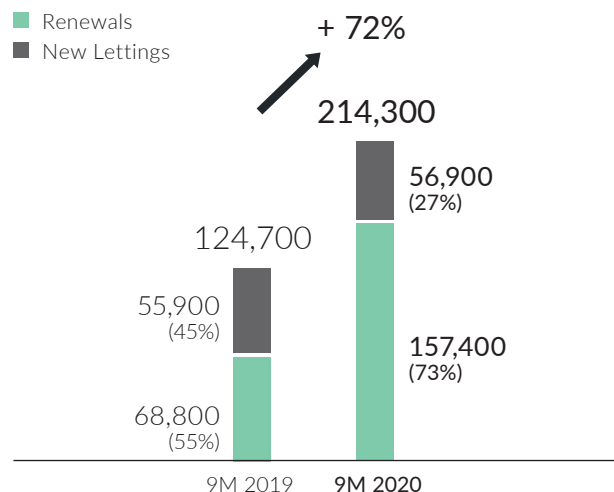
Short-term target
EUR ~10.0 billion AuM

Highly dynamic letting performance

LETTING VOLUME

in sqm

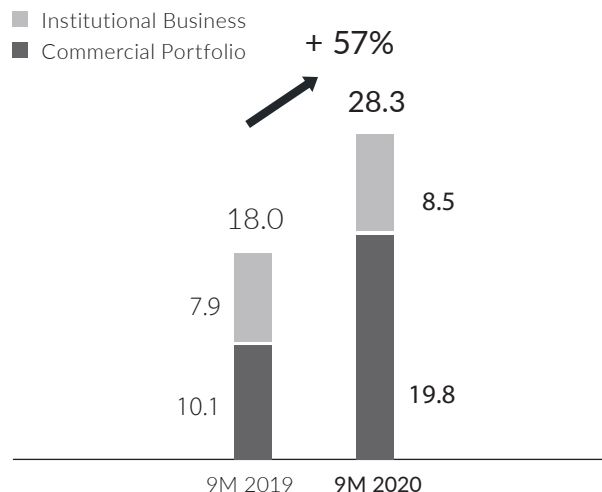
Renewals
New Lettings



LETTING VOLUME BY SEGMENTS

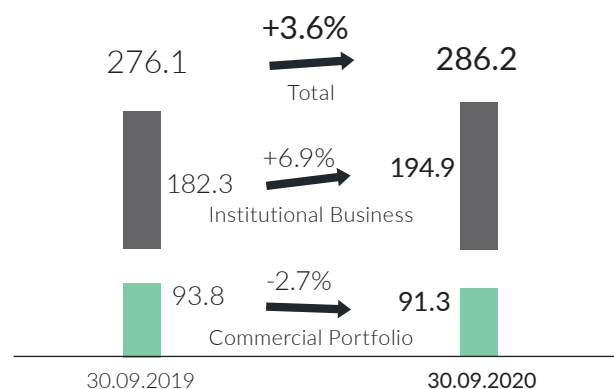
contracted annualised rental income in EUR million

Institutional Business
Commercial Portfolio



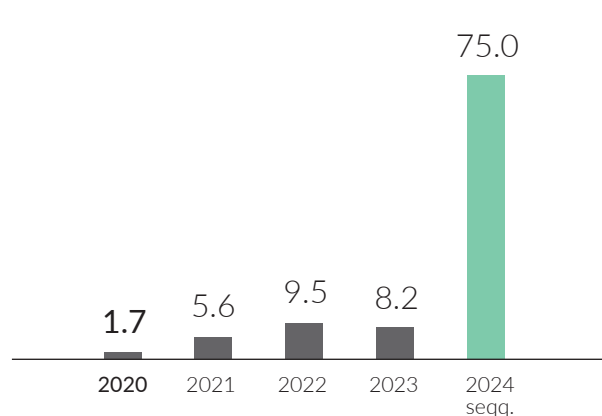
LIKE-FOR-LIKE RENTAL INCOME

annualised, in EUR million



LEASE MATURITY TOTAL PORTFOLIO

annualised rental income in %



- **Letting performance** was up 72 % year-on-year to 214,300 sqm
- Strong trend towards **lease renewals** confirmed as the volume more than doubled to 157,400 sqm – including large-volume deals (e.g. Allianz with approx. 14,000 sqm, VB Baden-Württemberg with approx. 18,000 sqm)
- **New lettings** on high level of the prior year, with more valuable contracts (9M 2020: EUR 11.7 million, 9M 2019: EUR 8.2 million)
- In the first nine months of 2020, leases with **annualised rental income** totalling EUR 28.3 million (+57 % year-on-year) were signed
- On a **like-for-like** basis, rental income was up 3.6 %. The 2.7 % decline in the Commercial Portfolio is mainly due to rent adjustments for the Kaufhof properties in Chemnitz and Leverkusen (retail portfolio) and the repositioning of spaces for two office tenants in Wiesbaden and Frankfurt (office portfolio) – pro-forma: +0.1 %

AuM target of EUR 10 billion firmly in sight: +19 % year-on-year

PORTFOLIO BY SEGMENT

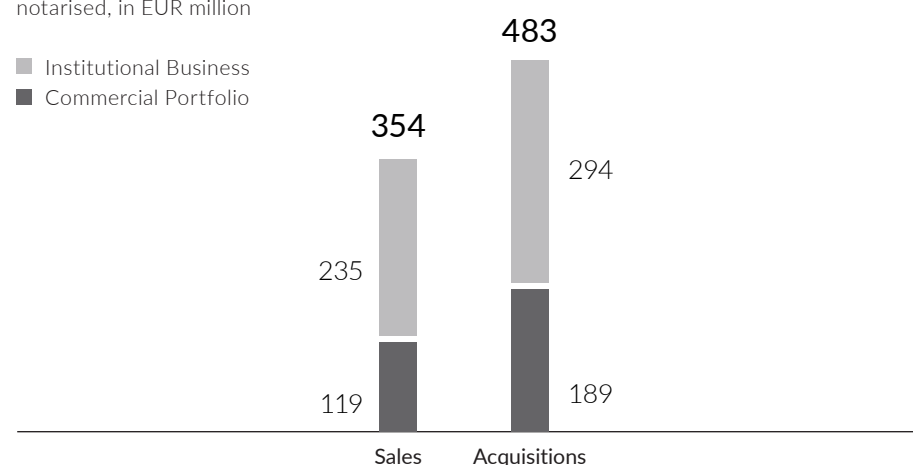
30.09.2020	Commercial Portfolio	Institutional Business	Total
Number of properties	96	93	189
Market value in EUR million *	2,054.1	6,598.0	8,652.1
Rental space in sqm	873,400	1,334,700	2,208,100
30.09.2019	Commercial Portfolio	Institutional Business	Total
Number of properties	96	77	173
Market value in EUR million *	1,800.9	5,513.6	7,314.5
Rental space in sqm	903,400	1,112,200	2,015,600

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

TRANSACTIONS IN 2020

notarised, in EUR million

■ Institutional Business
■ Commercial Portfolio



- **Assets under management** rose by 19 % year-on-year to EUR 8.7 billion, distributed across 189 properties with rental space of around 2.2 million sqm
- As of today, the notarised **transaction volume** totalled EUR 837 million, with purchases amounting to EUR 483 million and sales to EUR 354 million
- Following the purchase of the "LOOK 21" property in the centre of Stuttgart and the new "HangarOne" office building in Cologne-Ossendorf in the third quarter, the acquisition volume in the **Institutional Business** has increased to EUR 294 million
- The **transfer** of the "GATE NEUN" multi-tenant office building in Stuttgart (total investment costs of around EUR 72 million) in September lifted the market value of the **Commercial Portfolio** to around EUR 2.1 billion. Before that, possession, benefits and associated risks for the two acquisitions in Hanover and Eschborn (EUR 117 million), which were notarised in the second quarter, had been transferred in July

Commercial Portfolio grows to over EUR 2 billion market value

DEVELOPMENT OF THE COMMERCIAL PORTFOLIO*

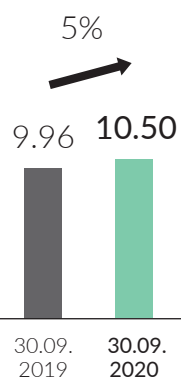
	30.09.2020	31.12.2019	30.09.2019
Number of properties	96	93	96
Market value (in EUR million)	2,054.1	1,900.0	1,800.9
Rental space in sqm	873,400	842,400	903,400
Annualised rental income in EUR million	102.1	101.8	103.0
Avg. rent per sqm in EUR	10.50	10.41	9.96
WALT in years	6.3	6.0	6.2
EPRA vacancy rate in %	7.1	6.5	7.3
Gross rental yield in %	5.0	5.4	5.7

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

- As of the reporting date, the **Commercial Portfolio** comprised 96 properties with a **market value** of around EUR 2.1 billion and **rental space** of 873,400 sqm
- The **EPRA vacancy rate** fell by 20 basis points to 7.1 % (30 September 2019: 7.3 %) as a result of the strong letting performance and acquisitions
- The **average rent** increased by 5 % to EUR 10.50 per sqm
- The **annualised rental income** as of the reporting date was around EUR 102.1 million
- **WALT** was up slightly year-on-year, from 6.2 years to 6.3 years

AVERAGE RENT

in EUR/sqm



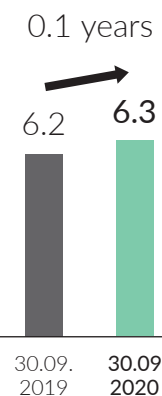
EPRA VACANCY RATE

in %



WALT

in years



Acquisition of the cash-flow generating, refurbished property "GATE NEUN" in Stuttgart

GRI Yield
of 5.3 %



© TAKTICS GmbH, Stuttgart



- "GATE NEUN" is a further step to expand DIC's footprint in Stuttgart metro region
- Well-connected: next to A8 motorway and directly next to new Daimler Trucks Campus (constructed until 2021)
- Modernisation to be completed by Q2 2021
- Pre-letting currently at 56 % with already one tenant delivering rental cash flow of EUR 0.6 million p.a.

Acquisition price (excl. acquisition cost):	EUR 72 million
Year of construction/ modernisation:	Modernisation until Q2 2021
Rental space (sqm):	17,900
Target WALT:	8.5 years
Pre-letting ratio:	56 %

ALPINE
Mobile Media Solutions

Capgemini

Disposal target achieved: two disposals at around 20% above market value



Forecast
**DISPOSAL VOLUME
EXCEEDED**

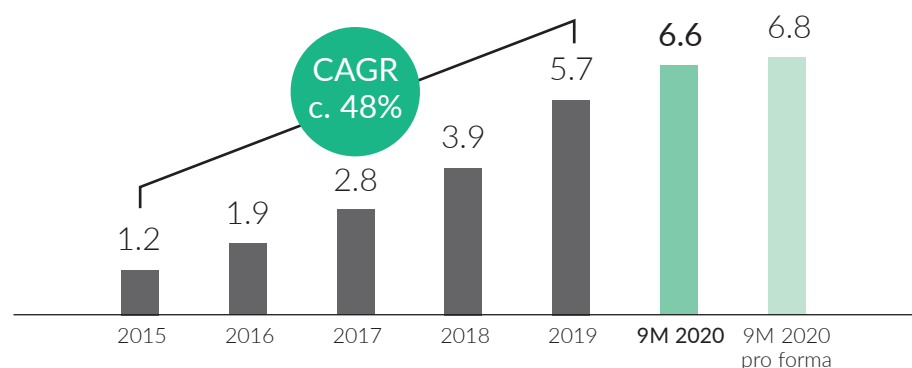
Two properties disposed
for around
EUR 108 million

- Two property disposals in Berlin and Düsseldorf were notarised for around EUR 108 million in the second half of the year (transfer expected in Q4)
- The **disposal price** was around 20% above the most recently determined market values
- The **profit of around EUR 34 million** generated by the disposals reflects the added value created during the holding phase based on lettings and concept development
- The cash flow from the disposals amounts to around EUR 60 million
- This brings the **total disposal volume** to around EUR 119 million, which exceeds the **forecast target of around EUR 100 million** for the Commercial Portfolio

Institutional Business on growth trajectory with strong investor interest and strong pipeline

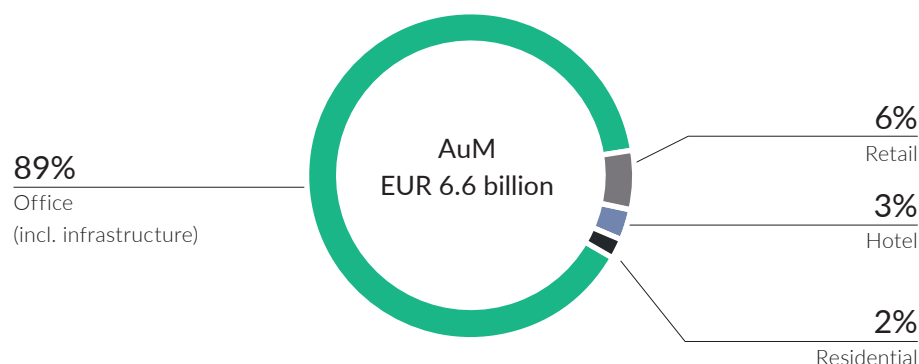
ASSETS UNDER MANAGEMENT

in EUR billion



TYPES OF USE

based on assets under management in EUR million



- **Assets under management** in the Institutional Business rose by 16 % to EUR 6.6 billion since the start of the year (31 December 2019: EUR 5.7 billion) driven by a steady stream of transactions and transfers
- The purchase of the properties "LOOK 21" in the centre of Stuttgart and "HangarOne" in Cologne-Ossendorf (see following page), has lifted the **acquisition volume to just around EUR 294 million**, representing about half of the volume forecast for 2020 (transfer expected to take place in the fourth quarter of 2020)
- **Including recent acquisitions**, assets under management have already reached EUR 6.8 billion
- **Additional equity** of more than EUR 500 million is currently available for additional investments for existing vehicles. This will enable us to **acquire more than EUR 1 billion in additional properties**
- **Strong pipeline:** Additional equity commitments expected due to strong investor interest

Two acquisitions for existing special property funds implemented in Q3



STUTTGART
CITY CENTER
"LOOK 21"

Q3 ACQUISITIONS
for approx.
EUR 160 million (TIC)

for existing
special AIF



COLOGNE-
OSSENDORF
"HangarOne"

© Virtuell Format Korczowski, Ratingen /
HangarOne gmbh & co kg, Aachen

Acquisition price (excl. acquisition cost):	EUR 122 million
Year of completion:	2020
Rental space:	11,200 sqm + 220 parking units
WALT	12 years
Pre-letting ratio:	100%

- New build property, modern architecture with landmark character
- Fully let to a blue-chip tenant from the infrastructure sector
- Multi-tenant-capable property featuring downtown location in the Europaviertel and excellent transport links

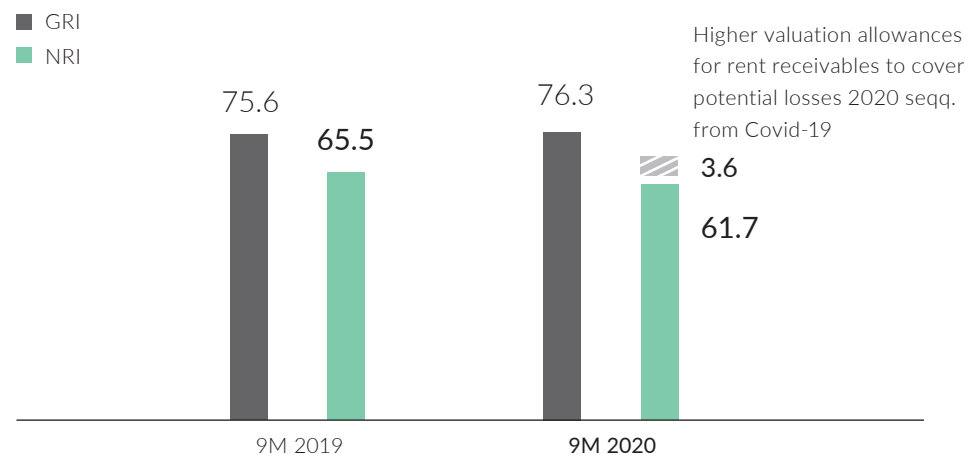
Acquisition price (excl. acquisition cost):	EUR 38 million
Year of completion:	Q4 2020
Rental space:	8,500 sqm + c. 140 parking units
WALT	9 years
Pre-letting ratio:	60%

- Newly constructed five-storey office building on the former historic airport grounds
- High construction quality and competitive fit-out standard
- 60% pre-let to blue-chip tenants from the specialist industrial materials, flexible office and IT consulting sectors
- Further letting negotiations are on-going

Strong earnings contributions through constant growth of the real estate platform

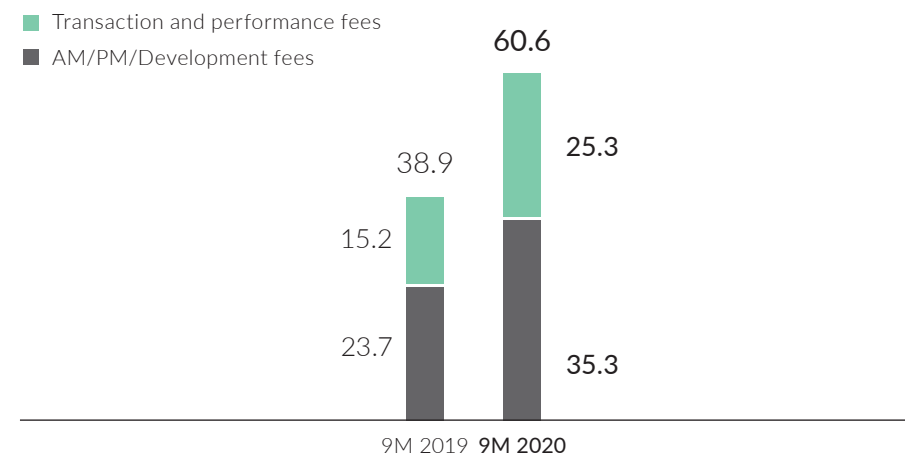
STABLE DEVELOPMENT OF RENTAL INCOME ...

in EUR million



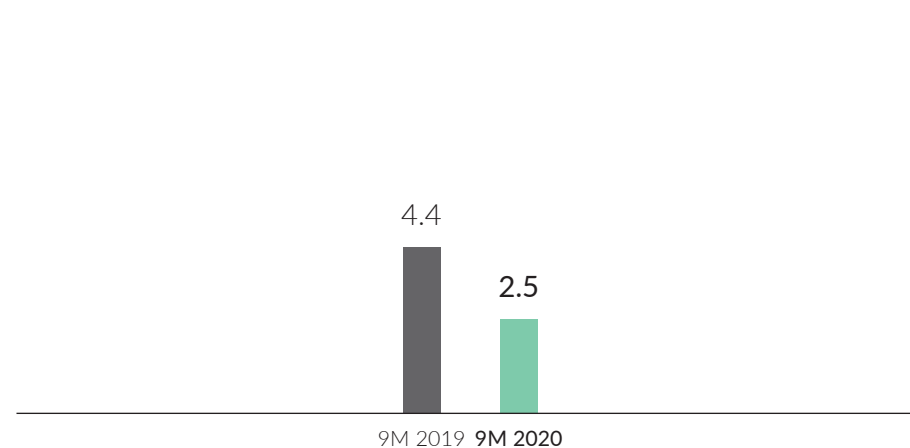
... PLUS STRONG GROWTH OF REAL ESTATE MANAGEMENT FEES

in EUR million



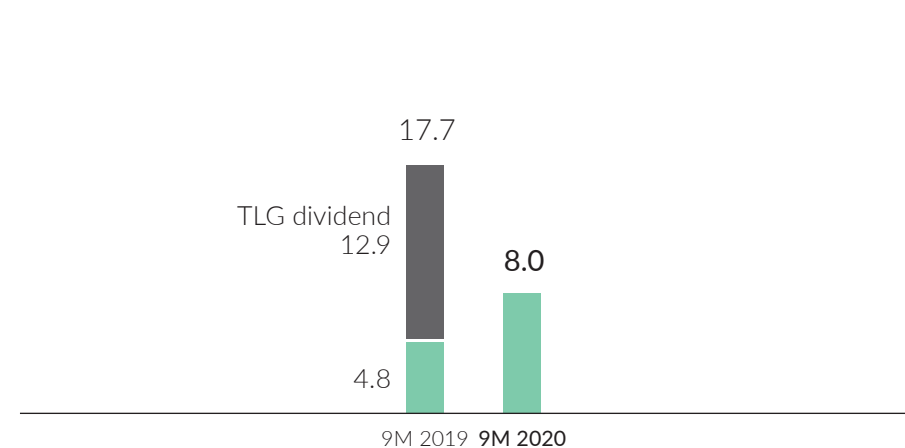
IN ADDITION, SALES PROFIT AND ...

in EUR million



... PROFIT OF ASSOCIATES SUPPLEMENT MAIN INCOME STREAMS

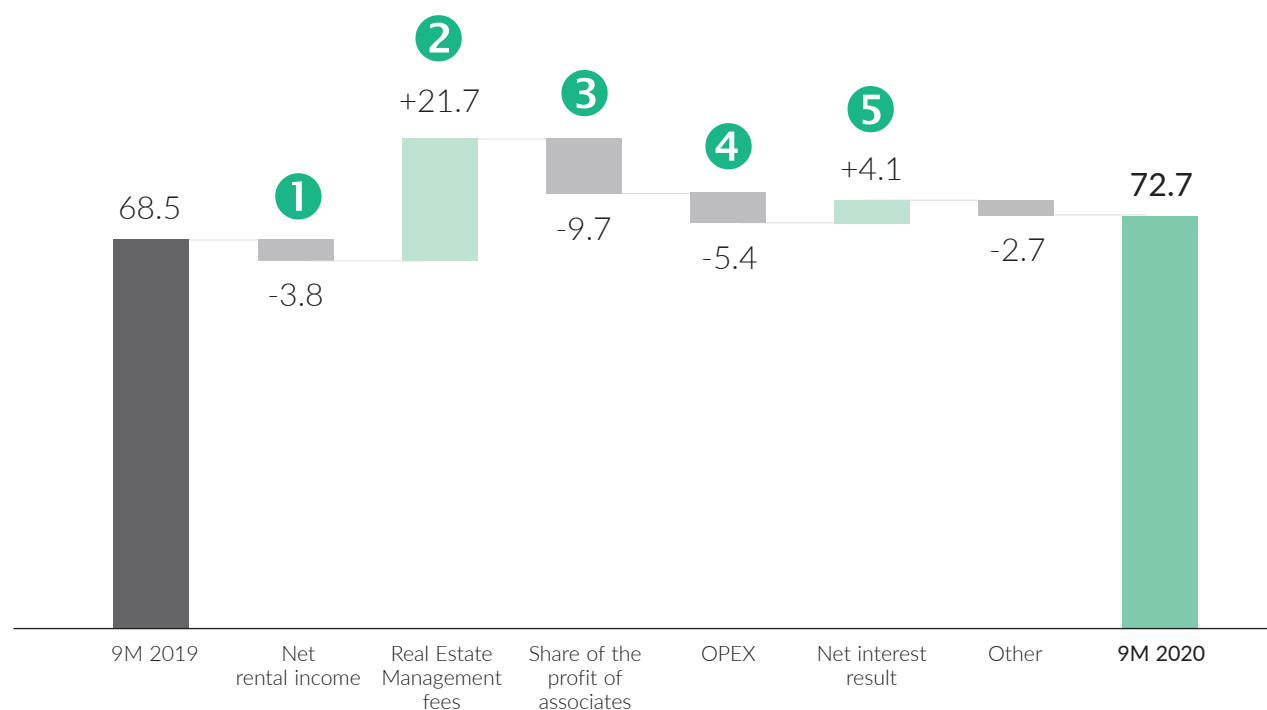
in EUR million



FFO +6% – driven by growth of real estate platform

FFO BRIDGE

in EUR million



Key effects in year-on-year comparison:

- 1 Higher risk provisions for deferred rents and rent adjustments of EUR 3.6 million triggered by the pandemic are responsible for the decline in net rents
- 2 The significant increase in real estate management fees reflects the growth in the Institutional Business segment
- 3 The share of the profit of associates in the previous year included our dividend from TLG Immobilien AG amounting to approximately EUR 13 million, which no longer applied this year due to the successful sale of the investment
- 4 Operating expenses rose, driven primarily by growth
- 5 The net interest result improved due to the further optimisation of our financing structure

Complementary business segments: Institutional Business delivers growing FFO contribution

SEGMENT REPORTING

in Mio. Euro	9M 2020			9M 2019		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business	Total
Key earnings figures						
Gross rental income (GRI)	76.3		76.3	75.6		75.6
Net rental income (NRI)	61.7		61.7	65.5		65.5
Profits on property disposals	2.5		2.5	4.4		4.4
Real estate management fees		60.6	60.6		38.9	38.9
Share of the profit or loss of associates		8.0	8.0		17.7	17.7
Depreciation and amortisation	-24.0	-4.5	-28.5	-22.9	-1.9	-24.8
Net other income	0.1	-0.4	-0.3	0.4	0.1	0.5
Net interest result	-18.5	-2.6	-21.1	-21.8	-3.4	-25.2
Operational expenditure (OPEX)	-9.8	-26.4	-36.2	-8.7	-22.2	-30.9
- of which administrative costs	-3.8	-10.4	-14.2	-3.1	-9.0	-12.1
- of which personnel costs	-6.0	-16.0	-22.0	-5.6	-13.2	-18.8
Other adjustments*	0.2	0.0	0.2	-0.2	2.2	2.0
Funds from Operations (FFO)	33.6	39.1	72.7	35.2	33.3	68.5
EBITDA	54.5	41.7	96.2	61.6	34.5	96.1

* The other adjustments include:

- Transaction, legal and consulting costs of EUR 213 thousand (previous year: EUR 1,852 thousand)
- Administrative expenses and personnel costs of EUR 0 thousand (previous year: EUR 128 thousand)

■ Key factors in the Commercial Portfolio:

- **Net rental income** is down EUR 3.8 million year-on-year due to COVID-19-related higher risk provisions for unpaid rents
- Overall, **operating expenses** rose by EUR 1.1 million year-on-year mainly triggered by the COVID-19 pandemic. Personnel costs increased by EUR 0.4 million and administrative expenses rose by EUR 0.7 million, mainly driven by an increase in legal and consulting services and IT costs
- Despite a EUR 3.8 million decline in net rental income, the segment's FFO contribution was down only EUR 1.6 million year-on-year, which is primarily due to the **significant improvement in the net interest result**

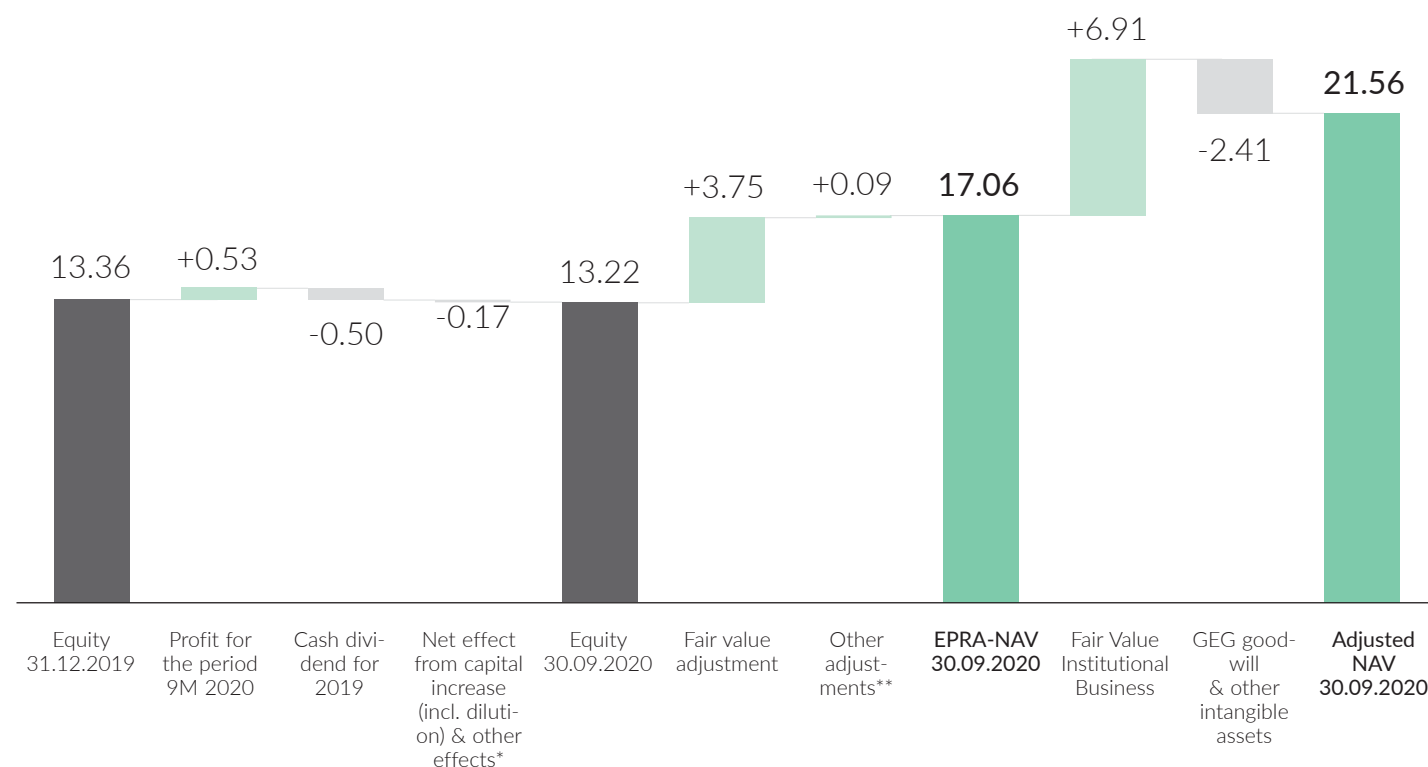
■ Key factors in the Institutional Business:

- **Real estate management fees** rose by 56%
- Adjusted for the TLG dividend of EUR 12.9 million included in the previous year, the **share of the profit of associates** improved by EUR 3.4 million
- **Operating expenses** increased, in particular due to the integration of the GEG teams
- Up 17%, the segment's FFO contribution reflects its growth

Adjusted net asset value at high level

NAV BRIDGE

in EUR per share



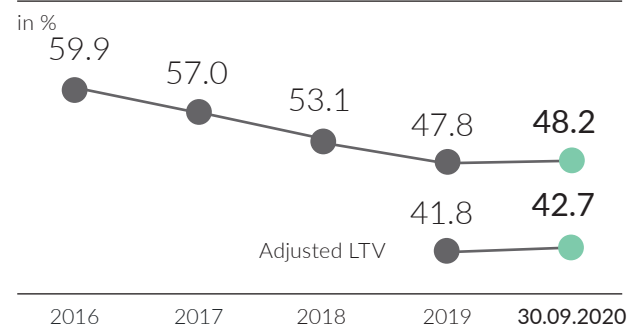
* Net proceeds from capital increase, cashflow hedges and losses on financial instruments classified as measured at fair value through other comprehensive income

** Adjustments for deferred tax on investment properties in IFRS financial statements and fair value of financial instruments

- The **EPRA-NAV** rose by EUR 130.6 million to EUR 1,374.8 million compared to year end 2019.
- The **EPRA-NAV per share** was EUR 17.06 (31 December 2019: EUR 17.23), with the number of shares outstanding increasing by 8,373,253 compared to 31 December 2019.
- The **adjusted NAV**, which includes the full value of the Institutional Business, also rose by EUR 130.0 million to EUR 1,737.2 million compared to 31 December 2019.
- The **adjusted NAV per share** was EUR 21.56 at 30 September 2020 (31 December 2019: EUR 22.26) due to the increase in the number of shares outstanding by 8,373,253 compared to the end of 2019.

Stable financial structure: no significant maturities until mid 2022

LOAN-TO-VALUE*/ADJUSTED LTV**

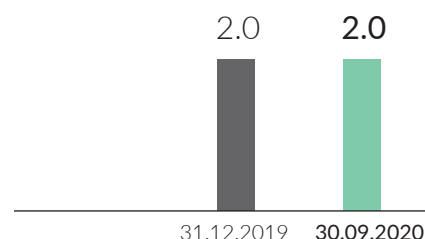


* The ratio of total financial debt, corporate bonds and liabilities to related parties minus cash in banks on the one hand and the fair value of investment property, equity investments and receivables from related parties and intangible assets, e.g. goodwill on the other hand, adjusted for warehousing.

** including fair value of Institutional Business

AVERAGE INTEREST RATE

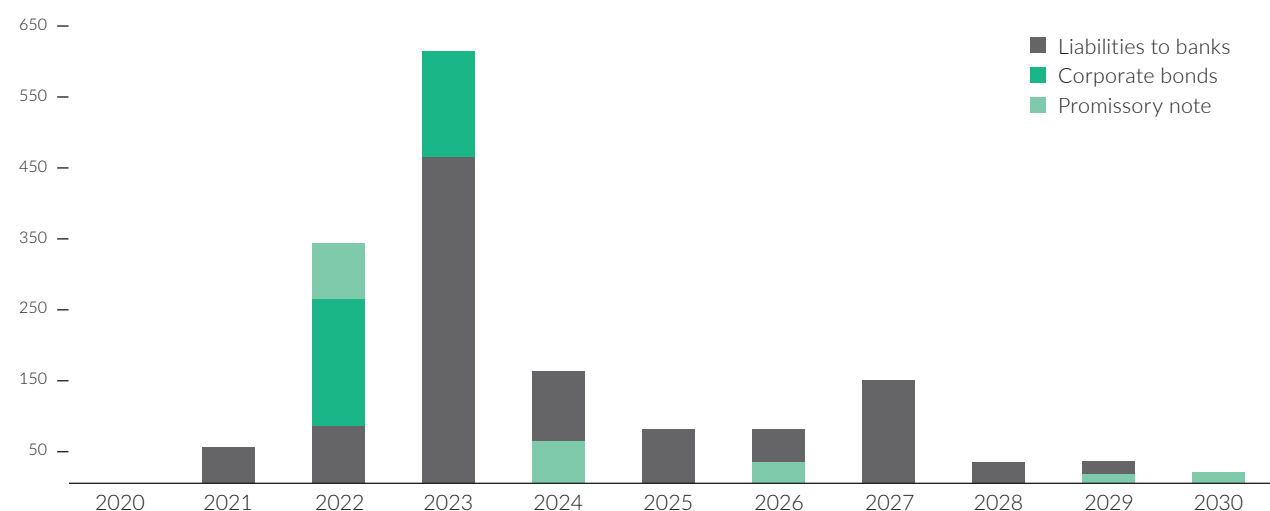
in % of total financial debt



- The **average maturity of loans and borrowings** was 3.8 years (31 December 2019: 3.9 years)
- The average **interest rate of loans and borrowings** at the reporting date stood at 2.0%
- The **interest cover ratio** (ICR, the ratio of EBITDA to net interest result) remained at a very high level of 405 %
- The **LTV** (adjusted for warehousing) temporarily increased slightly to 48.2 % as of 30 September 2020 (31 December 2019: 47.8%), mainly due to the distribution of the cash dividend
- No **maturities** up for refinancing in 2020, EUR 52 million up for refinancing in 2021
- **Cash and cash equivalents** as of 30 September 2020 amounted to around EUR 318 million

MATURITIES OF LOANS AND BORROWINGS (9M 2020)*

in EUR million



* nominal values as of 30 September 2020

2020 guidance refined – DIC continues on a successful course

AuM
short-term
~10,0
EUR billion

Targets 2020

Gross Rental Income	Real Estate Management Fees	FFO	Transactions	
			Acquisitions	Sales
≥ 98 EUR million <small>(updated, previously: 94–98 EUR million)</small>	80–85 EUR million <small>(updated, previously: 80–90 EUR million)</small>	95–96 EUR million <small>(updated, previously: 94–96 EUR million)</small>	700–1,100 EUR million thereof 200–300 EUR million for the Commercial Portfolio 500–800 EUR million for the Institutional Business	c. 400 EUR million thereof c. 100 EUR million from the Commercial Portfolio c. 300 EUR million from the Institutional Business

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www.dic-asset.de/en/ir/

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

Financial calendar 2020

17.11.2020	Deutsches Eigenkapitalforum
25.11.2020	DZ Bank Equity Conference 2020
01.12.2020	Berenberg European Conference

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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Realisation
LinusContent AG, Frankfurt am Main

Steady contributions to earnings delivered by consistently growing real estate platform

CONSOLIDATED INCOME STATEMENT

in EUR million	9M 2020	9M 2019	Δ
Gross rental income	76.3 ¹	75.6	1%
Profit on disposal of properties	2.5	4.4	-43%
Real estate management fees	60.6 ²	38.9	56%
Share of the profit of associates	8.0	17.7	-55%
Net other income	-0.3	0.5	>-100%
Operating expenses	-36.2 ³	-30.9	17%
Administrative expenses	-14.2	-12.1	17%
Personnel expenses	-22.0	-18.8	17%
Depreciation and amortisation	-28.5	-24.8	15%
Net interest result	-21.1 ⁴	-25.2	-16%
Interest income	6.5	7.7	-16%
Interest expenses	-27.6	-32.9	-16%
Profit for the period	38.4 ⁵	40.0	-4%

- ¹ **Rental income in the Commercial Portfolio** rose by 1% to EUR 76.3 million: The increase from acquisitions (EUR 7.4 million) thus exceeded the decrease from sales (EUR 7.0 million) and the rent adjustments made due to COVID-19
- ² **Real estate management fees** rose by 56% to EUR 60.6 million amid a significant expansion of the Institutional Business. Of this amount, EUR 25.3 million is transaction-related whereas EUR 35.3 million results from higher asset and property management as well as development fees
- ³ The 17% increase in **operating expenses** to EUR 36.2 million is mainly due to growth in the Institutional Business. The COVID-19 pandemic has also led to higher expenses, especially in relation to IT and consulting costs
- ⁴ The ongoing optimisation of financing terms, in particular the repayment of the 14/19 bond (coupon of 4.625% p.a.; volume of EUR 175 million), which was replaced by low-interest promissory note loans (average of 1.55% p.a.; volume of EUR 180 million), led to a reduction in interest expense and thus to an **improvement in the net interest result** of EUR 4.1 million
- ⁵ At EUR 38.4 million, the **profit for the period** is roughly on the same level as the previous year. The decrease is mainly due to lower sales profits

Total assets reflect growth

BALANCE SHEET OVERVIEW

in EUR million	30.09.2020		31.12.2019
Total assets	2,765.0	①	2,657.4
Non-current assets	2,204.7	②	2,105.6
– thereof goodwill	177.9		177.9
Current assets	560.3		551.8
Total equity	1,069.6	③	968.8
Non-current loans and borrowings	1,442.3	④	1,292.3
Current loans and borrowings	84.4	④	219.9
Other liabilities	168.6		176.4
Total liabilities	1,695.3		1,688.6
Balance sheet equity ratio	38.7%	⑤	36.5%

- ① **Net assets** were impacted by the capital increase in January (EUR +107.3 million), the cash dividend payment in September (EUR -36.0 million) and the increase in investment property (EUR +103.4 million). Respectively the invested cash has an offsetting impact on the current assets. As a result, total assets rose by EUR 107.6 million to EUR 2,765.0 million as against year-end 2019
- ② **Non-current assets** increased by EUR 99.1 million to EUR 2,204.7 million compared with 31 December 2019, driven mainly by the acquisitions in Hanover, Eschborn and Leinfelden-Echterdingen. The notarisation of the sale of the Berlin property had an offsetting effect as the property was reclassified to current assets
- ③ The profit for the period of EUR 38.4 million and the net inflow of EUR 107.3 million from the capital increase carried out in January were key factors in causing **equity to increase by EUR 100.8 million** to EUR 1,069.6 million compared to 31 December 2019. The payment of a cash dividend for the 2019 financial year totalling EUR 36.0 million in the third quarter had an offsetting effect. Another high acceptance rate of around 40% for the scrip dividend demonstrates shareholders' high level of confidence in DIC Asset AG's strategy and strengthens its equity base by a further EUR 16.2 million
- ④ The refinancing carried out and repayments made in 2020 reduced current interest-bearing loans and borrowings and caused non-current interest-bearing loans and borrowings to increase. New borrowings associated with the acquisition of properties in the Commercial Portfolio also contributed to the rise in non-current loans and borrowings
- ⑤ The reported **equity ratio rose** from 36.5% on 31 December 2019 to 38.7%