

# Q1 2020

QUARTERLY STATEMENT



dynamic performance

# DEAR SHAREHOLDERS,

The Q1 report we are presenting to you today shows more than just robust earnings for the first quarter of the 2020 financial year. More importantly in this unusual situation where stakeholders are being confronted with changing health and economic policy bulletins from many sides on a daily basis, it demonstrates one thing: the steps we undertook last year are now proving to be of fundamental and lasting value. Even in COVID-19 times, DIC Asset AG is in good shape thanks to its highly diversified real estate investment and management platform. The figures we are reporting as at the end of the first quarter clearly prove this fact:

- Our assets under management rose to EUR 8.4 billion, an increase of 50% compared with the prior-year period and a rise of 11% on the end of 2019. The increase is essentially due to the growth of the Institutional Business (AuM up from EUR 3.9 billion to EUR 6.5 billion year-on-year). This means we can count on generating management fees on a much broader property and customer base than before.
- Our transaction business started the first quarter on a very strong footing with a transaction volume of EUR 327 million. We used our structuring expertise and our long-standing relationships with investors to execute several projects in our Institutional Business.
- Our teams have already been highly active in the rental business, also with early contract renewals. At EUR 5.0 million, our letting performance in Q1 was in line with forecasts, as expected. We did our homework and therefore have a lease expiry volume of just 2.4% in the 2020 financial year.
- Thanks to our reinforced Institutional Business, our management fees more than doubled compared with the prior-year quarter, rising from EUR 9.2 million to EUR 20.4 million.
- We increased our FFO by as much as 55% to EUR 26.4 million.

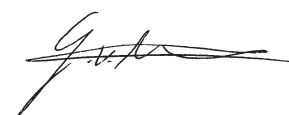
A key insight for us and our shareholders is that even under the adverse conditions in the market our business model enables us to deliver positive results. The current challenges and uncertainties underscore the importance of the excellent and dependable, profitable interplay between our competencies and resources on our diversified platform. We specifically expanded our report to give you an in-depth assessment of the effects of COVID-19 on our company as things stand today. We lost no time in entering into dialogue with tenants affected in particular by the pandemic and are very happy with the temporary agreements reached. DIC Asset AG has a highly capable team that is forward-looking in every situation, and we would like to thank them for this! They are essential to the quality of our management platform.

Thanks to our strong two-pillar business model we are well prepared for success even in the current, much more difficult environment. We are reiterating our dividend proposal of 66 cents per share, and based on our current profitability we expect FFO to be sustained at the previous year's high level of EUR 94–96 million. Our medium-term growth targets remain in place – we are well positioned and highly motivated to translate the trust our shareholders place in us into sustained dynamic performance.

Frankfurt am Main, April 2020



Sonja Wäntges



Johannes von Mutius



Patrick Weiden

## HIGHLIGHTS Q1 2020

AuM  
EUR 8.4  
billion



### Gross rental income

increases by 6% to EUR 26.0 million



### Real estate management fees

more than doubled to EUR 20.4 million



### FFO

up 55% to EUR 26.4 million



### Adjusted NAV

at EUR 21.91 per share despite higher number of shares due to 10% capital increase



### Loan-to-value

at a very low level of 45.0%



### Like-for-like growth

of the annualised rental income of the total platform of 6.0%

## UPDATE COVID-19

### Getting through the COVID-19 pandemic together

- Active dialogue with more than 300 affected tenants, primarily from the retail and hotel sectors
- Create a solution that is economically viable for both parties (particularly for Q2 2020)
- Gradual opening of businesses at the moment enables revenues again

### Impact on DIC Asset's results of operations

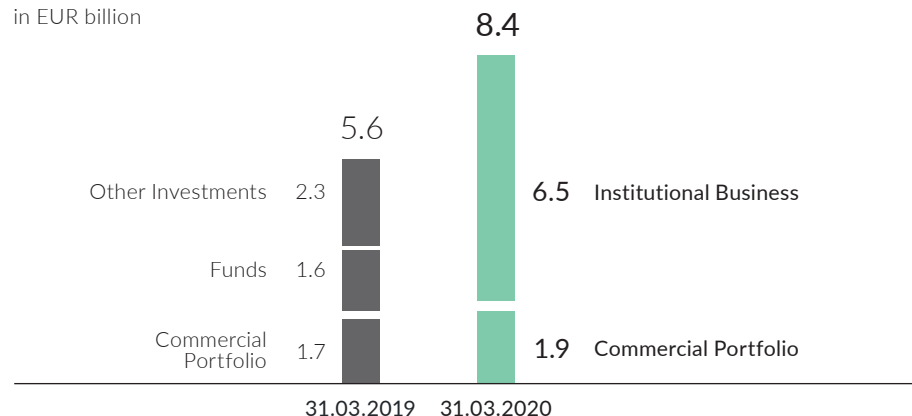
- Reduction of transaction targets for 2020: no increase in rents recognised in profit from acquisitions in 2020 in the Commercial Portfolio, and lower transaction-related management fees and slightly lower current management fees in the Institutional Business
- Expected impacts already reflected in updated forecast published on 3 April 2020

# ASSET- AND PROPERTY MANAGEMENT PERFORMANCE (1/4)

Assets under Management rose to EUR 8.4 billion

## ASSETS UNDER MANAGEMENT

in EUR billion



- Assets under management rose by 50% year-on-year to EUR 8.4 billion, distributed across 186 properties with rental space of around 2.2 million sqm
- As of 31 March 2020, the Commercial Portfolio (CP) comprised 92 properties with a market value of approx. EUR 1.9 billion. Optimising the portfolio by selling non-strategic properties and acquiring attractive properties led to an increase in the average property size to EUR 20.5 million (31 March 2019: EUR 17 million)
- Assets under management in the Institutional Business as of 31 March 2020 increased to approx. EUR 6.5 billion

## PORTFOLIO BY SEGMENT

31.03.2020	Commercial Portfolio	Institutional Business	Total
Number of properties	92	94	186
Market value in EUR million*	1,892.9	6,530.6	8,423.5
Rental space in sqm	837,500	1,316,200	2,153,700

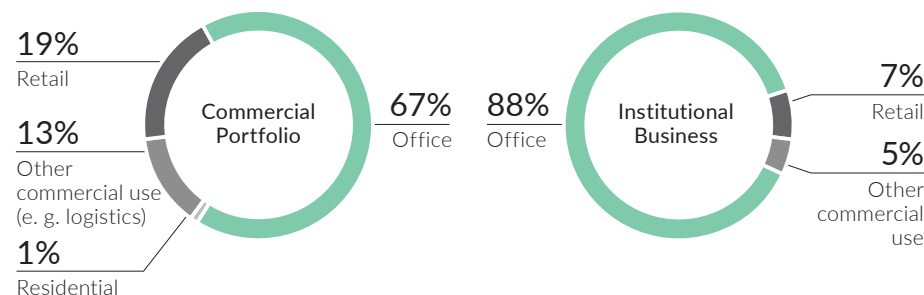
  

31.03.2019	Commercial Portfolio	Funds	Other Investments	Total
Number of properties	100	49	20	169
Market value in EUR million*	1,700.1	1,638.4	2,301.4	5,639.9
Rental space in sqm	901,800	606,800	327,300	1,835,900

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

## TYPES OF USE

Basis: annualised rental income



## ASSET- AND PROPERTY MANAGEMENT PERFORMANCE (2/4)

After implementing the Infinity Office project development: successful placement as club deal

### TRANSACTIONS IN 2020

in EUR million (Number of properties)	Notarisations in 2020 YTD	Notarisations in 2020 / Transfer of possession, benefits and assoc. risks in Q1 2020	Notarisations in 2018- 2019 / Transfer of possession, benefits and assoc. risks in Q1 2020
<b>ACQUISITIONS</b>			
Commercial Portfolio	0 (0)	0 (0)	0 (0)
Institutional Business	133 (1)	0 (0)	772 (5)
<b>Total</b>	<b>133 (1)</b>	<b>0 (0)</b>	<b>772 (5)</b>
<b>SALES</b>			
Commercial Portfolio	11 (1)	11 (1)	0 (0)
Institutional Business	183 (2)	0 (0)	0 (0)
<b>Total</b>	<b>194 (3)</b>	<b>11 (1)</b>	<b>0 (0)</b>

- The **transaction volume YTD** amounts to EUR 327 million
- On the **purchasing** side, one property in Wiesbaden with a volume of EUR 133 million (TIC) was acquired for the GEG Public Infrastructure I fund in the Institutional Business
- In Q1 2020, possession, benefits and associated risks were transferred for five properties with a total volume of EUR 772 million, which were acquired in 2018 and 2019, incl. the "Stadthaus" in Cologne with EUR 527 million and the **Infinity Office project development** in Düsseldorf (EUR 164 million), which was acquired in 2018 under a forward deal and sold after completion as a club deal
- On the **sales** side, the sale of three properties from the Commercial Portfolio and the Institutional Business with a total value of around EUR 194 million has been notarised to date this year; possession, benefits and associated risks are expected to be transferred during 2020



ACQUIRED AS PROJECT  
DEVELOPMENT UNDER  
A FORWARD DEAL  
IN 2018

TRANSFER OF  
POSSESSION, BENEFITS  
AND ASSOCIATED RISKS /  
WAREHOUSING  
IN Q1 2020

STRUCTURED  
AS A CLUB DEAL IN THE  
INSTITUTIONAL BUSINESS  
IN Q2 2020

Rental space: 20,500 sqm  
Pre-letting rate: 85 %  
Anchor tenant:  
Bankhaus Lampe

Completion: Project  
development completed  
in 01/2020  
WALT: approx. 12 years  
BNL DIC: 28.02.2020  
Warehousing: 03.04.2020

TIC: EUR 175 million  
Structure: Club deal with  
two renowned investors  
Fees: Generation of recurring  
and transaction fees

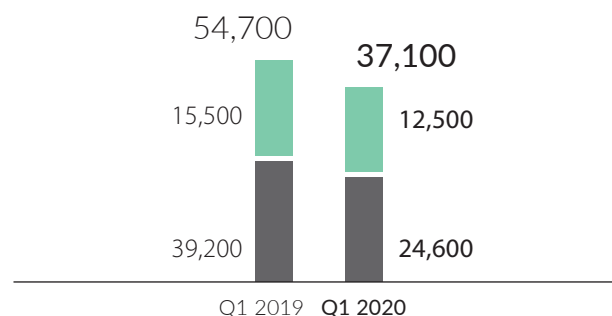
# ASSET- AND PROPERTY MANAGEMENT PERFORMANCE (3/4)

Remaining lease expiry volume in 2020 at only 2.4 %

## LETTING STRUCTURE

in sqm

■ New Lettings  
■ Renewals



## TOP LETTINGS

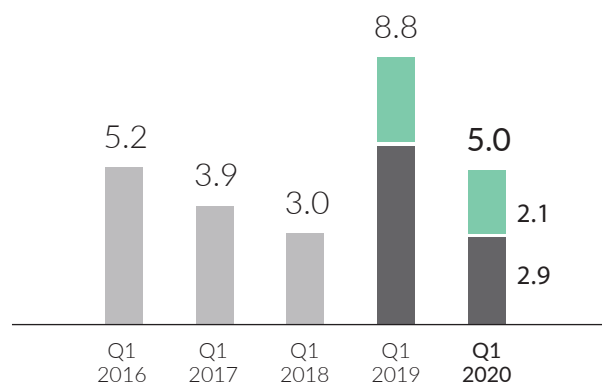
Freie und Hansestadt Hamburg	R Commercial Portfolio	Hamburg	11,300 sqm
Adesso SE	N Institutional Business	Bonn	1,700 sqm
Deutsches Zentrum für Luft- und Raumfahrt	R Institutional Business	Bonn	1,600 sqm
Modehaus Fischer	R Commercial Portfolio	Halle	1,600 sqm
Johnson Controls	N Institutional Business	Mannheim	1,500 sqm

N - New Lettings, R - Renewal

## LETTING STRUCTURE

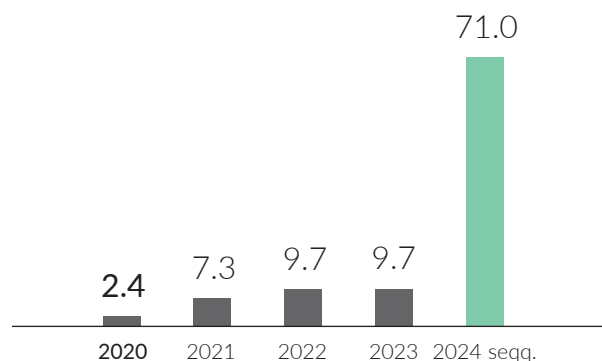
annualised rental income in EUR million

■ Institutional Business  
■ Commercial Portfolio



## LEASE MATURITY

annualised rental income in %



- **Letting performance** in the first three months amounted to 37,100 sqm, of which 66 % (24,600 sqm) was attributable to lease renewals and 34 % (12,500 sqm) to new leases
- The biggest contract was a large-volume lease renewal for 11,300 sqm signed with the Free and Hanseatic City of Hamburg
- Our letting teams were able to secure agreements with **annualised rental income** of EUR 5.0 million:
  - EUR 2.9 million (58 %) for the Commercial Portfolio
  - EUR 2.1 million (42 %) for the Institutional Business
- **2020 lease expiry volume** remaining was thereby reduced to 2.4 %. A total of 71 % of leases expire in 2024 or later
- Annualised rental income in the overall portfolio grew by 6 % **like-for-like**



# ASSET- AND PROPERTY MANAGEMENT PERFORMANCE (4/4) – CASE STUDY

Active management: refurbishment, repositioning and sale of the Frankfurter Strasse property in Wiesbaden



## STATUS QUO BEFORE REPOSITIONING

- In the DIC Office Balance I fund since 2010 (currently in the divestment phase)
- Around 25,000 sqm of space
- Central location in downtown Wiesbaden
- Let to AXA insurance company
- Fully let office property



## ACTIVE ASSET MANAGEMENT: REFINANCEMENT AND REPOSITIONING

- Conclusion of a long-term lease of 10 years with the Institute for Federal Real Estate (Bundesanstalt für Immobilienaufgaben, BImA) for the user Federal Criminal Police Office (Bundeskriminalamt, BKA)
- Rental agreement with previous anchor tenant was not renewed
- Refurbishment implemented with fit-out following the highest security standards for EUR 30 million
- Rental volume increased by >80% to EUR 6.1 million p.a
- Market value increased by around 90%, from EUR 66 million to around EUR 124 million



## RESULTS (2020)

- Completion and handover to the new user in early 2020
- New BKA site for around 850 civil servants
- OB I mandated DIC for sale of the property
- Successful sale to infrastructure fund GEG Public Infrastructure I (currently in the investment phase)

➡ DIC: Development fees, transaction fees and recurring fees

# COMMERCIAL PORTFOLIO SEGMENT

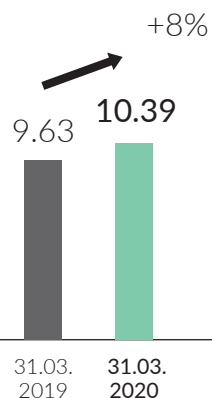
## Increase in portfolio quality

### DEVELOPMENT OF THE COMMERCIAL PORTFOLIO

	31.03.2020	31.03.2019
Number of properties	92	100
Market value (in EUR million)	1,892.9	1,700.1
Rental space in sqm	837,500	901,800
Annualised rental income in EUR million	98.8	98.3
Avg. rent per sqm in EUR	10.39	9.63
WALT in years	6.2	5.8
EPRA vacancy rate in %	8.4	8.4
Gross rental yield in %	5.2	5.8

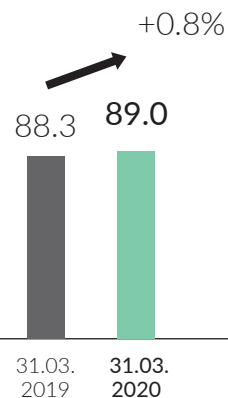
#### AVERAGE RENT

in EUR/sqm \*



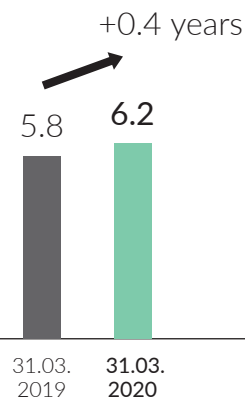
#### LIKE-FOR-LIKE RENTAL INCOME

in EUR million \*



#### WALT

in years \*



\* excluding repositioning and warehousing properties

- As of 31 March 2010, the **Commercial Portfolio** comprised 92 properties with a **market value** of approx. EUR 1.9 billion and **rental space** of 837,500 sqm (31 March 2019: EUR 1.7 billion, 100 properties)
- At 8.4 %, the **EPRA vacancy rate** remained at the previous year's level in the first quarter (31 March 2019: 8.4 %) due to seasonal effects and regular lease expiries
- Average rent per sqm increased by 8 % to EUR 10.39
- **Annualised rental income** rose to EUR 98.8 million (Q1 2019: EUR 98.3 million) due to lettings and acquisitions, while **like-for-like rental income** grew by 0.8 % to EUR 89.0 million
- **WALT** increased significantly year-on-year from 5.8 years to 6.2 years

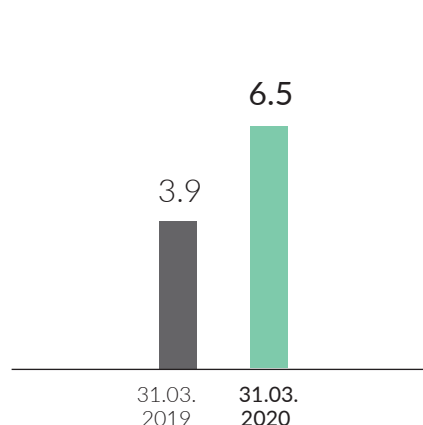


# INSTITUTIONAL BUSINESS SEGMENT

## Real estate management fees more than doubled

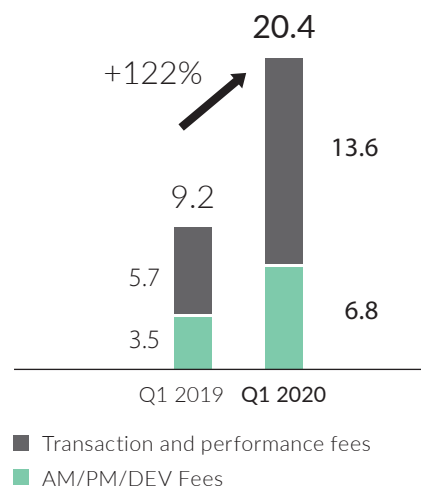
### ASSETS UNDER MANAGEMENT

in EUR billion



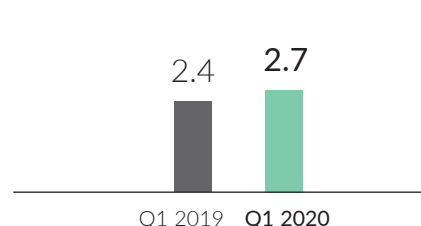
### MANAGEMENT FEES

in EUR million



### SHARE OF THE PROFIT OF ASSOCIATES

in EUR million



- At EUR 20.4 million, **real estate management fees** from the Institutional Business more than doubled year-on-year, with both recurring and transaction-related management fees showing a significant increase (Q1 2019: EUR 9.2 million), driven, among others, by ongoing management of properties newly acquired in 2019, such as the Stadhaus in Cologne, the Eurotheum in Frankfurt, the Pressehaus in Berlin and the Helio in Augsburg
- **Transaction and performance fees**, i.e. fees for acquisitions and disposals and the setup of investment products as well as for exceeding defined IRR hurdles, significantly increased year-on-year to EUR 13.6 million (Q1 2019: EUR 5.7 million), thereof EUR 8.4 million from acquisitions and EUR 5.2 million from sales
- **Fees for asset and property management and development** were increased to EUR 6.8 million (Q1 2019: EUR 3.5 million) due to the successful growth of assets under management and extensive property acquisitions
- In addition to management fees, we also generate **share of the profit of associates** from our equity investments in investment products in the Institutional Business. These amounted to EUR 2.7 million in the first quarter (Q1 2019: EUR 2.4 million)

# INCOME STATEMENT

Strong rise in income from Institutional Business lifts profit for the period

## CONSOLIDATED INCOME STATEMENT

in EUR million	Q1 2020		Q1 2019	Δ
Gross rental income	26.0 <sup>1</sup>		24.5	6%
Profit on disposal of properties	2.5		1.2	>100%
Real Estate Management fees	20.4 <sup>2</sup>		9.2	>100%
Share of the profit of associates	2.7		2.4	13%
Net other income	-0.2		0.5	>100%
Operating expenses	-12.1 <sup>3</sup>		-7.4	64%
Administrative expenses	-5.0		-2.5	100%
Personnel expenses	-7.1		-4.9	45%
Depreciation and amortisation	-9.2		-7.5	23%
Net interest result	-7.1 <sup>4</sup>		-8.6	17%
Interest income	2.1		2.7	-22%
Interest expenses	-9.2		-11.3	18%
Profit for the period	16.1 <sup>5</sup>		9.2	75%

- <sup>1</sup> Our successful asset and property management platform was able to grow our like-for-like rents by 0.8 % based on rent increases and new leases. In addition, the acquisitions made in the previous year also helped us to increase our **gross rental income** by 6 % year-on-year to EUR 26.0 million (Q1 2019: EUR 24.5 million)
- <sup>2</sup> Following the expansion of our Institutional Business segment last year, we more than doubled **real estate management fees** year-on-year to EUR 20.4 million in the first quarter of 2020 (Q1 2019: EUR 9.2 million). Both asset and property management and development fees (EUR 6.8 million, +94 %) as well as transaction and performance fees (EUR 13.6 million, +138 %) rose significantly. One of the factors contributing to this increase was the Frankfurter Strasse property in Wiesbaden, which was sold in Q1 following successful repositioning
- <sup>3</sup> Triggered by the acquisition-based growth of the Institutional Business segment in June 2019, **operating expenses** rose by 64 % year-on-year to EUR 12.1 million (Q1 2019: EUR 7.4 million)
- <sup>4</sup> The improved net interest result reflects the effects of repaying the bond carrying interest of 4.625% p.a. in the amount of EUR 175 million in Q3 2019 and issuing promissory notes totalling EUR 180 million at an average coupon of 1.55 % p.a. at the end of last year. Overall, the net interest result improved to EUR -7.1 million year-on-year (Q1 2019: EUR -8.6 million)
- <sup>5</sup> **Profit for the period** rose by a significant 75 % to EUR 16.1 million (Q1 2019: EUR 9.2 million), mainly due to the increase in real estate management fees

# FUNDS FROM OPERATIONS INCREASE BY 55%

Growth of real estate platform in institutional business leads to higher FFO

## RECONCILIATION TO FFO

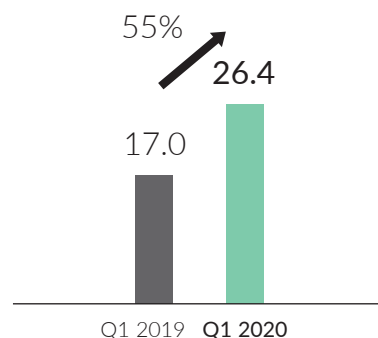
in EUR million	Q1 2020	Q1 2019	Δ
Net rental income	22.6	21.2	7%
Administrative expenses	-5.0	-2.5	100%
Personnel expenses	-7.1	-4.9	45%
Other operating income/expenses	-0.2	0.5	>100%
Real estate management fees	20.4	9.2	>100%
Share of the profit or loss of associates without project developments and sales	2.7	2.4	13%
Net interest income	-7.1	-8.6	17%
Other adjustments*	0.1	-0.3	>100%
Funds from operations (FFO)	26.4	17.0	55%

\* The other adjustments include:

- Transaction, legal and consulting costs of EUR 71 thousand (previous year: EUR -429 thousand)
- Administrative expenses and personnel costs of EUR 0 thousand (previous year: EUR 128 thousand)

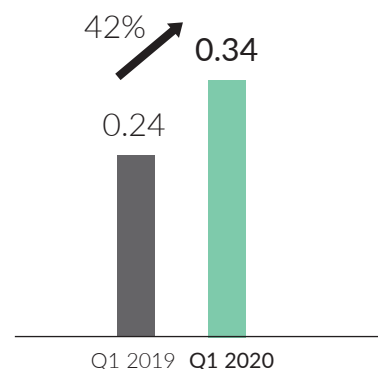
## FFO

in EUR million



## FFO PER SHARE\*

in EUR



\* number of shares in accordance with IFRS as per Q1 2020 of 77,395,661 (Q1 2019: 70,526,248)

■ **FFO** rose by 55 % to EUR 26.4 million, mainly as a result of significantly higher real estate management fees generated by the growing third-party asset management services offered via the real estate platform, higher net rental income and an improved net interest result. The increase in operating expenses driven by the acquisition of GEG had an offsetting effect

■ **FFO per share** rose by 42 % to EUR 0.34 (restated to 77.4 million shares pursuant to IFRS; 31 March 2019: EUR 0.24 based on 70.5 million shares) despite the 6.9 million rise in the average number of shares triggered by the capital increase implemented in January 2020

# SEGMENT REPORTING

## Institutional Business delivering consistently growing FFO contribution

### SEGMENT REPORTING

in EUR million	Q1 2020			Q1 2019		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business	Total
<b>Key earnings figures</b>						
Gross rental income (GRI)	26.0		26.0	24.5		24.5
Net rental income (NRI)	22.6		22.6	21.2		21.2
Profits on property disposals	2.5		2.5	1.2		1.2
Real estate management fees		20.4	20.4		9.2	9.2
Share of the profit or loss of associates		2.7	2.7		2.4	2.4
Net interest result	-6.2	-0.9	-7.1	-6.6	-2.0	-8.6
Operational expenditure (OPEX)	-3.5	-8.6	-12.1	-3.2	-4.2	-7.4
- of which administrative costs	-1.4	-3.6	-5.0	-1.1	-1.4	-2.5
- of which personnel costs	-2.1	-5.0	-7.1	-2.1	-2.8	-4.9
Net other income	0.2	-0.4	-0.2	0.5	0.0	0.5
Other adjustments *	0.1	0.0	0.1	-0.3	0.0	-0.3
Funds from Operations (FFO)	13.2	13.2	26.4	11.5	5.5	17.0

\* The other adjustments include:

- Transaction, legal and consulting costs of EUR 71 thousand (previous year: EUR -429 thousand)
- Administrative expenses and personnel costs of EUR 0 thousand (previous year: EUR 128 thousand)

- The **Commercial Portfolio's** contribution of EUR 13.2 million was up 15 % year-on-year, due to higher net rental income triggered by like-for-like growth of 0.8 % and acquisitions made in the previous year. The 6 % improvement in the net interest result also contributed to the significant increase in FFO
- The contribution to earnings made by the **Institutional Business** in the first quarter also reflects the acquisition-based growth of the management platform, which was not included in the prior-year period. As a result, real estate management fees more than doubled to EUR 20.4 million. The acquisition-based growth of the Institutional Business segment also increased operating expenses to EUR 8.6 million. Overall, the segment generated FFO of EUR 13.2 million



# BALANCE SHEET

## Capital increase strengthens equity base

### BALANCE SHEET OVERVIEW

in EUR million	31.03.2020		31.12.2019
Total assets	2,798.5	①	2,657.4
Non-current assets	2,086.7		2,105.6
– thereof goodwill	177.9		177.9
Current assets	711.8	②	551.9
Total equity	1,082.1	③	968.8
Non-current loans and borrowings	1,292.3		1,292.3
Current loans and borrowings	179.5		219.9
Other liabilities	244.6	④	176.5
Total liabilities	1,716.4		1,688.7
Balance sheet equity ratio	38.7%	⑤	36.5%

- Our **dynamic performance** attitude is also reflected in the balance sheet at the end of the first quarter of 2020. We were one of the first companies in Germany this year to use an accelerated bookbuilding in order to increase our equity by 10%. We placed a total of 6,857,774 new shares at an issue price of 16 euros, which was marginally below the stock market price. This generated gross issue proceeds of around EUR 110 million, which strengthened our equity base (③). The reported equity ratio rose from 36.5% to 38.7%. (⑤)
- In late February, the Infinity Office project development in Düsseldorf, which we secured in 2018 via a forward deal and monitored until completion over the construction period, was added. After the completion and letting of the Infinity Office we have structured a club deal for two renowned institutional investors in the second quarter 2020 and hence manage the property in the Institutional Business segment. As of the 31 March 2020 balance sheet date, we show the property under current assets as "non-current assets held for sale" (②) and the corresponding liabilities as "liabilities related to non-current assets held for sale" (④).
- Overall, total assets (①) thus increased by EUR 141.1 million compared with the end of 2019

# ADJUSTED NET ASSET VALUE

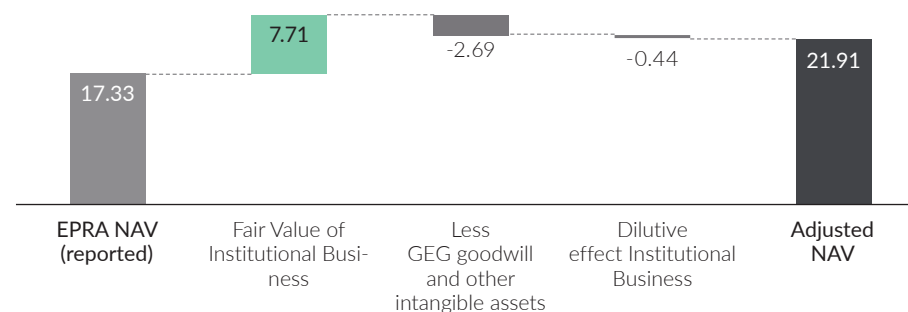
## Reconciliation of EPRA NAV to adjusted NAV including Institutional Business value

### EPRA NAV

in EUR million	31.03.2020	31.12.2019
Carrying amount of Investment properties	1,614.6	1,623.0
Fair value adjustment	278.3	277.0
Fair value of the investment properties	1,892.9	1,900.0
Real estate assets acc. to IFRS 5	253.5	100.2
Fair value of properties	2,146.4	2,000.2
Carrying amount of equity investments	69.8	71.2
Fair value adjustment	5.9	5.9
Fair value of equity investments	75.7	77.1
+/- Other assets/liabilities (excluding goodwill)	675.2	592.6
Restatement of Other assets/liabilities*	-121.3	-60.3
Net loan liabilities at carrying amount	-1,471.8	-1,512.1
Net loan liabilities in accordance with IFRS 5	-115.9	-35.0
Non-controlling interests	-12.2	-12.2
Goodwill inc. other assets / liabilities	194.3	193.9
EPRA-Net Asset Value (EPRA-NAV)	1,370.4	1,244.2
Number of shares (thousand)	79,072	72,214
EPRA-NAV per share in EUR	17.33	17.23

\* Restated for deferred taxes (EUR+9,149 thousand; previous year: EUR +7,880 thousand), financial instruments (EUR +7,166 thousand; previous year: EUR -3,045 thousand) and IFRS 5 assets and liabilities (EUR -137,620 thousand; previous year: EUR -65,123 thousand);

- The **EPRA NAV** as of 31 March 2020 amounts to EUR 1,370 million, up 10 % compared to the 2019 year-end figure of EUR 1,244 million due to the capital increase implemented at the beginning of the year
- The adjusted NAV includes the **value of our Institutional Business segment** in the amount of EUR 557 million calculated and reviewed on the basis of a DCF method
- Goodwill, intangible assets, other assets and liabilities of around EUR 194 million were already recognized in the EPRA NAV
- As of 31 March 2020 the adjusted NAV amounted to EUR 1,733 million. After taking into account the dilutive effect of the January 2020 capital increase on the Institutional Business adjustments in the amount of EUR 0.44 per share, the **adjusted NAV** is EUR 21.91 per share

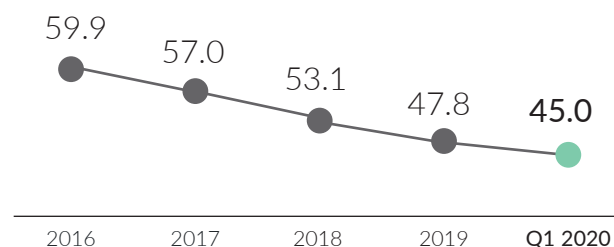


# FINANCIAL STRUCTURE

No material expiries in 2020/2021

## LTV\*

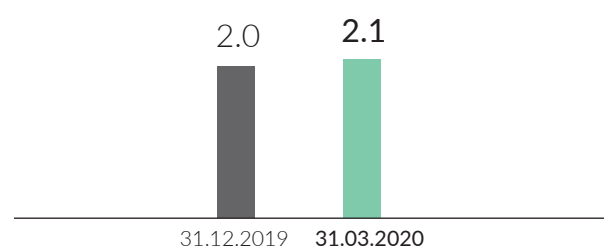
in %



\* 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 intangible assets, e.g. goodwill on the other hand, adjusted for warehousing.

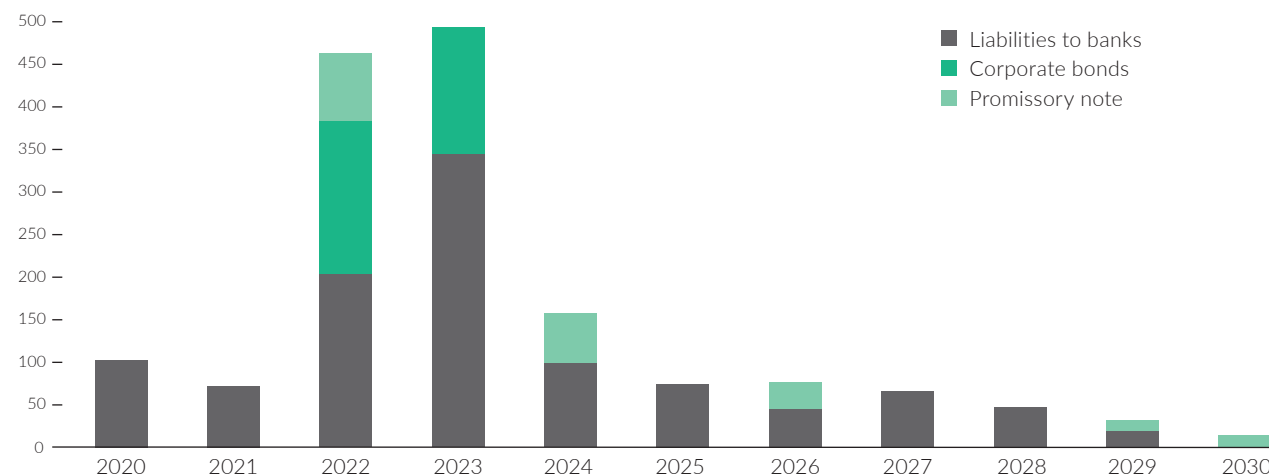
## AVERAGE INTEREST RATE

in % of total financial debt



## MATURITIES OF LOANS AND BORROWINGS (Q1 2020)<sup>1</sup>

in EUR million



<sup>1</sup> nominal values as of 31 March 2020

- The **weighted average term of loans** and borrowings rose to 4.0 years (31 December 2019: 3.9 years).
- The **average interest rate** of loans and borrowings stood at 2.1 % on 31 March 2020 (31.03.2019: 2.4 %) and slightly increased due to the repayment of commercial paper
- The **interest cover ratio** (ICR, the ratio of EBITDA to net interest result) remained at the very high year-end level of 508 % (31 December 2019: 509 %)
- The **LTV** ratio (adjusted for warehousing) fell by 280 bp to 45.0 %
- **Maturities in 2020/2021:** EUR 103 million in 2020 for refinancing, EUR 72 million in 2021 for refinancing
- **Cash and cash equivalents** as of 31 March 2020 at EUR 342 million

# COVID-19 – IMPACT ON REAL ESTATE MARKET & DIC ASSET

DIC Asset well-equipped for the coronavirus pandemic with high profitability and financial strength



Bundestag/Bundesrat have passed the Act to Mitigate the Effects of the COVID-19 Pandemic (Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie):

The road to normality – Federal Government announces first stage of lockdown easing (15 April 2020)

- The law indirectly allows for a suspension of rents by the tenant for 3 months without negative consequences, if tenants can prove that they are unable to pay their rent due to the “effects of the COVID-19 pandemic”. Landlords cannot terminate lease agreements due to delayed payments in April, May and June 2020.
- Outstanding rent payments must be paid in arrears under the new legislation, within a maximum period of 24 months.
- Since 20 April 2020, businesses with up to 800 sqm of retail space (with variations by Federal state) can reopen; however, they must ensure that appropriate hygiene concepts are in place.



# COVID-19 – IMPACT ON REAL ESTATE MARKET & DIC ASSET

DIC Asset well-equipped for the coronavirus pandemic with high profitability and financial strength

## DIC's approach: "Getting through the COVID-19 pandemic together"

- Active dialogue with more than 300 tenants directly affected by the shutdown, primarily from the retail and hotel sectors in both segments
- Finding economically sustainable individual solutions for both partners, i.e. temporary waiving of rents for a prolongation of the rental contract
- Gradual opening of businesses at the moment enables revenues again
- In individual cases, possible concepts for subsequent use are developed as a precaution

## Impact on DIC Asset's results of operations

- Possible effects are reflected in the updated outlook with today's knowledge and anticipated assumptions
- Reduction of acquisition volume 2020 for both segments
- Adjustment of rental contracts -> reduction of net rental income and management fees
- Cash flow effect in April of around EUR 1.3 million

# EXPECTED DEVELOPMENT IN FINANCIAL YEAR 2020

FFO at a high prior-year level

Expected impacts in Q2–Q4  
2020 already reflected in  
new guidance

■ Updated forecast published on 3 April 2020

■ Q2 2020 trend:

- Slight decline in gross rental income due to adjustments of the rental contracts and reduced acquisition target vs. original forecast
- Real estate management fees at the high level of the first quarter due to factors including completed Infinity club deal with non-recurring and current management fees
- Stable share of the profit of associates

■ H2 2020 trend:

- Further decline in rental income anticipated due to reduced acquisition target as well as possible increase in impairments arising from non-payment of rents
- Real estate management fees and share of the profit of associates will remain stable at a similar level to Q1 2020

■ **FFO performance: Above-mentioned effects** of the coronavirus pandemic lead to a light reduction of FFO in Q3 and Q4 2020 with a total of EUR 94–96 million for FY 2020

# FORECAST

Forecast update for 2020



## TARGETS FOR 2020

- FFO on high level of the previous year of EUR 94–96 million
- Acquisition volume of EUR 0.7–1.1 billion, thereof
  - EUR 200–300 million for the Commercial Portfolio
  - EUR 500–800 million for the Institutional Business
- Sales volume of c. EUR 400 million, thereof
  - c. EUR 100 million from the Commercial Portfolio
  - c. EUR 300 million from the Institutional Business
- Gross Rental Income of EUR 94–98 million
- Real Estate Management Fees of EUR 80–90 million
- Mid-term AuM target of EUR 10.0 billion

# APPENDIX

## DIC ASSET AG AT A GLANCE

Key financial figures in EUR million	Q1 2020	Q1 2019	Δ
Gross rental income	26.0	24.5	6%
Net rental income	22.6	21.2	7%
Real estate management fees	20.4	9.2	>100%
Proceeds from sales of property	9.5	11.2	-15%
Total income	61.5	50.6	22%
Profits on property disposals	2.5	1.2	>100%
Share of the profit or loss of associates	2.7	2.4	13%
Funds from Operations (FFO)	26.4	17.0	55%
EBITDA	36.0	27.2	32%
EBIT	26.8	19.7	36%
EBT	19.7	11.1	77%
Profit for the period	16.1	9.2	75%
Cash flow from operating activities	15.4	9.8	57%
Key financial figures per share in EUR*	Q1 2020	Q1 2019	Δ
FFO	0.34	0.24	42%
Earnings	0.21	0.13	62%
Balance sheet figures in EUR million	31.03.2020	31.12.2019	
Loan-to-value ratio (LTV) in %**	45.0	47.8	
Investment property	1,614.6	1,623.0	
Total equity	1,082.1	968.8	
Financial liabilities	1,587.7	1,547.2	
Total assets	2,798.5	2,657.4	
Cash and cash equivalents	342.0	351.2	

EPRA key figures in EUR million	31.03.2020	31.12.2019
EPRA Net Asset Value (EPRA-NAV)	1,370.4	1,244.2
EPRA Net Reinstatement Value (EPRA-NRV)	1,317.2	1,192.5
EPRA Net Disposal Value (EPRA-NDV)	1,180.0	1,065.3
EPRA Net Tangible Assets (EPRA-NTA)	1,118.7	993.1
	Q1 2020	Q1 2019
EPRA earnings	23.0	15.1
EPRA cost ratio incl. direct vacancy costs (in %)**	22.9	22.9
EPRA cost ratio excl. direct vacancy costs (in %)**	19.6	21.1
EPRA net initial yield (in %)**	4.6	4.9
EPRA "topped up" net initial yield (in %)**	4.7	5.0
EPRA vacancy rate (in %)**	8.4	8.4
EPRA key figures per share in EUR	Q1 2020	Q1 2019
EPRA earnings per share	0.30	0.21
	31.03.2020	31.12.2019
EPRA-NAV per share	17.33	17.23

\* all per share figures adjusted in accordance with IFRSs (number of shares 3M 2020: 77.395.661; 3M 2019: 70.526.248)

\*\* adjusted for warehousing

\*\*\* Calculated for the Commercial Portfolio only

\*\*\*\* Calculated for the Commercial Portfolio only, without project developments and repositioning



# CONSOLIDATED FINANCIAL STATEMENT for the period from 1 January to 31 March

in EUR thousand	Q1 2020	Q1 2019
Total income	61,534	50,555
Total expenses	-37,413	-33,268
Gross rental income	25,976	24,496
Ground rents	-121	-168
Service charge income on principal basis	5,306	4,931
Service charge expenses on principal basis	-5,879	-5,606
Other property-related expenses	-2,681	-2,455
Net rental income	22,601	21,198
Administrative expenses	-4,958	-2,505
Personnel expenses	-7,099	-4,859
Depreciation and amortisation	-9,205	-7,517
Real estate management fees	20,397	9,227
Other operating income	332	700
Other operating expenses	-490	-159
Net other income	-158	541
Net proceeds from disposal of investment property	9,524	11,201
Carrying amount of investment property disposed	-6,981	-9,999
Profit on disposal of investment property	2,543	1,202
Net operating profit before financing activities	24,121	17,287
Share of the profit or loss of associates	2,657	2,386
Interest income	2,152	2,664
Interest expense	-9,238	-11,286
Profit/loss before tax	19,692	11,051
Current income tax expense	-1,417	-1,387
Deferred tax income/expense	-2,200	-500
Profit for the period	16,075	9,164
Attributable to equity holders of the parent	16,078	9,210
Attributable to non-controlling interest	-3	-46
Basic (=diluted) earnings per share (EUR)*	0.21	0.13

\* number of shares adjusted in accordance with IFRS as per Q1 2020 of 77,395,661 (Q1 2019: 70,526,248)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 31 March

in EUR thousand	Q1 2020	Q1 2019
Profit/loss for the period	16,075	9,164
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Fair value measurement of hedging instruments		
Cash flow hedges	-681	0
Items that shall not be reclassified subsequently to profit or loss		
Gains/losses on financial instruments classified as measured at fair value through other comprehensive income	-9,399	9,755
Other comprehensive income*	-10,080	9,755
Comprehensive income	5,995	18,919
Attributable to equity holders of the parent	5,998	18,965
Attributable to non-controlling interest	-3	-46

\* after tax

## CONSOLIDATED STATEMENT OF CASH FLOW

for the period from 1 January to 31 March

in TEUR	Q1 2020	Q1 2019
OPERATING ACTIVITIES		
Net operating profit before interest, taxes and dividends	21,788	13,613
Realised gains/losses on disposals of investment property	-2,543	-1,202
Depreciation and amortisation	9,205	7,517
Changes in receivables, payables and provisions	-9,764	4,258
Other non-cash transactions	2,417	-9,970
Cash generated from operations	21,103	14,216
Interest paid	-4,632	-4,104
Interest received	45	0
Income taxes received/paid	-1,126	-346
Cash flows from operating activities	15,390	9,766
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	9,524	11,201
Acquisition of investment property	0	-14,234
Capital expenditure on investment properties	-8,637	-8,009
Acquisition/disposal of other investments	-85,425	151,545
Loans to related parties	-2,356	-2,992
Acquisition/disposal of office furniture and equipment, software	-12	-52
Cash flows from investing activities	-86,906	137,459
FINANZIERUNGSTÄTIGKEIT		
Proceeds from capital contributions	109,724	0
Proceeds from other non-current borrowings	4,882	39,100
Repayment of borrowings	-49,234	-107,940
Lease payments	-710	-428
Payment of transaction costs	-2,375	0
Cash flows from financing activities	62,287	-69,268
Net changes in cash and cash equivalents	-9,229	77,957
Cash and cash equivalents as at 1 January	351,236	286,903
Cash and cash equivalents as at 31 March	342,007	364,860

## CONSOLIDATED BALANCE SHEET

Assets in EUR thousand	31.03.2020	31.12.2019
Goodwill	177,892	177,892
Investment property	1,614,626	1,623,030
Office furniture and equipment	9,935	10,285
Investments in associates	69,772	71,212
Loans to related parties	121,335	119,527
Other investments	43,603	53,611
Intangible assets	20,555	21,486
Deferred tax assets	29,023	28,545
<b>Total non-current assets</b>	<b>2,086,741</b>	<b>2,105,588</b>
Receivables from sale of investment property	1,310	488
Trade receivables	15,605	11,634
Receivables from related parties	11,750	11,002
Income tax receivable	15,408	15,491
Other receivables	50,869	41,448
Other current assets	21,295	20,402
Cash and cash equivalents	342,007	351,236
<b>Total current assets</b>	<b>458,244</b>	<b>451,701</b>
Non-current assets held for sale	253,536	100,154
<b>Total current assets</b>	<b>711,780</b>	<b>551,855</b>
<b>Total assets</b>	<b>2,798,521</b>	<b>2,657,443</b>

Equity and liabilities in EUR thousand	31.03.2020	31.12.2019
<b>EQUITY</b>		
Issued capital	79,072	72,214
Share premium	864,400	763,909
Hedging reserve	-2,088	-1,406
Reserve for financial instruments classified as at fair value through other comprehensive income	-4,624	4,775
Retained earnings	141,249	125,170
<b>Total shareholders' equity</b>	<b>1,078,009</b>	<b>964,662</b>
Non-controlling interest	4,113	4,116
<b>Total equity</b>	<b>1,082,122</b>	<b>968,778</b>
<b>LIABILITIES</b>		
Corporate bonds	325,285	324,896
Non-current interest-bearing loans and borrowings	967,056	967,374
Deferred tax liabilities	32,240	30,493
Derivatives	2,542	1,729
Other non-current liabilities	6,490	6,709
<b>Total non-current liabilities</b>	<b>1,333,613</b>	<b>1,331,201</b>
Current interest-bearing loans and borrowings	179,458	219,856
Trade payables	4,812	3,443
Liabilities to related parties	16,782	16,582
Income tax payable	20,884	20,689
Other liabilities	44,934	61,863
<b>Total current liabilities</b>	<b>266,870</b>	<b>322,433</b>
Liabilities related to non-current assets held for sale	115,916	35,031
<b>Total current liabilities</b>	<b>382,786</b>	<b>357,464</b>
<b>Total liabilities</b>	<b>1,716,399</b>	<b>1,688,665</b>
<b>Total equity and liabilities</b>	<b>2,798,521</b>	<b>2,657,443</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TEUR	Issued capital	Share premium	Hedging reserve	Reserve for financial instruments classified as at fair value through other comprehensive income	Retained earnings	Total shareholders' equity	Non-controlling interest	Total
<b>Balance at 31 December 2018</b>	70,526	749,816	1,243	69,515	1,275	892,375	3,546	<b>895,921</b>
Profit/loss for the period					9,210	9,210	-46	<b>9,164</b>
Other comprehensive income*								
Items that shall not be reclassified subsequently to profit or loss								
Gains/losses on financial instruments classified as measured at fair value through other comprehensive income				9,755		9,755		<b>9,755</b>
Gains/losses on the sale of financial instruments classified as measured at fair value through other comprehensive income				-32,900	32,900	0		<b>0</b>
Gains/losses from fair value hedges			-1,243			-1,243		<b>-1,243</b>
Comprehensive income	0	0	-1,243	-23,145	42,110	17,722	-46	<b>17,676</b>
<b>Balance at 31 March 2019</b>	70,526	749,816	0	46,370	43,385	910,097	3,500	<b>913,597</b>
Profit/loss for the period					71,701	71,701	-176	<b>71,525</b>
Other comprehensive income*								
Items that may be reclassified subsequently to profit or loss								
Gains/losses from cash flow hedges			-1,406			-1,406		<b>-1,406</b>
Items that shall not be reclassified subsequently to profit or loss								
Gains/losses on financial instruments classified as measured at fair value through other comprehensive income				2,341		2,341		<b>2,341</b>
Gains/losses on the sale of financial instruments classified as measured at fair value through other comprehensive income				-43,936	43,936	0		<b>0</b>
Gains/losses from fair value hedges			0			0		<b>0</b>
Comprehensive income	0	0	-1,406	-41,595	115,637	72,636	-176	<b>72,460</b>
Changes in the basis of consolidation							792	<b>792</b>
Dividend distribution for 2018					-33,852	-33,852		<b>-33,852</b>
Issuance of shares through capital increase in cash	1,688	14,459				16,147		<b>16,147</b>
Transaction costs of equity transactions		-366				-366		<b>-366</b>
<b>Balance at 31 December 2019</b>	72,214	763,909	-1,406	4,775	125,170	964,662	4,116	<b>968,778</b>
Profit/loss for the period					16,078	16,078	-3	<b>16,075</b>
Other comprehensive income*								
Items that may be reclassified subsequently to profit or loss								
Gains/losses from cash flow hedges			-681			-681		<b>-681</b>
Items that shall not be reclassified subsequently to profit or loss								
Gains/losses on financial instruments classified as measured at fair value through other comprehensive income				-9,399		-9,399		<b>-9,399</b>
Comprehensive income	0	0	-681	-9,399	16,078	5,998	-3	<b>5,995</b>
Issuance of shares through capital increase in cash	6,858	102,866				109,724		<b>109,724</b>
Transaction costs of equity transactions		-2,375				-2,375		<b>-2,375</b>
<b>Balance at 31 March 2020</b>	79,072	864,400	-2,088	-4,624	141,249	1,078,009	4,113	<b>1,082,122</b>

\* net of deferred taxes



## SEGMENT REPORTING

in EUR million	Q1 2020			Q1 2019		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business	Total
<b>Key earnings figures</b>						
Gross rental income (GRI)	26.0		26.0	24.5		24.5
Net rental income (NRI)	22.6		22.6	21.2		21.2
Profits on property disposals	2.5		2.5	1.2		1.2
Real estate management fees		20.4	20.4		9.2	9.2
Share of the profit or loss of associates		2.7	2.7		2.4	2.4
Depreciation and amortisation	-7.6	-1.6	-9.2	-7.5	0.0	-7.5
Net other income	0.2	-0.4	-0.2	0.5	0.0	0.5
Net interest income	-6.2	-0.9	-7.1	-6.6	-2.0	-8.6
Operational expenditure (OPEX)	-3.5	-8.6	-12.1	-3.2	-4.2	-7.4
- of which administrative costs	-1.4	-3.6	-5.0	-1.1	-1.4	-2.5
- of which personnel costs	-2.1	-5.0	-7.1	-2.1	-2.8	-4.9
EPRA FFO adjustments *	0.1	0.0	0.1	-0.3	0.0	-0.3
Funds from Operations (FFO)	13.2	13.2	26.4	11.5	5.5	17.0
EBITDA	21.9	14.1	36.0	19.8	7.4	27.2
EBIT	14.3	12.5	26.8	12.3	7.4	19.7
<b>Segment assets **</b>						
Number of properties	92	94	186	100	69	169
Assets under management	1,893	6,531	8,424	1,700	3,940	5,640
Rental space in sqm	837,500	1,316,200	2,153,700	901,800	934,100	1,835,900

- \* The other adjustments include:
- Transaction, legal and consulting costs of EUR 71 thousand (previous year: EUR -429 thousand)
  - Administrative expenses and personnel costs of EUR 0 thousand (previous year: EUR 128 thousand)

\*\* incl. repositioning properties

## LOAN TO VALUE (LTV)

in EUR thousand	31.03.2020	31.12.2019
<b>Assets</b>		
Fair value of investment properties, total	1,892,917	1,900,017
Fair value of equity investments (indirect property)*	119,262	130,710
Goodwill	177,892	177,892
Service agreements	39,480	40,795
Carrying amount of loans / receivables, related parties	133,085	130,529
<b>Fair value of assets (value)</b>	<b>2,362,636</b>	<b>2,379,943</b>
<b>Liabilities</b>		
Non-current liabilities to banks	967,056	967,374
Current liabilities to banks	179,458	178,856
Related party liabilities	16,782	16,582
Corporate bond	325,285	324,896
less cash and cash equivalents	-424,573	-351,236
<b>Net liabilities (loan)</b>	<b>1,064,008</b>	<b>1,136,472</b>
<b>LTV**</b>	<b>45.0%</b>	<b>47.8%</b>

\* includes equity interests in associates and other investments

\*\* adjusted for warehousing

# INVESTOR RELATIONS

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[www.dic-asset.de/en/ir/](http://www.dic-asset.de/en/ir/)

For instance

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

### Financial calendar 2020

29.07.2020 Publication of H1 2020 Financial Report  
28.10.2020 Publication of Q3 2020 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.

### Legal

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

Realisation  
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