

# H1 2020

## HALF-YEAR REPORT



dynamic performance



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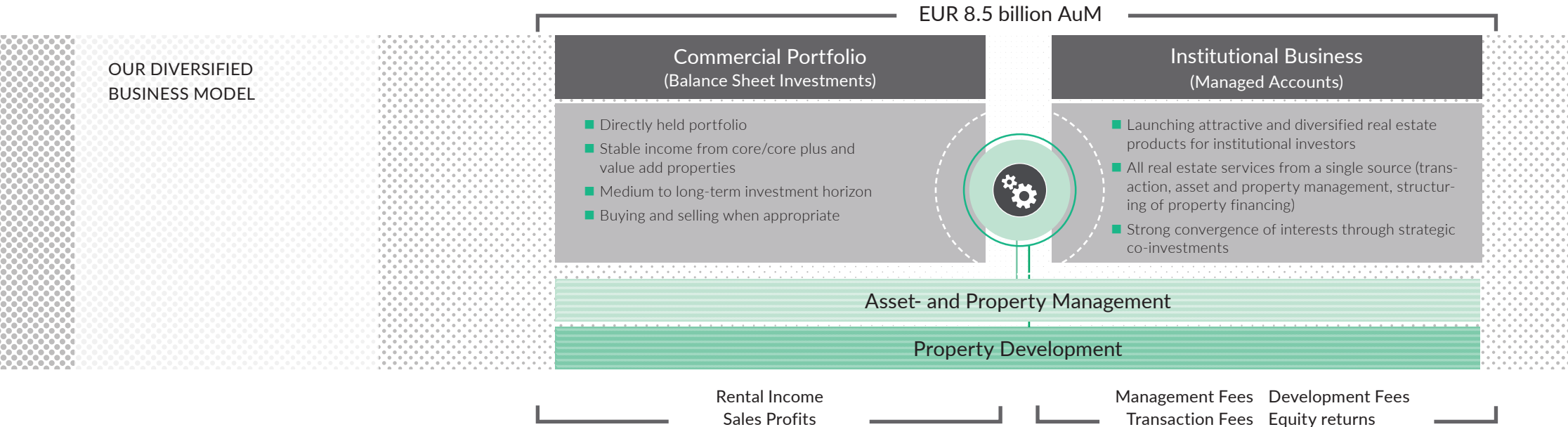
## ABOUT DIC ASSET AG

With more than 20 years of experience on the German real estate market, the company maintains a regional footprint on all major German markets through seven branch offices, and has 187 assets with a combined market value of c. EUR 8.5 billion under management (as of 30.06.2020). Taking an active asset management approach, DIC Asset AG employs its proprietary, integrated real estate management platform to raise capital appreciation potential company-wide and to boost its revenues.

In its Commercial Portfolio division (EUR 1.9 billion in assets under management), DIC Asset AG acts as proprietor and property asset holder, and thus generates revenues both from the management of the assets and through the value optimisation of its own real estate portfolio.

In its Institutional Business division (EUR 6.6 billion in assets under management), which operates under the name GEG German Estate Group, DIC Asset AG generates income from structuring and managing investment vehicles with attractive dividend yields for national and international institutional investors.

DIC Asset AG has been SDAX-listed since June 2006.



## DIC ASSET AG AT A GLANCE

Key financial figures in EUR million	H1 2020	H1 2019	Δ	Q2 2020	Q1 2020	Δ
Gross rental income	51.4	49.7	3%	25.4	26.0	-2%
Net rental income	41.0	43.0	-5%	18.4	22.6	-19%
Real estate management fees	42.1	17.5	>100%	21.7	20.4	6%
Proceeds from sales of property	9.5	16.0	-41%	0.0	9.5	-100%
Total income	114.3	94.1	22%	52.8	61.5	-14%
Profits on property disposals	2.5	1.7	47%	0.0	2.5	-100%
Share of the profit or loss of associates	6.3	15.8	-60%	3.6	2.7	33%
Funds from Operations (FFO)	50.6	43.0	18%	24.2	26.4	-8%
EBITDA	67.2	61.2	10%	31.2	36.0	-13%
EBIT	48.6	45.5	7%	21.8	26.8	-19%
EBT	34.4	28.6	20%	14.7	19.7	-25%
Profit for the period	28.5	25.9	10%	12.4	16.1	-23%
Cash flow from operating activities	36.5	42.3	-14%	21.1	15.4	37%

Key financial figures per share in EUR <sup>1)</sup>	H1 2020	H1 2019	Δ	Q2 2020	Q1 2020	Δ
FFO	0.65	0.60	8%	0.31	0.34	-9%
Earnings	0.36	0.37	-3%	0.15	0.21	-29%

Balance sheet figures in EUR million	30.06.2020	31.12.2019
Loan-to-value ratio (LTV) in % <sup>2)</sup>	44.3	47.8
Adjusted LTV in % <sup>2,5)</sup>	38.9	41.8
Investment property	1,625.2	1,623.0
Equity	1,097.2	968.8
Financial liabilities	1,498.0	1,547.2
Total assets	2,725.5	2,657.4
Cash and cash equivalents	416.6	351.2

EPRA key figures in EUR million	30.06.2020	31.12.2019	Δ
EPRA Net Asset Value (EPRA-NAV)	1,382.4	1,244.2	11%
EPRA Net Reinstatement Value (EPRA-NRV)	1,437.6	1,301.5	10%
EPRA Net Disposal Value (EPRA-NDV)	1,217.5	1,065.3	14%
EPRA Net Tangible Assets (EPRA-NTA)	1,240.0	1,102.1	13%
EPRA net initial yield (in % <sup>3)</sup> )	4.3	4.5	-4%
EPRA "topped up" net initial yield (in % <sup>3)</sup> )	4.3	4.6	-7%
EPRA vacancy rate (in % <sup>4)</sup> )	7.5	6.5	15%

	H1 2020	H1 2019	Δ	Q2 2020	Q1 2020	Δ
EPRA earnings	44.8	40.3	11%	21.8	23.0	-5%
EPRA cost ratio incl. direct vacancy costs (in % <sup>3)</sup> )	29.9	20.5	46%			
EPRA cost ratio excl. direct vacancy costs (in % <sup>3)</sup> )	28.2	19.3	46%			

EPRA key figures per share in EUR <sup>1)</sup>	H1 2020	H1 2019	Δ	Q2 2020	Q1 2020	Δ
EPRA earnings per share	0.57	0.57	0%	0.27	0.30	-10%

	30.06.2020	31.12.2019	Δ
EPRA-NAV per share	17.48	17.23	1%
Adjusted NAV per share <sup>5)</sup>	22.07	22.26	-1%

1) all per share figures adjusted in accordance with IFRS (number of shares H1 2020: 78.233.605; H1 2019: 71.204.683)

2) adjusted for warehousing

3) Calculated for the Commercial Portfolio only

4) Calculated for the Commercial Portfolio only, without project developments and repositioning

5) incl. full value of Institutional Business



# DEAR SHAREHOLDERS,

Right now, we are all concerned with one crucial question: what will our world look like in the wake of Covid-19 – the oft-cited “new normal”? As shareholders in DIC Asset AG, you will also be asking yourselves: how is my company doing in these exceptional times and what are its prospects? We want to answer these questions for you today.

Let us start by saying that the first half of the year was a successful one for us, despite the circumstances surrounding Covid-19. What's more, DIC Asset AG is on the right track. On 5 April, in the midst of the coronavirus outbreak, we issued guidance stating that we would record a strong result in the current financial year on a par with last year's figures. Today, we want to confirm that forecast once again. Your company is and remains successful.

Here are three additional facts:

- In the first half of 2020, we let over 50% more square metres than in the first six months of the previous year. Of this amount, 70% was let in the second quarter, when the coronavirus pandemic was at its peak
- We have agreed many lease renewals without any reduction in space and on improved terms
- We also made two first-class acquisitions: the SAP-Turm (SAP Tower) in Frankfurt/Eschborn and the Löwen property in Hanover

At our General Shareholders' Meeting on 8 July, we unveiled our new motto – Dynamic Performance. It is precisely at times like these that we can show what we mean by Dynamic Performance. Instead of waiting to see how the situation might unfold, we act – quickly, reliably and creatively. This is exactly what we mean by Dynamic Performance. We would like to illustrate this using three examples from our business.

Firstly, some of our tenants asked to defer their rent payments during lockdown. We have decided that we will stand by our tenants and focus on a common future. These deferred payments totalled around EUR 1.3 million overall. We recognised provisions for these deferrals that have already been incorporated into our guidance for the year. However, we have no reason to believe that we will be left with these deferred payments, as our rent collection returned to “pre-coronavirus levels” in July. Reliability pays off, and our tenants have often thanked us for this. Quoting them here would go beyond the scope of this introduction.

Secondly, we reached individual agreements with a variety of tenants from sectors particularly affected by lockdown, including retail, hotels and restaurants. These agreements often comprised a combination of temporary short-term relief from rent payments and a simultaneous extension of lease terms.

Thirdly, Kaufhof is also among our tenants. We can tell you that these issues have already been resolved and the Bremen site is currently being worked on. This has also been incorporated into our 2020 forecast. We were able to agree longer lease terms for the locations in Chemnitz and Leverkusen in return for adjusting rents. In the case of the Bremen location, which Galeria Kaufhof will give up at the end of October, we are already working on a comprehensive post-usage concept – with the involvement of the current subtenants, who currently occupy 40% of the rental space.

As you can see, Dynamic Performance is an attitude that sets the entire DIC Asset AG team apart. It is driven by swift, decisive action. We also want to use this philosophy to address the challenges currently facing our sector. We are all familiar with the current opinions that tell us bluntly: the retail industry is in crisis, and almost everything is now being bought online. Working from home is the new trend, so who still needs offices? As if that were not enough, autumn will bring what is supposedly the biggest wave of

insolvencies since the Second World War. It remains to be seen whether these forecasts will hold true, but what sets outstanding companies apart is the fact that they do not wait to see whether or not predictions turn out to be correct. Instead, they respond to such challenges. We can say with certainty that this is what we are doing. The DIC Asset AG team is working hard on how we can deal with the “new normal”, and we believe that we are well positioned for this.

This is partly because of the environment here in Germany, which is a safe haven even in this age of coronavirus. The whole world is full of admiration for how quickly and effectively our country has managed to get the virus under control so far. This is strengthening its reputation and appeal as an investment hub and as a real estate market – the very market in which DIC Asset AG operates. We can feel this confidence in our business. We have a very strong letting pipeline as well as a very healthy acquisition pipeline. To name just one example: Our tenant Google has just asked to expand significantly on the spaces rented in Frankfurt.

Offices will continue to exist – they will simply look different. They need to offer more space and facilitate flexible working. We are prepared for this and are working with our team to fulfil our clients’ requirements accordingly. We have space on the outskirts of the top locations, which are becoming more compelling as a result of coronavirus. And yes, there will undoubtedly also be insolvencies that free up space. In a real estate market that is almost fully occupied, we believe we are also well positioned here. Ultimately, we will adjust the mix within our asset classes to suit the “new normal”. We will expand in the area of logistics in the medium term. We will also keep retail stable, which means its share of the portfolio will decrease.

You can see that our business model demonstrates a high degree of crisis resilience and flexibility thanks to a strong platform that comprises two significant earnings pillars. Let us illustrate this with several figures from the first half of the year:

- Our assets under management have grown by 12% to EUR 8.5 billion since the start of 2020
- Strong letting performance with numerous major lettings for a total of 125,800 sqm have secured long-term cash flows in both business segments

- By completing attractive acquisitions totalling around EUR 116 million and gaining renowned new top tenants SAP and ING-DiBa, we have already achieved around 50% of our planned acquisition volume in the Commercial Portfolio
- Real estate management fees rose by 140% to EUR 42.1 million. This is proof of the growth and strength within our Institutional Business segment
- The FFO (funds from operations) increased by 18% to EUR 50.6 million

These results for the first half of the year and our outlook for the second half mean we remain confident. As we said at the start of this introduction, we are confirming our guidance from the start of April that we will end the current financial year at the same high level as the previous year with FFO of EUR 94-96 million. We remain a reliable partner in a rapidly changing world.

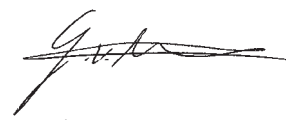
Our medium-term goal beyond the 2020 financial year remains to increase our assets under management to over EUR 10 billion. We recently affirmed this target at our virtual General Shareholders’ Meeting on 8 July 2020 and you once again demonstrated your confidence in us by your high level of approval for all agenda items. By accepting our unchanged dividend proposal of EUR 0.66 per share, you affirmed our commitment to a high degree of dividend continuity. Once again, you have the option to receive your dividend in the form of a scrip dividend.

Dear shareholders, we do not yet know what the “new normal” will look like, but we know what is required to succeed in the world of tomorrow. Agility, team spirit and high-quality management have never been more important. Our aim is to impress you, our shareholders, afresh with our performance every day, continue to strengthen the profitability of our company and prove that Dynamic Performance is something we can deliver!

Frankfurt am Main, July 2020



Sonja Wärtges



Johannes von Mutius



Patrick Weiden



# INTERIM GROUP MANAGEMENT REPORT

## MACROECONOMIC ENVIRONMENT

Within just a few weeks in early 2020, the Covid-19 pandemic abruptly brought the economies of many countries to a virtual standstill and severely impacted international markets in the first six months of the year. The response from policymakers was just as extraordinary. Central banks and national governments began tackling the crisis with monetary and fiscal policy stimuli on a hitherto unprecedented scale to prevent the economic slump from spreading to the global financial system.

### German economy: comprehensive measures to contain the pandemic prove effective

For Germany as a business hub, the main priority for the first half of 2020 was to combat the Covid-19 pandemic as quickly and stringently as possible. The federal and state governments imposed strict movement and contact restrictions on 22 March 2020. On 23 March, the federal government approved a historic support package for companies and people affected by Covid-19. These official regulations soon began to take effect: the number of new cases dropped significantly, enabling the protective measures to be eased for the first time as early as 20 April. On 6 May, the federal government announced the further loosening of restrictions with the gradual reversal of contact restrictions. This allowed social life and the economy to slowly yet steadily begin ramping up again.

In June 2020, the governing coalition adopted a comprehensive economic “package for the future” to kickstart the German economy after lockdown. This package includes an extensive catalogue of 57 sets of measures and has a volume of up to EUR 130 billion. The core element is the reduction of sales tax from 19 to 16 percent for six months until 31 December, with the reduced rate of taxation lowered from seven to five percent. As part of the package for the future, EUR 50 billion will be invested in the transition to renewable energy, digitalisation and environmentally-friendly transport.

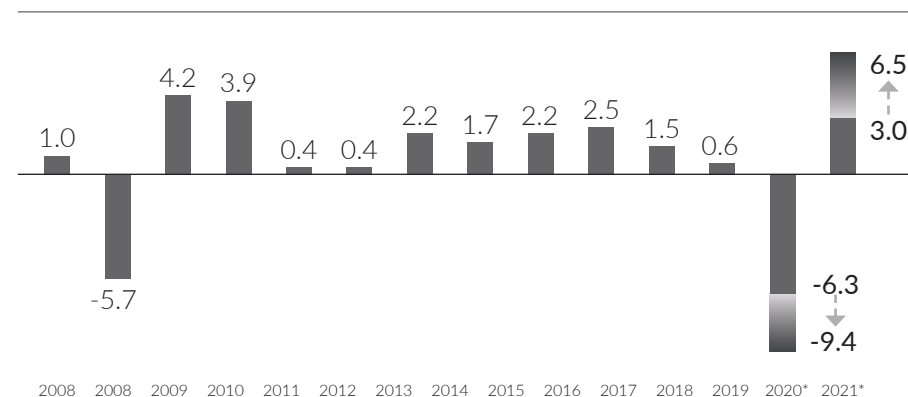
According to the Federal Ministry of Finance, all of the measures adopted to date – which are also collectively referred to as a “coronavirus shield for Germany” – include more than EUR 350 billion in budgetary measures as well as almost EUR 820 billion in guarantees, tax support measures and increased, far-reaching regulation to provide

compensation for short-time work in order to protect jobs. The government’s decisive action to protect the health of its citizens and support employers such as companies in tackling the coronavirus has enabled Germany to cement its international reputation as a “safe haven”.

### ifo Barometer Summer 2020: turnaround underway

Gross domestic product was 2.2% lower in the first quarter than in the previous quarter. The ifo Institute anticipates a historic decline of 11.9% for the second quarter of 2020, reflecting the way in which the lockdown in Germany brought the economy to an sudden stop. The economic package and significant fiscal policy stimuli are helping to counteract the sharp fall in consumer spending and slump in corporate investments. A turnaround in the German economy was already evident by the end of the first half of the year, with the ifo Business Climate Index rising faster than ever before to reach 86.2 points in June (up from 79.7 points in the previous month). The future outlook is brightening across all sectors, providing increasing signs that the German economy could already have bottomed out in summer 2020. In their outlook for the German economy, established economic analysts unanimously paint the picture of a “V” scenario with a short, sharp downturn in 2020 before a strong countermovement in 2021.

### GDP GROWTH IN GERMANY



Source: GDP 2008–2019: destatis, \*forecast: Bundesbank, Federal Government, DIW, EU Commission, ifo Institute, IMF, OECD, German Council of Economic Experts

### Labour market developments: job losses curbed

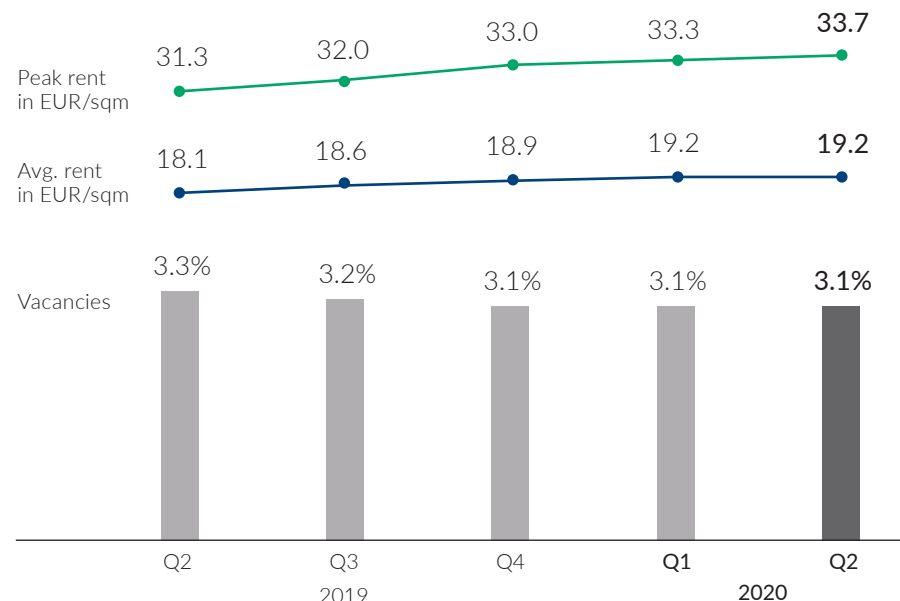
Although the German labour market is feeling the effects of the Covid-19 pandemic, its losses are more moderate than those of other countries worldwide. The package of measures introduced by the federal government, with easier access to short-time work compensation, which had previously proven effective during the financial crisis, is already having an effect, according to the latest labour market statistics published by the Federal Labour Office at the end of the first half of the year. After rising sharply at the height of the coronavirus crisis in April, job losses weakened again in May and June. The unemployment rate was 6.2% in June, 1.3 percentage points above last year's June figure and 0.1 percentage points higher than in May 2020. It appears that the majority of the economy has already returned to a "new normal", while the sectors particularly affected by lockdown, particularly restaurants, tourism, aviation and retail, are still struggling to work out how to remain viable and are cutting jobs in the process.

### Office property rental market: rapidly adjusting to client requirements

According to JLL, the propensity of companies to enter into new agreements declined markedly in the first quarter in the wake of measures introduced in March to contain the pandemic. Take-up fell by 30% year-on-year to 0.7 million sqm, with the decline accelerating further in the second quarter. JLL found that 1.28 million sqm of office space was let or sold to owner-occupiers in the first half of the year, a decline of almost 36% on a year-on-year basis.

However, estate agents unanimously believe that the historically low vacancy rates in the top 7 real estate locations have changed either very little or not at all. Savills sees an unchanged vacancy rate of 3.1%, JLL reports a rate of 3.2% in the second quarter after 3.0% in the first quarter, while Colliers comes to a figure of 3.1% after 2.9% in the previous quarter. Colliers notes that a healthy vacancy rate in the office property market would be around 5%, a figure not met even with the direct impact of coronavirus. Estate agents do not see any sign of an alarming oversupply of letting space, especially as it is conceivable that completions relating to space for which lease agreements have not yet been signed will not shoot up exorbitantly. High pre-letting rates have already been reported for project developments currently being implemented and there are no new purely speculative project developments at present. JLL anticipates only a moderate rise in vacancies to 3.6% by the end of the year.

### TOP SEVEN OFFICE MARKET: VACANCIES AND RENTS STABLE



Source: Savills

Of course, the requirements of those seeking new space are likely to change. According to renowned analysts such as Bulwiengesa, the trend of working from home will continue into the future within organisations, albeit as a part-time model for several days a week rather than as a permanent full-time solution. This is not expected to lead to fundamental disruption when it comes to demand for space. The limited time and space available to relocate a workspace to a private home is being offset by a foreseeable increase in space consumption per capita, since all companies with new workplace concepts are providing more distance between their employees. Issues such as wellbeing and occupational safety as well as conversion and retrofitting options are being more intensively reviewed. When companies cautiously assess the economic recovery, demand for space at peak rent prices tends to be more severely affected than space with average rent prices, which means that the latter can profit more strongly from the future "new normal" of office work.

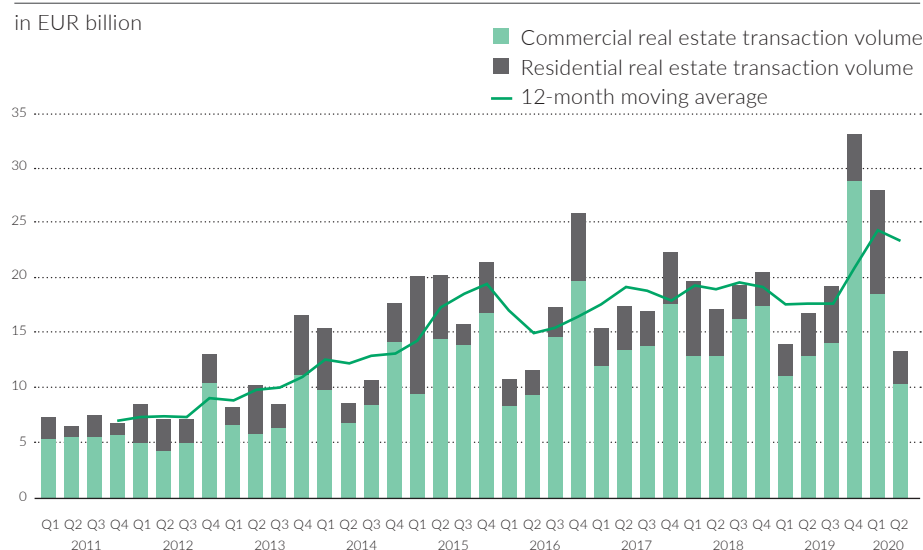


### Half-year report on the German real estate investment market: strong overall

According to CBRE, transaction volumes on the real estate investment market – including residential properties – totalled EUR 41.8 billion in the first half of the year, 34% higher than in the prior-year period. This was primarily due to the strong first quarter, as volumes dropped significantly by around half on a quarterly basis, from EUR 28.2 billion in Q1 to EUR 13.6 billion in Q2. The high half-year figure was helped by a high proportion of major transactions over the EUR 100 million mark (totalling EUR 26.8 billion), which also included company takeovers such as the acquisition of TLG by Aroundtown and the acquisition of Godewind by Covivio. The major real estate firms unanimously report that review and decision-making processes took longer in the second quarter, causing investment activity to lose momentum, while the majority of foreign buyers without a local presence were cut off from the market.

CBRE reports revenue from office properties of EUR 12.8 billion, just ahead of residential real estate (EUR 12.5 billion). As a result, office properties remain top of the pile when it comes to asset classes, with a particularly strong yet hardly surprising focus on the core segment with its secure cash flows. Demand for stable long-term real estate investment products is still being driven by a lack of investment alternatives, particularly with the ECB's bond purchasing programme placing pressure on interest rates. CBRE believes a mix of residential and commercial real estate as well as logistics are becoming increasingly relevant as a recent development. The needs and potential of the "post-coronavirus city" are emerging here, with a need for neighbourhood developments and secondary use concepts for non-food retail space, which was already facing major future challenges from changing user preferences and rising online consumption before Covid-19. Coronavirus has greatly accelerated these trends and strongly increased demand among real estate investors for management and development expertise.

### INVESTMENT TRANSACTION VOLUME IN GERMANY\*



\* quarterly figures, excluding the acquisition of non-controlling interests in companies

Source: CBRE Research

According to CBRE, the price trend does not show the coronavirus-related discounts that some expected, as consistently positive investment sentiment means there has been no justification for price reductions. With the exception of the hotel sector and parts of the retail sector, prime yields remained stable at the end of Q2 at the level of the prior-year quarter (2.89% in the top 7 locations in both cases). In light of the abundant liquidity within the market, CBRE expects investment momentum to increase in the second half of the year with a focus on core properties and a correspondingly exacerbated lack of products in this segment, which means no rise in prime yields is expected for the rest of the year. Provided that Germany is spared from a second wave of the pandemic, EUR 50 billion of transactions in the commercial property segment could be completed in the full year. This would correspond to a decline of around 10% compared to the previous year.

## BUSINESS DEVELOPMENT

### Highlights H1 2020

Assets under management up 20% to EUR 8.5 billion

Exceptional letting performance in second quarter: 125,800 sqm of rental space let (+55% year-on-year)

Acquisition of two prime core properties for the Commercial Portfolio with a volume of EUR 116 million; halfway to 2020 acquisition target for the segment

FFO up 18% to EUR 50.6 million

Gross rents grow 3% to EUR 51.4 million

Real estate management fees more than doubled to EUR 42.1 million

## DEVELOPMENT OF REAL ESTATE ASSETS UNDER MANAGEMENT

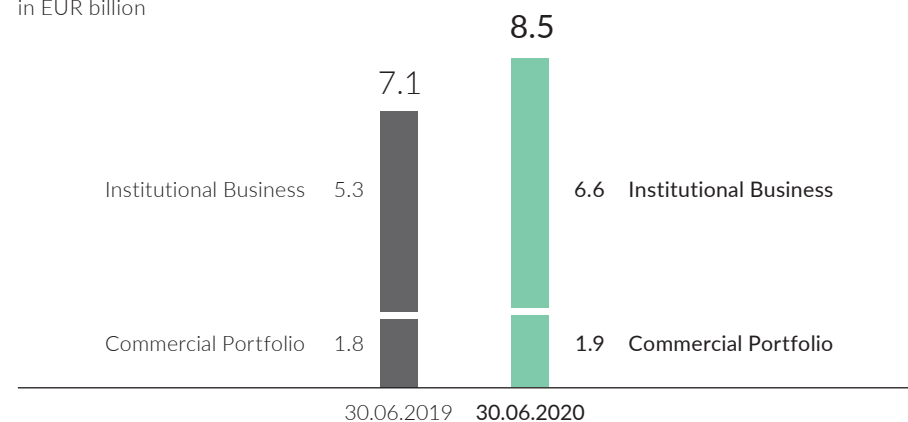
### ➔ Assets under management up significantly

DIC Asset AG's assets under management rose by 20% to EUR 8.5 billion compared with 30 June 2019, further closing in on our medium-term target of EUR 10 billion.

Of this figure, EUR 1.9 billion was attributable to the Commercial Portfolio segment (+6%; 30 June 2019: EUR 1.8 billion) and EUR 6.6 billion to the Institutional Business segment (+25%; 30 June 2019: EUR 5.3 billion).

### ASSETS UNDER MANAGEMENT

in EUR billion



## PORTFOLIO BY SEGMENTS

		Commercial Portfolio	Institutional Business	Total
Number of properties	<b>30.06.2020</b>	<b>93</b>	<b>94</b>	<b>187</b>
	30.06.2019	100	75	175
Market value in EUR million*	<b>30.06.2020</b>	<b>1,902.9</b>	<b>6,598.2</b>	<b>8,501.1</b>
	30.06.2019	1,798.1	5,261.0	7,059.1
Rental space in sqm	<b>30.06.2020</b>	<b>837,200</b>	<b>1,358,400</b>	<b>2,195,600</b>
	30.06.2019	923,100	1,041,400	1,964,500

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

## TRANSACTIONS 2020\*

in EUR million (Number of properties)	Notarisations in 2020 YTD	Notarisations in 2020 YTD/Transfer of possession, benefits and assoc. risks in 2020 until 30.06.2020	Notarisations in 2018-2019/Transfer of possession, benefits and assoc. risks in 2020 until 30.06.2020
Acquisitions			
Commercial Portfolio	116 (2)	-	-
Institutional Business	-	133 (1)	772 (5)
<b>Total</b>	<b>116 (2)</b>	<b>133 (1)</b>	<b>772 (5)</b>
Sales			
Commercial Portfolio	11 (1)	11 (1)	-
Institutional Business	235 (3)	123 (1)	-
<b>Total</b>	<b>246 (4)</b>	<b>134 (2)</b>	<b>-</b>

\*all figures in the table are total investment costs (TIC)

## 🔄 Transactions totalling around EUR 500 million completed

As of the reporting date, our investment teams notarised acquisitions and sales with a total volume of around EUR 500 million.

On the acquisitions side, purchases amounting to approximately EUR 249 million were notarised in the first half of the year. Of this figure, around EUR 116 million was attributable to the Commercial Portfolio segment and around EUR 133 million to the Institutional Business segment. Further acquisitions, both for the Company's own portfolio and for the Institutional Business division, are under review.

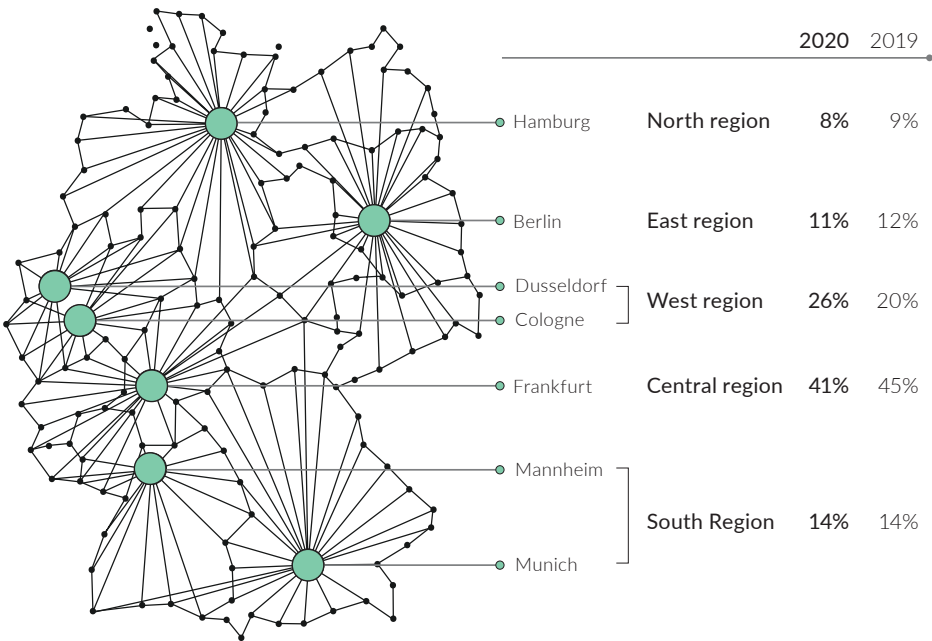
Until the half-year reporting date, possession, benefits and associated risks were transferred for six properties with a total volume of EUR 905 million. These include the Stadthaus in Cologne with total investment costs (TIC) of EUR 527 million and the Infinity Office project development in Düsseldorf (TIC: EUR 164 million), which was purchased in 2018 as a forward deal and sold as a club deal upon completion.

On the sales side, three properties from the Institutional Business were sold for EUR 235 million and one property from the Commercial Portfolio for EUR 11 million. The total volume notarised was approximately EUR 246 million.

The transfer of possession, benefits and associated risks for two properties sold took place in the first half of the year.

REGIONAL DISTRIBUTION OF ASSETS UNDER MANAGEMENT

in % of market value, as at 30.06.



➤ Regional development: Expanding footprint in leading real estate locations

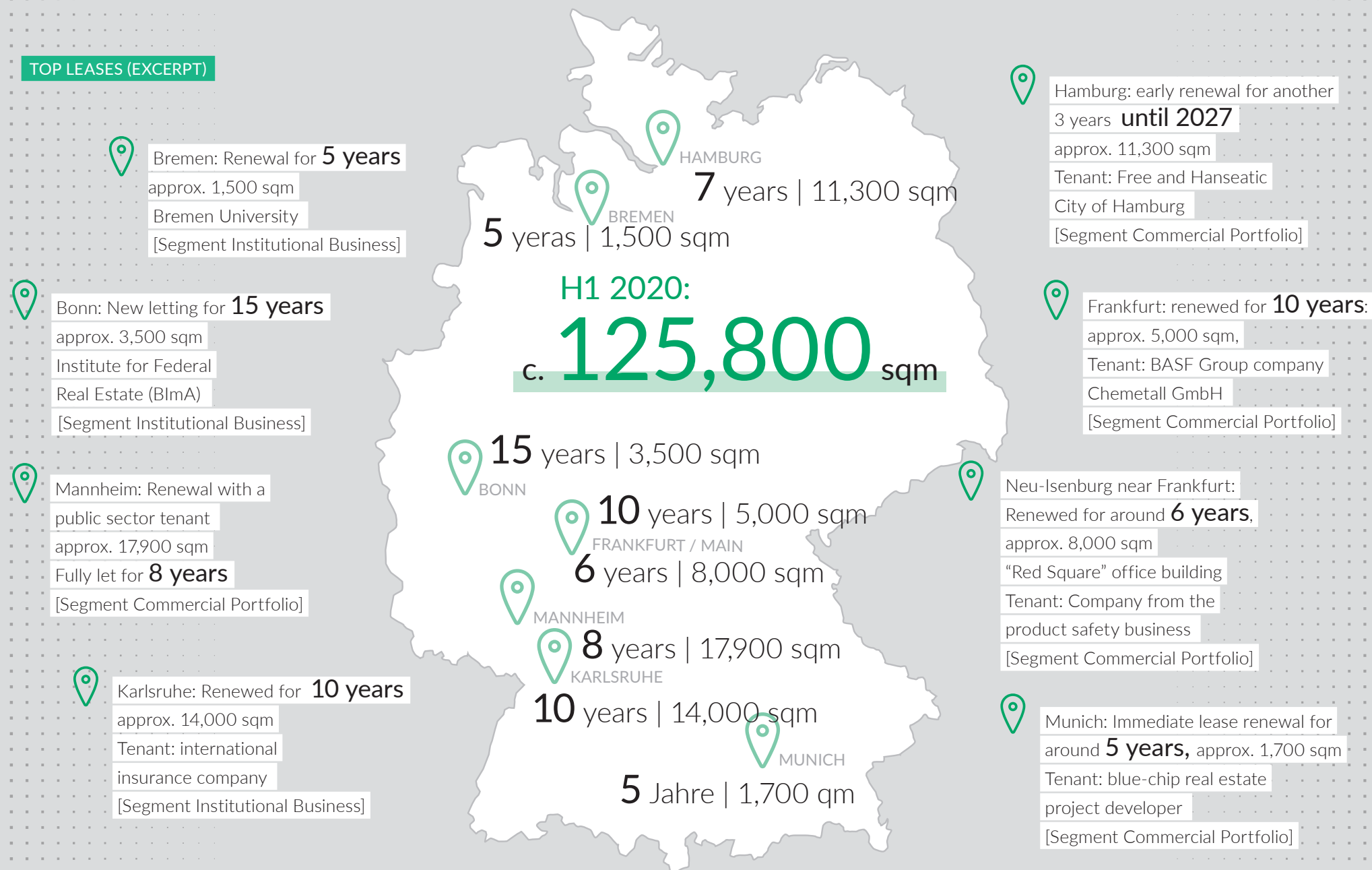
By opening its Cologne office at the start of the year, DIC Asset AG has further strengthened its local network and expanded its footprint in Germany's top real estate locations. The Cologne office now manages real estate assets with a volume of over EUR 1.0 billion, including the landmark "Stadthaus" property in Cologne with a volume of more than EUR 500 million, which was acquired for a group of institutional investors as a club deal in the fourth quarter of 2019.

The transfer of possession, benefits and associated risks for the Stadthaus property completed in the first half of the year played a major role in increasing the weighting of the West region by market value to 26 % at the reporting date (30 June 2019: 20%). Real estate assets under management grew year-on-year across all six regions, which means the weighting of one region will only decline more sharply if there is comparatively stronger growth in other regions.

# STRONG SECOND QUARTER LIFTS LETTING PERFORMANCE IN H1 2020

LONG-TERM LEASES ENSURE SUSTAINABLE CASH FLOW

## TOP LEASES (EXCERPT)



### ➡ Very strong second quarter for lettings with trend towards lease renewals

Despite the limitations of the coronavirus pandemic, our real estate management teams had an exceptionally strong second quarter with letting performance of 88,700 sqm (Q1 2020: 37,100 sqm). This adds up to 125,800 sqm in lease agreements signed in the first half of 2020, a rise of 55 % compared to the prior-year period (H1 2019: 81,300 sqm).

As in the previous year, around 68 % of this figure was attributable to the Commercial Portfolio segment and 32 % to the Institutional Business segment.

We are currently seeing a trend towards longer-term lease renewals due to factors such as companies' reduced appetite for relocation during the pandemic. The proportion of lease renewals increased to 95,400 sqm or around 76 % in H1 2020 (H1 2019: 68 %), while the share of new leases fell to 24 % (H1 2019: 32 %).

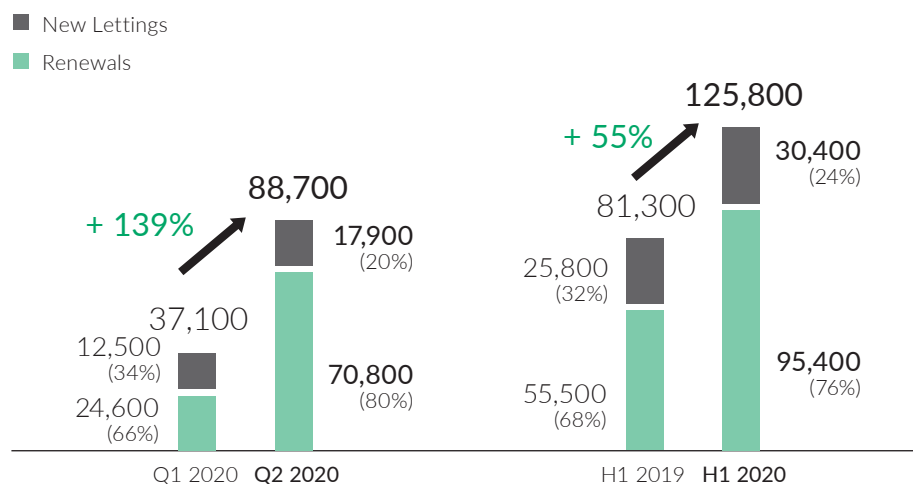
We were able to increase the agreed rent for lease renewals by 4.9 % on average.

While the share of lease renewals in overall performance rose, companies also opted for longer additional terms in their lease agreements. The average term of lease renewals in the Institutional Business grew to 8.2 years (H1 2019: 3.8 years), while those in the Commercial Portfolio increased to 4.2 years (H1 2019: 2.5 years). In the case of new leases, the average term was 4.8 years (H1 2019: 5.4 years) in the Commercial Portfolio segment and 8.2 years (H1 2019: 5.4 years) in the Institutional Business segment.

Contractually agreed annualised rental income rose by 36 % to EUR 16.3 million (H1 2019: EUR 12.0 million).

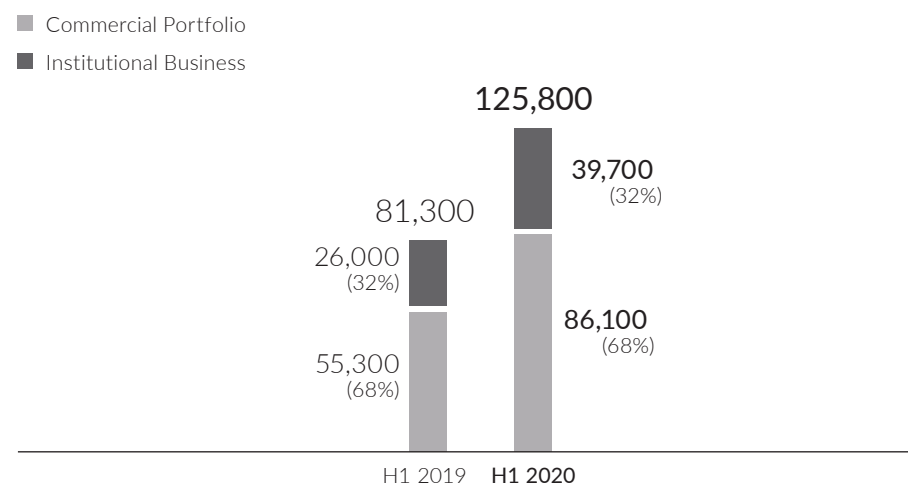
## LETTING STRUCTURE

in sqm



## LETTING STRUCTURE BY SEGMENT

in sqm



## TOP LETTINGS

Baden-Württemberg State Office of Property and Construction	Renewal	Commercial Portfolio	Mannheim	17,900 sqm
Allianz Germany	Renewal	Institutional Business	Karlsruhe	14,000 sqm
Free and Hanseatic City of Hamburg	Renewal	Commercial Portfolio	Hamburg	11,300 sqm
UL International Germany GmbH	Renewal	Commercial Portfolio	Neu-Isenburg	8,000 sqm
Chemetall GmbH	Renewal	Commercial Portfolio	Frankfurt	4,600 sqm

Letting performance primarily focused on high-volume tenancies of 1,000 sqm or more.

With the Berufsakademie Mannheim, for example, a lease agreement with the provider of the facility, the public authorities, for around 17,900 sqm of office space was extended until 2028. High-volume tenancies also dominated the Institutional Business with a share of 74 %. The largest lease, for over 14,000 sqm of office space with Allianz Germany in Karlsruhe, was extended until 2030.

At 77 % (by sqm), office lettings make up by far the largest share of letting performance by type of use, followed by warehouse/logistics space with a share of 15 %.

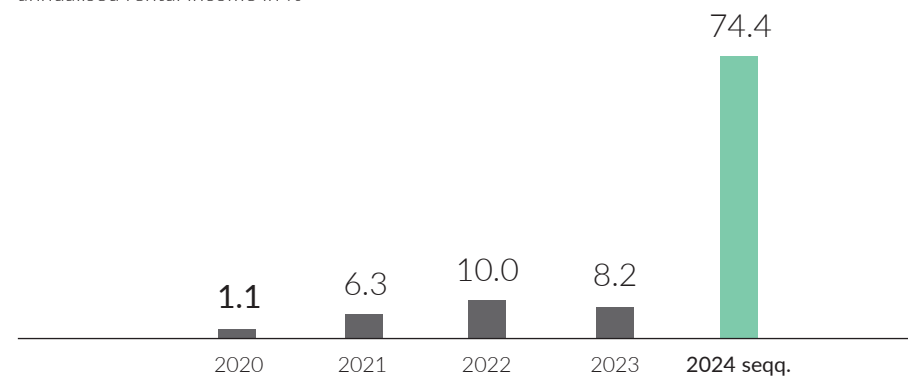
The 2020 lease expiry volume fell to just 1.1 % as a result of very strong letting activities in the first half of the year. More than 74 % of leases expire in 2024 or later

## LETTING PERFORMANCE BY TYPE OF USE

	in sqm		annualised in EUR million	
	H1 2020	H1 2019	H1 2020	H1 2019
Office	96,800	48,000	13.8	6.3
Retail	8,500	2,300	1.1	0.6
Warehouse/logistics	18,900	14,600	1.2	0.9
Further commercial	900	15,000	0.2	4.0
Residential	700	1,400	0.0	0.2
<b>Total</b>	<b>125,800</b>	<b>81,300</b>	<b>16.3</b>	<b>12.0</b>
Parking	1,718 units	829 units	1.0	0.6

## LEASE MATURITY TOTAL PORTFOLIO

annualised rental income in %





## COMMERCIAL PORTFOLIO SEGMENT

### ➔ Steady focus on enhancing portfolio quality

Our Commercial Portfolio segment comprises our direct real estate investments with which we generate stable long-term rental income. We also use active lettings management to optimise and increase the value of our properties, and undertake portfolio development activities to leverage their potential. We take advantage of attractive acquisition opportunities in the market to diversify our portfolio and stabilise its profitability, and realise profits by selling properties at the right time.

As of 30 June 2020, the commercial portfolio comprised 93 properties (30 June 2019: 100). We further enhanced the quality of our portfolio year-on-year by maintaining an active asset and property management approach of selling properties to optimise our portfolio and acquiring attractive properties with high cash flows. Key performance indicators were improved year-on-year with a lower number of properties: The EPRA vacancy rate as of 30 June 2020 was 7.5 %, which is 30 basis points below the prior-year figure. The weighted average lease term (WALT) rose from 6.2 to 6.3 years. The average rent per sqm in euros in the Commercial Portfolio increased from EUR 9.82 to EUR 10.36.

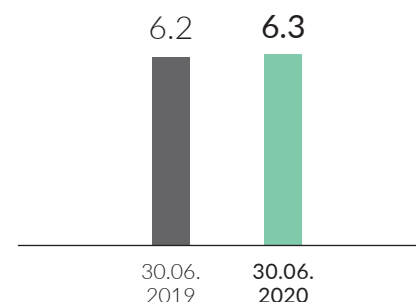
### DEVELOPMENT OF THE COMMERCIAL PORTFOLIO\*

	30.06.2020	30.06.2019
Number of properties	93	100
Market value in EUR million	1,902.9	1,798.1
Rental space in sqm	837,200	923,100
Annualised rental income in EUR million	97.2	103.0
Avg. rent per sqm in EUR	10.36	9.82
WALT in years	6.3	6.2
EPRA vacancy rate in %	7.5	7.8
Gross rental yield in %	5.1	5.7

\* all figures excluding project developments and repositioning except number of properties, market values and rental space

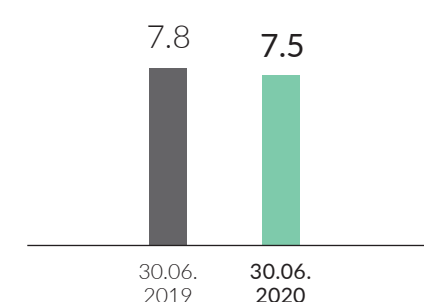
### WALT

in years



### EPRA VACANCY RATE

in %\*



\* excluding project developments and warehousing

### ➔ Proactive contact with tenants

To tackle the challenges posed by the Covid-19 pandemic, we have been working with affected tenants to find individual arrangements that can continue to create a mutual basis for long-term, trust-based partnerships. Agreements have been reached with tenants from the particularly affected sectors of retail, hotels and restaurants and lease agreements have been adjusted to ease the burden on tenants in the short term. In most cases, rents have been reduced for three months, while the lease term has been extended by the same period. The average term of the lease for Galeria Kaufhof GmbH's sites in Chemnitz and Leverkusen has been extended to more than 13 years under new contractual conditions to stave off closure. We are already planning follow-up use concepts for a discontinued Kaufhof location in Bremen. The Company is also holding initial discussions with both potential new tenants and existing subtenants to continue tenancy agreements.

Annualised rental income in the Commercial Portfolio amounted to EUR 97.2 million as of 30 June 2020, below the prior-year figure primarily for transaction-related reasons (30 June 2019: EUR 103.0 million). As a result of the individual agreements primarily concluded with tenants from the retail sector due to Covid-19, annualised like-for-like rental income fell slightly by 0.6 % as of 30 June 2020.

## ACQUISITIONS

for approx. EUR 116 million (TIC)

Annualised rental income of approx. EUR 4.5 million

Two high-quality properties for the Commercial Portfolio

Hannover | Office property

- high-end office property (Löwen property)
- occupied exclusively by an international blue-chip tenant from the financial services sector (ING-DiBa)
- WALT: approx. 9.5 years
- 8 storeys; approx. 9,350 sqm of rental space
- very good fit-out standard; Most recently refurbished in 2000-2002

ESCHBORN | "SAP-Turm"

- immaculate (year of construction: 2018)
- fully let property in the Eschborn-Süd commercial district (near Frankfurt am Main)
- Rental space of 8,950 sqm
- modern architectural concept, high building quality and state-of-the-art technical equipment
- First and only tenant is software company SAP
- WALT: approx. 8 years

### ➔ Acquisition of prime core properties – market value rises to over EUR 2 billion

To generate additional growth in our own portfolio and further diversify the tenant structure, we notarised the acquisition of two high-quality office properties for around EUR 116 million (TIC) during the reporting period.

The immaculate and fully let "SAP-Turm" (SAP Tower) property in Frankfurt/Eschborn, built in 2018, is being used by software company SAP. The weighted average lease term is approximately 8.0 years. The high-quality office building in Hannover offers total space of around 9,350 sqm and is being leased by ING-DiBa. The weighted average lease term is approximately 9.5 years. Together, both properties generate annual gross rental income of around EUR 4.5 million.

The market value of properties in the Commercial Portfolio rose from around EUR 1.8 billion as of 30 June 2019 to approximately EUR 1.9 billion as of 30 June 2020. This increase was primarily due to transactions completed for which the transfer of possession, benefits and associated risks took place in the last 12 months and partly due to the higher market valuation as of 31 December 2019. With the two latest acquisitions, the Commercial Portfolio has reached a pro-forma market value of over EUR 2 billion.





### ➔ Focus on offices and expansion of additional asset classes

As of the 30 June 2020 reporting date, we divided the 93 properties in the Commercial Portfolio into asset classes for the first time. This has resulted in the following structure:

- With 53 properties, office buildings form the core of the Commercial Portfolio. Around 40% of these properties are situated in the Top 7 locations, while many tenants are from the public sector.
- Mixed-use properties (15 properties) are becoming an increasingly attractive asset class in their own right in view of the discussion surrounding the “post-coronavirus” future of city centres.
- Retail properties comprise 11 properties with a share of 15% in the overall portfolio's market value. Going forward, the strategic focus will be on growing the share of properties with tenants from the local supplier and food retail sectors.
- At present, logistics properties (8 properties) only make up a small part of the overall portfolio. We plan to step up our investments in the logistics sector in the future.
- The six remaining properties primarily consist of non-strategic properties (such as housing) and undeveloped land.



### TYPES OF USE

	Type of use	No. of properties	market value		rental income p.a.		EPRA	WALT
			EUR million	% of total	EUR million	% of total	vacancy rate	
	Office	53	1,197.2	63%	60.6	62%	7.4%	6.9
	Mixed-use	15	320.1	17%	16.1	17%	6.2%	5.0
	Retail	11	292.7	15%	16.9	17%	9.5%	5.5
	Logistics	8	45.7	2%	2.8	3%	3.0%	5.2
	Other	6	47.2	3%	0.8	1%	5.4%	2.5
	Total	93	1,902.9	100%	97.2	100%	7.5%	6.3





INSTITUTIONAL BUSINESS SEGMENT

➤ **Institutional Business: sustainable income pillar with steady growth in assets under management**

The Institutional Business segment generates income by acting as initiator and manager of special real estate funds, individual mandates and club deals for institutional investors. DIC Asset AG also serves to a lesser extent as a co-investor and generates investment income from several mandates.

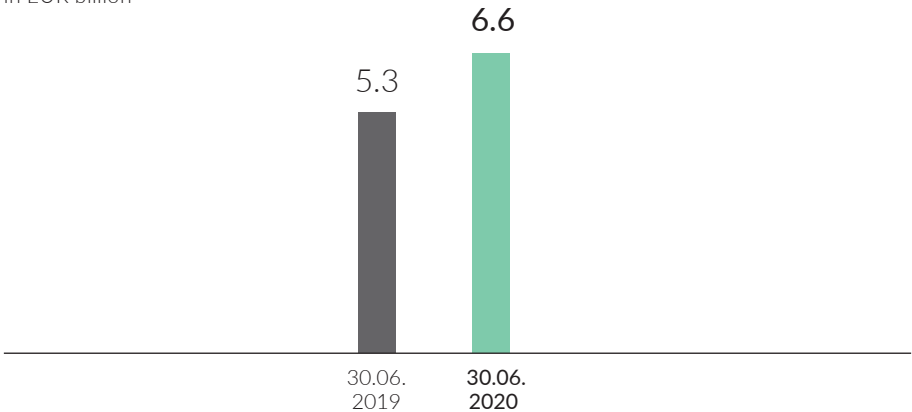
As of 30 June 2020, assets under management in the Institutional Business rose by 25 % to EUR 6.6 billion year-on-year (30 June 2019: EUR 5.3 billion).

The Institutional Business segment demonstrated its role as the strong second earnings pillar of our business in the first half of the year and is currently responsible for 56 % of our operating profit (FFO) after more than doubling management income to EUR 42.1 million year-on-year.

As planned, we carried out several structuring projects in the first half of the year. One noteworthy transaction was the initiation and structuring of a club deal amounting to around EUR 175 million for the Infinity Office in Düsseldorf for two renowned institutional investors. Our GEG Public Infrastructure I infrastructure fund also added a property in Wiesbaden to the portfolio that was very successfully and sustainably upgraded thanks to our development expertise.

ASSETS UNDER MANAGEMENT

in EUR billion



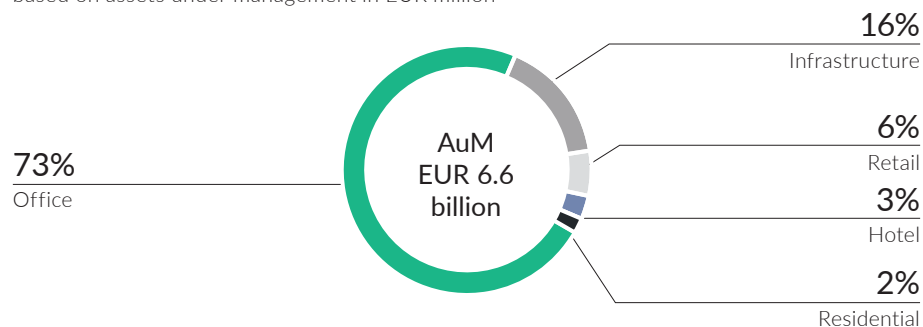
### ➤ Focus on core real estate

DIC Asset AG and its subsidiary GEG, under whose brand the institutional third-party business is operated, have many years of expertise and a well-documented history of success in the German commercial real estate market.

The strategic focus in the Institutional Business segment is properties with a core risk profile. These make up the vast majority (87%) of assets under management as of 30 June 2020. Properties with manage-to-core, value-add and opportunistic investment profiles are occasionally added to the managed portfolio, depending on the particular mandate. We use our real estate experience and local expertise to create added value in these areas.

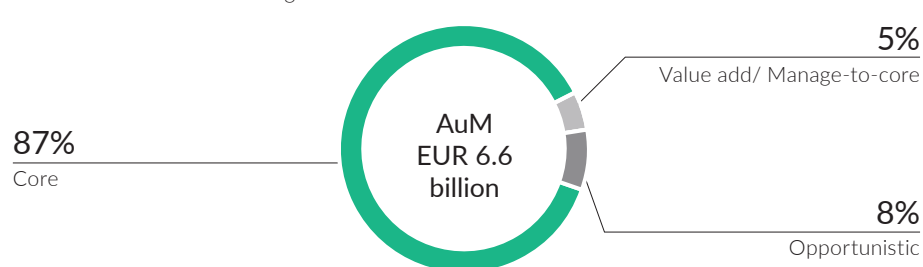
### TYPE OF USE

based on assets under management in EUR million



### RISK PROFILE

based on assets under management in EUR million



### ➤ Equity secured for further growth

The Management Board of DIC Asset AG expects demand for German commercial properties to remain high in the future and firmly believes that the transaction market will be showing signs of normalising as early as the second half of 2020. Demand among institutional investors for the products we offer will continue to be driven by the persistently low interest rate environment with a lack of investment alternatives and the healthy fundamentals underlying the German real estate market, which has once again proven to be a 'safe haven' with international investors.

Above all, our established, trusting investor base, which we once again expanded significantly year-on-year with the integration of GEG, has ensured that there is steady demand for our management services.

Additional equity of more than EUR 500 million is currently available for additional investments. This will enable us to acquire more than EUR 1 billion in additional properties in the medium to long term.

## INSTITUTIONAL BUSINESS – OPERATIONAL HIGHLIGHTS IN THE FIRST HALF OF 2020

### LETTING

#### 5,200 sqm in Frankfurt's Global Tower let to Google Deutschland

- Modern office space across several levels, with a roof terrace and a canteen for the exclusive use of the tenant. This will create workspaces for more than 200 staff.
- With total space of around 33,000 sqm on 25 levels, the Global Tower is located in the heart of Frankfurt's banking district and is being comprehensively refurbished.
- Occupancy rate in Global Tower at 43%.
- The total investment volume is around EUR 340 million. The property will be managed as an individual mandate once it has commenced operations.

GLOBAL TOWER, FRANKFURT



FRANKFURTER STRASSE, WIESBADEN



### CLUB DEAL

#### „Infinity Office“ in Dusseldorf

- Club deals for two renowned institutional investors. Total investment costs of around EUR 175 million.
- around 20,500 sqm of rental space and around 280 underground parking spaces.
- As asset and property manager, DIC Asset AG has been generating real estate management fees since the second quarter of 2020
- WALT of approx. 12 years

INFINITY OFFICE, DUSSELDORF



### REPOSITIONING

#### Property in Frankfurter Strasse in Wiesbaden

- Completion and handover to the new user in early 2020
- New Federal Criminal Police Office site for around 850 civil servants
- Successfully completed portfolio development project of the DIC Office Balance I fund and scheduled disinvestment
- Acquisition by GEG Public Infrastructure I infrastructure fund



## WORKFORCE CHANGES

As of the 30 June 2020 reporting date, DIC Asset AG employed a total of 246 staff, a comparable figure to the end of 2019. Of this total, 37 employees work in portfolio management, investment and funds, 150 in asset, property and development management, and 59 in Group management and administration.

### NUMBER OF EMPLOYEES

	30.06.2020	31.12.2019	30.06.2019
Portfolio management, investment and funds	37	34	39
Asset, property and development management	150	145	149
Group management and administration	59	68	72
<b>DIC total</b>	<b>246</b>	<b>247</b>	<b>260</b>

## CHANGES ON THE MANAGEMENT BOARD

At the start of the second quarter, Patrick Weiden – previously head of the Equity & Debt Capital Markets team at Bankhaus Lampe – joined the Management Board of DIC Asset AG. As Chief Capital Markets Officer (CCMO), he will be responsible for the management of DIC Asset AG's capital market activities, capital markets communications and M&A.

## REVENUE AND RESULTS OF OPERATIONS

In June 2019, DIC Asset AG acquired the GEG German Estate Group (GEG), which means that GEG's income and expenses were only consolidated for the month of June in DIC Asset's 2019 half-yearly financial statements. As a result, comparability of the expenses and income reported in these half-yearly financial statements with those shown for the first half of 2019 is limited. Consolidation of GEG for the entire first half of 2020 has impacted real estate management fees and operating expenses in particular.

### ➔ Total income up 21 % to EUR 114.3 million

Total income rose by 21 % to EUR 114.3 million in the first half of 2020 (H1 2019: EUR 94.1 million), with the sharp rise in real estate management fees being the main factor driving this increase. Revenue from property sales decreased to EUR 9.5 million (H1 2019: EUR 16.0 million) due to reduced sales activities in the first half of 2020. However, DIC Asset reported higher profits on property disposals of EUR 2.5 million (H1 2019: EUR 1.7 million), which was an improvement of around 50%.

### OVERVIEW OF INCOME

in EUR million	H1 2020	H1 2019	Δ
Gross rental income	51.4	49.7	3%
Real estate management fees	42.1	17.5	>100%
Proceeds from sales of properties	9.5	16.0	-41%
Other income	11.3	10.9	4%
<b>Total income</b>	<b>114.3</b>	<b>94.1</b>	<b>21%</b>



#### ➤ FFO up 18% to EUR 50.6 million

Funds from operations (FFO), in other words our operating profit, amounted to EUR 50.6 million in the first half of 2020, which was an 18% increase year-on-year (H1 2019: EUR 43.0 million). This was mainly due to the significant rise in real estate management fees. These more than compensated for the higher operating expenses resulting from the GEG transaction, lower net rents due to coronavirus-related higher valuation allowances and the reduced share of the profit of associates excluding project developments and sales.

FFO per share rose by 8% to EUR 0.65 (H1 2019: EUR 0.60) – with a 10% increase in the average number of shares following the capital increase implemented in January.

#### ➤ Profit for the period up 10% to EUR 28.5 million

The positive FFO performance enabled us to increase profit for the period in the first half of 2020 to EUR 28.5 million (H1 2019: EUR 26.0 million), despite lower profit from sales and an increase in depreciation and amortisation. Earnings per share remained at the prior-year level at EUR 0.36 (H1 2019: EUR 0.37), although the number of shares rose year-on-year.

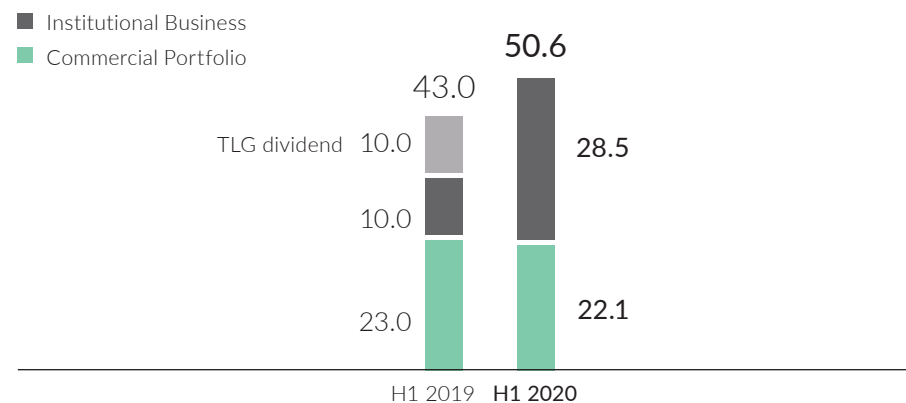


## SEGMENT REPORTING

Since 30 June 2019, we have been reporting on our two segments – Commercial Portfolio, which comprises our own real estate properties, and Institutional Business, which comprises our properties managed for institutional investors. The effect of the TLG dividend, which had been reported separately in the previous year, has been included in the prior year figures of the Institutional Business segment. In the following sections, we present the revenue and results of operations of each individual segment.

## FFO CONTRIBUTION OF THE SEGMENTS

in EUR million



## RECONCILIATION TO FFO

in EUR million	Total			Commercial Portfolio			Institutional Business		
	H1 2020	H1 2019	Δ	H1 2020	H1 2019	Δ	H1 2020	H1 2019	Δ
Net rental income	41.0	43.0	-5%	41.0	43.0	-5%	-	-	-
Administrative expenses	-9.8	-6.1	61%	-2.7	-2.0	35%	-7.1	-4.1	73%
Personnel expenses	-14.6	-10.7	36%	-4.1	-3.8	8%	-10.5	-6.9	52%
Other operating income/expenses	-0.3	0.0	-67%	0.1	0.3	-67%	-0.4	-0.3	33%
Real estate management fees	42.1	17.5	>100%	-	-	-	42.1	17.5	>100%
Share of the profit or loss of associates without project developments and sales	6.3	15.8	-60%	-	-	-	6.3	15.8	-60%
Net interest income	-14.2	-16.9	-16%	-12.3	-14.2	-13%	-1.9	-2.7	-30%
Other adjustments*	0.1	0.4	-75%	0.1	-0.3	>100%	0.0	0.7	-100%
<b>Funds from Operations (FFO)</b>	<b>50.6</b>	<b>43.0</b>	<b>18%</b>	<b>22.1</b>	<b>23.0</b>	<b>-4%</b>	<b>28.5</b>	<b>20.0</b>	<b>43%</b>

\* The other adjustments include:

- Transaction, legal and consulting costs of EUR 142 thousand (previous year: EUR 292 thousand)
- Administrative expenses and personnel costs of EUR 0 thousand (previous year: EUR 128 thousand)

## COMMERCIAL PORTFOLIO

### ➡ Gross rental income rises by 3%

Due to the acquisitions made in the previous year, gross rental income in the first half of 2020 came to EUR 51.4 million (H1 2019: EUR 49.7 million), an increase of 3% year-on-year. The additional rental income more than compensated for the transaction-related disposal of gross rental income and the effect of temporary rent reductions due to the Covid-19 pandemic amounting to EUR 0.8 million.

### ➡ Net rental income impacted by Covid-19 pandemic

During the Covid-19 pandemic, the German government has adopted a package of measures to support businesses and the economic environment. This includes temporary protection against termination for tenancies with rents not paid in April to June 2020, provided these are paid by 30 June 2022. The additional valuation allowances of EUR 3.1 million recognised as a result for unpaid rents from April to June 2020 resulted in decreased net rental income by 5% amounting to EUR 41.0 million compared with the same period of the previous year (H1 2019: EUR 43.0 million).

### ➡ Sales profit increased by around 50%

Despite a 41% drop in sales proceeds, we generated sales profit of EUR 2.5 million in the first half of 2020 (H1 2019: EUR 1.7 million).

### ➡ Operating cost ratio stable

Operating expenses rose by EUR 1.0 million year-on-year. Due to temporary effects triggered by the Covid-19 pandemic, personnel costs increased by EUR 0.3 million to EUR 4.1 million compared to the first half of 2019. Administrative expenses also rose by EUR 0.7 million to EUR 2.7 million year-on-year, driven by an increase in legal and consulting services and IT costs as a result of Covid-19. At 13%, the operating cost ratio in the Commercial Portfolio segment is almost unchanged compared with the same period of the previous year (H1 2019: 12%).

### ➡ Net interest result improved by 13%

The net interest result improved by EUR 1.9 million to EUR -12.3 million (H1 2019: EUR -14.2 million) due to the measures implemented in the second half of 2019 to optimise financing terms, repayment of the 14/19 bond with a coupon of 4.625% p.a. and a volume of EUR 175.0 million, and the first-ever issue of low-interest promissory notes (average: 1.55% p.a.) with a volume of EUR 180 million.

### ➡ FFO contribution

The Commercial Portfolio segment again generated a solid FFO contribution of EUR 22.1 million, which, despite the coronavirus pandemic, is only EUR 0.9 million below the previous year's figure (H1 2019: EUR 23.0 million). This is mainly due to the EUR 2.0 million year-on-year decrease in net rents, which have been impacted by the EUR 3.1 million increase in valuation allowances in Q2 2020 triggered by the coronavirus pandemic.

## INSTITUTIONAL BUSINESS

### ➡ Real estate management fees more than doubled

Real estate management fees more than doubled from EUR 17.5 million to EUR 42.1 million year-on-year as a result of the significant increase in assets under management in the Institutional Business segment. Driven by the successful structuring and transaction work carried out in the first half of 2020, transaction-related income rose to EUR 24.0 million (H1 2019: EUR 7.8 million), while asset, property management and development fees contributed EUR 18.1 million to the result for the first half of 2020 (H1 2019: EUR 9.7 million).

### ➡ Share of the profit of associates of EUR 6.3 million

Share of the profit from associates from the Institutional Business was up significantly, from EUR 2.8 million in H1 2019 to EUR 6.3 million. The lack of dividend income from the TLG investment sold in 2019 (H1 2019: income of EUR 13.0 million) resulted in a decrease in total investment income to EUR 6.3 million (H1 2019: EUR 15.8 million).

### ➡ Operating expenses impacted by growth

Operating expenses in the fast-growing Institutional Business segment rose to EUR 17.6 million (2019: EUR 11.0 million) as a result of the GEG acquisition made in 2019. Whereas in H1 2019 operating expenses of GEG were only included for one month, in 2020 they have been recognised for the full six months. Personnel costs increased to EUR 10.5 million (H1 2019: EUR 6.9 million) due to the integration of the GEG team. Administrative costs rose to EUR 7.1 million (2019: EUR 4.1 million) in respect of significant growth in assets under management.

### ➡ Net interest result improved significantly

The net interest result improved by EUR 0.8 million or 30% year-on-year to EUR -1.9 million in the first half of 2020. As in the Commercial Portfolio segment, this is due to the optimisation of financing terms achieved in the second half of 2019.

### ➡ FFO contribution up 43%

As a result of the successful growth trajectory seen also in the Institutional Business segment, the FFO contribution increased by EUR 8.5 million to EUR 28.5 million year-on-year (H1 2019: EUR 20.0 million), with the significant increase in real estate management fees being a key factor for this increase.

### ➡ TLG dividend

In the prior-year period, dividend income of EUR 13.0 million was generated from the equity interest in TLG sold in 2019, resulting in an FFO contribution of EUR 10.0 million. This contribution, which was shown separately in 2019, is no longer shown separately in the current reporting year, but is recognised within the Institutional Business segment for the comparative 2019 period.

## FINANCIAL POSITION

The financial debt shown in the balance sheet decreased by EUR 49.2 million to EUR 1,498.0 million as of 30 June 2020 (31 December 2019: EUR 1,547.2 million). The refinancing carried out at the end of the quarter caused current interest-bearing loans and borrowings to decrease while non-current interest-bearing loans and borrowings increased.

At around 65%, most of our financial debt consists of loans agreed with a wide range of German banks. The rest relates primarily to our corporate bonds and the promissory note issued in 2019.

The average maturity of our debt including bonds and the promissory note remained unchanged at 3.9 years as of 30 June 2020 compared to both the previous year's reporting date and the year-end 2019 due to the long-term refinancing recently completed (30 June 2019: 3.9 years; 31 December 2019: 3.9 years). The portion of financial liabilities with maturities greater than five years rose to 15% as of 30 June 2020 compared with the end of 2019 (31 December 2019: 13%).

### DEBT MATURITIES

Financial debt as at 30 June 2020



The average interest rate on all bank liabilities decreased slightly to approximately 1.7% compared with the prior-year period (30 June 2019: 1.8%). Including corporate bonds and the promissory note, the average interest rate as of 30 June 2020 dropped to 2.1% (30 June 2019: 2.5%) due to the optimisation of our financing terms.

The interest cover ratio, i.e. the ratio of EBITDA to net interest result, came to 473%, which was comparable to the high figure recorded as of year-end 2019 (31 December 2019: 509%). As of 30 June 2020, around 95% of our financial debt was fixed-rate or hedged against fluctuations in interest rates (31 December 2019: 91%).

#### ➔ LtV improved by 350 basis points

LtV improved by 350 basis points to 44.3% compared to the end of the year, mainly as a result of the capital increase implemented in January.

#### ➔ Adjusted LtV reported for the first time

To reflect the value of the Institutional Business in the calculation of LtV, we have shown the Adjusted LtV in this report for the first time – similar to our practice of showing the Adjusted NAV. Including the value of services provided by the Institutional Business segment in the calculation of the LtV results in an adjusted LtV of 38.9% (31 December 2019: 41.8%). To arrive at this figure, first the goodwill of EUR 177.9 million already recognised and the associated service contracts of EUR 43.9 million are deducted from the assets' fair value, before the audited fair value of the Institutional Business of EUR 557.0 million is added.

#### LOAN TO VALUE (LTV)

in Euro thousand	30.06.2020	31.12.2019
<b>Assets</b>		
Carrying amount of properties	1,625,156	1,623,030
Fair value adjustment	277,746	276,987
<b>Fair value of investment properties, total</b>	<b>1,902,902</b>	<b>1,900,017</b>
Fair value of equity investments (indirect property)*	127,254	130,710
Goodwill	177,892	177,892
Service agreements	43,911	40,795
Carrying amount of loans / receivables due to related parties	135,176	130,529
<b>Fair value of assets (value)</b> <b>A</b>		
	<b>2,387,135</b>	<b>2,379,943</b>
Less goodwill	-177,892	-177,892
Less service agreements	-43,911	-40,795
Add fair value of Institutional Business	557,000	557,000
<b>Adjusted fair value of assets (value)</b> <b>B</b>		
	<b>2,722,332</b>	<b>2,718,256</b>
<b>Liabilities</b>		
Non-current liabilities to banks	1,027,578	967,374
Current liabilities to banks	104,162	178,856
Related party liabilities	17,362	16,582
Corporate bonds	325,674	324,896
Less cash and cash equivalents	-416,572	-351,236
<b>Net liabilities (loan)</b> <b>C</b>	<b>1,058,204</b>	<b>1,136,472</b>
<b>LTV** (=C/A)</b>		
	<b>44.3%</b>	<b>47.8%</b>
<b>Adjusted LTV** (=C/B)</b>		
	<b>38.9%</b>	<b>41.8%</b>

\* includes equity interests in associates and other investments

\*\* adjusted for warehousing

### ➔ Cash flow dominated by capital increase and refinancing

Cash flow for the first half of 2020 was mainly impacted by the proceeds from the capital increase implemented in January and the refinancing activities carried out in the Commercial Portfolio.

Cash flows from operating and financing activities resulted in an inflow of funds. The cash flow from investing activities led to an outflow of funds, mainly due to investments in the Commercial Portfolio and payments made in respect of acquisitions of investment properties. At EUR 41.5 million, cash flow from operating activities was down slightly year-on-year in the first half of 2020 (H1 2019: EUR 42.3 million), mainly due to recognized real estate management fees that had not yet been generated cash inflows as of the reporting date.

Cash flow from investing activities amounted to EUR -18.6 million (H1 2019: EUR +39.4 million) and reflects our continued growth trajectory pursued by making investments in new properties and our Commercial Portfolio. The previous year's figure was dominated by the sale of the shares in TLG Immobilien AG.

Cash flow from financing activities amounted to EUR 42.5 million in the first six months of 2020, after EUR -30.7 million in the prior-year period. It was mainly impacted by cash proceeds received from the capital increase (EUR 109.7 million). On the other hand,

there was a net amount of EUR -63.5 million from repaying and taking up loans due to the further optimisation of our financing structure. In the same period of the previous year, payments for repaying loans were lower. In addition, EUR 17.7 million was paid in the first half of the previous year as a dividend.

Cash and cash equivalents rose by EUR 65.3 million as against the end of the year to EUR 416.6 million.

### CASH FLOW

in EUR thousand	H1 2020	H1 2019
Profit for the period	28,472	25,927
Cash flow from operating activities	41,480	42,337
Cash flow from investing activities	-18,639	39,446
Cash flow from financing activities	42,495	-30,659
Net changes in cash and cash equivalents	65,336	51,124
Acquisition-related addition	0	13,902
Cash and cash equivalents as at 31 December	416,572	351,929

## NET ASSETS

Net assets in the first half of 2020 were mainly impacted by the capital increase carried out in January. The cash capital increase was implemented from authorised capital by means of an accelerated bookbuilding ("ABB") while disapplying pre-emptive rights. A total of 6,857,774 new shares were placed at a price of EUR 16.00 per share. The Company received net issue proceeds of approximately EUR 107.3 million from the capital increase, which increased both current assets due to the inflow of funds, and equity. This increased total assets as of 30 June 2020 by EUR 68.1 million to EUR 2,725.5 million as against year-end 2019. Non-current assets remained stable compared to the end of 2019. In June 2020, we carried out long-term refinancing measures for properties in the Commercial Portfolio. The corresponding liabilities were reported under current financial liabilities at the end of 2019. As of 30 June 2020, the long-term refinancing of these properties reduced current financial liabilities and increased non-current financial liabilities.

### ➔ Equity strengthened

The capital increase implemented in January increased subscribed capital by EUR 6.9 million. As a result, the capital reserves rose by EUR 100.4 million after deducting the costs for the capital increase. Overall, equity as at 30 June 2020 increased by EUR 128.4 million compared with 31 December 2019, from EUR 968.8 million to EUR 1,097.2 million. In addition to the capital increase, the higher equity figure was due to the profit of EUR 28.5 million generated in the first half of 2020. The reported equity ratio rose from 36.5% on 31 December 2019 to 40.3%.

## BALANCE SHEET OVERVIEW

in EUR million	30.06.2020	31.12.2019
Total assets	<b>2,725.5</b>	2,657.4
Total non-current assets	<b>2,105.6</b>	2,105.6
Total current assets	<b>619.9</b>	551.8
Equity	<b>1,097.2</b>	968.8
Non-current loans and borrowings	<b>1,353.3</b>	1,292.3
Current loans and borrowings	<b>104.2</b>	219.9
Other liabilities	<b>170.8</b>	176.4
Total liabilities	<b>1,628.3</b>	1,688.6
Reported equity ratio	<b>40.3%</b>	36.5%
Loan to value	<b>44.3%</b>	47.8%
Adjusted Loan to value	<b>38.9%</b>	41.8%
EPRA-NAV	<b>1,382.4</b>	1,244.2
Adjusted NAV	<b>1,745.1</b>	1,607.2

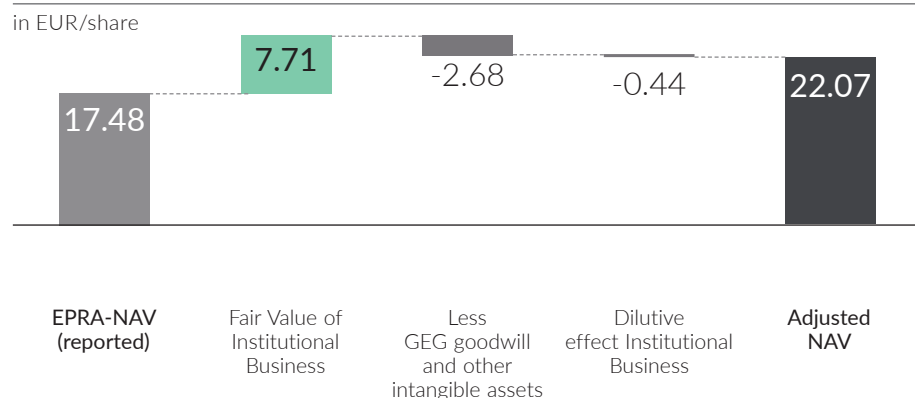


### ➔ Adjusted net asset value reflects full value of Institutional Business

The EPRA net asset value (EPRA-NAV) is equal to the value of all tangible and intangible assets less liabilities. The EPRA-NAV was EUR 1,382.4 million at the end of the first half of 2020. Only a portion of the value of real estate management services provided by the Institutional Business is reflected in EPRA-NAV via the goodwill recognised in the balance sheet. Adding this value contribution delivers a total Adjusted NAV as of the reporting date of EUR 1,745.1 million (31 December 2019: EUR 1,607.2 million).

The EPRA-NAV per share was EUR 17.48, compared to EUR 17.23 as of 31 December 2019, with the number of shares outstanding increasing by 6,857,774 compared to the end of 2019. The Adjusted NAV per share as of 30 June 2020 was EUR 22.07 (31 December 2019: EUR 22.26). Due to the capital increase implemented in January, there was a dilutive effect of EUR -0.44 per share in the reconciliation of EPRA-NAV to Adjusted NAV.

### ADJUSTED NAV RECONCILIATION INCLUDING VALUE OF INSTITUTIONAL BUSINESS



### EPRA-NET ASSET VALUE

in EUR million	30.06.2020	31.12.2019
Carrying amount of properties	1,625.2	1,623.0
Fair value adjustment	277.7	277.0
Fair value of the Commercial Portfolio	1,902.9	1,900.0
Real estate assets acc. to IFRS 5	96.4	100.2
Fair value of properties	1,999.3	2,000.2
Carrying amount of investments in associates	73.1	71.2
Fair value adjustment	5.9	5.9
Fair value of investments in associates	79.0	77.1
+/- Other assets/liabilities (excluding goodwill)	662.3	592.6
Restatement of Other assets/liabilities*	-41.9	-60.3
Net loan liabilities at carrying amount	-1,457.4	-1,512.1
Net loan liabilities in accordance with IFRS 5	-40.6	-35.0
Non-controlling interests	-12.3	-12.2
Goodwill incl. other assets / liabilities	194.0	193.9
EPRA net asset value (EPRA-NAV)	1,382.4	1,244.2
Number of shares (thousand)	79,072	72,214
EPRA-NAV per share in EUR**	17.48	17.23

\* Restated for deferred taxes (EUR +9,219 thousand; previous year: EUR +7,880 thousand), financial instruments (EUR -4,578 thousand; previous year: EUR -3,045 thousand) and IFRS 5 assets and liabilities (EUR -55,777 thousand; previous year: EUR -65,123 thousand)

\*\* Based on 79,071,549 shares (previous year: 72,213,775 shares)

## UPDATED GUIDANCE FOR THE 2020 FINANCIAL YEAR

Due to the anticipated effects of the Covid-19 pandemic, DIC Asset AG updated its forecast for the 2020 financial year ahead of schedule on 3 April 2020. The impact on the previous guidance is primarily attributable to the measures ordered across Germany in the second quarter which, among other things, led to lower transaction activity in the German real estate market and will therefore affect the total volume of transactions completed in the investment market overall by the end of 2020. DIC Asset AG has therefore adjusted its original forecast for acquisitions and sales for both business segments. Due to lower-than-planned transaction volumes or later-than-planned transfers of possession, benefits and associated risks in both the Commercial Portfolio segment and the Institutional Business, the Company expects lower acquisition-related gross rental income, lower transaction-related management income and thus lower recurring management income overall.

The Act to Mitigate the Effects of the Covid-19 Pandemic (Gesetz zur Abmilderung der Folgen der Covid-19-Pandemie) passed by the Bundestag/Bundesrat at the end of March granted directly affected tenants unlimited protection against termination of their lease for the months from April to June if these tenants suspended payment of their rent due to the coronavirus. According to this legislation, the outstanding rent must be paid by no later than 30 June 2022.

As a result, DIC Asset AG entered into dialogue with its tenants at an early stage, primarily those from the retail and hotel sectors in both business segments. The Company worked with these tenants to find the best possible contractual solution for both parties and ensure a long-term partnership. DIC Asset AG made contractual arrangements and lease adjustments with major tenants in the Commercial Portfolio by the reporting date, thus significantly minimising the risk of non-payment of rent for the rest of the year. Rent payments in July 2020, including advance payments for service charges, also reached a level comparable to that recorded before the outbreak of the coronavirus pandemic.

### Expected revenue and results of operations in 2020 at high prior-year level

From today's perspective, the Management Board continues to assume that the impact of the Covid-19 pandemic will generally have an effect on the expected rental and management income of DIC Asset AG in the 2020 financial year. Based on strong results in the first half of 2020, the high degree of financial strength provided by the funds available to finance our growth and a well-filled transaction pipeline with additional secured equity commitments from institutional investors totalling more than EUR 500 million, DIC Asset expects gross rental income in the Commercial Portfolio segment and real estate management fees and investment income in the Institutional Business to remain stable in the second half of 2020 in its adjusted guidance.

For the 2020 financial year, we are planning to generate funds from operations (FFO) amounting to EUR 94 to 96 million (previous forecast: EUR 104 to 106 million), which would be at the high level of the previous year (EUR 95.0 million). Anticipated gross rental income of EUR 94–98 million (previously: EUR 102–104 million), real estate management fees of EUR 80–90 million (previously: EUR 85–95 million) and acquisitions totalling EUR 700 million to EUR 1.1 billion, including EUR 200 to 300 million for the Commercial Portfolio (previously: EUR 500–600 million) and EUR 500 to 800 million for the Institutional Business (previously: EUR 1.1–1.3 billion), are all expected to contribute to this figure. We continue to forecast planned sales of approximately EUR 400 million, with around EUR 100 million in the Commercial Portfolio and around EUR 300 million in the Institutional Business.

The adjusted guidance is subject to the condition that there are no new restrictions caused by another deterioration in the current Covid-19 situation and the reintroduction of restrictions by the German government during the second half of 2020 and that, based on current forecasts, there is no further significant negative change in fundamental economic data in 2020, which in turn would have a significant impact on existing tenancy agreements and transaction activity in the real estate market.

Please refer to the information in the notes from page 90 onwards regarding updates to the opportunities and risks for the 2020 financial year.

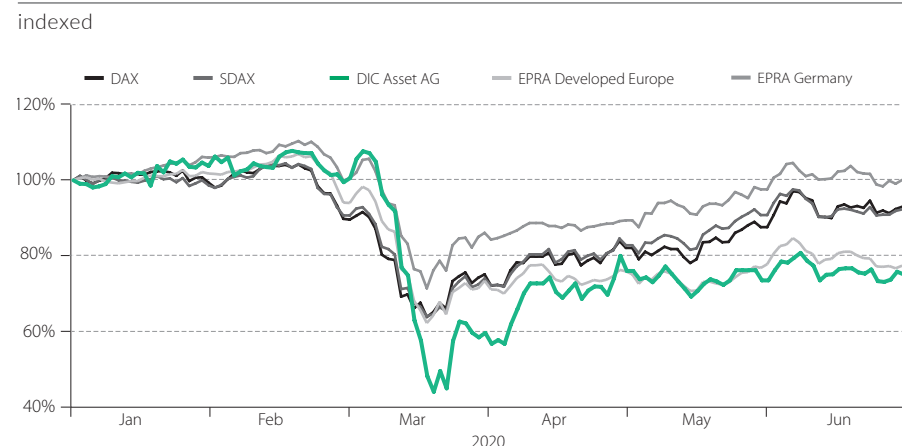
# INVESTOR RELATIONS AND CAPITAL MARKET

## 🔄 Global equity markets dominated by the external shock of Covid-19

The leading German DAX index initially made a positive start to 2020, even reaching a new all-time high in February. This was followed by a severe slump in March. The spread of coronavirus from Asia to Europe and to the USA brought many countries' economies to a temporary standstill and triggered a crash of historic proportions on international stock markets until mid-March. The DAX dropped by almost 40% from an annual high of 13,784 points on 19 February to 8,442 points on 18 March. Stocks from sectors directly affected by travel and movement restrictions, such as airlines, retail and hotels and catering, were particularly badly hit.

Despite the ongoing pandemic, coordinated intervention by central banks and governments with extensive monetary and fiscal policy stimuli caused a rapid rebound in the equity markets, which were able to make up most of their losses since the start of 2020 by the end of the first half-year. The DAX ended the first six months of the year down by almost 7%, while the SDAX closed the period 8% lower. The real estate sector was also affected by the coronavirus pandemic. Fears of a global recession, rising unemployment and company insolvencies prompted the EPRA Developed Europe index to collapse by as much as 38% and record a 23% loss by the end of June. Only the EPRA Germany index managed to end the first half of the year at the same level as it started 2020.

## SHARE PERFORMANCE



After a highly successful trading year in 2019 that delivered a 74% share price gain for shareholders, DIC Asset AG's shares initially grew further from their 2019 closing price of EUR 15.90 to reach a 52-week high of EUR 17.40 in February 2020. The share price then hit a 52-week low of EUR 6.69 during the shock of coronavirus, only to recover to EUR 11.94 by the end of the first half of the year. This represents a 25% loss compared to the end of 2019 and an 18% gain on a 12-month basis compared to the closing price for the first half of 2019 (EUR 10.14).

## BASIC DATA ON THE DIC ASSET AG SHARE

Number of shares	79,071,549 (registered shares)
Share capital in EUR	79,071,549
WKN / ISIN	A1X3XX/DE000A1X3XX4
Symbol	DIC
Free float	50.8%
Key indices	SDAX, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard
Designated Sponsors	ODDO Seydler, Baader Bank

## KEY FIGURES ON THE DIC ASSET AG SHARE <sup>(1)</sup>

		H1 2020	H1 2019
FFO per share <sup>(3)</sup>	Euro	<b>0.65</b>	0.60
Half-year closing price	Euro	<b>11.94</b>	10.14
52-week high	Euro	<b>17.14</b>	10.64
52-week low	Euro	<b>7.00</b>	8.86
Market capitalisation <sup>(2, 3)</sup>	Mio. Euro	<b>944</b>	732

(1) Xetra closing prices in each case (2) Number of shares on 30.06.2019: 72,213,775 (3) based on the Xetra quarterly closing price

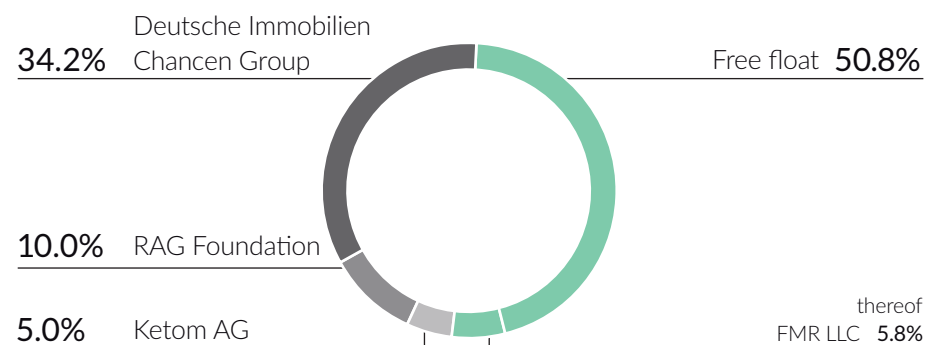
## Capital increase successfully completed

In January 2020, DIC Asset AG placed a total of 6,857,774 new shares at a price of EUR 16.00 to finance its continued growth strategy. Both anchor shareholders – TTL Real Estate GmbH, which belongs to the Deutsche Immobilien Chancen Group, and the RAG Foundation – exercised their pre-emptive rights and acquired new shares as part of the placement process. The Company also gained Ketom AG as a significant new shareholder with a stake of 5.0%. Overall, DIC Asset received gross issue proceeds of around EUR 110 million. The total number of shares rose to 79,071,549 as a result of the capital increase, with the new shares carrying the same rights as the existing shares. Market capitalisation grew to EUR 944 million as of 30 June 2020 (30 June 2019: EUR 732 million).

At the time this report was published, 50.8% of the shares were in free float.

## SHAREHOLDER STRUCTURE

(as at July 2020)



### ➡ Central banks combatting recession, interest rates again at record low

Central banks reacted to the coronavirus pandemic at an early stage with robust measures to mitigate its effects and prevent a resurgence of the financial crisis. The US Federal Reserve (Fed) responded by lowering its key rate drastically in two steps to between 0.00 % and 0.25 % and providing massive liquidity support, including in the form of USD 700 billion in bond purchases. The ECB also steeled itself against the economic consequences of the coronavirus pandemic by announcing sweeping government and corporate bond purchases totalling up to EUR 750 billion by the end of 2020.

The nervousness in the financial markets caused yields on government bonds regarded as safe havens to fall to record lows, with the yield on ten-year Bunds briefly dropping to minus 0.746 %.

### ➡ DIC Asset AG corporate bonds

To date, DIC Asset AG has placed two corporate bonds with a total volume of EUR 330 million. The 17/22 bond with a volume of EUR 180 million matures in July 2022, while the 18/23 bond with a volume of EUR 150 million matures in October 2023.

DIC Asset AG's bonds were unable to avoid the general rise in corporate bond yields resulting from the uncertainty in the financial markets. After starting the year with opening prices of 103.8 % (17/22 bond) and 104.0 % (18/23 bond), prices then fell to just under 80 % in March before quickly rallying and almost completely recovering during the rest of the first half. At the end of the first half of 2020, both bonds were once again quoted above their issue prices at 100.4 % (17/22 bond) and 101.1 % (18/23 bond).

### BASIC DATA ON THE DIC ASSET AG BONDS

	DIC Asset AG bond 17/22	DIC Asset AG bond 18/23
Name	DIC Asset AG bond 17/22	DIC Asset AG bond 18/23
ISIN	DE000A2GSCV5	DE000A2NBZG9
WKN	A2GSCV	A2NBZG
Listing	Official List of the Luxembourg Stock Exchange, Luxembourg	Official List of the Luxembourg Stock Exchange, Luxembourg
Minimum investment amount	EUR 1,000	EUR 1,000
Coupon	3.250 %	3.500 %
Issuance volume	EUR 180 million	EUR 150 million
Maturity	11.07.2022	02.10.2023

### KEY FIGURES ON THE DIC ASSET AG BONDS

	30.06.2020	28.06.2019
<b>DIC Asset AG bond 17/22</b>		
Closing price	100.4	103.3
Yield to maturity at closing price	3.07 %	2.13 %
<b>DIC Asset AG-bond 18/23</b>		
Closing price	101.1	104.9
Yield to maturity at closing price	3.16 %	2.29 %

Source: vwd group / EQS Group AG

## ➔ IR activities

Despite the current restrictions imposed by the coronavirus pandemic, shareholders, investors and analysts were continuously briefed by DIC Asset AG on current developments and the course of business. At the start of the year, IR activities initially focused on communicating the capital increase and the 2019 consolidated financial statements. DIC Asset AG again presented its shareholders with its 2019 annual report by way of a “fast close” as early as 5 February, making it the first German real estate company and the first company listed in the Prime Standard segment to do so.

The investor conferences and roadshows scheduled for the first half of the year from March onwards could not take place in their usual form as a result of the coronavirus pandemic. The Management Board and Investor Relations team quickly moved these events to new digital channels and held almost all of their meetings with German and international investors virtually.

## ➔ General Shareholders' Meeting agrees to increase dividend by 38% to EUR 0.66

We were forced to postpone the General Shareholders' Meeting originally scheduled for 17 March 2020 at short notice in light of official regulations designed to contain the coronavirus pandemic and rearranged it once a legal framework for an online General Shareholders' Meeting was in place. The General Shareholders' Meeting was held virtually on 8 July without the in-person attendance of shareholders, authorised representatives or guests. Based on DIC Asset AG's stable business model, successful adjustments to operations and the continued positive outlook, the Management Board reiterated its original dividend proposal. A dividend increase of 18 cents to EUR 0.66 per share was adopted for the 2019 financial year.

All other Management Board proposals, including the creation of a new 2020 Authorised Capital, were adopted by a large majority.

The terms of office of Supervisory Board members Prof. Dr. Ulrich Reuter and Dr. Anton Wieggers, as well as René Zahnd, who was court-appointed as a Supervisory Board member in May 2019, ended at the conclusion of the 2020 General Shareholders' Meeting. The General Shareholders' Meeting reappointed Prof. Dr. Ulrich Reuter and René Zahnd to the Supervisory Board for a further five years.

## IR-CALENDAR 2020

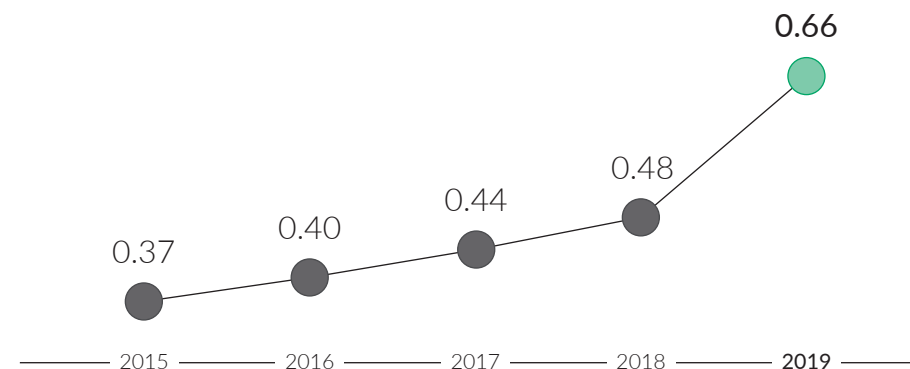
18./19.08.	BHL German Conference 2020	virtual
20.08.	HSBC European Real Estate Conference	virtual
03.09	Commerzbank Corporate Conference	Frankfurt
10.09.	SRC Forum Financials & Real Estate 2020	Frankfurt
09/2020	Baader Investment Conference	Munich
09/2020	Berenberg/Goldman Sachs German Corporate Conference	virtual
01.10	Commerzbank German Real Estate Forum	London
28.10.	Publication of the Q3 2020 Report*	
11/2020	Deutsches Eigenkapitalforum	virtual
11/2020	DZ Bank Equity Conference 2020	Frankfurt
01.12	Berenberg European Conference	Pennyhill

\* with conference call

Upcoming events can also be found on our website:  
[www.dic-asset.de/en/ir/financial-calendar/](http://www.dic-asset.de/en/ir/financial-calendar/)

## DIVIDEND PER SHARE

in EUR



Michael Zahn was also appointed as a new Supervisory Board member for five years to replace Dr. Anton Wieggers. As Chief Executive Officer of Deutsche Wohnen SE, Michael Zahn brings his experience as CEO of a major DAX-listed real estate stock corporation to the Supervisory Board of DIC Asset AG.

For the 2019 financial year, the shareholders of DIC Asset AG once again have the option to receive the dividend in cash or in the form of new shares. As the new shares will be created by utilising the 2020 Authorised Capital agreed at the General Shareholders' Meeting, the subscription period will only begin once the Authorised Capital has been entered in the Commercial Register, most likely on 24 August 2020.

## DIGITAL Sustainability Report 2019

### ➔ First digital Sustainability Report published

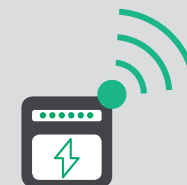
As one of Germany's leading listed real estate companies, DIC Asset AG is committed to sustainable development. With this in mind,

and to ensure that the Company can remain commercially successful in the long term, management considers both economic and ESG ('Ecological, Social and Governance') aspects and has prepared an annual report on this subject since 2011.

In line with the increasing digitalisation of our company, we published a digital Sustainability Report on our website for the first time this year. The report was drafted in line with the highest international reporting standards issued by the Global Reporting Initiative (GRI Standards) and the ESG reporting standards for real estate companies issued by the European Public Real Estate Association (EPRA).

### REPORT HIGHLIGHTS:

- Start of the 'smart metering' project to digitally record and electronically transfer consumption data: DIC Asset AG has set itself the goal of installing smart meters at all of its managed properties at an early stage. As a first step in this process, all utility electricity meters will be upgraded. The second rollout involves changing natural gas, district heating and water meters. The consumption data collected via this digital interface can be connected to various user interfaces and visualised within an energy portal, for example. At portfolio level, the further standardisation and faster provision of consumption data will create additional scope for optimisation.
- Reporting on ESG activities in the Institutional Business for the first time, including the planned expansion of reporting standards at property and vehicle level in particular





# CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2020

## CONSOLIDATED INCOME STATEMENT for the period from 1 January to 30 June

in EUR thousand	H1 2020	H1 2019	Q2 2020	Q2 2019
Total income	114,335	94,127	52,799	43,570
Total expenses	-72,038	-64,352	-34,624	-31,082
Gross rental income	51,386	49,683	25,410	25,187
Ground rents	-250	-336	-129	-168
Service charge income on principal basis	10,830	10,116	5,524	5,185
Service charge expenses on principal basis	-12,209	-11,327	-6,330	-5,721
Other property-related expenses	-8,787	-5,175	-6,106	-2,720
Net rental income	40,970	42,961	18,369	21,763
Administrative expenses	-9,763	-6,129	-4,805	-3,624
Personnel expenses	-14,594	-10,676	-7,495	-5,817
Depreciation and amortisation	-18,615	-15,609	-9,410	-8,092
Real estate management fees	42,073	17,487	21,676	8,260
Other operating income	522	813	189	113
Other operating expenses	-839	-765	-349	-606
Net other income	-317	48	-160	-493
Net proceeds from disposal of investment property	9,524	16,028	0	4,827
Carrying amount of investment property disposed	-6,981	-14,335	0	-4,336
Profit on disposal of investment property	2,543	1,693	0	491
Net operating profit before financing activities	42,297	29,775	18,175	12,488
Share of the profit or loss of associates	6,307	15,767	3,650	13,381
Interest income	4,294	5,170	2,142	2,506
Interest expense	-18,495	-22,086	-9,257	-10,800
Profit/loss before tax	34,403	28,626	14,710	17,575
Current income tax expense	-1,622	-1,729	-205	-342
Deferred tax expense	-4,309	-970	-2,108	-470
Profit for the period	28,472	25,927	12,397	16,763
Attributable to equity holders of the parent	28,461	26,016	12,383	16,806
Attributable to non-controlling interest	11	-89	14	-43
Basic (=diluted) earnings per share (EUR) *	0.36	0.37	0.15	0.24

\* calculated with the new average number of shares in accordance with IFRS as per H1 2020 of 78,233,605 (H1 2019: 71,204,683)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 June

in EUR thousand	H1 2020	H1 2019	Q2 2020	Q2 2019
<b>Profit/loss for the period</b>	<b>28,472</b>	<b>25,927</b>	<b>12,397</b>	<b>16,763</b>
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss				
Fair value measurement of hedging instruments				
Cash flow hedges	-1,241	-1,387	-560	-1,387
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	-6,146	12,259	3,253	2,504
Fair value measurement of hedging instruments				
Fair value hedges	0	-1,243	0	-1,243
<b>Other comprehensive income*</b>	<b>-7,387</b>	<b>9,629</b>	<b>2,693</b>	<b>-126</b>
<b>Comprehensive income</b>	<b>21,085</b>	<b>35,556</b>	<b>15,090</b>	<b>16,637</b>
Attributable to equity holders of the parent	21,074	35,645	15,076	16,680
Attributable to non-controlling interest	11	-89	14	-43

\* after tax

## CONSOLIDATED STATEMENT OF CASH FLOW

for the period from 1 January to 30 June

in EUR thousand	H1 2020	H1 2019
<b>OPERATING ACTIVITIES</b>		
Net operating profit before interest, taxes and dividends	40,239	20,608
Realised gains/losses on disposals of investment property	-2,543	-1,693
Depreciation and amortisation	18,615	15,609
Changes in receivables, payables and provisions	-6,336	18,814
Other non-cash transactions	3,273	-3,277
<b>Cash generated from operations</b>	<b>53,248</b>	<b>50,061</b>
Interest paid	-8,905	-8,417
Interest received	45	19
Income taxes received/paid	-2,908	674
<b>Cash flows from operating activities</b>	<b>41,480</b>	<b>42,337</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investment property	9,524	16,028
Dividends received	0	13,043
Acquisition of investment property	-12,780	-106,284
Capital expenditure on investment properties	-13,868	-18,648
Acquisition/disposal of other investments	2,383	140,480
Loans to other entities	-3,868	-5,077
Acquisition/disposal of office furniture and equipment, software	-30	-96
<b>Cash flows from investing activities</b>	<b>-18,639</b>	<b>39,446</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from capital increase	109,724	0
Proceeds from other non-current borrowings	87,840	102,210
Repayment of borrowings	-151,292	-113,865
Lease payments	-1,402	-933
Payment of transaction costs	-2,375	-366
Dividends paid	0	-17,705
<b>Cash flows from financing activities</b>	<b>42,495</b>	<b>-30,659</b>
Acquisition related increase in cash and cash equivalents	0	13,902
<b>Net changes in cash and cash equivalents</b>	<b>65,336</b>	<b>51,124</b>
Cash and cash equivalents as at 1 January	351,236	286,903
<b>Cash and cash equivalents as at 30 June</b>	<b>416,572</b>	<b>351,929</b>

## CONSOLIDATED BALANCE SHEET

Assets in EUR thousand	30.06.2020	31.12.2019
Goodwill	177,892	177,892
Investment property	1,625,156	1,623,030
Property, plant and equipment	9,367	10,285
Investments in associates	73,127	71,212
Loans to related parties	123,132	119,527
Other investments	48,240	53,611
Intangible assets	19,702	21,486
Deferred tax assets	28,953	28,545
<b>Total non-current assets</b>	<b>2,105,569</b>	<b>2,105,588</b>
Receivables from sale of investment property	1,266	488
Trade receivables	7,593	11,634
Receivables from related parties	12,044	11,002
Income tax receivable	14,839	15,491
Other receivables	45,232	41,448
Other current assets	25,982	20,402
Cash and cash equivalents	416,572	351,236
<b>Total current assets</b>	<b>523,528</b>	<b>451,701</b>
Non-current assets held for sale	96,392	100,154
<b>Total current assets</b>	<b>619,920</b>	<b>551,855</b>
<b>Total assets</b>	<b>2,725,489</b>	<b>2,657,443</b>

Equity and liabilities in EUR thousand	30.06.2020	31.12.2019
<b>EQUITY</b>		
Issued capital	79,072	72,214
Share premium	864,400	763,909
Hedging reserve	-2,647	-1,406
Reserve for financial instruments classified as at fair value through other comprehensive income	-1,371	4,775
Retained earnings	153,631	125,170
<b>Total shareholders' equity</b>	<b>1,093,085</b>	<b>964,662</b>
Non-controlling interest	4,127	4,116
<b>Total equity</b>	<b>1,097,212</b>	<b>968,778</b>
<b>LIABILITIES</b>		
Corporate bonds	325,674	324,896
Non-current interest-bearing loans and borrowings	1,027,578	967,374
Deferred tax liabilities	34,173	30,493
Derivatives	3,207	1,729
Other non-current liabilities	5,841	6,709
<b>Total non-current liabilities</b>	<b>1,396,473</b>	<b>1,331,201</b>
Current interest-bearing loans and borrowings	104,162	219,856
Trade payables	3,165	3,443
Liabilities to related parties	17,362	16,582
Income tax payable	18,614	20,689
Other liabilities	47,886	61,863
<b>Total current liabilities</b>	<b>191,189</b>	<b>322,433</b>
Liabilities related to non-current assets held for sale	40,615	35,031
<b>Total current liabilities</b>	<b>231,804</b>	<b>357,464</b>
<b>Total liabilities</b>	<b>1,628,277</b>	<b>1,688,665</b>
<b>Total equity and liabilities</b>	<b>2,725,489</b>	<b>2,657,443</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousand	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	895,921
Profit/loss for the period					26,016	26,016	-89	25,927
Other comprehensive income*								
Items that may be reclassified subsequently to profit or loss								
Gains/losses on cash flow hedges			-1,387			-1,387		-1,387
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				12,259		12,259		12,259
Gains/losses on the sale of financial instruments classified as measured at fair value through other comprehensive income				-76,767	76,767	0		0
Gains/losses from fair value hedges			-1,243			-1,243		-1,243
<b>Comprehensive income</b>	0	0	-2,630	-64,508	102,783	35,645	-89	35,556
Changes in the basis of consolidation							792	792
Dividend distribution for 2018					-33,852	-33,852		-33,852
Issuance of shares through capital increase for cash	1,688	14,459				16,147		16,147
Transaction costs of equity transactions		-366				-366		-366
<b>Balance at 30 June 2019</b>	72,214	763,909	-1,387	5,007	70,206	909,949	4,249	914,198
Profit/loss for the period					54,895	54,895	-133	54,762
Other comprehensive income*								
Items that may be reclassified subsequently to profit or loss								
Gains/losses on cash flow hedges			-19			-19		-19
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				-163		-163		-163
Gains/losses on the sale of financial instruments classified as measured at fair value through other comprehensive income				-69	69	0		0
<b>Comprehensive income</b>	0	0	-19	-232	54,964	54,713	-133	54,580
<b>Balance at 31 December 2019</b>	72,214	763,909	-1,406	4,775	125,170	964,662	4,116	968,778
Profit/loss for the period					28,461	28,461	11	28,472
Other comprehensive income*								
Items that may be reclassified subsequently to profit or loss								
Gains/losses on cash flow hedges			-1,241			-1,241		-1,241
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				-6,146		-6,146		-6,146
<b>Comprehensive income</b>	0	0	-1,241	-6,146	28,461	21,074	11	21,085
Issuance of shares through capital increase for cash	6,858	102,866				109,724		109,724
Transaction costs of equity transactions		-2,375				-2,375		-2,375
<b>Balance at 30 June 2020</b>	79,072	864,400	-2,647	-1,371	153,631	1,093,085	4,127	1,097,212

\* Net of deferred taxes

# NOTES

## GENERAL INFORMATION ON REPORTING

In accordance with section 115 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), the interim report comprises condensed interim consolidated financial statements and an interim group management report. The condensed interim consolidated financial statements were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRSs), as adopted by the EU, that are applicable to interim financial reporting (IAS 34). The quarterly financial statements of the companies included in the consolidated financial statements were prepared using uniform accounting policies. The interim group management report was prepared in accordance with the applicable requirements of the WpHG.

The interim consolidated financial statements were prepared using the same consolidation principles, currency translation policies and accounting policies as applied in the consolidated financial statements for financial year 2019, with the exception of the changes presented in the following. Income taxes were deferred on the basis of the tax rate expected for the full year.

These condensed interim consolidated financial statements do not contain all the information and disclosures required by IFRSs for full-year consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements for the year ended on 31 December 2019, which form the basis for the accompanying interim financial statements. Please also refer to the interim management report in this document for information on material changes and transactions in the period up to 30 June 2020.

Preparation of the financial statements requires management to make estimates and assumptions affecting both the measurement of assets, liabilities and contingent liabilities at the end of the reporting period and the measurement and presentation of income and expenses for the period. Actual amounts may differ from these estimates. There were no adjustments due to changes in estimates or assumptions in the period up to the end of June 2020.

## NEW STANDARDS AND INTERPRETATIONS

### a) Standards, interpretations and amendments to standards applicable for the first time in the financial year

The following standards, amendments to standards and interpretations were applied for the first time in the current financial year.

#### First-time application in the current financial year

Standard	Title
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 39, IFRS 9 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material
Conceptual framework	Revision of the Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards

These standards and amendments to standards do not materially affect the consolidated financial statements of DIC Asset AG.

### b) Standards and amendments to standards that have been issued but not yet applied

For financial years beginning on or after 1 January 2021, there are currently no issued standards or amendments to standards that have already been adopted into EU law.

The following standards, which will become effective in the coming years, have not yet been adopted into applicable EU law:

**Standards that have not yet been adopted into applicable EU law**

Standard	Title	Application mandatory for annual periods beginning on or after
IFRS 17	Insurance Contracts	01.01.2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	01.01.2022 <sup>1)</sup>
Amendments to IFRS 16	Covid-19-related Rent Concessions	01.06.2020
Amendments to IFRS 4	Deferral of IFRS 9	01.01.2021
Miscellaneous	Annual Improvements to IFRSs 2018–2020 Cycle	01.01.2022

<sup>1)</sup> According to the IASB's decision dated 17 April 2020, the effective date of the amendments is to be deferred by one year to 1 January 2023. A corresponding ED (ED/2020/3) was published on 4 May 2020 and can be commented on until 3 June 2020.

DIC Asset AG will only apply all of the standards listed from the date of mandatory first-time adoption. The effects of the amendments or new provisions not yet adopted into EU law on the consolidated financial statements of DIC Asset AG are currently still being reviewed.

**FINANCIAL INSTRUMENTS DISCLOSURES**

No quoted prices in an active market are available for the unlisted shares of DIC Opportunistic GmbH held by the Group and for shares held in limited partnerships (Level 3 of the IFRS 13 fair value hierarchy). Their fair value is based on the indirectly held real estate and equity investments. Changes in fair value between 31 December 2019 and the end of the reporting period amounted to EUR -5,673 thousand. Please refer to our consolidated financial statements for the year ended 31 December 2019 for information on the valuation of the real estate assets.

The following table presents the carrying amounts and fair values of the individual financial assets and financial liabilities for each class of financial instrument and reconciles them to the corresponding line items in the balance sheet. The IFRS 9 measurement categories relevant for the Group are: financial assets at fair value through OCI (FVOCI), financial assets at fair value through profit or loss (FVPL), financial assets at amortised cost (FAAC), and financial liabilities measured at amortised cost (FLAC) and financial liabilities at fair value through profit or loss (FLFV).

in EUR thousand

	IFRS 9 measurement category	Carrying amount 30.06.2020	Fair value 30.06.2020	Carrying amount 31.12.2019	Fair value 31.12.2019
<b>Assets</b>					
Other investments	FVOCI	33,364	33,364	38,418	38,418
Other investments	FVPL	14,876	14,876	15,193	15,193
Loans to related parties	FAAC	123,132	123,132	119,527	119,527
Receivables from sale of investment property	FAAC	1,266	1,266	488	488
Trade receivables	FAAC	7,593	7,593	11,634	11,634
Receivables from related parties	FAAC	12,044	12,044	11,002	11,002
Other receivables	FAAC	45,232	45,232	41,448	41,448
Other assets	FAAC	25,982	25,982	20,402	20,402
Cash and cash equivalents	FAAC	416,572	416,572	351,236	351,236
<b>Total</b>	<b>FAAC</b>	<b>631,821</b>	<b>631,821</b>	<b>555,737</b>	<b>555,737</b>
<b>Liabilities</b>					
Derivatives	n/a	3,207	3,207	1,729	1,729
Corporate bonds	FLAC	325,674	338,325	324,896	342,720
Non-current interest-bearing loans and borrowings	FLAC	1,027,578	991,235	967,374	947,003
Current loans and borrowings	FLAC	104,162	102,296	219,856	219,691
Trade payables	FLAC	3,165	3,165	3,443	3,443
Related party liabilities	FLAC	17,362	17,362	16,582	16,582
Other liabilities*	FLAC	45,251	45,251	59,228	59,228
Liabilities related to non-current assets held for sale	FLAC	40,615	39,330	35,031	33,941
<b>Total</b>	<b>FLAC</b>	<b>1,563,807</b>	<b>1,536,964</b>	<b>1,626,410</b>	<b>1,622,608</b>

\* excluding current lease liabilities



Changes in Level 3 financial instruments are as follows:

in EUR thousand	2020	2019
01.01.	53,611	30,424
Addition/Disposal	302	22,106
Measurement gains/losses	-5,673	1,081
Balance at 30 June/31 Dec.	48,240	53,611

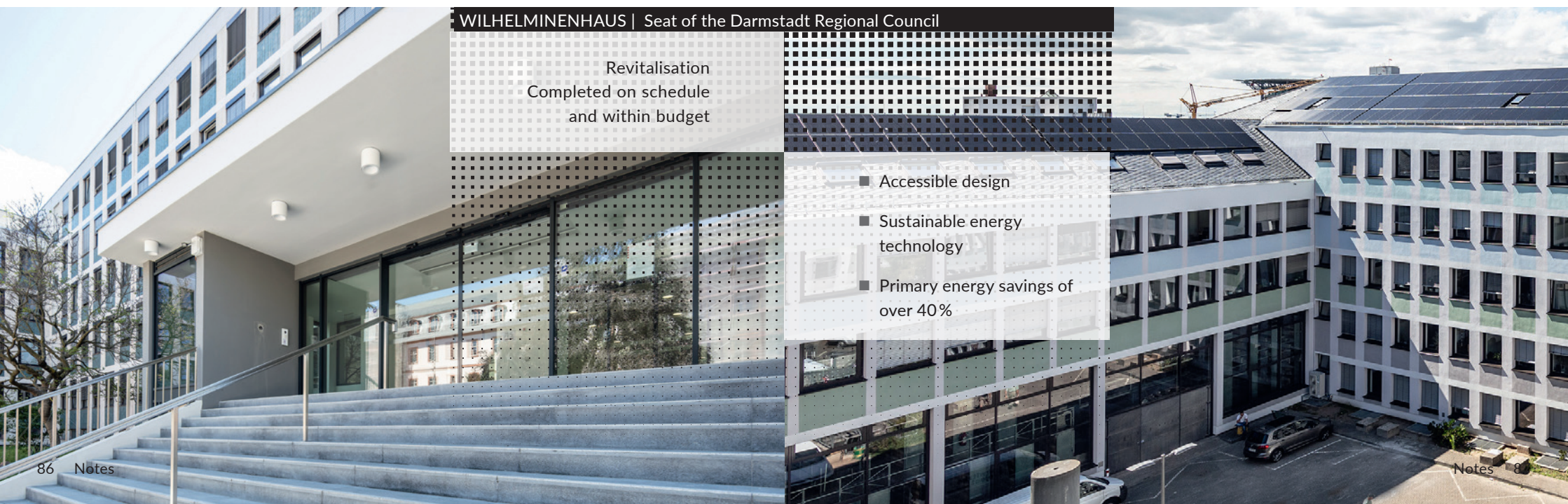
Measurement gains/losses of EUR -6,146 thousand are recognised in other comprehensive income and EUR 473 thousand are recognised directly in the income statement.

#### Supplementary information

The Company uses the cost model in accordance with IAS 40.56 to measure its investment properties. Please refer to the disclosures in the consolidated financial statements for the year ended on 31 December 2019 for information on the fair value measurement of investment property in accordance with IFRS 13.

## SEGMENT REPORTING

The segment report is structured in accordance with IFRS 8 Operating Segments following the management approach. Reporting is focused on two segments: the Commercial Portfolio segment, which comprises our own property portfolio, and the Institutional Business segment, where we aggregate our management services for institutional investors. The TLG dividend, which was reported separately in the previous year's report, is now presented in the Institutional Business segment for the 2019 comparative period.





## SEGMENT REPORTING

in EUR million	H1 2020			H1 2019		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business	Total
<b>Key earnings figures</b>						
Gross rental income (GRI)	51.4		51.4	49.7		49.7
Net rental income (NRI)	41.0		41.0	43.0		43.0
Profits on property disposals	2.5		2.5	1.7		1.7
Real estate management fees		42.1	42.1		17.5	17.5
Share of the profit or loss of associates		6.3	6.3		15.8	15.8
Depreciation and amortisation	-15.4	-3.2	-18.6	-15.2	-0.4	-15.6
Net other income	0.1	-0.4	-0.3	0.3	-0.3	0.0
Net interest result	-12.3	-1.9	-14.2	-14.2	-2.7	-16.9
Operational expenditure (OPEX)	-6.8	-17.6	-24.4	-5.8	-11.0	-16.8
- of which administrative costs	-2.7	-7.1	-9.8	-2.0	-4.1	-6.1
- of which personnel costs	-4.1	-10.5	-14.6	-3.8	-6.9	-10.7
Other adjustments*	0.1	0.0	0.1	-0.3	0.7	0.4
Funds from Operations (FFO)	22.1	28.5	50.6	23.0	20.0	43.0
EBITDA	36.7	30.5	67.2	39.3	21.9	61.2
EBIT	21.3	27.3	48.6	24.1	21.4	45.5
<b>Segment assets**</b>						
Number of properties	93	94	187	100	75	175
Assets under Management (AuM)	1,902.9	6,598.2	8,501.1	1,798.1	5,261.0	7,059.1
Rental space in sqm	837,200	1,358,400	2,195,600	923,100	1,041,400	1,964,500
Annualised rental income	97.2	242.7	339.9	103.0	204.5	307.5

\* The other adjustments include:

- Transaction, legal and consulting costs of EUR 142 thousand (previous year: EUR 292 thousand)
- Administrative expenses and personnel costs of EUR 0 thousand (previous year: EUR 128 thousand)

\*\* incl. project developments and repositioning properties

## CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The following new guarantees were issued up to 30 June 2020:

DIC Asset AG issued a letter of comfort for EUR 16,000 thousand to HANSAINVEST Hanseatische Investment Gesellschaft mit beschränkter Haftung and BNP Paribas Real Estate Investment Management Germany GmbH for its subsidiary DIC Objekt Düsseldorf Schwannstraße GmbH & Co. KG.

## OPPORTUNITIES AND RISKS

The consolidated financial statements and the group management report for financial year 2019, which were published in February 2020, describe in detail the opportunities and risks associated with our business activities, and provide information on the risk management system and the internal control system. From today's perspective, there have been no significant changes to the assessment of risks and opportunities for the Company's performance compared to 31 December 2019 with the exception of the issues outlined below.

In this respect, the information provided in the "Report on risks and opportunities" section of the 2019 management report still applies, taking into account the following additions:

### General market risks

The coronavirus pandemic and the legislative measures taken to combat it significantly impaired the macroeconomic situation and development in Germany and large parts of the world. As a result, the spread of coronavirus brought an emerging economic recovery to an abrupt end, with a recession now predicted in Germany for the 2020 financial year.

The German government is forecasting a 6.5 % drop in gross domestic product for the 2020 financial year. The resulting short-term consequences for the overall real estate market are expected to focus on the hotel, retail and office submarkets as well as further interest rate trends, where appropriate. The economy has been recovering gradually with the easing of coronavirus-related restrictions since May 2020 and is now fairly

close to the "pronounced V" risk scenario predicted by economic experts. In a V-shaped recovery, a steep decline in economic output is soon followed by a similarly rapid recovery. The German government's forecast is largely consistent with the expectations of major economic research institutes. The support measures and economic policy stimuli agreed at EU and national level are having a positive impact. As a result, an economic recovery is already forecast for the second half of 2020, followed by a further significant rebound in 2021. Economic experts anticipate a marked recovery. According to their forecasts, gross domestic product will grow by 4.9 percent over the coming year.

DIC Asset AG is exposed to these general market risks. In light of this summer's rebound, we expect the effects of the Covid-19 pandemic to be short-term in nature and thus assume a moderate probability of further negative macroeconomic development in the medium to long term. This would have a slightly to moderately serious financial impact. However, the effects of the Covid-19 pandemic still also depend on the duration and extent of any restrictions required which, in the event of another deterioration in the current Covid-19 situation and the reintroduction of restrictions by the German government and based on current forecasts, could lead to another significant negative change in fundamental economic data in 2020 and beyond, which in turn would have a significant impact on existing tenancy agreements and transaction activity in the real estate market.

### Tenant credit risk

The Act to Mitigate the Effects of the Covid-19 Pandemic in Civil, Insolvency and Criminal Procedure Law (Gesetz zur Abmilderung der Folgen der Corona-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht) of 27 March 2020 gives tenants the opportunity to defer rent payments for a limited period and make these payments at a later date. Directly affected tenants, primarily those in the retail, restaurant and hotel sectors, took particular advantage of this opportunity between April and June. Depending on the duration and extent of the coronavirus pandemic, it must therefore be expected that some of these tenants will not be able to meet their payment obligations in whole or in part as a result of insolvencies. As a result, bad debts are likely to be higher in the 2020 financial year than in the previous year. DIC Asset AG has set aside higher valuation allowances for this purpose and has already reached contractual agreements with major tenants to create certainty when planning for future rent cash flows. Overall, the occurrence of rent default risks would have a low to medium financial impact due to the provisions already recognised.

### Letting risks

Letting risks may also increase as a result of the pandemic. Lease renewals and new leases may become more challenging in some areas (e.g. fashion retailing, restaurants) depending on the severity and duration of the economic effects. As a result, it cannot currently be ruled out that vacancy rates in 2020 will exceed those of 2019 or will not develop as planned yet will continue to move within what we believe to be a comfortable range. Overall, the occurrence of letting risks would have a low financial impact.

### Valuation risk

As the recessive consequences of the coronavirus pandemic could also affect general risk assessment within the economy as well as interest rate development, negative impacts on real estate valuations caused by factors such as the higher interest rate base as well as changes to assumptions concerning market rents, vacancy periods and lease terms cannot be ruled out. However, it is currently not respectively hardly possible to reliably forecast the amount and extent of these valuation effects. The scope of any negative consequences for real estate valuation will largely depend on the further duration of the Covid-19 pandemic as well as any renewed tightening of restrictions in public life and thus subsequent macroeconomic development. We currently consider the risk of financial implications to be low to moderate.

### Institutional Business – management and investment income

In the Institutional Business segment, DIC Asset generates recurring income from asset and property management, management fees on transactions and structuring new investment vehicles as the main source of income. Lingering uncertainty over the Covid-19 pandemic and macroeconomic developments may result in delayed transactions or could lead investors to withdraw from investment vehicles or refrain from making new investments in them.

Thanks to our expertise, our strong customer relationships and based on the current and planned activities for the rest of 2020, we consider the probability of occurrence and the financial scope of risks in the Institutional Business segment – even those arising from the Covid-19 pandemic – to be low. The transaction market is expected to normalise in the second half of 2020. Demand among institutional investors for the products offered by DIC Asset will continue to be driven by the persistently low interest rate environment with a lack of investment alternatives and the healthy fundamentals underlying the German real estate market, which has once again proven to be a ‘safe

haven’ with international investors. DIC Asset has more than EUR 500 million in extra capital at its disposal for additional investments. This will enable us to acquire more than EUR 1 billion in additional properties in the medium to long term.

Overall, it is important to note that there are currently no discernible risks threatening the continued existence of the Company as a going concern.

### SUBSEQUENT EVENTS

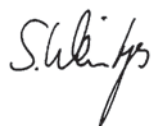
Between the end of the reporting period and today, the transfer of possession, benefits and associated risks from the acquisition of one Commercial Portfolio property with a transaction volume of approx. EUR 69.3 million took place.

The General Shareholders' Meeting of DIC Asset AG took place on 8 July 2020. Due to the changed legal situation as a result of the Covid-19 pandemic, the event was held as a virtual General Shareholders' Meeting for the first time. For the 2019 financial year, the distribution of a dividend in the amount of EUR 0.66 was approved, and shareholders were once again given the choice, as in prior years, of receiving it either in cash or in the form of new shares (scrip dividend). All other Management Board proposals were adopted by a large majority.

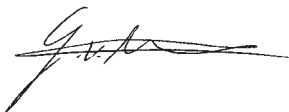
## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt am Main, 28 July 2020



Sonja Wärentges



Johannes von Mutius



Patrick Weiden

## REVIEW REPORT

To DIC Asset AG, Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of DIC Asset AG, Frankfurt am Main, for the period from January 1 to June 30, 2020, which are part of the half-year financial report according to § 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Nuremberg, 28 July 2020

Rödl & Partner GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Landgraf	Luce
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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Realisation:  
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## Disclaimer

This financial report 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 financial report. Said risks and uncertainties are discussed in detail in the risk report as part of financial reporting. This financial report 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 financial report.

For computational reasons, rounding differences from the exact mathematical values calculated (in EUR thousand, %, etc.) may occur in tables and cross-references.

Note:  
This report is published in German (original version) and English (non-binding translation).