AGENDA

Q2 2018

HIGHLIGHTS

COURSE OF BUSINESS

FINANCIALS

FORECAST
HIGHLIGHTS

Q2 2018

- FFO grew by 7% to EUR 32.0 million
- Assets under Management reached the threshold of EUR 5.0 billion and grew by 22%
- Like-for-like rental income in the Commercial Portfolio increased by 2.3%
- Share of the profit of associates increased sharply to EUR 10.8 million
- Profit for the period rose by 20% to EUR 23.9 million
- Letting performance increased by 60% with annualised rental income of EUR 12.0 million
- EPRA vacancy rate declined to 8.9%
- Real estate management fees rose by 56% to EUR 12.2 million
- DIC Office Balance V fund was launched end of June
PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Growing Assets under Management

ASSETS UNDER MANAGEMENT
in EUR billion

<table>
<thead>
<tr>
<th></th>
<th>5.0</th>
<th>1.8</th>
<th>1.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Portfolio</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SALES VOLUME
in EUR million, YTD

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>162</td>
<td>220</td>
<td>201</td>
<td>368</td>
<td>216</td>
</tr>
<tr>
<td>Other Investments**</td>
<td>167</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>185</td>
<td>189</td>
<td>185</td>
<td>535</td>
<td>498</td>
</tr>
</tbody>
</table>

PORTFOLIO BY SEGMENT*

<table>
<thead>
<tr>
<th></th>
<th>Commercial Portfolio</th>
<th>Funds</th>
<th>Other Investments**</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>H1 2018</td>
<td>108</td>
<td>63</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>H1 2017</td>
<td>123</td>
<td>52</td>
<td>14</td>
</tr>
<tr>
<td>Market value in EUR million***</td>
<td>H1 2018</td>
<td>1,598.3</td>
<td>1,763.3</td>
<td>1,630.0</td>
</tr>
<tr>
<td></td>
<td>H1 2017</td>
<td>1,721.6</td>
<td>1,314.4</td>
<td>1,065.2</td>
</tr>
<tr>
<td>Rental space in sqm</td>
<td>H1 2018</td>
<td>927,800</td>
<td>679,300</td>
<td>255,700</td>
</tr>
<tr>
<td></td>
<td>H1 2017</td>
<td>1,005,800</td>
<td>564,600</td>
<td>210,100</td>
</tr>
</tbody>
</table>

*   all figures including warehousing, project developments and repositioning properties
** including third-party business
*** Market value as at 31.12.2017, later acquisitions considered at cost

- **Assets under Management** grew by 22% to EUR 5.0 billion (H1 2017: EUR 4.1 billion), comprising 185 properties with rental space of c. 1.9 million sqm
- **Acquisitions:** approx. EUR 105 million YTD, thereof c. EUR 70 million for the Commercial Portfolio and c. EUR 35 million for our fund business
- **Sales:** Properties with a volume of EUR 216 million notarised in 2018, including 4 properties of EUR 49 million from the Commercial Portfolio and 2 properties of EUR 167 million from the segment Other Investments (remaining joint ventures)
PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Strong letting performance in first half year

<table>
<thead>
<tr>
<th>LETTING VOLUME (by type of use)</th>
<th>in sqm</th>
<th>annualised in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1 18</td>
<td>H1 17</td>
</tr>
<tr>
<td>Office</td>
<td>72,000</td>
<td>46,100</td>
</tr>
<tr>
<td>Retail</td>
<td>9,800</td>
<td>4,100</td>
</tr>
<tr>
<td>Storage/logistics</td>
<td>10,600</td>
<td>17,200</td>
</tr>
<tr>
<td>Further commercial</td>
<td>5,200</td>
<td>8,400</td>
</tr>
<tr>
<td>Residential</td>
<td>600</td>
<td>700</td>
</tr>
<tr>
<td>Total</td>
<td>98,200</td>
<td>76,500</td>
</tr>
<tr>
<td>Parking</td>
<td>1,085</td>
<td>811</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LETTING STRUCTURE</th>
<th>Distribution by size in sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; 5000 sqm</td>
</tr>
<tr>
<td></td>
<td>57,800</td>
</tr>
<tr>
<td></td>
<td>57</td>
</tr>
</tbody>
</table>

|                                 | Distribution by type in % |
|                                 | New leases | Renewals |
|                                 | 62         | 38        |

<table>
<thead>
<tr>
<th>TOP 5 LETTINGS</th>
<th>Tenant</th>
<th>Type</th>
<th>Segment</th>
<th>City</th>
<th>Rental space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allianz Deutschland AG</td>
<td>Renewal Funds</td>
<td>Leipzig</td>
<td>12,300 sqm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Niedersachsen</td>
<td>New lease Funds</td>
<td>Hannover</td>
<td>9,700 sqm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>eBay GmbH</td>
<td>Renewal Funds</td>
<td>Berlin Kleinmachnow</td>
<td>8,100 sqm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SINN GmbH</td>
<td>Renewal Funds</td>
<td>Trier</td>
<td>7,400 sqm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintrans Intern. Sped. GmbH</td>
<td>New lease Commercial Portfolio</td>
<td>Langenselbold</td>
<td>5,800 sqm</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Letting volume **60% higher** with an annualised rental income of EUR 12.0 million (H1 2017: EUR 7.5 million)
- 59% of the 98,200 sqm leased were attributable to the segment **Funds**, primarily for large-sized spaces (65%)
- Whereas 86% of the letting volume in the **Commercial Portfolio** were attributable to smaller- and medium-sized spaces
- **New leases** accounted for 45% of the letting volume (44,600 sqm), **lease renewals** for 55% (53,600 sqm)
- Successful letting activities improved our overall **portfolio quality**:
  - Weighted average lease term (WALT) increased from 4.2 to 5.1 years
  - **2018 lease expiry volume** dropped to 4.7%
SEGMENT COMMERCIAL PORTFOLIO
Portfolio quality significantly improved

**DEVELOPMENT COMMERCIAL PORTFOLIO**

<table>
<thead>
<tr>
<th></th>
<th>H1 2018</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>108</td>
<td>123</td>
</tr>
<tr>
<td>Market value in EUR million</td>
<td>1,598.3</td>
<td>1,721.6</td>
</tr>
<tr>
<td>Rental space in sqm</td>
<td>927,800</td>
<td>1,005,800</td>
</tr>
<tr>
<td>Annualised rental income in EUR million</td>
<td>96.2</td>
<td>93.7</td>
</tr>
<tr>
<td>Rental income in EUR per sqm</td>
<td>9.49</td>
<td>9.38</td>
</tr>
<tr>
<td>WALT in years</td>
<td>5.2</td>
<td>4.3</td>
</tr>
<tr>
<td>EPRA vacancy rate in %</td>
<td>8.9</td>
<td>11.2</td>
</tr>
<tr>
<td>Gross rental yield in %</td>
<td>6.3</td>
<td>6.3</td>
</tr>
</tbody>
</table>

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

**TYPES OF USE**

- Office: 66%
- Retail: 20%
- Other commercial use (e.g. logistics, hotel): 13%
- Residential: 1%
- Educational: 4%
- Hotels/restaurants: 6%
- Banking/insurance: 7%
- Public sector: 17%
- Service providers: 15%
- Industry/disposal/utilities: 11%
- IT/telecom/multimedia: 7%

* new sector categorisation from 30.06.2018 (Chamber of Industry and Commerce sector key)

**LIKE-FOR-LIKE RENTAL INCOME GROWTH**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualised rental income in EUR million</td>
<td>91.5</td>
<td>93.6</td>
</tr>
</tbody>
</table>

+2.3%

**SECTORS**

- Retail/logistics: 30%
- Hotels/restaurants: 6%
- Banking/insurance: 7%
- Public sector: 17%
- Service providers: 15%
- Industry/disposal/utilities: 11%
- IT/telecom/multimedia: 7%
- Office: 66%
- Retail: 20%
- Other commercial use (e.g. logistics, hotel): 13%
- Educational: 4%
- Residential: 1%

* new sector categorisation from 30.06.2018 (Chamber of Industry and Commerce sector key)

- **Commercial Portfolio** comprised 108 properties with a **market value** of approx. EUR 1.6 billion as at 30.06.2018
- Strong letting activities lifted **like-for-like** rental income by **2.3%**, driven primarily by vacancy reduction and increasing in-place rents (61%); 39% coming from indexations
- **Annualised rental income** increased by **2.7%** to EUR 96.2 million
- Weighted average lease term (WALT) increased to 5.2 years (H1 2017: 4.3 years)
- **EPRA vacancy rate** was reduced further by 230 bp to **8.9%** (H1 2017: 11.2%)
SEGMENT COMMERCIAL PORTFOLIO
Case Study “Office property acquisition in Leverkusen”

- Purchase price of approx. EUR 52 million
- Total rental space of around 13,300 sqm, 301 parking spaces
- 100% occupancy rate
- Long-term leases; WALT of 16.76 years
- The anchor tenant is pronova BKK, one of Germany’s largest company health insurance providers
- New building, completed in early 2018
- Friendly and light ambience, barrier-free access and small office units for personal customer advice
- Leverkusen is a location with economic potential
- DIC’s good regional market access pays off
SEGMENT FUNDS

New fund DIC Office Balance V launched

**Fund Volume** in EUR billion

<table>
<thead>
<tr>
<th>Year</th>
<th>DIC Office Balance I</th>
<th>DIC HighStreet Balance</th>
<th>DIC Office Balance II</th>
<th>DIC Office Balance III</th>
<th>DIC Office Balance IV</th>
<th>DIC Retail Balance I</th>
<th>DIC Office Balance V</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.2</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.7</td>
<td>0.8</td>
<td>1.1</td>
</tr>
<tr>
<td>2011</td>
<td>0.4</td>
<td>0.7</td>
<td>0.8</td>
<td>0.9</td>
<td>1.1</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>2012</td>
<td>0.5</td>
<td>0.8</td>
<td>0.9</td>
<td>1.0</td>
<td>1.2</td>
<td>1.3</td>
<td>1.8</td>
</tr>
</tbody>
</table>

**Income of Fund Business** in EUR million

- Management Fees
- Equity returns

<table>
<thead>
<tr>
<th>Period</th>
<th>Setup Fee DIC OB IV</th>
<th>2018</th>
<th>Management Fees</th>
<th>2018</th>
<th>Transaction Fee DIC HSB</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2017</td>
<td>2.9</td>
<td>8.0</td>
<td>6.9</td>
<td>11.0</td>
<td>5.9</td>
<td>12.1</td>
</tr>
</tbody>
</table>

- **Assets under Management** grew to EUR 1.8 billion by acquisitions and new implemented DIC OB V
- **Sale of DIC HighStreet Balance** (still under management) executed as a sale of share certificates generating transaction fees of EUR 5.9 million
- **Income from fund business** increased by 50% to EUR 12.1 million (H1 2017: EUR 8.0 million), thereof management fees of EUR 11.0 million (H1 2017: EUR 6.9 million)
- **DIC Office Balance V** launched in June:
  - Target volume of EUR 350 to 400 million
  - Start-up portfolio of two properties in Munich and Hamburg with a total volume of c. EUR 130 million transferred from warehousing
  - Setup fees will be recognised in H2 2018
- **Further new funds** in preparation
SEGMENT OTHER INVESTMENTS

Joint ventures fully divested, strong contribution from TLG dividend

ASSETS UNDER MANAGEMENT in EUR billion
- Project developments / Joint ventures
- Third-party business

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4</td>
<td>0.7</td>
<td>0.4</td>
</tr>
<tr>
<td>1.1</td>
<td>1.2</td>
<td>1.6</td>
</tr>
</tbody>
</table>

INCOME OF OTHER INVESTMENTS in EUR million
- Share of the profit of associates
- Management fees

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>2.0</td>
<td>1.2</td>
</tr>
<tr>
<td>0.9</td>
<td>9.7</td>
<td>10.9</td>
</tr>
</tbody>
</table>

- **Assets under Management** increased to EUR 1.6 billion mainly due to expansion of third-party business (11 properties with a market value of EUR 1.2 billion)

- **Share of the profit of associates** grew up to EUR 9.7 million (H1 2017: EUR 1.1 million) mainly attributable to dividend income from strategic TLG investment

- **Management fees** increased to EUR 1.2 million (H1 2017: EUR 0.9 million) after expansion of third-party business and sales of joint ventures

- **Joint ventures** fully divested: sale of last remaining properties notarised
AGENDA

Q2 2018

HIGHLIGHTS

COURSE OF BUSINESS

FINANCIALS

FORECAST
INCOME STATEMENT
Profit for the period up 20%

CONSOLIDATED INCOME STATEMENT
in EUR million | H1 2018 | H1 2017 | ∆
--- | --- | --- | ---
Gross rental income | 50.3 | 59.2 | -15%
Profit on disposal of properties | 11.1 | 10.8 | 3%
Real estate management fees | 12.2 | 7.8 | 56%
Share of the profit of associates | 10.8 | 2.2 | >100%
Operating expenses | -15.2 | -15.3 | -1%
Depreciation and amortisation | -14.7 | -15.9 | -8%
Net interest result | -19.2 | -16.8 | -14%
Profit for the period | 23.9 | 20.0 | 20%

1. **Gross rental income** declined to EUR 50.3 million as planned driven by sales and transfers of warehousing properties to new funds.

2. **Profits on property disposals** increased by 3% to EUR 11.1 million despite lower sales proceeds; sales prices around 16% higher than most recently determined market value.

3. **Real estate management fees** rose by 56% to EUR 12.2 million, mainly due to fees for the sale of shares in the DIC HighStreet Balance fund end of Q1 2018.

4. **Share of the profit of associates** increased significantly to EUR 10.8 million, with dividend income from our strategic TLG investment accounting for EUR 10.2 million in May.

5. **Net interest result** lower at EUR -19.2 million, mainly driven by temporary double interest payment for the early refinancing of the corporate bond. Issue of the fourth corporate bond was used to repay the second bond 13/18 in July 2018.

6. **Profit for the period** increased 20% to EUR 23.9 million (H1 2017: EUR 20.0 million), with significant rise in management fees and share of the profit of associates as main drivers overcompensating the reduction in rental income.
SEGMENT REPORTING AND FFO

FFO increased 7% to EUR 32.0 million

RECONCILIATION TO FFO
in EUR million | H1 2018 | H1 2017 | Δ
---|---|---|---
Net rental income | 42.5 | 50.4 | -15%
Administrative expenses | -5.9 | -6.0 | -2%
Personnel expenses | -9.3 | -9.3 | 0%
Other operating income/expenses | -0.1 | 0.2 | >100%
Real estate management fees | 12.2 | 7.8 | +56%
Share of the profit of associates without project developments and sales | 11.6 | 3.3 | >100%
Interest result | -19.0 | -16.6 | -14%
Funds from operations (FFO) | 32.0 | 29.8 | +7%

<table>
<thead>
<tr>
<th>FFO CONTRIBUTION in EUR million</th>
<th>Commercial Portfolio</th>
<th>Funds</th>
<th>Other Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2018</td>
<td>29.8</td>
<td>5.6</td>
<td>4.4*</td>
</tr>
<tr>
<td>H1 2017</td>
<td>26.1</td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

* adjusted to external reporting

** Funds from operations (FFO) increased by 7% to EUR 32.0 million (H1 2017: EUR 29.8 million)

** FFO contribution of the Commercial Portfolio decreased to EUR 21.0 million primarily driven by lower rental income and additional interest expenses related to the bond 17/22

** FFO contribution of Funds rose to EUR 5.6 million (H1 2017: EUR 3.5 million), based on higher management fees in light of the DIC HighStreet Balance transaction and higher assets under management

** FFO contribution of Other Investments increased to EUR 1.0 million on the basis of the pro rata dividend income from the TLG investment (H1 2017: EUR 0.2 million)

** The segment reporting follows the internal management reporting where the TLG dividend is disposed pro rata, the adjustment is EUR 4.4 million

SEGMENT REPORTING
in EUR million | H1 2018 | H1 2017
---|---|---
CP | Funds | Oi * | adj ** | Total | CP | Funds | Oi | Total
---|---|---|---|---|---|---|---|---
Gross rental income | 50.3 | 50.3
Net rental income | 42.5 | 42.5
Profit on disposal of properties | 11.1 | 11.1
Real estate management fees | 11.0 | 12.2
Share of the profit or loss of associates | 1.1 | 4.4 | 10.8
FFO | 21.0 | 5.6 | 1.0 | 4.4 | 32.0 | 26.1 | 3.5 | 0.2 | 29.8

* according to management reporting, includes pro rata TLG dividend
** adjusted to external reporting
# BALANCE SHEET

Higher total assets after acquisitions and tapping of corporate bond

## BALANCE SHEET OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th>30.06.2018</th>
<th>31.12.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>2,427.3</td>
<td>2,341.3</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>2,008.4</td>
<td>1,955.6</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>419.0</td>
<td>385.7</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>829.7</td>
<td>828.9</td>
</tr>
<tr>
<td><strong>Non-current financial liabilities</strong></td>
<td>1,216.1</td>
<td>1,109.6</td>
</tr>
<tr>
<td><strong>Current financial liabilities</strong></td>
<td>289.8</td>
<td>296.1</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>91.8</td>
<td>106.7</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,597.7</td>
<td>1,512.4</td>
</tr>
<tr>
<td>Balance sheet equity ratio</td>
<td>34.2%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Loan-to-value ratio (LTV)*</td>
<td>57.3%</td>
<td>57.0%</td>
</tr>
</tbody>
</table>

* adjusted for warehousing

1. **Total assets** increased by EUR 86.0 million to EUR 2,427.3 million. **Non-current assets** rose by EUR 52.8 million mainly due to acquisitions for the Commercial Portfolio. **Current assets** increased by EUR 33.3 million, primarily driven by higher cash and cash equivalents due to the tapping of the corporate bond 17/22.

2. **Total equity** was slightly higher at EUR 829.7 million. Negative effect of payment of the dividend in cash was equalized by the profit for the period and the capital increase in kind relative to the scrip dividend.

3. **Non-current financial liabilities** were higher following the tapping of the fourth corporate bond and acquisitions for the Commercial Portfolio.

4. **Other liabilities** decreased mainly as a result of the transfer of warehousing properties (liabilities in conjunction of non-current assets held for sale).

5. **LTV** slightly increased to 57.3% (31.12.2017: 57.0%) due to the dividend payment in Q2.
FINANCIAL STRUCTURE

Corporate bond 13/18 fully repaid after balance sheet date

FINANCIAL DEBT MATURITIES
as at 30.06.2018, incl. bond/IFRS 5

- 33% >5 years
- 20% <1 year
- 17% 4–5 years
- 17% 1–2 years
- 6% 3–4 years
- 7% 2–3 years
- Ø maturity

- Average maturity of loans and borrowings of 4.0 years (31.12.2017: 4.6 years)

- Fourth corporate bond 17/22 tapped by EUR 50 million to EUR 180 million

- Proceeds of the corporate bond issued in July 2017 were used to fully repay the corporate bond 13/18 in July 2018

- Average interest rate of liabilities to banks remained at 1.8% (31.12.2017: 1.8%)

- Interest coverage (Net rental income/interest expenses) decreased to 181% (31.12.2017: 213%)
AGENDA

Q2 2018

HIGHLIGHTS  COURSE OF BUSINESS  FINANCIALS  FORECAST
FULL-YEAR GUIDANCE FOR 2018

- Gross rental income: 95–98 EUR million
- FFO: 62–64 EUR million
- Sales from the Commercial Portfolio: 100–120 EUR million
- Purchasing volume for all segments: 450–500 EUR million
INVESTOR RELATIONS

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Disclaimer
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For more information:
http://www.dic-asset.de/engl/investor-relations/

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

Financial calendar 2018
08.11.2018 | Publication of Q3 2018 Financial Statement