

Confident about the **future**

Conference Call Q3

DIC ■



The spirit to create reliable business

Focus on Commercial Portfolio and increasing rental income boost the quality and sustainability of cash flows

Pursuing the right strategy

- Assets under management grow to EUR 14.5 billion – recurring cash flows increase
- Commercial Portfolio generates around EUR 200 million in annualised rental income with around EUR 4.5 billion in assets under management after the majority acquisition of VIB Vermögen AG (“VIB”)
- Non-transaction-based components show disproportionately strong growth, boosting sustainable and recurring cash flows
- Focus on office and logistics with high portfolio diversification across asset classes, regions, tenants and investment strategies
- Efforts to consolidate logistics business at the level of VIB will continue

A clear 360-degree management approach

- Continued strong letting performance year after year results in high like-for-like rental growth
- Generating rental growth through indexation and higher level of lease renewals
- Institutional Business with investments focused on logistics, value-add and Manage-to-ESG: attractive product pipeline for 2023
- Clearly defined ESG strategy expanding the green building share to at least 20% by the end of 2023 and reducing carbon emissions by at least 40% by 2030 in the Commercial Portfolio

And a sound balance sheet and financial structure

- Stable property valuation expected at year-end 2022
- Increasing the share of green financial instruments to around 40-50% by 2027
- Consistent and reliable dividend policy
- Deleveraging (reducing LTV to below 50%) remains a focus

2022 Guidance +7 to 10%

Year-on-year FFO growth expected with considerably higher quality and share of long-term predictable cash flows

Continued platform growth

Assets under management total EUR 14.5 billion

The notarised year-to-date **transaction volume** in 2022 amounts to total investment costs (TIC) of around EUR 368 million:

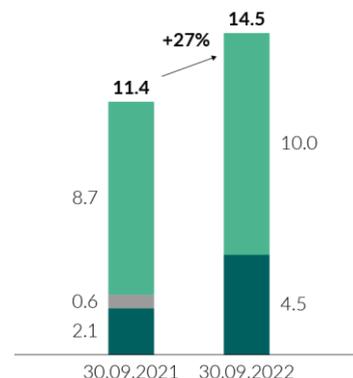
- Notarised acquisitions came to around EUR 338 million (6 properties), while sales amounted to around EUR 30 million (2 properties).
- For the „RLI-GEG Logistics & Light Industrial III“ special logistics fund launched last year, a further property was acquired in mid-October in the Netherlands' West-Brabant region, as a result of which this fund is now fully placed.

Assets under management (AuM) on the DIC platform rose by 27% year-on-year to EUR 14.5 billion, in particular due to the majority takeover of VIB in the second quarter of 2022.

Following the consolidation of VIB, own properties held in the **Commercial Portfolio** more than doubled year-on-year to EUR 4.5 billion. The value of the VIB portfolio as part of the proprietary portfolio was around EUR 2.3 billion as at 30 September 2022.

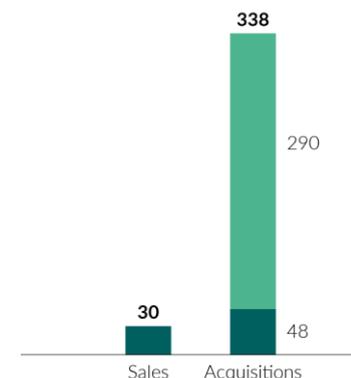
Assets under management in the **Institutional Business** rose to around EUR 10.0 billion (+15% year-on-year) as at 30 September 2022. In the third quarter of 2022, AuM in third-party business continued to grow, in particular as a result of transferring the „Am Borsigturm 130“ property (Federal Archives Berlin) notarised at the start of 2021 to a special infrastructure fund.

Assets under Management
in EUR billion



2022 transaction volume (TIC)

in EUR million, notarised since the start of the year



● Institutional Business
● Commercial Portfolio
● Warehousing

Portfolio by segment

30.09.2022	Commercial Portfolio		Institutional Business	Total
	Investment Properties	Warehousing		
Number of properties	208	0	151	359
Market value in EUR million*	4,507.7	0.0	9,968.4	14,476.1
Rental space in sqm	2,105,400	0	2,576,700	4,682,100
30.09.2021				
	Commercial Portfolio		Institutional Business	Total
	Investment Properties	Warehousing		
Number of properties	95	1	141	237
Market value in EUR million*	2,153.9	565.1	8,719.5	11,438.5
Rental space in sqm	844,700	52,300	2,246,000	3,143,000

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

Strong letting performance

Like-for-like rental income up 4.2%

Letting performance on the DIC platform in the first nine months of 2022 was up 31% year-on-year to 296,300 sqm.

Leases representing total **annualised rents** of EUR 37.5 million were signed, which was a year-on-year increase of 65% (previous year: EUR 22.7 million). Of this figure, EUR 15.8 million is attributable to the Commercial Portfolio and EUR 21.7 million to the Institutional Business.

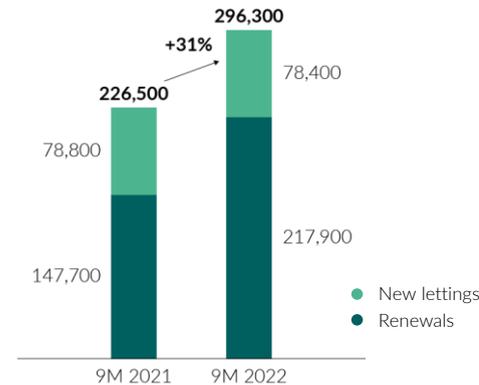
The growth in letting performance is mainly due to the growth of **renewals** to 217,900 sqm (+48%), driven by strong lease renewal activities in office and logistics properties. Success was also achieved with retail tenants as "mein real" renewed its lease for around 10,200 sqm in Neustadt-Centrum Halle until 2036.

The value of contractually agreed monthly **rents per sqm** rose year-on-year from EUR 14.63 to EUR 16.74 for office space and from EUR 4.14 to EUR 4.65 for logistics space.

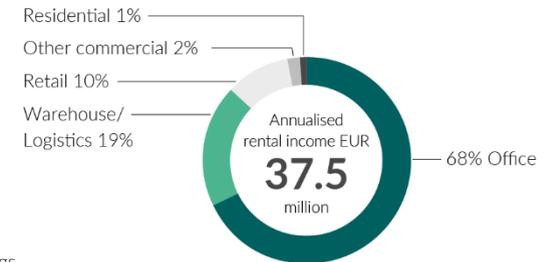
Like-for-like rental income for the entire portfolio under management was up 4.2%. Both the Commercial Portfolio (+3.9%) and the Institutional Business (+4.3%) saw rents increase based on indexations and a higher level of lease renewals.

The platform's **2022 lease expiry volume** fell to just 1.0% as a result of strong letting activities. Around 73% of leases expire in 2026 or later.

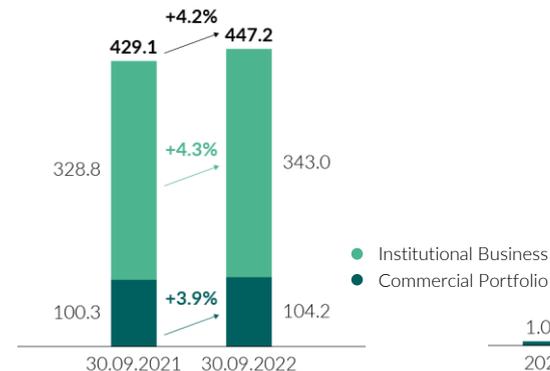
Letting performance
in sqm



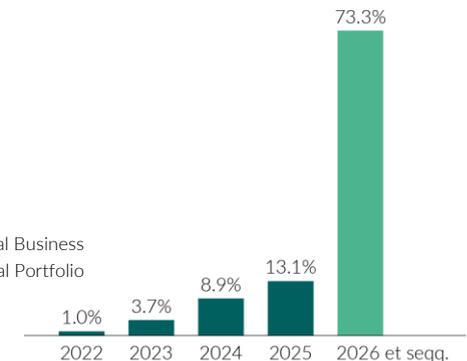
Letting by segment
contracted annualised rent



Like-for-like rental income
annualised, in EUR million



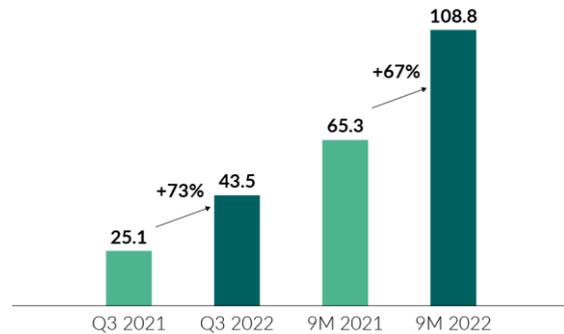
Lease expiry volume
in % of annualised rental income



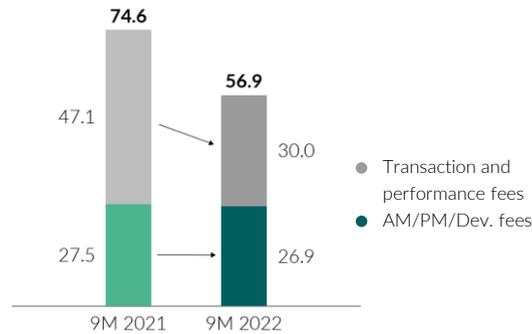
9M 2022: rising contribution from recurring income sources

All figures in EUR million

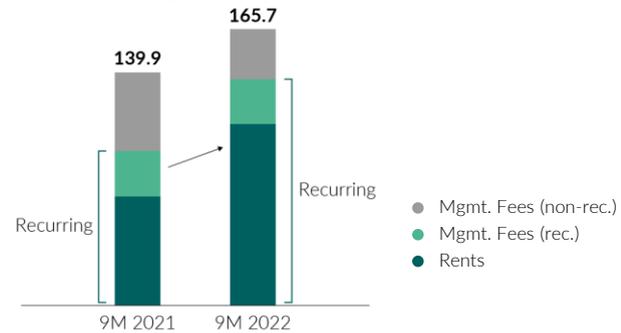
Net rental income growth incl. VIB assets since Q2 2022



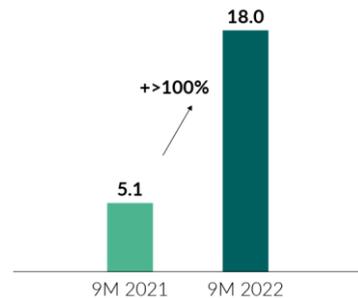
Decline in real estate management fees after fewer transactions since Q2 2022



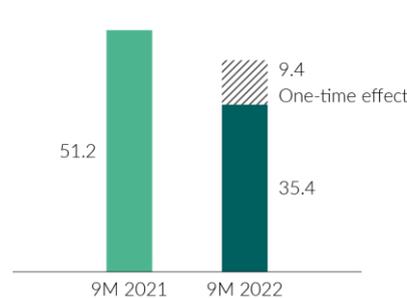
Income Rents & management fees



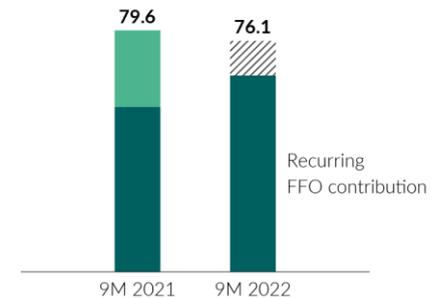
Increased income from associated companies



Adjusted profit for the period slightly below prior-year



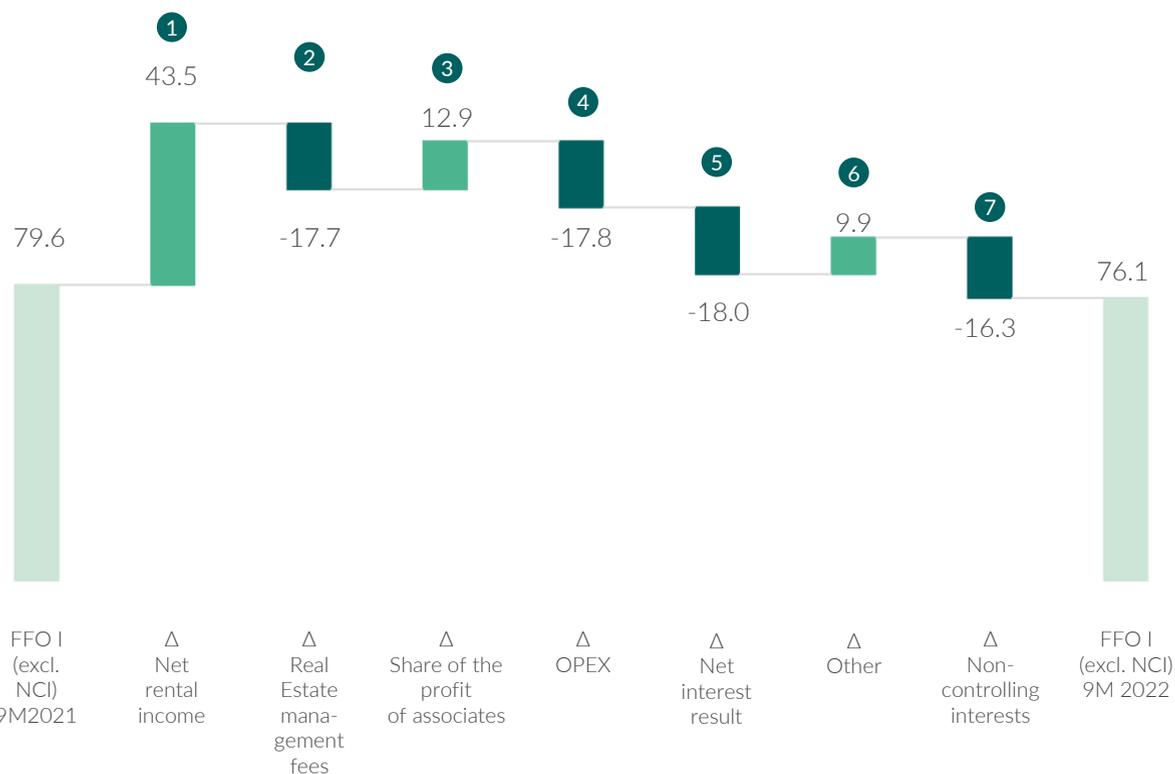
FFO (excl. non-controlling interests) slightly lower but with better cashflow quality



FFO: slightly lower – with higher cashflow quality

FFO reconciliation 9M 2021 to 9M 2022

in EUR million, excl. non-controlling interests (excl. NCI)

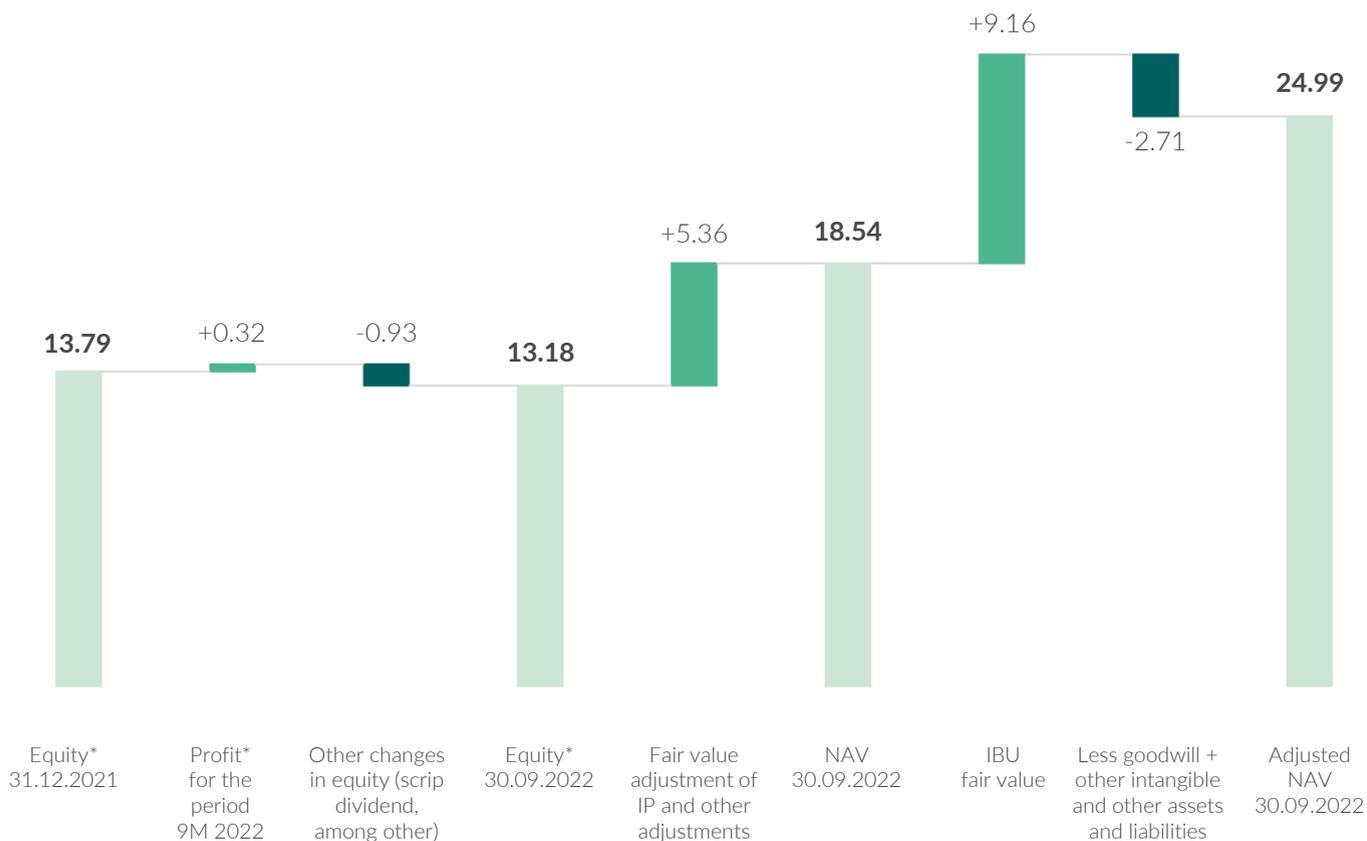


- 1 Net rental income with strong growth due to VIB consolidation and like-for-like growth of gross rental income
- 2 Decrease of management fee income mainly due to lower contribution of transaction-related fees
- 3 Income from profit from associates driven by disposal of WDP joint venture by VIB in Q2 2022
- 4 OPEX increased due to the growth of the real estate platform incl. VIB
- 5 Net interest result is down mainly due to the initial recognition of VIB, the financing measures implemented in 2021 (ESG-linked promissory note and Green Bond) as well as the VIB bridge loan.
- 6 Mainly adjustment of VIB transaction costs
- 7 Higher non-controlling interests reflecting minority stake at VIB

Adjusted NAV: stable at EUR 24.99 per share

Reconciliation of Net Asset Value (NAV) to Adjusted NAV

all values in EUR per share

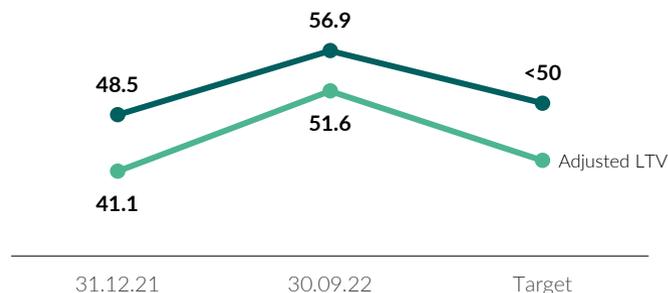


- Net Asset Value (NAV) per share rose to EUR 18.54 at the end of the third quarter of 2022, mainly due to the profit for the period offsetting slightly dilutive effect from scrip dividend
- Adjusted NAV per share at stable level of EUR 24.99 after scrip dividend

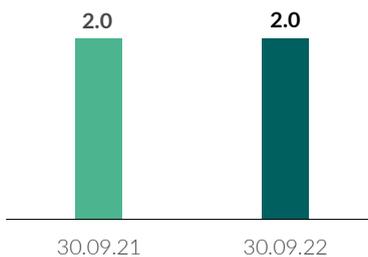
* Excl. non-controlling interests

Solid financial structure: focus on net debt reduction in the short-term

LTV¹ and Adj. LTV², at year-end (%)

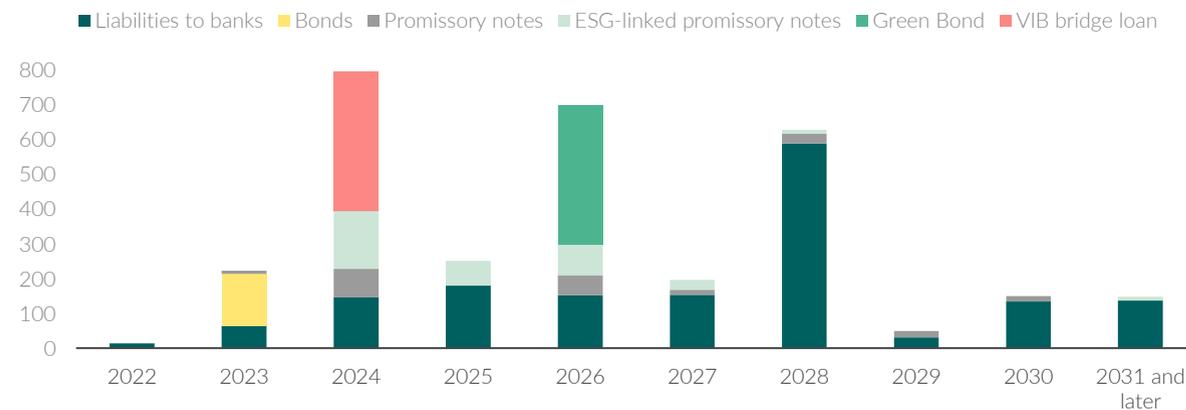


Average interest rate³ (%)



- VIB bridge loan reduced by EUR 100 million at 30 September 2022
- Robust cash level of EUR 221.4 million at 30 September 2022 after refinancing of promissory notes, 17/22 bond repayment and VIB bridge loan reduction
- The average maturity of loans and borrowings (excl. Warehousing) was 4.1 years (30 September 2021: 3.6 years)
- The average interest rate across all loans and borrowings excl. Warehousing at the reporting date was 2.0% (1.8% excl. VIB bridge loan)
- The LTV (adjusted for Warehousing) increased to 56.9% at the end of September (31 December 2021: 48.5%), mainly due to the financing of the VIB transaction
- Covenants at 30 September 2022 with sufficient headroom:
 - Bond LTV 51.9% (covenant level 60.0%)
 - Secured LTV 24.9% (covenant level 45.0%)
 - ICR 3.4x (covenant level 1.8x)

Maturities of loans and borrowings⁴ in EUR million



¹ The ratio of total financial debt, corporate bonds and liabilities to related parties minus cash in banks on the one hand and the fair value of investment property, equity investments and receivables from related parties and intangible assets, e.g. goodwill on the other hand, adjusted for Warehousing; ² LTV incl. full value of Institutional Business; ³ Based on total interest bearing liabilities excl. Warehousing at end of period; ⁴ nominal values as of 30 September 2022, excl. Warehousing

Updated **guidance** for financial year 2022

	Guidance (as of 23 March 2022)	Guidance (as of 2 November 2022)
Gross rental income	EUR 170 – 180 million	→ EUR 170 – 180 million
Real estate management fees	EUR 105 – 115 million	↓ EUR 90 – 95 million
FFO I (after minority interests, before tax)	EUR 130 – 136 million	↓ EUR 114 – 117 million
Acquisitions	Commercial Portfolio: EUR 2.3 billion	→ Commercial Portfolio: EUR 2.3 billion
	Institutional Business: EUR 0.9 – 1.0 billion	↓ Institutional Business: EUR 650 – 700 million
Sales	Commercial Portfolio: EUR 400 – 500 million	→ Commercial Portfolio: EUR 400 – 500 million
	Institutional Business: EUR 400 – 600 million	↓ Institutional Business: no more sales



Q&A Appendix

More facts and figures as well as valuable information.

P&L – Commercial Portfolio segment: growing rental income after VIB integration

Commercial Portfolio

Net rental income rose sharply to EUR 108.8 million (9M 2021: EUR 65.3 million), driven mainly by the VIB consolidation and like-for-like growth of gross rents (+3.9%).

The **share of the profit or loss of associates**, which shows the profit or loss from investments that are not allocated to the Institutional Business segment, is mainly attributable to VIB's successful sale of a joint venture investment.

The segment's **operating expenses** of EUR 23.3 million (9M 2021: EUR 8.8 million) in the reporting period include **transaction costs** of EUR 10.6 million for the VIB acquisition. Excluding this special item, operating expenses rose by EUR 3.9 million to EUR 12.7 million, mainly due to the VIB consolidation.

At EUR –39.6 million, the **net interest result** is down on the previous year (9M 2021: EUR –20.1 million). This is mainly due to the initial recognition of VIB, the financing measures implemented in 2021 (ESG-linked promissory note and Green Bond) as well as the VIB bridge loan.

The **other adjustments** mainly relate to the transaction costs of the VIB acquisition.

The **segment's FFO contribution** after deducting minority interests increases to EUR 54.5 million, which was up 37% on the previous year (9M 2021: EUR 39.7 million).

Segment reporting

in EUR million	9M 2022			9M 2021		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business	Total
Gross rental income (GRI)	124.9		124.9	78.0		78.0
Net rental income (NRI)	108.8		108.8	65.3		65.3
Profits on property disposals	12.4		12.4	17.5		17.5
Real estate management fees		56.9	56.9		74.6	74.6
Share of the profit or loss of associates	12.4	5.6	18.0		5.1	5.1
Depreciation and amortisation	-46.3	-6.4	-52.7	-25.0	-7.3	-32.3
Net other income	1.5	-0.4	1.1	3.1	-1.2	1.9
Net interest result	-39.6	-2.0	-41.6	-20.1	-3.5	-23.6
Operational expenditure (OPEX)	-23.3	-38.6	-61.9	-8.8	-35.3	-44.1
- of which admin costs	-15.5	-13.9	-29.4	-3.2	-12.7	-15.9
- of which personnel costs	-7.8	-24.7	-32.5	-5.6	-22.6	-28.2
Other adjustments	11.0	0.2	11.2	0.2	0.3	0.5
Funds from Operations (FFO)	70.8	21.6	92.4	39.7	39.9	79.6
Funds from Operations (excluding non-controlling interest)	54.5	21.6	76.1	39.7	39.9	79.6
Funds from Operations II (FFO II)	83.2	21.6	104.8	57.2	39.9	97.1
Funds from Operations II (excluding non-controlling interest, including profit on disposals)	66.9	21.6	88.5	57.2	39.9	97.1

P&L – Institutional Business segment: lower transaction-based fees

Institutional Business

Real estate management fees at EUR 56.9 million (9M 2021: EUR 74.6 million) are driven by a year-on-year decrease in transaction and performance fees to EUR 30.0 million (9M 2021: EUR 47.1 million). At EUR 26.9 million, asset management, property management and development fees are down only marginally year-on-year (9M 2021: EUR 27.5 million) due to lower development fees.

The **share of the profit or loss of associates** increases slightly, mainly as a result of the higher contribution from transaction-related investment income.

Operating expenses rise by around 9% year-on-year to EUR 38.6 million, reflecting the expansion of resources associated with the growth of DIC's real estate management platform.

The **net interest result** decreases by EUR 1.7 million.

Lower real estate management fees and higher operating expenses result in a lower contribution to earnings in the reporting period compared with the previous year.

The **segment's FFO contribution** is down 46% on the previous year at EUR 21.6 million (9M 2021: EUR 39.9 million).

Segment reporting

in EUR million	9M 2022			9M 2021		
	Commercial Portfolio	Institutional Business	Total	Commercial Portfolio	Institutional Business	Total
Gross rental income (GRI)	124.9		124.9	78.0		78.0
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Share of the profit or loss of associates	12.4	5.6	18.0		5.1	5.1
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Net other income	1.5	-0.4	1.1	3.1	-1.2	1.9
Net interest result	-39.6	-2.0	-41.6	-20.1	-3.5	-23.6
Operational expenditure (OPEX)	-23.3	-38.6	-61.9	-8.8	-35.3	-44.1
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Balance sheet

shows transformation in wake of VIB takeover

- 1 **Total assets** as at 30 September 2022 increase by EUR 1,670.6 million compared to year-end 2021, primarily due to the acquisition of a 61.2% share in VIB Vermögen AG (incl. scrip dividend) and its subsequent consolidation.
- 2 The rise in **non-current assets** to EUR 4,568.1 million compared to 31 December 2021 is mainly attributable to the VIB properties recognised during purchase price allocation (31 December 2021: EUR 2,342.9 million).
- 3 **Current assets** decreased to EUR 596.2 million compared to 31 December 2021 (31 December 2021: EUR 1,150.8 million), primarily as a result of the purchase price payment for the acquisition of VIB and the repayment of a bond that was due as well as the outflow of funds associated with this.
- 4 **Equity** is EUR 528.2 million higher than at the end of 2021. Minority interests increased by EUR 560.8 million because of the acquisition of the equity interest in VIB. The positive profit for the period attributable to the Group's shareholders amounting to EUR 26.4 million also contributed to the increase in equity. The cash payment of the 2021 dividend amounting to EUR 43.5 million had an offsetting effect. At 32.2%, the **equity ratio** falls only slightly compared to 31 December 2021.
- 5 **Liabilities** rise by EUR 1,142.4 million to EUR 3,502.1 million compared to the end of 2021. The increase in long-term loans and borrowings is primarily attributable to the acquisition of VIB, comprising both the loans and borrowings incurred and the funds raised to finance the transaction. The increase in other liabilities is mainly due to the deferred tax liabilities recognised as part of the first-time consolidation.

Balance sheet overview

in EUR million	30.09.2022	31.12.2021
Total assets	5,164.3 ¹	3,493.7
Total non-current assets	4,568.1 ²	2,342.9
- thereof goodwill	190.2	190.2
Total current assets	596.2 ³	1,150.8
Equity	1,662.2 ⁴	1,134.0
Total non-current financial liabilities	3,045.4	1,872.9
Total current financial liabilities	59.4	295.2
Other liabilities	397.3	191.6
Total liabilities	3,502.1 ⁵	2,359.7
Balance sheet equity ratio	32.2% ⁴	32.5%