

**DIC Asset AG**

(a stock corporation incorporated under the laws of the Federal Republic of Germany)

€400,000,000 2.250% Notes due 2026

Issue Price: 99.450%

DIC Asset AG, a stock corporation (*Aktiengesellschaft*) organized under the laws of the Federal Republic of Germany (“**Germany**”), having its registered office at Neue Mainzer Straße 20, MainTor, 60311 Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 57679 (the “**Company**” or the “**Issuer**” and, together with its consolidated subsidiaries, “**we**”, “**us**”, “**our**”, “**DIC**” or the “**Group**”), will issue on or about September 22, 2021 (the “**Issue Date**”) €400,000,000 2.250% fixed rate notes due 2026 (the “**Notes**”). The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law. The Notes will be governed by German law and will be issued in a minimum denomination of €100,000 each.

This offering memorandum (the “**Offering Memorandum**”) constitutes a prospectus for the purposes of Part IV of the Luxembourg law on prospectus securities dated July 16, 2019 (*loi relative aux prospectus pour valeurs mobilières*). Application has been made to the Luxembourg Stock Exchange to have the Notes admitted to listing on the official list (the “**Official List**”) and to trading on the Euro MTF market (“**Euro MTF Market**”). The Luxembourg Stock Exchange’s Euro MTF Market is a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFID II**”). The Issuer intends to have the Notes displayed on the Luxembourg Green Exchange (the “**LGX**”).

The Notes have been assigned the following securities codes: ISIN: XS2388910270, Common Code: 238891027, WKN: A3MP5C.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Notes are being offered and sold in transactions outside the United States of America (the “**United States**” or “**U.S.**”) to non-U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) in reliance on Regulation S.

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS. PROSPECTIVE INVESTORS SHOULD CONSIDER THE RISK FACTORS BEGINNING ON PAGE 1 OF THIS OFFERING MEMORANDUM.

*Joint Bookrunners***Goldman Sachs****HSBC**

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Offering Memorandum and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Offering Memorandum should be read and understood in conjunction with any documents included or incorporated by reference herein (see *“Documents Incorporated by Reference”*). Any website referred to in this Offering Memorandum is referred to for information purposes only and does not form part of this Offering Memorandum.

The Issuer has confirmed to HSBC Continental Europe and Goldman Sachs Bank Europe SE (each a **“Manager”** and together, the **“Managers”**) that this Offering Memorandum contains the information which, in accordance with the nature of the Issuer and of the Notes admitted to trading on the Euro MTF Market, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer, and of the rights attaching to the Notes; that the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which, in the context of the issue and offering of the Notes, would make any statement, whether fact or opinion, in this Offering Memorandum misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

Neither the Managers nor any other person mentioned in this Offering Memorandum, other than the Issuer, is responsible for the information contained in this Offering Memorandum or any other document included or incorporated by reference herein. The Managers have not independently verified any such information and, accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents or any responsibility for any acts or omissions of the Issuer in connection with the Offering Memorandum or the issue and offering of the Notes.

No Manager will be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in this Offering Memorandum or any agreement or document relating to the Notes, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Forward-looking statements provide the Issuer’s current expectations or forecasts of future events. Forward-looking statements include statements about the Issuer’s expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “may”, “on-going”, “plan”, “potential”, “predict”, “project”, “will” or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements appear in a number of places in this Offering Memorandum including, without limitation, in the sections *“Risk Factors”*, *“Markets and Competition”* and *“Business”*.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may differ materially from actual results. Any forward-looking statements in this Offering Memorandum speak only as of the date of this Offering Memorandum, reflect the Issuer’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer’s operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this Offering Memorandum which could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Offering Memorandum are qualified by these cautionary statements. The Issuer does not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer and individuals acting on behalf of the Issuer are expressly qualified in their entirety by this paragraph.

EU MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ARE ONLY TARGET MARKET

Solely for the purposes of the Managers' product approval process as manufacturer, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible to counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the Issuer is not a MiFID regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II product governance rules.

This Offering Memorandum is distributed only to and directed only at persons who are not classified as a retail client as defined in point (11) of Article 4(1) of MiFID II or equivalent applicable local regulatory classification.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ARE ONLY TARGET MARKET

Solely for the purposes of the Manager's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

STABILIZATION

In connection with the issue of the Notes, HSBC Continental Europe (the "Stabilizing Manager") (or persons acting on behalf of the Stabilizing Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin at any time after the adequate public disclosure of the terms of the offer of the Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Such stabilizing or over allotment shall be in compliance with all laws, directives, regulations and rules of any relevant jurisdiction.

REFERENCES

References in this Offering Memorandum to the Notes being listed (and all related references) shall mean that the Notes will be admitted to trading on the Euro MTF Market and will be admitted to the Official List of the

Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF Market is not a regulated market for the purposes of MiFID II.

In this Offering Memorandum all references to “€”, “EUR” or “Euro” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998, as amended, on the introduction of the Euro, as amended.

Certain financial information (including percentages) in this Offering Memorandum is rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) in tables in this Offering Memorandum may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Offering Memorandum. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

The legally binding language of this Offering Memorandum is English except for the Terms and Conditions in respect of which German is the legally binding language.

NO INCORPORATION BY REFERENCE OF WEBSITE

Our website is www.dic-asset.de. The information on this website, any other website mentioned in this Offering Memorandum or any website directly or indirectly linked to this website has not been verified and does not form part of this Offering Memorandum unless explicitly stated otherwise, and you should not rely on it.

IMPORTANT NOTICE

This Offering Memorandum may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation.

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SUMMARY OF TERMS AND CONDITIONS OF THE NOTES

The following is a brief summary of certain terms of the Terms and Conditions of the Notes. It may not contain all the information that is important to you. For additional information regarding the Notes, see “Terms and Conditions of the Notes”.

Issuer	DIC Asset AG.
Notes Offered	€400,000,000 aggregate principal amount of 2.250% notes due 2026.
Currency	EUR
Denomination	The Issuer will issue the Notes on the Issue Date in global bearer form in a denomination of €100,000. Notes in denominations of less than €100,000 will not be available.
Issue Date	September 22, 2021.
Issue Price	99.450% of the nominal amount.
Maturity Date	September 22, 2026.
Interest Rate.....	2.250% per annum.
Interest Payment Dates	Interest on the Notes will be payable annually in arrears on September 22, commencing September 22, 2022.
Ranking of the Notes	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, which rank pari passu among themselves and at least pari passu with all other present or future unsecured and unsubordinated obligations of the Issuer, unless otherwise provided for by mandatory provisions of law.
Transfer Restrictions	There are no restrictions on the free transferability of the Notes. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “ Securities Act ”), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
Listing	Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market in accordance with the rules thereof. The Issuer intends to have the Notes displayed on the Luxembourg Green Exchange (the “ LGX ”).
Use of Proceeds.....	The Issuer will use the net proceeds from the placement of the Notes as set forth in “ <i>Use of Proceeds</i> ”.
Additional Amounts; Tax Redemption	Any payments made by or on behalf of the Issuer under or with respect to the Notes will be made without withholding or deduction by or on behalf of the Federal Republic of Germany unless required by law. Subject to certain exceptions and limitations, if the Issuer or paying agent is required by law to withhold or deduct such taxes with respect to a payment under any Note, the Issuer will pay Additional Amounts (as defined herein) necessary so that the net amount received after such withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction.
	If certain changes in the law of any relevant taxing jurisdiction become effective after the issuance of the Notes that would impose withholding taxes on the payments on the Notes and would require the Issuer to pay such Additional Amounts, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price

	of 100% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, and Additional Amounts (as defined herein), if any, to the date of redemption.
Early Redemption at the Option of the Issuer with “Make-Whole” Amount	The Issuer may, at its option, redeem all or part of the Notes by paying a “make-whole” premium as described in the “ <i>Terms and Conditions of the Notes</i> ”.
Change of Control Put.....	If the Issuer experiences a change of control put event (as defined in the Terms and Conditions), the holders of the Notes (the “ Holders ”) will have the right to require the Issuer to offer to repurchase the Notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest and Additional Amounts (as defined herein), if any, to, but excluding, the date of repurchase.
Financial Covenants	The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing existing Financial Indebtedness with an aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, immediately after giving effect to the incurrence of such additional Financial Indebtedness (taking into account the application of the net proceeds of such incurrence), <ul style="list-style-type: none"> (i) the Loan-to-Value Ratio would exceed 60%; or (ii) the Secured Loan-to-Value Ratio would exceed 45%. The Issuer shall procure that on each Reporting Date the Interest Coverage Ratio will be no less than 1.80 to 1.00.
Events of Default.....	The Terms and Conditions provide for a series of events of default which entitle each Holder, if such event of default is continuing, to declare due and payable by submitting a termination notice to the Issuer its entire claims arising from the Notes and demand (subject to certain exemptions, cure and remedy periods and a minimum quorum, as the case may be) immediate redemption at the principal amount thereof together with unpaid interest accrued to (but excluding) the date of actual redemption. In particular, an event of default under the Terms and Conditions of the Notes arises if there is a payment default or an acceleration of Financial Indebtedness of the Issuer or any Material Subsidiary amounting to at least 2.5% of Total Assets as defined in the section “ <i>Terms and Conditions of the Notes</i> ”.
Yield.....	The annual yield of the Notes amounts to 2.368% on the basis of the issue price of 99.450% of the nominal amount and redemption at the end of the term of the Notes.
Name of representative of the Holders	Not applicable; however, the Terms and Conditions provide that the Holders can appoint a common representative.
Governing Law.....	German law.
ISIN	XS2388910270
Common Code.....	238891027
WKN	A3MP5C

Investing in the Notes involves a high degree of risk. You should refer to the section “*Risk Factors*” for an explanation of certain risks involved in investing in the Notes.

RISK FACTORS

An investment in the Notes is subject to risks. In addition to the other information contained in this Offering Memorandum, you should carefully consider the following risk factors before purchasing the Notes. If any of the events described in the risk factors below occurs, our margins and results of operations and financial condition could be materially and adversely affected, which, in turn, could adversely affect our ability to repay the Notes. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, operating results or prospects. In any such case, we may not be able to pay interest or principal on Notes when due and you may lose all or part of your investment in the Notes.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum. See “Disclosure Regarding Forward-Looking Statements”.

Risks Related to Our Business Activities

Our business may be adversely impacted by negative developments in the German economy and commercial real estate market.

We are a real estate company focused on commercial real estate investments in Germany, particularly office and, to a lesser extent, mixed-use, retail and logistics properties. The success of our business is therefore significantly correlated with the development of the commercial real estate market in Germany and the regional sub-markets in which we operate. Real estate markets are generally affected by various economic factors, such as interest rate levels, financing conditions and economic confidence on the part of businesses and consumers, as well as the general interest rate environment and demographic factors, such as population, migration and household growth; and any developments in the German real estate market can have significant effects on our business and operations. The economic development of some locations in which we have invested, especially cities outside of German urban centers and metropolitan areas, could also depend heavily on a few companies or industries. As a result, if large companies, companies vital to certain regions, or companies in one or several industries were to become insolvent, close or relocate, this could have a material adverse effect on the economic development of the relevant location and, therefore, on our portfolio.

In the last few years, the real estate market in Germany has experienced an increase in rent levels. There is a risk that the real estate market will not continue this trend and, consequently, the increase in rent levels will weaken or that rent levels will even decrease in the future. Such developments may also result in decreasing valuations of properties. The German real estate market, including the development of rent levels and real estate prices, is also affected by overall economic conditions in Germany. The German economy is expected to experience reduced growth in the upcoming years. Economic contraction, economic uncertainty and the perception by tenants of weak or weakening economic conditions could cause a decline in the demand for commercial real estate and thereby influence market prices, rent levels and vacancy rates in the commercial real estate market. In addition, the levels of investment in commercial real estate and investment activities of companies, as tenants may also be influenced by macroeconomic factors, such as unemployment rates, inflation, interest rates, increases in taxes or perceived or actual declines in corporate investments and capital expenditure. In particular, a potential rise in interest rates in Europe could have an adverse effect on the commercial real estate market in Germany and could also result in reduced demand for real estate.

As a result of the geographic focus of our commercial real estate portfolio on Germany, a negative development, contraction or lack of growth in the German economy or overall macroeconomic conditions could have a material adverse effect on our business, financial condition and results of operations.

The continuing uncertainty regarding the development of the global economy, for example due to Brexit, and volatility in capital markets may result in economic instability, limited access to debt and equity financing and possible defaults by our counterparties.

The severe global economic downturn in the years following the global economic and financial crisis of 2008 and 2009 and its effects, in particular the scarcity of financing, weakness in the capital markets and weak consumer confidence and declining consumption in many markets, adversely impacted economic development worldwide. This macroeconomic environment has given rise to economic and political instability and may continue to do so in the future, including the possibility of future exits from the European Union and the Eurozone as well as the

breakup of the Eurozone or the European Single Market. Such instability and the resulting market volatility could also create contagion risks for economically strong countries such as Germany and could spread to the German financial sector and the German commercial real estate market.

For example, following a national referendum and enactment of legislation by the government of the United Kingdom of Great Britain and Northern Ireland (the “**United Kingdom**”), the United Kingdom formally withdrew from the European Union as of February 1, 2020 (“**Brexit**”). The Trade and Cooperation Agreement negotiated by the EU and the United Kingdom entered into force on May 1, 2021 after almost one year of intensive negotiation and provides a long-term legal framework for a broad economic partnership essentially based on a free trade agreement which does not provide for any significant barriers to trade in the form of either tariffs or quotas. The parties have also agreed on far-reaching provisions guaranteeing fair competition in the sphere of state aid and consumer protection, employment and environmental/climate change standards, and also on a framework for future cooperation in many other spheres: services, professional qualifications, public procurement, environmental and energy issues, air, sea and rail freight transport, as well as regulations on social security and research and development. The Trade and Cooperation Agreement also establishes a close security partnership facilitating cooperation between the two sides on justice and home affairs issues; it does not contain any provisions on cooperation in the sphere of foreign and security policy, however the EU and the United Kingdom will remain key partners in NATO, the OSCE and the UN and the German Federal Government continues to advocate in favor of close foreign and security policy cooperation with the United Kingdom, also within the EU. The long-term impact of Brexit on the German commercial real estate market and on the global economy as a whole remains uncertain.

Moreover, since early 2018, the United States announced a series of potential measures relating to international trade. The administration in office from 2016 to 2020 imposed tariffs on certain products and retaliatory tariffs were announced by several trading partners of the United States, including the EU. Further retaliatory tariffs were imposed and a trade conflict between the United States and China is still ongoing. These measures and further changes to the trade policy of the United States may have a material adverse effect on the economy in the EU, including the German economy.

Brexit, as well as the other risks discussed herein, could have a material adverse effect on our business, financial condition and results of operations.

Our business and results of operations have been, and may continue to be, be adversely affected by the COVID-19 pandemic or similar outbreaks.

The global spread of COVID-19, commonly known as “Coronavirus”, has caused significant macroeconomic uncertainty, volatility and disruption. In response, many governments have implemented various measures and policies intended to stop or slow the further spread of COVID-19, such as lockdowns, or restricted movement guidelines, and these measures may be extended or re-imposed for a significant period of time. As a result of the COVID-19 pandemic or future similar outbreaks or adverse public health developments, or measures imposed to contain such outbreaks and their effects, our business operations have been and may be materially adversely affected in the future. In particular, the Act to Mitigate the Effects of the COVID-19 pandemic (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie*), which was passed by the German federal government on March 25, 2020 and entered into force on March 28, 2020, contains provisions that, *inter alia*, limit a landlord’s right of termination of lease agreements on the grounds of payment arrears if these are attributable to the consequences of the COVID-19 pandemic, the restriction being limited to the period from April 1 to June 30, 2020. Our rent collection rate decreased slightly in the first half of 2021 due to the extended federal lockdown measures in Germany but, by early August 2021, had already returned to a close to normalized level of approximately 97%.

Depending on the duration and extent of the COVID-19 pandemic, some of our tenants might not be able to meet their payment obligations in whole or in part as a result of insolvencies. Any further government measures (re-)imposed nationwide could negatively impact transaction activity in the German real estate market in general. Letting risks may also increase as a result of the continuation of the COVID-19 pandemic. Lease renewals and new leases may remain more challenging in some areas (*e.g.*, fashion retailing, restaurants) depending on the severity and duration of the economic effects, including further lockdowns or similar measures imposed by the German government. In addition, a continued pandemic may result in construction delays in refurbishment and repositioning projects. As the recessive consequences of the COVID-19 pandemic could further affect general risk assessment within the economy as well as interest rate development, there might also be negative impacts on real estate valuations caused by factors such as the higher interest rate base as well as changes in assumptions concerning market rents, vacancy periods and lease terms. As a consequence, our ability to obtain financing

arrangements on favorable terms or at all for future acquisitions may be adversely affected. Moreover, the Group's business, financial condition and results of operations could be materially adversely affected to the extent that the COVID-19 pandemic continues, including through the emergence of new variants, or any other epidemic or outbreak harms the international economy in general.

The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations and cancellation of physical participation in meetings, events, fairs and conferences), and we may take such further action as may be required by government authorities or that we determine are in the best interests of our employees, customers and business partners. There is no certainty that such measures, including any future lockdowns and countermeasures ordered by the German government, will be sufficient to mitigate the risks posed by the COVID-19 pandemic or otherwise be satisfactory to government authorities.

The extent to which COVID-19 will impact our business, financial condition and results of operations going forward will also largely depend on the availability, efficiency and vaccination rates to stop the spread of the virus.

Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse impacts to our business as a result of various factors, including a recession or an economic downturn in Germany.

As a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change. We do not yet know the full extent of the impact on our business, our operations or the global economy as a whole. However, the continuation of the COVID-19 pandemic could have a material adverse effect on our business, financial condition and results of operations. To the extent that the COVID-19 pandemic adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Letting risks involve the non-payment of rent and profitability risks due to less profitable new leases or lease renewals. Counterparty credit risk resulting from outstanding rental payments is taken into account by way of bad debt allowances. These were increased by €3.2 million in 2020 as a consequence of the COVID-19 pandemic and lingering uncertainties in this regard. In addition, we entered into agreements with tenants that safeguard short-term liquidity benefits for those tenants and long-term cash flows for us, for example adjusting our gross rents by €1.4 million based on existing rental agreements.

The loss of any of our major tenants could lead to a reduction in our rental income.

We are subject to the risk of the loss or reduction of rental income and the risk of vacancies in our properties. As of June 30, 2021, the European Public Real Estate Association ("EPRA") vacancy rate in the Commercial Portfolio (excluding warehousing and project development) was 6.1%. In the six months ended June 30, 2021, 40.0% of our rental income (excluding warehousing) was attributable to our eleven largest tenants (tenants with 2% or more of annualized rental income for the Commercial Portfolio, excluding warehousing). In our Commercial Portfolio segment, leasing arrangements with annualized rental income of approximately €3.6 million (excluding warehousing) are scheduled to expire during the fiscal year ending December 31, 2021 unless we are able to negotiate extensions with our tenants. In 2020, one of our major tenants, Kaufhof, entered into protective shield proceedings (*Schutzschirmverfahren*) as a result of the COVID-19 pandemic. For two out of three Kaufhof properties, new contracts have been signed with an extension of the weighted average lease term ("WALT") and a reduction in monthly rent. A third Kaufhof property was discontinued by Kaufhof, however, a new anchor tenant for the property ("Opti-Wohnwelt") could be found immediately afterwards.

Consequently, the loss of several of our major tenants could lead to a reduction or loss in rental income if we are unable to replace them in a timely manner. Furthermore, were business relations with our major tenants to deteriorate for any reason, were they to fail to fulfil their rental payment obligations to us, were they to reduce the amount of space they lease from us or were a significant portion of existing leases to be terminated, we could experience a significant reduction in rental income. Any such reduction in or loss of rental income from major tenants, or from a large number of smaller tenants, could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to find or retain suitable and solvent tenants on acceptable terms, in a timely manner or at all, and existing tenants may be unable to meet their payment obligations.

The economic success of our property investments depends significantly on our ability to generate rental income from the lease of our properties to suitable tenants. Any failure on the part of tenants to meet their rent payment obligations due to, for example, insolvency or disputes with respect to obligations under their lease agreements,

would result in a decrease in our rental income. This would also apply in the case of drawdowns on rental guarantees should the guarantor in question not or not fully be able to meet its payment obligations.

Commercial properties are frequently tailored to meet the requirements of a specific tenant or a specific industry. This may result in us becoming dependent on individual tenants or industries. As a result, negative developments in these asset classes of properties or markets and industries may have a corresponding adverse effect on our levels of rental income. For example, if we equip office space for a tenant in a specific industry, such space could be attractive only for the specific tenant or tenants of a specific industry. Furthermore, in recent years, the number of online retailers has grown rapidly, creating intense competition with conventional retailers. If this trend continues, conventional retailers may be forced to reduce operating costs, including rent expenses, by negotiating lower rents, reducing their rental space or even closing retail locations. Given that approximately 13% of our annualized rental income (Commercial Portfolio excl. warehousing) was generated from the lease of retail properties as of June 30, 2021, such a development could materially adversely affect our annual rental income.

The subsequent lease of a specific property may only be possible on unfavorable terms due to the restricted usability of the property. Furthermore, new developments or trends in the market standard for office properties in particular could result in decreasing demand for our properties if such properties do not meet such new requirements and can therefore only be leased for lower rents or not at all. Any extension of or change in the usability of the property in accordance with the expectations of existing and potential tenants may lead to unforeseen additional costs and expenditures, which may adversely affect our results of operations. In addition, we may not be able to re-lease our commercial properties immediately upon the expiration of existing lease agreements, and it may take time for us to locate and secure successor tenants for such spaces or properties. Furthermore, successive leases with existing or new tenants may generate lower rental income than in the past. In extreme cases, long-term vacancies may occur. If we are unable to lease properties on attractive terms or are unable to find suitable tenants after lease agreements expire, this could have a material adverse effect on our business, financial condition and results of operations.

Further growth of our Institutional Business depends on our ability to continue to find investors.

Our ability to continue to find investors to support the further growth of our Institutional Business depends on a number of factors, including market-driven factors that are outside our control. One of our business activities is the structuring and set-up of real estate investment vehicles, as well as the provision of property management services for those investment vehicles. The importance of our Institutional Business segment increased following the acquisition of GEG German Estate Group (“GEG”) in June 2019 and logistics expert RLI Investors GmbH (“RLI Investors”) in December 2020), which manage our activities in this area. Consequently, in this growing part of our business, we are dependent on continued investor demand for real estate investment vehicles. Investors may, however, choose to invest in assets other than real estate or in real estate investment structures that we do not offer. Poor performance by our Institutional Business may also make it more difficult for us to raise new funds. If existing investors cease or significantly curtail commitments to our Institutional Business, we may need to identify and attract new investors in order to maintain or increase the size of our investment portfolio. If we are unable to identify and secure capital commitments from existing or new investors, this could have an adverse effect on our business, financial condition, results of operations and prospects.

Our ability to find investors for our Institutional Business may similarly be hampered if the general appeal of alternative investments were to decline. There can be no assurance that we can find or secure commitments from new investors. Alternative investments may also fall into disfavor as a result of concerns about liquidity and short-term performance. If we were unable to successfully raise new funds for our Institutional Business, this could have an adverse effect on our business, financial condition and results of operations.

We may not be able to acquire real estate properties due to a lack of attractive properties available for purchase, competition for such acquisitions, conditions in the acquisition agreements or an inability to obtain the required acquisition financing or to successfully refinance existing indebtedness.

The extent of our success is also dependent on our ability in the future to acquire suitable commercial real estate properties on a continuous basis in economically attractive regions for appropriate prices and with solvent tenants, good location quality and suitable letting ratio, as well as sustainably achievable high rent levels. Acquisitions can only be implemented if attractive properties or portfolios which meet our investment criteria are available for purchase and if the prices for such properties and portfolios are reasonable. A lack of attractive acquisition opportunities could drive up prices for the type of properties and portfolios we seek to acquire. In addition, whether such commercial properties can be acquired depends on a number of factors over which we have limited or no control. These include, among others, the general economic conditions with corresponding impacts on the supply

and demand situation with respect to new and existing commercial properties, financing opportunities, the competitive environment, the management costs associated with the properties, the creation of appropriate conditions under building and planning law for the renovation or modernization of corresponding commercial properties, as well as changes in the economic situation of the tenants.

Given the current strong demand for commercial real estate in Germany, there is fierce competition for attractive properties and portfolios, and acquisition opportunities may be unavailable or available only on unfavorable terms (*i.e.*, at higher prices and lower yields). Competitors with acquisition strategies similar to ours may possess greater financial resources and lower cost of capital than us and may therefore be able to offer higher prices.

In addition, during the acquisition of real estate properties, unforeseen problems can arise as a result of substantial economic or legal obstacles. Some transactions may be subject to a number of closing conditions and certain rights of withdrawal. If conditions precedent set out in a purchase agreement are not fulfilled or if the parties fail to reach an agreement with respect to, among other things, the loan documentation, such transaction may not be completed in the form or within the timeframe originally anticipated, or at all. In the event we are unable to complete an anticipated acquisition, we may have to bear any associated transaction costs or compensate the seller's losses.

Furthermore, we rely on access to financial markets in order to refinance our debt liabilities and secure acquisition financing. In this regard, we are dependent on the general economic environment, the level of demand in the capital markets and the price development of the Company's shares as well as further factors, which may lie outside our control. Any deterioration of the economic environment or restrictions in the financial markets may reduce our ability to refinance our existing or future liabilities or gain access to new financing. Our counterparties may not be able to fulfil their obligations under the respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons. Furthermore, an increase in interest rates could adversely impact our business by making financing more expensive and could force us to secure financing under economically unattractive conditions, which could, in turn, require us to dispose of properties. A forced sale of properties in a timely manner may only be possible on unfavorable terms and for a purchase price below market value.

There is no guarantee that we will manage the acquisition of new properties effectively. Any inability to complete anticipated acquisitions or acquire properties or portfolios could undermine our strategy to realize growth opportunities by increasing our portfolio and to capitalize on economies of scale.

If we are not able to identify and acquire suitable commercial properties at reasonable prices, this could have a material adverse effect on our business, financial condition and results of operations.

Increasing competition in the German commercial real estate market could lead to a fall in rent levels or a compression of yields.

In all segments of our business, we face various competitors. Such competition in the commercial real estate market, in combination with a redevelopment of existing buildings and the construction of new buildings, may cause an oversupply of real estate available for rent resulting in competition for tenants and decreasing rents. As a result, such competitive situations may have a material adverse effect on our ability to find and retain suitable solvent tenants and to obtain appropriate rents. In addition, a compression of rental yields could result from increased competition to invest in assets, which, in turn, could drive up property prices in the markets in which we operate and limit our ability to pursue acquisitions.

Furthermore, competition for tenants in the German commercial real estate market is significant and increasing among real estate companies. We face competition from local and international real estate companies in all of the regions in which we are active. We compete with other real estate companies as well as investment funds, institutional investors, building contractors and individual owners of properties to attract and retain suitable tenants on favorable terms. Competitors may be able to offer tenants newer and more cost-efficient buildings at more attractive prices, any of which could reduce our ability to attract or retain suitable tenants.

The German commercial real estate market currently remains very fragmented. Competition could further increase if additional players enter the market. Should the German commercial real estate market experience an industry consolidation, *e.g.*, through mergers or takeovers, we would face fierce competition from such large entities, which would benefit from a broader pool of resources and would likely have better access to financing.

The materialization of any one or more of the aforementioned risks could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to identify all risks associated with properties or portfolios we acquire and may overestimate the value of such acquisition opportunities.

Due to the limited time available to evaluate acquisition opportunities and constraints imposed by the sellers, we may, in some cases, only be able to conduct a limited due diligence investigation when acquiring new properties. Accordingly, we may not be able to identify and examine all risks associated with acquisitions. For example, we may not be able to assess whether the original owners of the properties (and potential successors) have obtained, maintained or renewed all required permits, satisfied all permit conditions, received all necessary licenses and fire and safety certificates, or satisfied all other requirements. In addition, the properties may suffer from hidden defects, damage or environmental contamination. In fact, certain of our properties are listed on the German register of contaminated sites. Moreover, we may not be in a position to carry out all follow-up investigations, inspections and appraisals (or to obtain the results of such inquiries). Accordingly, in the course of the acquisition of properties or portfolios, specific risks may not be, or may not have been, identified, evaluated and addressed correctly. Legal, tax or economic liabilities may be, or may have been, overlooked or misjudged. In particular, the application of real estate transfer tax (*Grunderwerbsteuer*, “RETT”) may inadvertently be triggered in the context of such acquisitions of real estate. See “—*The structure of the Group is influenced by the general tax environment in Germany and changes thereto may increase the tax burden of the Group*”.

Warranties given by purchasers in the context of purchase agreements entered into by us in connection with such acquisitions may not cover all risks or may fail to cover known and existing risks to a sufficient degree. Additionally, warranties may be or become unenforceable, for example due to a seller’s insolvency. In some cases, a seller may make no representation or warranty as to the sufficiency and correctness of the information made available in the context of a due diligence investigation, or as to whether such information remains correct during the period between the conclusion of the due diligence investigation and the closing of the respective acquisition.

Furthermore, we may overestimate the earnings potential and potential synergies from acquisitions, in particular in the case of acquisitions of portfolios, or underestimate the rental and cost-related risks, including expected demand from tenants for the respective property or portfolio and expected capital expenditures for repositioning, maintaining or modernizing the property, and consequently pay a purchase price that exceeds the actual value of a property or portfolio. Furthermore, properties and portfolios could be inaccurately appraised, even if they were acquired on the basis of valuation reports by reputable independent appraisers and due diligence investigations. Therefore, neither a particular cash flow from rentals nor a certain retail price can be guaranteed with respect to acquired properties and portfolios.

In addition, we may not be able to realize our warehousing strategy and such acquired properties remain on our balance sheet for a longer than expected period of time, thus, limiting our flexibility to acquire new properties in the Commercial Business. See “*Business—Portfolio Overview—Warehousing*”.

Any failure to assess the value and risks associated with properties or portfolios we acquire could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain the current fee structure of our Institutional Business, which is impacted by the results of our investment performance, general industry trends or changes in our business mix.

We may not be able to maintain our current fee structure, which is impacted by, for example, the results of our investment performance, general industry trends or changes in our business mix. Typically, our clients consider our fees in the context of the historical return on their investments. In the case of the poor performance of any investment vehicle structure, it is possible that, with regard to future investment vehicle structures, we will not be able to maintain our current fee structure. Downward pressure on fees may also result from general industry trends such as the growth and evolution of alternatives to our existing investment vehicle structures. As a result of any of these factors, we may be unable to maintain our current fee structure and may be forced to reduce our fees in order to retain current, and attract additional, clients in our Institutional Business segment. Fee reductions for existing or future business could have a material adverse effect on our business, financial condition and results of operations.

In the event of a termination of existing management agreements with third-party funds management companies (Kapitalverwaltungsgesellschaften – “Service KVG”) for real estate investment vehicles managed by us, we would no longer be able to generate property management fees in relation to the properties held by the investment vehicles in question.

We manage real estate investment vehicles which are administered by Service KVG (Kapitalverwaltungsgesellschaften) such as IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“**IntReal**”), HANSAINVEST Hanseatische Investment-GmbH (“**Hansainvest**”) or Union Investment Institutional Property GmbH (“**Union Investment**”). Service KVG focus exclusively on the set-up and management of regulated real estate investment vehicles for third parties in accordance with Directive 2011/61/EU on Alternative Investment Fund Managers.

We enter into service agreements for the management of the affairs of others (*Geschäftsbesorgungsvertrag*) with such Service KVG and, in accordance with such agreements, carry out the purchase process, arrange the financial and legal structure, and undertake the property management and sale of the properties held by the relevant investment vehicle. The terms of the agreements are limited by the terms of the particular investment vehicles. Most of the agreements can only be terminated for good cause subject to a notice period of six to twelve months after an initial lock-in period. Since establishment of our Institutional Business, there were no terminations on any service agreement. Were any of these agreements to be terminated, we could no longer generate property management fees in relation to the properties held by the investment vehicles affected and managed by us. Equity investors may redeem their shares to the service KVG under certain conditions. As of the date of this Offering Memorandum, there have been no redemptions in any vehicle that we are managing. The reduction or cancellation of management fees could have material adverse effects on our financial condition and results of operations, in particular as regards the management of our investment vehicle-related workforce.

The historical performance of our Institutional Business may not be indicative of its future results or of investment vehicle structures we may develop in the future.

The historical performance of our Institutional Business should not be considered indicative of its future results or the results of any other investment vehicle structures that we may develop in the future. For example, historical performance may be due to favorable investment opportunities and positive economic and market conditions which existed in the historical period and may not exist in future periods. In the event of weak economic and market conditions in the future, we may not be able to identify and invest in profitable investment opportunities, which in turn may have an adverse effect on the future performance of our Institutional Business. The poor performance of one or more of our investment vehicles could also jeopardize our reputation as a reliable provider of institutional products, which could in turn have a negative impact on our ability to retain existing clients and launch new investment vehicles. If the future performance of our Institutional Business is significantly weaker compared to previous periods, this could affect our fee income and could have a material adverse effect on our business, financial condition and results of operations.

We may face cost overruns, cost increases or delays in relation to refurbishment and repositioning activities.

We engage in refurbishment and repositioning activities in order to establish properties and maintain and enhance the attractiveness of existing properties. In the case of project repositionings, it is necessary to obtain an official permit in accordance with the applicable building law. Although there is generally an obligation on the responsible authority to grant such a permit if all applicable legal requirements are satisfied, the authorities may, on a case-by-case basis, decide to grant building permits subject to specific conditions or constraints or may even refuse to grant such permits at all. Furthermore, objections by neighbors may delay the granting of permits or otherwise materially adversely affect our ability to undertake project repositioning activities. In addition, construction work related to such activities may involve higher costs than originally planned. In particular, construction costs have increased heavily over the last twelve months and cost increases as well as unforeseen additional expenses may be incurred, due to, among other things, construction delays as a result of inclement weather, property defects not identified prior to the acquisition or advisory fees. Any inability to engage in and complete refurbishment and repositioning activities in a timely manner or within planned budgets could have an adverse effect on our business, financial condition and results of operation.

We are subject to the risk of having claims asserted against us arising from co-liability for the liabilities of our investment subsidiaries and a credit default risk arising from loans to investment subsidiaries and certain other related parties.

We have assumed guarantees, co-liability or the obligation to furnish letters of comfort for some of our minority interests, in particular in relation to the MainTor project development. In addition to individual financing cases, this liability also relates to a surety in respect of a property company for the purpose of providing construction and project planning services and as of December 31, 2020 amounted to €22.4 million. We are therefore subject to the risk of having claims asserted against us arising from the guarantees and co-liability declarations and letters of comfort said property company has issued.

We also extend loans to our investment subsidiaries and certain other related parties. As of December 31, 2020, loans to related parties amounted to €126,791 thousand. All of the total receivables from related parties are attributable to four companies. Operating losses or other adverse developments experienced by the investment subsidiaries or project development companies could lead to delays in or even a loss of interest payments, or a failure to repay principal.

Claims asserted against the Issuer arising from these liability arrangements or from outstanding interest payments or repayments of the investment subsidiaries as borrowers could have a material adverse effect on our business, financial condition and results of operations.

We may be required to incur maintenance and modernization costs, and any failure or inability to undertake such measures could have an adverse effect on our rental income.

As a property owner, we may be required from time to time to incur costs to undertake various maintenance and modernization measures to meet changing legal, environmental or market requirements, particularly with regard to health and safety and fire protection. In the past, the period of time between modernization measures has generally decreased and may continue to decrease in the future due to applicable legal and regulatory requirements or tenants' increasing demand for modern, up-to-date infrastructure. Any failure to maintain our properties could also pose a risk to the health and safety of our tenants as well as their employees and customers, which in turn could cause us to be liable for any damage.

The costs of maintenance and upkeep of a property are typically borne primarily by the property owner. Therefore, we may be burdened with substantial expenses for such measures. In particular, we may incur additional expenses if the actual costs of maintaining or modernizing properties exceed our estimates, if operating, energy and other costs related to the management and maintenance of our commercial real estate portfolio increase, if we are not permitted to increase rents in connection with or following maintenance and modernization measures or if ancillary costs in rental contracts are capped, or if hidden defects not covered by insurance or contractual warranties are discovered during the maintenance or modernization process. Furthermore, maintenance and modernization measures may be the subject of construction delays during periods of inclement weather, or if the contractual partners commissioned with the work do not complete their work in a timely manner or cannot complete their work due to insolvency. With respect to modernization measures, an application for a change of use of the property may not be approved by the relevant building authorities or may not be capable of implementation due to objections from neighbors. This may also result in higher costs or mean that necessary modernizations are not carried out, or it may prove necessary to discontinue extensions and modernizations after significant expenditure has already been incurred. Any failure or inability by us to undertake appropriate maintenance and modernization measures could adversely affect our rental income and entitle tenants to withhold or reduce rental payments or even to terminate existing lease agreements.

Moreover, if we incur substantial unplanned maintenance, repair and modernization costs or fail to undertake appropriate maintenance measures, this could have a material adverse effect on our business, financial condition and results of operations.

We depend on selected external service providers for the facility management of our properties and may be unable to retain such providers on favorable terms or at all.

We are dependent on selected external service providers in connection with various facility management functions. If the service providers for such functions or our properties terminate or default on the agreements with us, we may not be able to locate other qualified service providers in a timely manner, on favorable terms or at all, with the result that we may no longer be able to operate and maintain our real estate properties. The materialization of such risks could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks arising from our acquisition of GEG and RLI Investors.

In June 2019, we acquired the operating activities of GEG from TTL Real Estate GmbH and the financial investor KKR Kohlberg Kravis Roberts & Co. for a purchase price of approximately €225 million. At the time of the acquisition, GEG had €3.6 billion in assets under management.

In December 2020, we acquired 100% of the shares in RLI Investors, with assets under management in excess of €700 million – bringing the total real estate assets under management of the DIC platform to over €10 billion on a pro forma basis by the end of 2020 – and a 25% non-controlling interest in Realogis Holding GmbH (“**Realogis**”), for a purchase price of approximately €42 million. The transaction took effect in January 2021.

The acquisition of GEG and RLI Investors has exposed and continues to expose us to a number of risks, including issues in relation to the effective integration of operations and information technology (IT) systems and our ability to maintain key pre-acquisition relationships, increased operating costs, risks related to the impairment of goodwill and other impairment charges, the loss of key employees of GEG and RLI Investors and exposure to unanticipated liabilities and unidentified contingencies. In addition, we may not be able to realize the anticipated synergies, future earnings, strengthening of the institutional business, expansion of the product spectrum, transfer of know-how or other benefits from the acquisition of GEG and RLI Investors. In addition, we recorded goodwill in an amount of €177.9 million as of December 31, 2020 in connection with the acquisition of GEG. In the case of RLI Investors, a preliminary goodwill in the amount of €12.0 million (as of June 30, 2021) was acquired (on the basis of a comparison of the sum total of the consideration transferred and the share in the net assets with the acquired re-measured net assets). Goodwill is recognized as an intangible asset and is subject to an impairment review which takes place at least annually or upon the occurrence of significant triggering events or changes in circumstances that indicate an impairment. In testing goodwill, economic factors play an important role. Any negative development in relation to relevant economic factors could trigger an impairment test and require us to reduce our goodwill.

The benefits that we may realize from the acquisitions of GEG and RLI Investors could differ materially from our expectations, which could have material adverse effects on our business, financial condition and results of operations.

The forecast with regard to our funds from operations (“FFO”) could differ materially from our actual results of operations for the fiscal year ending December 31, 2021.

The executive board of the Company (the “**Executive Board**”) has based the forecast and the targets for the fiscal year 2021 on certain assumptions relating to our market position, the performance of our property portfolio, including the development of certain key figures for the portfolio, trends in interest rates, the economic development of the commercial real estate industry and the economic environment in Germany in general. See also under “*Business—FFO Forecast*”. These assumptions could prove to be inaccurate given that they relate to factors over which we have limited or, in some cases, no control or influence. The inclusion of the FFO forecast and outlook in this Offering Memorandum should not be regarded as an indication that we consider such financial targets to be achievable or any outlook to be reliable predictions of future events. Accordingly, investors should not place undue reliance on any of the FFO forecast or outlook information included in this Offering Memorandum.

Should one or more of the assumptions underlying the current FFO forecast prove to be incorrect, the future actual FFO of the Group could differ materially from such forecast.

The highly competitive market for property management services may create adverse pricing pressures.

Our subsidiary DIC Onsite GmbH (“**DIC Onsite**”) provides property management services to third-party real estate owners in addition to our Real Estate Portfolio. The property management business is very competitive. While competition in the property management business is based on a variety of factors, the amount of fees charged is an important consideration for those seeking to outsource property management services to vendors such as DIC Onsite. As a result of consolidation in the German market among real estate companies that offer property management, some of our competitors benefit from significant economies of scale and have greater financial, technical, marketing and other resources than we do, which may create adverse pricing pressure. If we are unable to compete effectively for property management business, our earnings may be reduced and this could have a material adverse effect on our business, financial condition and results of operations.

We could be subject to liability claims in connection with sold properties and may not have rights of recourse.

We have sold a number of properties in recent years and plan to continue to selectively sell properties in the future. In connection with property sales, the seller typically provides the buyer with various representations, warranties and covenants with respect to certain characteristics of the sold property, for which a seller remains liable for a period of time following the sale. We could be subject to claims for damages from purchasers asserting that we have failed to satisfy our obligations pursuant to such covenants, or that our representations and warranties were inaccurate. For example, if we, as seller, provided warranties to a purchaser of properties in connection with maintenance and modernization measures, and claims are asserted against us because of defects, we may not have recourse against the companies that performed the work.

As a seller of properties, we may also be liable to tenants for breaches of lease agreements by the purchaser, even where we no longer have control over the respective property. When selling properties, we must typically inform all tenants in writing of the change in landlord, either alone or together with the purchaser, in order to be released from ongoing obligations. A release from liability does not apply to security deposits (*Mietsicherheiten*) provided by the tenants. If a tenant is unable to receive its security deposit from the purchaser of a property, the liability to repay such security deposit remains with us as the seller. Furthermore, real estate transactions frequently include contractual clauses for the protection of tenants, which, for example, restrict a buyer's right to divest an acquired property, to increase rent of the acquired units or to terminate existing tenancy agreements, ultimately reducing the attractiveness of the affected properties for prospective purchasers. Any selling restrictions and any other rules protecting tenants may restrict our ability to freely sell a property before a certain date, or may include total or partial bans on divesting commercial units or provisions that require the consent of specified delegates of the original seller prior to a sale.

Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to restitution or compensation claims if our properties have been unlawfully expropriated, and this could delay or prevent the transfer of our properties.

We could in the future be subject to third-party restitution and compensation claims. Under German law, former owners of assets that were dispossessed either by the national socialist government between January 30, 1933 and May 8, 1945 or by the former German Democratic Republic (*Deutsche Demokratische Republik*) can demand the restitution of such assets. Furthermore, when disposing of properties, we must comply with the German Real Estate Transfer Ordinance (*Grundstücksverkehrsordnung*), pursuant to which we must obtain approval from the competent authorities prior to disposing of any properties we have not purchased ourselves. If any restitution claims have been filed for a property that we intend to sell, such approval will not be granted before the claim has been settled. Therefore, restitution claims may adversely impact our ability to dispose of certain properties. Any inability to dispose of properties due to restitution claims could have a material adverse effect on our business, financial condition and results of operations.

We depend on qualified personnel, including certain key personnel such as our senior management, and may not be able to retain or replace such personnel.

Our success and future growth depend significantly on the performance of a limited number of employees in central functions responsible for managing our business. These include members of our Executive Board and other qualified personnel in key positions, particularly those with sector experience who are responsible for the management of our portfolio, institutional client relationships and corporate functions. In the event of the departure of one or more of these key and qualified personnel, we may not be able to replace them quickly, which could affect our operational performance. More generally, we may need to increase the number of our qualified personnel in order to achieve our planned portfolio growth and we may be unable to recruit new personnel whose skills and sector experience are equivalent to those of our key personnel, or could fail to attract and retain experienced personnel in the future. Due to the intense competition for qualified personnel in the commercial real estate sector, there is no guarantee that we will be able to hire sufficiently qualified key employees on acceptable terms in the future.

The loss of members of our Executive Board or any other key employees, or a failure to attract new qualified employees, could hinder our growth and make it difficult to maintain our business activities at the current level, and could therefore have a material adverse effect on our business.

Disputes with clients of our Institutional Business or the non-performance by clients of their obligations may have a material adverse effect on our business.

Our Institutional Business depends on investments by third parties. There are general risks involved such as potential disputes with clients of our Institutional Business in connection with the performance of their obligations under the relevant agreements, the withdrawal altogether from an investment vehicle or conflicts with the policies or objectives adopted by us. Each of our investment vehicles is structured to reduce risks stemming from a potential or temporary default on a payment obligation of its parties by including appropriate sanctions to adequately protect the interests of the relevant investment vehicle structure as well as (indirectly) its other (*i.e.*, non-defaulting) clients. However, if a client is unable or unwilling to perform its financial obligations under the relevant agreements and ultimately defaults on its payment obligations and the relevant investment vehicle structure is unable to remedy such default, the planned investments may be adversely affected and may no longer be feasible. This may result in a decrease or even total loss of the returns from such investments. Our investment vehicles may run into liquidity issues and we may have to postpone the invoicing of our management fees. Furthermore, we are exposed to credit risk from our operating activates, primarily from trade receivables as well as receivables from associates and joint ventures, which, in turn, are dependent on the operating performance of the underlying investments. If one of our counterparties is unable or unwilling to perform its financial obligations, this may lead to a financial loss. The occurrence of such events may have a material adverse effect on our business, financial condition and results of operations.

Our reputation depends to a large extent on the reputation of the investors of our Institutional Business.

To a large extent, our reputation is connected to and dependent upon the reputation of our clients. The poor reputation of a client may have a negative impact on our reputation in the market. While the Service KVG perform due diligence, know-your-customer and other checks before entering into a business relationship with a new client, there is a risk that a client's background may not be properly assessed during the course of such know-your-customer and anti-money laundering investigation procedures. The participation of a client with a negative reputation in our Institutional Business could have a negative impact on us in the form of financial losses, a disruption of our business, regulatory intervention and reputational damage. The occurrence of any of these factors could have a material adverse effect on our business, financial condition and results of operations.

Employee misconduct may expose us to significant legal liability and reputational harm.

We are vulnerable to reputational harm because we operate in an industry in which our integrity and the confidence of our clients and investors in us are of critical importance. Our employees may engage in misconduct that adversely affects our business. For example, if an employee were to engage in illegal or suspicious activities, we could be subject to regulatory sanctions and suffer serious harm to our reputation (as a consequence of a negative perception of us resulting from such employee's activities), financial position, client relationships and ability to attract new clients. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not always be effective. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could have a material adverse effect on our reputation and our business, financial condition and results of operations.

Risks Related to the Valuation of our Properties

Valuation reports, including the valuation reports contained in this Offering Memorandum, may incorrectly assess the value of our property, and we may be required to adjust the current fair value of our investment properties, which could result in the recognition of losses.

The reports on the fair value of our Real Estate Portfolio included in this Offering Memorandum (the "**Valuation Reports**") were prepared by the independent, external appraisers named therein. The Valuation Reports are based on standard valuation principles and represent the opinion of the appraisers who prepared the Valuation Reports. The Valuation Reports are based on various assumptions that could subsequently turn out to be incorrect. In particular, the date of valuation in each of the Valuation Reports is December 31, 2020. In addition, the valuation of real estate is based on a multitude of factors, such as the current contractual letting status, the physical condition of the portfolio, the general market environment, interest rates, the creditworthiness of tenants, conditions in the rental market and the development of individual locations. The valuation of properties contained in the Valuation Reports is therefore subject to numerous uncertainties. Accordingly, the valuations may not accurately reflect the value of the property to which they relate and do not necessarily represent current or future sales prices that we would be able to realize on the sale of our properties or participations.

Our investment properties (*i.e.*, properties held for the purpose of rental income generation or capital appreciation and not for proprietary use or sale in the ordinary course of business) are carried at amortized cost. The carrying amounts are reviewed annually in the course of IFRS impairment testing to establish whether impairment losses must be recognized. These are compared against the higher of fair value and value in use, which reflects the value of a property under its intended use. Measuring an asset at cost includes recognizing the historical cost incurred for producing or acquiring the asset. The carrying amount of depreciable assets is reduced by depreciation and, if required, by impairment charges.

Furthermore, a change in the factors underlying the valuation or the assumptions made could cause the fair value or value in use determined for the relevant valuation date to fall below the carrying amount of a property, which would result in an impairment loss.

Due to the risks described above, erroneous valuations of our portfolio or a change in the factors underlying the valuation or the assumptions made could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Regulatory, Legal and Tax Matters

Certain clauses in our lease agreements may be held to be invalid, and some of these agreements may not fulfill the strict written form requirements under German law.

We use standardized contracts in the ordinary course of business in our contractual relationships with a large number of parties, in particular with our tenants, which may aggregate the risks compared to the use of individual contracts. Any invalid provisions or ambiguities in standardized contracts can therefore affect a significant number of contractual relationships. Under German law, standardized terms are required to comply with the statutory law on general terms and conditions, which means that they are routinely subject to scrutiny by German courts with regard to their content and the way they are presented to the other contractual party. As a general rule, standardized terms are invalid if they are not transparent or are unclearly worded, unbalanced or discriminatory. Any standard clauses in our contracts being held to be invalid could lead to a substantial number of claims against us or force us to bear costs which we had previously considered to be allocable to our contractual counterparties (*e.g.*, certain costs for maintenance and repair of properties). In addition, clauses which are not standard clauses may also be invalid, which could have a material adverse effect on us were, for example, such an invalid clause to allow a key tenant to exercise an extraordinary termination right.

Real estate owned by us is leased predominantly on a long-term basis. Pursuant to German law, fixed-term lease agreements with a term exceeding one year can be terminated prior to their contractually agreed expiration date if certain formal requirements are not complied with. These include the requirement that there be a document that contains all the material terms of the lease agreement, including all attachments and amendments and the signatures of all parties thereto. While the details of the applicable formal requirements have been assessed differently by various German courts, most courts agree that such requirements are, in principle, strict. Some lease agreements regarding real estate owned by us may not satisfy the strictest interpretations of these requirements. In this case, the respective lease agreement would be deemed to have been concluded for an indefinite term and could therefore be terminated one year after handover of the respective property to the tenant at the earliest, provided that the statutory notice period is complied with (*i.e.*, notice of termination is admissible at the latest on the third working day of a calendar quarter towards the end of the next calendar quarter). Consequently, tenants could allege non-compliance with these formal requirements in order to procure an early termination of their lease agreements or a renegotiation of the terms of these lease agreements to our disadvantage.

The materialization of any one or more of the aforementioned risks could have a material adverse effect on our business, financial condition and results of operations.

Indexation clauses in our lease agreements could adversely affect our rental income.

The majority of our lease agreements for office and retail properties contain indexation clauses that link the amount of rental payments to a reference index, predominantly the consumer price index for Germany. These clauses provide for upward adjustments as well as downward adjustments tied to changes in the relevant index. Thus, rental income may decrease if consumer prices decline. If a lease agreement contains no indexation or equivalent adjustment clause, the applicable amount of rental income may remain constant for the term of the lease agreement, while our costs of maintaining the respective property may increase due to inflation. This risk is compounded by the long-term nature of many of our lease agreements.

Decreases in rental income due to indexation clauses or our inability to adapt rents to changing market developments and maintenance and other costs could have a material adverse effect on our business, financial condition and results of operations.

We may face difficulties in re-letting spaces due to easements in favor of tenants.

Some of our properties are subject to easements in favor of tenants. Easements can have the effect that, even after termination of the lease agreement, the tenant has the legal power to use the property even though the tenant would usually be required to consent to the deletion of such easement. If a tenant uses the property even after termination of the lease, we will be entitled to claim use and damage compensation and the annulment of the easement. However, obtaining a judgment effecting the deletion of such easement could take between a few months and over a year, depending on the court involved. Due to this risk, these easements could have a material effect on our business, financial condition and results of operations.

Properties based on hereditary building rights require the permission of the relevant land owner for the creation of liens over or the disposal of such properties.

Hereditary building rights (*Erbbaurechte*) grant an ownership right in a building together with the long-term right to use, but not to own, the related land. A few of our properties are based on hereditary building rights. The creation of a lien over or the disposal of these properties requires the permission of the relevant land owner, subject to the hereditary building right agreement. Such requirement could adversely affect our ability to encumber these properties in the case of a refinancing and to dispose of these properties.

Properties listed as protected monuments may require approval of the competent authority for alterations, conversion or refurbishment.

Certain of our properties are categorized as listed buildings for monument protection and therefore any alteration, conversion or refurbishment may be subject to approval by the competent local monument protection authorities. There can be no assurance that the necessary approvals for any such alteration, conversion or refurbishment will be obtained and we may incur costs and delays in obtaining such approvals even if we are ultimately successful in securing them, which may adversely affect our business, financial condition and results of operations.

Properties are subject to public easements (Baulasten), easements registered in the land register and other protections.

Many of the Commercial Properties are subject to easements for the benefit of other real estate properties or persons which are rather usual for this type of properties (*e.g.*, the right of a neighbor to the Company's real estate property in order to access his real estate property, the right of third parties (*e.g.*, utilities) to install and maintain pipelines or cables through the Company's property, neighbor's right to build over the property line (*Überbau*), the right in favor of neighbors or third parties to use parts of the property or parking spaces on the property or the obligation to tolerate certain nuisances), including development and commercial properties. In addition, some of the Commercial Properties are encumbered with easements or are subject to certain public measurements which might affect the Company's business, such as rights of first refusal or redevelopment notes (*Sanierungsgebiete*) and/or reallocation processes (*Umlegungsverfahren*). Such easements may affect our ability to alter or redevelop our properties or we may need to obtain additional approvals which could cause us to incur costs or delays.

We may be adversely affected by changes in the general regulatory environment in Germany, which could force us to change the way we conduct our business.

Our business is subject to the general legal and regulatory framework that applies to commercial real estate properties and lease agreements for such properties (*e.g.*, notice periods for tenants), as well as special provisions of other laws, such as construction and construction planning laws, building codes and environmental laws (*e.g.*, energy conservation as part of the German Energy Conservation Regulation (*Energieeinsparverordnung*)) and safety regulations, including fire protection. If German federal or state laws or the interpretation or application thereof change, this could force us to change the way we conduct our business, including our ability to let, use or liquidate the properties and interests in real property partnerships we hold. As a result of such changes, we may also be required to incur significant additional expenses in order to comply with more restrictive laws or regulations. Furthermore, European and German legislators or regulators could subject our business to additional regulatory obligations and restrictions. Consequently, any changes in the general regulatory environment in Germany could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks from legal proceedings which may involve significant costs.

In the ordinary course of our business, we may, from time to time, become involved in various claims, lawsuits, investigations, arbitration or administrative proceedings, which may involve substantial claims for damages or other payments. Such lawsuits, investigations or proceedings may arise, in particular, from our relationships with investors, tenants, employees, third-party facility managers, building contractors and other contractual counterparties as well as public authorities, including tax authorities. Adverse judgments or determinations in such lawsuits, investigations or proceedings may require us to change the way we do business or use substantial resources in adhering to settlements or paying fines or other penalties. In addition, the costs related to such proceedings may be significant and, even if there is a positive outcome, we may still have to bear part or all of our advisory and other costs to the extent they are not reimbursable by other parties. The materialization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

The structure of the Group is influenced by the general tax environment in Germany and changes thereto may increase the tax burden of the Group.

As our properties are located in Germany, we are subject to the general tax environment in Germany. Our tax burden depends on various aspects of tax laws, including their application and interpretation. It cannot be ruled out that changes in tax legislation, administrative practice, case law or changes in the interpretation of the aforementioned, which are possible at any time, on short notice and, in certain cases, with retroactive effect, may have adverse tax consequences and, therefore, adverse consequences for us overall. There may be an increase in or an amendment of real estate related taxes, including RETT or capital gain taxes, which may affect the profitability of our business.

The German RETT Act (*Grunderwerbsteuergesetz*) has been amended as of July 1, 2021. The amendment, which addresses certain tax exemption practices in connection with share deals, provides, *inter alia*, for the following changes: The 95% threshold applicable in case of a share deal has been lowered to 90%, and the term during which the transfer of shares/partnership interests to new shareholder/partner will be considered for purpose of the threshold has been extended from five to ten years. Furthermore, RETT will also be triggered in cases in which 90% of the shares in a corporation owning real estate are transferred within this new 10-year period in line with the provisions previously only applicable to transfers of partnerships. In addition, based on its decision on April 10, 2018, the German Federal Constitutional Court (*Bundesverfassungsgericht*) ruled that certain real estate property tax (*Grundsteuer*) provisions with regard to the valuation are unconstitutional and had to be amended by December 31, 2019. Thus, on June 25, 2019, the Federal Parliament resolved a draft law aiming to implement the decision of the German Federal Constitutional Court. The Federal Council adopted the draft on November 8, 2019 and three bills were effectively enacted on November 26, 2019. Following the new laws, the old valuation provisions will still be applied until December 31, 2024. As of January 1, 2022, developed land shall, in general, be valued on basis of the capitalized earnings method (*Ertragswertverfahren*) for purposes of real estate taxation beginning on January 1, 2025. The amendments will predominantly lead to a higher real estate tax in metropolitan areas. The amendments will predominantly lead to a higher real estate tax in metropolitan areas. However, the new laws also provide for a flexibility clause under which the Federal States (*Bundesländer*) can opt for a different valuation approach, which, dependent on the specific criteria, may provide some relief.

The proposed and other changes in the law could increase our tax burden and give rise to additional tax filing and reporting obligations, which could increase our administrative costs and have an adverse effect on our financial condition and results of operations.

Moreover, we apply a specific tax exemption pursuant to the German Trade Tax Act (*Gewerbsteuergesetz*) for the passive holding of real estate. The requirements for this provision and other provisions in the German Trade Tax Act, in particular with respect to real estate owned by partnerships, are currently subject to various decisions of the German Fiscal Supreme Court (*Bundesfinanzhof*). Should the application of such provision or the respective requirements change, we may not be able to continue to apply that exemption which could increase our tax burden.

Future tax audits within our Group and changes in fiscal regulations could lead to additional tax liabilities.

We are subject to routine tax audits by local tax authorities. As of the date of this Offering Memorandum, tax audits for later periods not yet subject to a tax audit may lead to higher tax assessments in the future.

Any additional tax payments could have a material adverse effect on our margins, results of operations and financial condition. In addition, changes in fiscal regulations or the interpretation of tax laws by the courts or the tax authorities could also have a material adverse effect on our business.

Due to the forfeiture of loss carry forwards under German tax laws, we may be unable to use loss carry forwards to set off future gains.

Tax loss carry forwards and unused losses of the current fiscal year are forfeited in full if more than 50% of the subscribed capital, membership rights, participation rights or voting rights in the Company are transferred, directly or indirectly, to an acquirer or related parties of such acquirer (or a group of acquirers with common interests) within a period of five years or in the case of comparable measures (harmful acquisition). The same applies to interest carry forwards. If and to the extent the tax loss carry forwards, interest carry forwards and unused losses of the current fiscal year are covered by the built-in gains of the loss-making company's business assets that are subject to domestic taxation, a forfeiture of such items will generally not apply. The Company has applied such exemption in the past. Although the application of the forfeiture rules on loss carry forwards has recently been called into question by the German Federal Constitutional Court with respect to transfers of less than 50%, we cannot rule out that such rule may apply to us and have an adverse effect on our tax position, especially in the event that the application of the built-in gains exemption is challenged.

Due to restrictions on the deduction of interest expense or forfeiture of interest carry forwards under German tax law, we may be unable to fully deduct interest expenses on our financial liabilities.

Interest payments on the Notes and on our other debt may not be fully deductible for tax purposes, which could adversely affect our financial condition and results of operation. Subject to certain requirements, the German interest barrier rules (*Zinsschranke*) impose certain restrictions on the deductibility of interest for tax purposes. Since 2008, the German interest barrier rules in general have disallowed the deduction of net interest expense exceeding 30% of tax adjusted EBITDA. For purposes of the interest barrier rules, all businesses belonging to the same tax group (*Organschaft*) for corporate income and trade tax purposes, *i.e.*, the Company and its subsidiaries, are treated as one single business. Such consolidation is, *inter alia*, relevant for the calculation of the tax adjusted EBITDA.

There are certain exemptions from the restrictions of the German interest barrier rules allowing for a tax deduction of the entire annual interest expense, one of these exemptions is the €3 million net interest expense threshold which the Company has applied in the past. Should such exemption no longer be available to the Company, any net interest expense exceeding the 30%-EBITDA amount in any given year might not be deductible. We may therefore not be able to deduct the excess in our net interest expenses in calculating our taxable earnings for the relevant year. This may have an adverse effect on our liquidity and financial condition and on our ability to meet our obligations under the Notes.

The German Federal Tax Court referred a proceeding to the German Federal Constitutional Court on the grounds that, in its view, the interest stripping rules violate Art. 3 of the German Constitution (*Grundgesetz*). It is uncertain how the German Federal Constitutional Court will decide and how the German legislator will react to its ruling, such that we cannot rule out that the above rules may apply to us and have an adverse effect on our tax position.

Due to potential reorganizations, tax assets may be forfeited and/or taxes may be crystallized.

The Company is in an ongoing process of optimizing its organizational structure and therefore may be subject to reorganization. As a consequence thereof, we may be unable to use loss carry forwards to set off future gains and/or interest carry forwards may be forfeited. Furthermore, the reorganization may result in a taxable transfer or sale of directly or indirectly held assets, which may increase our tax burden.

Environmental and ESG-Related Risks

We may not be able to let or sell properties due to contamination, may have to remove contaminants or may face damage claims by acquirers of contaminated properties.

It cannot be excluded that property that is owned or will be acquired or sold by us is or has been contaminated by harmful soil and other pollutants or by the legacies of war (the latter including, in particular, bombs, grenades, or other explosives from the Second World War). Existing contamination and other soil-related risks may reduce real estate values and may make it impossible to let or sell the property. Furthermore, contamination may cause damage and lead to other warranty claims by the acquirer of a property. Responsibility for contamination affects the party causing the contamination, its legal successors, the current and the former owner of the contaminated land as well as the person with actual possession of the plot of land and individuals or legal entities liable under commercial law or company law for a legal entity which owns contaminated land. This could under certain circumstances comprise the possibility of piercing the corporate veil under the German Federal Soil Protection

Act (*Bundesbodenschutzgesetz*, “**BBodSchG**”), *i.e.*, the direct liability of a shareholder in a company with limited liability. Suspicions raised by authorities as to the potential existence of contamination in the ground or building materials could trigger substantial costs for necessary examinations that we may have to bear.

Additionally, other factors regarding our properties, such as the age of buildings, pollutants in construction materials, soil condition or below-regulation building conditions could require costly remedial, maintenance and modernization measures. It cannot be ruled out that real estate owned by us may be contaminated with hazardous materials, *e.g.* asbestos or other pollutants, and, consequently, that we may become involved in environmental investigations by authorities with regard to contamination or incur costs for remedial action. Except in the event of structural alterations, there is generally no obligation to remove non-friable asbestos under currently applicable German federal state asbestos regulations (*Asbest-Richtlinie*). Nevertheless, the real estate owner may, under certain conditions, be required to remove non-friable asbestos. We will bear the risk of cost-intensive remediation and removal of such hazardous materials, other residual pollution or ground contamination because our insurance policies do not cover such risks.

The incurrence of unforeseen costs for the removal or disposal of substances or hazardous materials or the remediation of environmental contamination or other environmental liabilities could have a material adverse effect on our business, financial condition and results of operations.

We may allocate funds for Eligible Green Projects which may have the unintended effect of undermining the very environmental and social issues which we intend to promote. The occurrence of any such unintended effects could adversely affect our reputation.

We intend to use funds allocated under the Green Bond Framework to Eligible Green Projects (as defined herein) to increase the positive impact on the environmental and social issues which are vital to our corporate strategy. To further our ESG strategies, we have implemented a number of measures to improve the environmental and social aspects of our Eligible Green Projects. See “*Business—Environmental, Sustainability and Governance (ESG)*” and “*Green Bond Framework*”.

There can, however, be no assurance that the funds allocated to these Eligible Green Projects will not unintentionally have an adverse effect on our efforts to uphold environmental and social considerations in our business.

The occurrence of any of these developments could have an adverse impact on our reputation in the business context and in the local communities in which we operate.

Risks Relating to Internal Control and IT Risks

Our risk management and internal controls may fail to prevent or detect violations of law which may result in legal sanctions and penalties.

Our existing compliance processes and controls may not be sufficient to prevent or detect inadequate practices, fraud and violations of law by our intermediaries and employees. Since 2013, a Group compliance guideline has been in place. A compliance officer was appointed and a whistleblower system for reporting misconduct and violations was set up to protect us against legal risks and other potential harm. These binding policies cover, among other things, protection against discrimination, conflicts of interest and corruption risks, data protection, capital market requirements/insider trading bans, money laundering and prohibited agreements. The aforementioned compliance policies may not be sufficient to completely rule out all unauthorized practices, legal infringements, criminal offences or corruption by employees. A violation of the law or other unauthorized practice could damage our reputation.

In addition, failure to identify inadequate practices or prevent violations of law may result in legal sanctions and penalties, which could have a material adverse effect on our business, financial condition and results of operations.

We may fail to comply with applicable or future laws and regulations in relation to privacy and data protection or such laws and regulations may change in a manner that is unfavorable to our business.

We manage the acquisition, management and letting of commercial real estate. This requires that certain personal data is provided to us by tenants, business partners as well as our personnel on the basis of which we determine whether to enter into and execute agreements with such tenants, business partners and personnel. Furthermore, such personal data is stored within the Group. The collection, use and storing of data is subject to regulation under German data protection law. In addition, we are subject to the requirements of the General Data Protection

Regulation (Regulation 2016/679/EU of the European Parliament and of the Council of April 27, 2016, as amended) (“**GDPR**”) which imposes strict conditions and limitations in relation to the processing, use and transmission of personal data. The GDPR provides for extensive documentation obligations and considerably more stringent transparency requirements, which affect not only initial data collection but also monitoring and investigation once personal data has been collected. It is possible that these laws, regulations and other obligations may be interpreted and applied in a manner that is inconsistent with our already implemented and future data protection standards and procedures. In the event of a violation of the provisions of the GDPR, we may be fined in a maximum amount that corresponds to the higher of €20 million and 4% of our annual global turnover for the last year. In addition, authorities may construe new regulations in a way that is even more restrictive and there is no guarantee that we will be able to comply with such restrictive approaches.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition and results of operations.

Our operations may be affected as a result of failures or interruptions in our information technology systems.

The continuous and uninterrupted availability of our information technology (IT) systems is essential for our business operation and success. Any interruptions in, failures of, manipulation of or damage to these information technology systems, including as a result of the outsourcing of property and facility management functions, could lead to delays or interruptions in our business processes. A range of factors beyond our control, such as telecommunication problems, software errors, inadequate capacity at IT centers, fire, power outages, attacks by third parties, computer viruses and the delayed or failed implementation of new computer systems, could interfere with the availability of our IT systems. Any material disruption or slowdown of our systems could cause information to be lost. Our existing safety systems, data backup, access protection, user management and IT emergency planning may not be sufficient to prevent information loss or disruptions to our IT systems. In addition, should changes in technology cause our IT systems to become obsolete, or if our IT systems are inadequate to handle our growth, our reputation may be damaged and we may incur additional unplanned expenses. Future technological developments may require us to spend substantial amounts to prevent and repair malfunctions of our IT systems. There can be no assurance that any such detected malfunctions will not recur in the future despite the installation of additional security measures. Furthermore, the integration of IT systems of newly acquired real estate companies may cause the incurrence of additional costs and, simultaneously, lead to malfunctioning of our IT systems, which, in turn, may disrupt our real estate activities in multiple ways.

Any failure to properly guard against the failure, interruption or malfunctioning of our IT systems could have a material adverse effect on our business, financial condition and results of operations.

We may incur liabilities that are not covered by, or which exceed the coverage limits of, our insurance policies.

Insurance policies maintained by us may not cover all risks and only certain risks may not be insurable. Insurance coverage is subject to obligations to obtain coverage (e.g., reporting obligations), exclusions of liability and maximum limits with regard to pay-offs and may come with significant deductibles. Accordingly, our insurance policies do not provide coverage for all losses related to our business, and the occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on our results of operations and financial condition. For example, certain risks, such as terrorist attacks and natural disasters, may not be insurable or may only be insurable at a disproportionately high cost. Therefore, we may experience incidents of a nature that are not covered by insurance. Furthermore, the proceeds received under insurance policies, if any, may not be adequate to cover the damage incurred or liability with regard to third parties. Even in cases in which we have obtained sufficient insurance coverage, our insurance providers could become insolvent, forcing us to bear any costs ourselves.

Any inability to maintain our current insurance coverage or to do so at a reasonable cost could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Financial Position

Our leverage level and debt service obligations may make it difficult for us to operate our business.

We currently have and will continue to have a substantial amount of outstanding debt with significant debt service requirements. Our net financial debt as of June 30, 2021 amounted to €1,286,415 thousand (excl. warehousing). Our ability to fund acquisitions, capital expenditures and other expenses will depend on our future operating

performance and ability to generate sufficient cash. Our degree of leverage could have important consequences for our business and operations, including:

- making it more difficult for us to satisfy our obligations under our financing arrangements;
- increasing our vulnerability to a downturn in our business or general economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt and reducing the availability of our cash flow to fund internal growth through capital expenditures and for other general corporate purposes;
- placing us at a competitive disadvantage compared to those of our competitors that have lower leverage or greater access to capital resources than we have;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- negatively impacting credit terms with our creditors;
- restricting us in exploiting certain business opportunities; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional capital.

Any of the above-listed factors could materially adversely affect our business, financial condition and results of operations.

We are subject to debt covenants. If we are unable to comply with the financial and restrictive covenants included in certain of our existing or any future financing agreements, there could be a default under such agreements, which could result in an acceleration of repayment.

Certain of our existing financing arrangements contain, and any future financing agreements we enter into may contain, certain financial and restrictive covenants, which may impose restrictions on the way we operate. These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants, including meeting incurrence- or maintenance-based financial ratios and tests, depends on a number of factors, some of which may be beyond our control, such as a deterioration of the industry and markets in which we operate or a deviation from the assumptions contained in our business plan. These covenants and restrictions may also limit our ability to ensure compliance with certain loan-to-value ratio requirements, interest cover ratio requirements or other testing requirements provided for in certain existing financing arrangements following a decline in the value of underlying assets, which may significantly limit our operating flexibility. As a result, we may be unable to comply with our financial and restrictive covenants, and any failure may materially adversely affect our margins, results of operations and financial condition.

The breach of a financial or other covenant or our failure to meet any of our obligations under any of the agreements governing our debt may result in a default under such agreements, which in turn could result in a number of adverse consequences including prohibiting us from drawing additional funds under credit facilities, significant increases in interest rates and other financing costs, the acceleration of all outstanding amounts under such agreements requiring us to immediately repay the related debt in whole or in part, or the commencement of foreclosure or other enforcement actions against any of our assets securing such debt. In addition, any default may expose us to requests by our suppliers for advance payments for deliveries and a reduction or cancellation by credit insurers of their commitments. Defaults may also trigger cross-default and cross-acceleration clauses contained in our other debt agreements, and our liquid funds and short-term cash flow may be insufficient to service any of the debts in the circumstances described above. Accordingly, any failure by us to service our debts may have a materially adverse effect on our ability to satisfy our obligations, including under the Notes, and thus on our business, financial condition and results of operations.

The derivative instruments we employ for hedging purposes involve risks and may not be successful.

We are currently party to, and may in the future enter into additional, financial transactions to completely or partly hedge risks resulting, for example, from fluctuating interest rates. When we use hedging instruments, we are subject to credit risk as the counterparties to our hedging transactions may default on an obligation. In addition,

we potentially forego the benefits of otherwise positive variable interest rate movements. In addition, there can be no certainty that we will be able to enter into hedging arrangements on commercially reasonable terms, or that our overall hedging strategy will be successful in the future. Moreover, like any other financial instrument that is subject to market risks, the derivatives we use for our hedging activities bear the risk of incremental value loss due to a variety of factors beyond our control. Any of these factors may have a material adverse effect on our business, financial condition and results of operations.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase.

Fluctuations in interest rates may affect the interest levied on our existing debt and the cost of new financing. As of June 30, 2021, we had total financial debt of €2.1 billion (incl. warehousing), of which approximately 7% was floating rate without an additional hedging agreement. If interest rates increase, our debt service obligations on our variable rate indebtedness that is not hedged would increase even though the amount borrowed remains the same, which would require that we use more of our available cash to service our indebtedness. If interest rates increase significantly, we could be unable to service our indebtedness, which could exacerbate the risks associated with our leveraged capital structure. This could, in turn, have a material adverse effect on our business, financial condition, results of operations and cash flows.

We require a significant amount of cash to service our debt, and our ability to generate sufficient cash depends on factors that may be beyond our control.

Our ability to service and refinance our debt and to fund future operations and capital expenditures is highly dependent on our future operating performance and our ability to generate sufficient cash flow. To a significant degree, our future operating performance and ability to generate cash flows is, in turn, dependent on various factors, such as general economic, financial, competitive, market, legislative, regulatory and other factors which are outside our control. Due to any of these factors, we may be unable to generate sufficient cash flows from our operating activities, anticipated revenue growth, or cost saving or operational efficiency improvements, and any future debt or equity financing may not be available to us in amounts which would enable us to pay the principal premium and interest on our indebtedness, including the Notes.

To the extent that our cash flow from operating activities is insufficient to meet our liquidity needs and service our debt, we would have to seek additional debt or equity financing. In addition, our subsidiaries may be restricted from paying dividends or making other distributions to us. If our future cash flows from operating activities and other capital resources are insufficient to meet our various obligations as they mature or to fund our ongoing liquidity needs, we and our subsidiaries may be forced, among other things, to reduce or delay business activities and capital expenditure, sell assets or forego opportunities such as acquisitions of other businesses.

There can be no assurance that any of these alternatives can be accomplished on a timely basis or on satisfactory terms, if at all. Furthermore, we may be compelled to restructure or refinance all or a portion of our debt, including the Notes, on or before their maturity. We may face the additional risk that in order to refinance our debt, we could be required to agree to more onerous covenants, which would further restrict our business operations. The occurrence of any of the events described above may have a materially adverse effect on our business, financial condition and results of operations.

In the event of an unscheduled sale of properties, we will be subject to cost risks associated with the premature termination of loan agreements or the unscheduled extension of loans.

The terms and conditions of our financing arrangements are often aligned with the relevant planned sale scenario. We have concluded loan agreements with fixed interest rates as well as variable interest rates. In the latter case, we regularly enter into interest hedging transactions. If any of our existing or future properties were to be sold early and the proportionate loan amount repaid prior to its contractual maturity date, we could be subject to an early repayment penalty or other breakage costs for such loans or be obligated to provide replacement collateral. With respect to loans with variable interest rates, costs related to the unwinding of related hedging transactions may also arise. In the case of interest rate changes, a particular risk arises if, following expiry of the financing period, the sale of the relevant property does not progress as planned and the interest rates have to be adjusted for the unscheduled level of financing. Any risks associated with the premature termination of a loan agreement or the unscheduled extension of a loan could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to extend or refinance our debt on favorable terms or at all.

Amounts outstanding under our existing indebtedness must potentially be repaid before the maturity date of the Notes. Our ability to raise new equity and pay and refinance our debt is significantly reliant on a number of factors, including market conditions, our future operating performance and our ability to generate sufficient cash flow. We may be unable to execute future capital measures or achieve any refinancing on a timely basis or on satisfactory terms. We may also be limited in our ability to pursue refinancing alternatives by the terms and conditions of our existing debt agreements. Our inability to raise new capital or refinance our debt obligations on or prior to their maturity on favorable terms or at all could have a material adverse effect on our ability to service and repay the Notes.

Risks Related to Our Corporate Structure

The Company's principal shareholder could exercise substantial influence on the Company. Conflicts may arise between the interests of the principal shareholder and those of the other shareholders.

As of the date of the Offering Memorandum, Deutsche Immobilien Chancen AG & Co. KGaA, DIC Opportunity Fund GmbH, DIC Opportunistic GmbH, DIC Beteiligungsgesellschaft bürgerlichen Rechts and TTL Real Estate GmbH (together "**Deutsche Immobilien Chancen Group**") hold approximately 34.8% of the share capital of the Company. Due to this shareholding structure, Deutsche Immobilien Chancen Group is in a position to substantially influence the general shareholders' meeting and to pass resolutions of the general shareholders' meeting requiring a simple majority.

The concentration of share ownership at Deutsche Immobilien Chancen Group puts it in the position of being able to influence important resolutions by the general shareholders' meeting or to pass these resolutions itself without having to rely on the cooperation of other shareholders of the Company. This will particularly be the case where the interests of Deutsche Immobilien Chancen Group are not compatible with the interests of the holders of the Notes (the "**Holder**s"), particularly if we encounter financial difficulties or are unable to pay our debts when due. Deutsche Immobilien Chancen Group could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in its judgment, could enhance its equity investments, even though such transactions could involve risks for the Holders. Finally, our direct and indirect shareholders may have strategic objectives or business interests that could conflict with our own strategies or interests.

If the interests of Deutsche Immobilien Chancen Group conflict with our interests or the interests of the Holders, or if Deutsche Immobilien Chancen Group engages in activities or pursues strategic objectives that conflict with our interests or the interest of the Holders, we and the Holders could be placed at a disadvantage.

The Company's cash flows depend on the business success of its subsidiaries and equity interests or, if applicable, must be complemented or replaced by debt capital.

The Company is a holding company which does not carry out any operative business itself, rather does so through its subsidiaries. Its assets mainly comprise numerous consolidated property companies (Commercial Portfolio) and minority investments (Institutional Business), which hold the individual properties. Real estate management is mainly handled by its subsidiary DIC Onsite. As a result, income and cash flow are generated from the sale of properties, leasing, property management services and real estate management services only by these companies or through the sale of an investment company and not by the Company itself. To cover its current expenses, the Company depends, among other things, on its subsidiaries and equity interests making distributions and profit transfers under profit and loss transfer agreements, and repaying loans granted to them in due time. It is not certain if these funds will always be sufficient to meet all future payment obligations of the Company. If this is not the case, the Company will be required to obtain additional financing by other means. In addition, our Syndicated Loan provides that, if certain financial ratios are not complied with, the rental income generated by the properties owned by the borrowers thereunder must be paid into a blocked account which is pledged for the benefit of the lenders under the Syndicated Loan. Funds standing to the credit of such blocked account must be applied in prepayment of the Syndicated Loan if the relevant financial conditions are not met for four consecutive quarters. See "*Description of Certain Financing Arrangements—Syndicated Loan Agreement*". This could have a material adverse effect on our business, financial condition and results of operations.

In addition, in the case of minority and joint venture investments (in particular in the Institutional Business segment), the Company does typically not have any control over the decision whether a distribution or other payment to shareholders is to be made, rather requires the consent of third parties.

Our ability to make payments on the Notes largely depends on cash flows from our subsidiaries. If no sufficient distributable cash flows are available for this purpose, the Company may be unable to make payments on the Notes or would have to borrow additional funds to make such payments.

Risks related to the Nature and the Terms and Conditions of the Notes

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes, which could lead to substantial losses that Holders of the Notes would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, inter alia, the following risks:

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have the necessary expertise and experience to appropriately assess the Notes, the chances and risks of an investment in them and the information contained in this Offering Memorandum and any information incorporated herein by reference;
- have access to, and sufficient knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, how an investment in the Notes will impact its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- carefully read and understand the Terms and Conditions of the Notes and be familiar with the financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the respective risks.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors prior to investing in the Notes to determine whether and to what extent (i) the Notes are permitted investments for it, (ii) where relevant, the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each investor should also consider the tax consequences of investing in the Notes and consult its own tax advisors with respect to the acquisition, sale and redemption of the Notes in light of its personal situation.

The specific risk is that if an investment in the Notes turns out to be not a suitable investment for such investor due to the factors set out above, such investor may suffer a substantial loss, which may negatively impact its overall investment strategy.

The market value of the Notes could decrease if the Company's creditworthiness or investors' perception of the Company's creditworthiness deteriorates.

Any person who purchases the Notes is relying on the Company's creditworthiness and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Company to make interest and/or redemption payments that the Company is obliged to make under the Notes. If the likelihood that we will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialization of any of the risks regarding the Company, the market value of the Notes will suffer. The lower the creditworthiness of the Company, the higher the risk of loss resulting from an investment in the Notes.

In addition, even if the likelihood that we will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception of such likelihood. Market participants may in particular be of such opinion if market participants' estimation of the creditworthiness of real estate companies in general or, more particularly, real estate companies with a business similar to our adversely changed. If any of these risks occurs, third parties would only be willing to purchase

Notes for a lower price than before the materialization of such mentioned risk. Under these circumstances, the market value of the Notes will decrease.

The specific risk is that if a credit risk (for example, because of the materialization of any of the risks regarding the Company and/or the Group) realizes, this may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes which in turn may result in a loss of the investment of the Holders in the Notes.

The Notes constitute unsecured, subordinated obligations of the Company, ranking equally with any of the Company's other unsecured indebtedness and effectively subordinated to all of the Company's secured indebtedness.

The Notes are unsecured obligations of the Company. Subject to statutory preferences, the Notes will rank equally with any of the Company's other unsecured indebtedness. The Notes will be effectively subordinated to all of the Company's secured indebtedness, to the extent of the value of the assets securing such indebtedness.

The Notes bear a fixed interest rate and their price may be negatively affected by an increase in market interest rates.

The Notes bear a fixed interest rate. Holders of fixed-interest securities are particularly exposed to the risk of a change in the price of the securities due to a change in the current interest rates in the capital market (market interest rate). While the nominal interest rate of fixed-interest securities is fixed for the term of the securities, the market interest rates typically change on a daily basis. Investors should be aware that movements in the market interest rate can adversely affect the price of the Notes and can result in losses for the Holders if they sell the Notes prior to their maturity.

Investors who hold the Notes offered as operating assets or, for other reasons, are under an accounting obligation and are obliged to draw up a (regular) statement of assets and liabilities (balance sheet) are exposed to the risk that the value of the Notes falls during the life of the Notes and that, although they continue to hold the Notes, they are required to report non-cash losses (*nicht liquiditätswirksame Verluste*) due to an impairment of the value of the Notes.

The specific risk is that if Holders are forced to sell their Notes at relevant trading prices, such prices may be lower than the amount invested in the Notes, which in turn may result in a loss of the investment of the Holders in the Notes.

The yield of the Notes may be affected by inflation.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield of the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

The specific risk is that if the inflation rate increases during the term of the investment or is higher when the Notes are redeemed compared to the point of time of the investment, investors will suffer a lower yield of the investment in the Notes than expected when investing in the Notes, which in turn may result in a loss of the investment of the Holders in the Notes.

There may not be a liquid market for the Notes.

Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market in accordance with the rules thereof. There can, however, be no assurance that a liquid market for the Notes exists or, if it exists, that it will continue to exist. In an illiquid market, an investor may not be able to sell its Notes at any time at fair market prices. Further restrictions on sales of Notes may arise under the applicable securities laws of specific jurisdictions. The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors including the creditworthiness of the Company as well as other factors such as the time remaining to maturity of the Notes, the outstanding amount of the Notes and the redemption features of the Notes. Such factors will also affect the market value of the Notes.

The specific risk is that Holders may not be able to sell Notes readily or at prices that will enable investors to realize their anticipated yield.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market price of the Notes depends on various factors, such as changes in interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the Notes. Disadvantageous changes to such factors may adversely affect the value of the Notes. There can be no assurance that such volatility will not adversely affect the market price of the Notes or that economic and market conditions will not have any other adverse effect.

The specific risk is that the price at which an investor in the Notes will be able to sell the Notes prior to the maturity date of the Notes may be at a discount, which could be substantial, from the issue price of the Notes or the purchase price paid by such investor, which in turn may result in a loss of the investment of the Holders in the Notes.

The Notes are denominated in Euro, which may expose investors for whom the Euro is a foreign currency to a currency risk. In addition, governments and competent authorities may impose exchange controls.

The Notes are denominated in Euro. If the Euro is a foreign currency for a Holder, such Holder is exposed to the risk of exchange rate fluctuations, which may affect the yield of the Notes. Exchange rate fluctuations may be caused by various factors such as macroeconomic factors, speculations and interventions by central banks or governments. Furthermore, as has already happened in the past, governments or monetary authorities may impose exchange controls that may detrimentally affect the respective exchange rate.

The specific risk is that as a result of any of the risks described in this sub-paragraph, investors may receive less interest or principal than expected, or no interest or principal, which in turn may result in a loss of the investment of the Holders in the Notes.

Investors do not have any participation rights in the Company and, unlike shareholders, cannot exercise any influence on the Company.

The Holders are creditors of the Company and provide debt to it. In their capacity as lenders, Holders have no right to participate in corporate decisions of the Company. In particular, an investment in the Notes cannot be equated to a shareholding in the Company. Holders do not have any membership rights, management rights or rights to have a say. In particular, investors do not have any administrative rights (such as the right to attend general shareholders' meetings, the right to obtain information or the right to contest resolutions of general shareholders' meetings).

The Notes are subject to a risk of early redemption.

In the event that we would be obliged to increase the amounts payable in respect of the Notes due to the occurrence of certain events constituting a change in tax law as defined in the Terms and Conditions of the Notes, we may redeem the Notes in accordance with the Terms and Conditions of the Notes.

We may also, at our option, redeem the Notes by paying a "make-whole" premium in accordance with the Terms and Conditions of the Notes. Holders may, therefore be exposed to risks connected to the reinvestment of cash proceeds from the sale or early redemption of the Notes.

The specific risk is that if we redeem the Notes prior to the maturity date of the Notes, Holders may be exposed to the risk that, due to such early redemption, their investment will have a lower than expected yield at the point of time when investing in the Notes. Also, in case of an early redemption of the Notes, Holders may only be able to reinvest on less favorable conditions as compared to the original investment, which may result in a lower yield than expected when investing in the Notes.

Transaction costs may be payable by Holders in connection with a purchase or sale of the Notes.

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may become payable in addition to the purchase or sale price of the Notes. Credit institutions may charge commissions, which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees).

The specific risk is that such additional costs may lower the yield of the investment substantially and, in a worst case scenario, investors may even suffer a loss. Therefore, potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Adverse change of law may affect the Notes.

The Notes are governed by the laws of Germany in effect as of the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or administrative practice or the official application or interpretation of the laws of Germany after the date of this Offering Memorandum.

The specific risk is that Holders may face detrimental changes in the laws of Germany, which negatively impact their rights under the Notes. This could even lead to situations where Holders are not allowed to enforce their rights under the Notes, which in turn may result in a loss of the investment of the Holders in the Notes.

The tax treatment of the Notes should be duly considered by each investor.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely on the tax overview contained in this Offering Memorandum but to consult their own tax advisor on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Under the Terms and Conditions of the Notes, certain Events of Default require a quorum of at least 15% of the aggregate principal amount of the Notes then outstanding.

If an event of default (as specified in the Terms and Conditions of the Notes) occurs and is continuing, each Holder is entitled to declare due and payable, by submitting a termination notice to the Issuer, its entire claims arising from its Notes and to demand immediate redemption at the principal amount thereof, together with unpaid interest accrued up to (but excluding) the date of actual redemption. However, with regard to certain events of default, any notice by a Holder declaring Notes due will only become effective if the Issuer has received default notices from the Holders representing at least 15% of the aggregate principal amount of the Notes then outstanding (the “**Quorum**”). Accordingly, if such Quorum is not met, the termination notice by a Holder will not result in us being required to redeem the Notes at their principal amount plus unpaid interest accrued.

A Holder is exposed to the risk of being overruled in a Holders’ meeting against its will, if the majority of the Holders, in accordance with the Terms and Conditions of the Notes by means of a majority decision pursuant to the German Act on Bonds of 2009 (Schuldverschreibungsgesetz, SchVG), agree upon the amendment of the Terms and Conditions of the Notes.

Pursuant to the German Act on Bonds of 2009 (*Schuldverschreibungsgesetz*, “**SchVG**”), holders of notes may agree, with the consent of the Company, upon the amendment of the terms and conditions of their notes in a Holders’ meeting. Depending on the subject of the amendment, certain majority requirements and a quorum apply. Furthermore, the SchVG provides for the possibility of the holders of the notes to appoint a common representative who can assert rights of the holders of notes *vis-à-vis* the issuer.

The specific risk is that Holders may be overruled and lose their rights *vis-à-vis* the Company against their will, if the majority of the Holders passes a majority resolution in accordance with the SchVG and in accordance with the Terms and Conditions of the Notes to amend the Terms and Conditions of the Notes, which in turn may result in a loss of the investment of the Holders in the Notes. Any such majority resolution will even be binding on Holders who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default, but who have not received payment from us prior to the amendment taking effect.

Since no Holders’ Representative will be appointed as from the issue date of Notes, it will be more difficult for Holders to take collective action with respect to the Notes.

Under the SchVG, an initial joint representative (*gemeinsamer Vertreter*) of the Holders (the “**Holders’ Representative**”) may be appointed by way of the terms and conditions of an issue. The Holders’ Representative is not a trustee and its functions differ in material respects from those of a trustee appointed under the U.S. Trust

Indenture Act of 1939 or similar legislation. No initial Holders' Representative will be appointed under the Terms and Conditions of the Notes. Any appointment of a Holders' Representative for the Notes following issuance of the Notes will, therefore, require a majority resolution of the Holders.

The specific risk is that if the appointment of a Holders' Representative is delayed, which may make it more difficult or even impossible for Holders to take collective action to enforce their rights under the Notes.

It is possible that a Holder may be deprived in its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes if such right was passed on to a Holders' Representative.

If a Holders' Representative were to be appointed by majority decision of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Company, if such right was passed on to the Holders' Representative by majority vote. In such case, the Holder's Representative would be exclusively responsible to claim and enforce the rights of all the Holders.

The specific risk is that Holders may not be able to enforce their rights under the Notes individually but only with consent and depending on the action of a Holders' Representative only, which in turn may result in a loss of the investment of the Holders in the Notes.

Although the occurrence of specific change of control events will permit the Holders to require redemption of the Notes, we may not be able to redeem such Notes.

Upon the occurrence of a specific change of control event pursuant to the Terms and Conditions of the Notes, Holders will have the right to require redemption of the Notes at 101% of their principal amount, plus accrued and unpaid interest. Our ability to redeem the Notes upon such a change of control event will be limited by our access to funds at the time of the redemption. Upon a change of control event, we may be required to immediately repay the outstanding principal, any accrued interest on and any other amounts owed by us under other debt outstanding, including the Syndicated Loan, the Corporate Bonds and the Promissory Notes. For further details, see "*Description of Certain Financing Arrangements*". The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption of the Notes.

The specific risk is that if we are unable to fund such early redemption due to a change of control event Holders may suffer a loss of their investment.

Credit ratings may not reflect all risks of an investment in the Notes; they are not recommendations to buy or hold securities, and are subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be reduced or withdrawn entirely by the credit rating agency if, in its judgment, circumstances so warrant.

The specific risk is that in case of any suspension, reduction or withdrawal of the credit rating assigned to the Notes by one or more of the credit rating agencies this may adversely affect the cost and terms and conditions of the financings of the Company, and its refinancing strategy in general, and could adversely affect the value and trading of such Notes which in turn may result in a loss of the investment of the Holders in the Notes if a Holder is forced to sell its Notes at a price which is lower than the price when investing in the Notes.

Investors may have limited remedies if we fail to allocate an amount equivalent to the net proceeds from the offering of the Notes to Eligible Green Projects or to take the other actions described in the section entitled "Green Bond Framework", and any such failure could adversely impact the value of the Notes.

A failure to allocate an amount equivalent to the net proceeds from the offering of the Notes to Eligible Green Projects (as defined herein) or to take other actions described in the section entitled "*Green Bond Framework*" may adversely impact the value of the Notes and may result in investors failing to meet their specific investment requirements. Although we intend to allocate an amount equal to the net proceeds from the offering of the Notes to Eligible Green Projects, or to take the other actions described in the section entitled "*Green Bond Framework*",

any failure to do so will not constitute a default under the Notes, require us to repurchase or redeem the Notes or provide the Holders of the Notes with any other remedies. Furthermore, there can be no assurance that the Eligible Green Projects in question will be capable of implementation, fully or substantially, in the intended manner and/or within any particular timeframe, or that such funds will be allocated, in whole or in part, to such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within a specified period or at all, or with the results or outcome originally expected or anticipated by us. Additionally, we may revise our Green Bond Framework from time to time, and the criteria used by us to identify Eligible Green Projects may differ in the future.

Prospective investors should consider the information set out in the section entitled “*Green Bond Framework*” and determine for themselves the relevance of such information for the purposes of an investment in the Notes, in conjunction with the findings of any other investigations which they may deem necessary.

We may use or allocate an amount equal to the net proceeds from the offering of the Notes in ways with which you may not agree.

We intend to allocate an amount equivalent to the net proceeds from the offering of the Notes to Eligible Green Projects as set forth in the sections entitled “*Use of Proceeds*” and “*Green Bond Framework*”. We have significant flexibility in allocating amounts relating to the offering of the Notes, including re-allocating in the event that we no longer own assets to which we allocated amounts relating to the offering of the Notes or if the assets to which we allocated amounts related to the offering of the Notes no longer meet the criteria for an Eligible Green Project. You may not agree with the ultimate allocation of amounts from the offering of the Notes, even if we believe such allocation of amounts to have been in respect of Eligible Green Projects.

We cannot offer you any assurance that the Eligible Green Projects to which we allocate amounts relating to the offering of the Notes will satisfy, or continue to satisfy, investor criteria and expectations regarding environmental impact and sustainability performance, nor can we offer you any assurance that the Eligible Green Projects criteria and other aspects of our Green Bond Framework will satisfy, or continue to satisfy, investor criteria or expectations for sustainable finance products or will be aligned with other green frameworks or implementing measures pursuant to the common EU classification system for sustainable economic activities or so-called “EU Taxonomy” (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the “**Taxonomy Regulation**”). In particular, no assurance is given that the use or allocation of such amounts for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements, voluntary taxonomies or standards regarding any investment criteria or guidelines with which such investor is or its investments are required to comply (in particular with regard to any direct or indirect environmental, sustainability or social impact of any Eligible Green Projects or uses which are the subject of or related to the relevant Eligible Green Projects).

The Eligible Green Projects to which we expect to allocate amounts relating to the offering of the Notes have complex direct or indirect environmental, sustainability or social impacts and may become controversial or be criticized by activist groups or other stakeholders. Additionally, we cannot assure you that we will be able to identify sufficient business activities qualifying as Eligible Green Projects. It may also be the case that an Eligible Green Project will not be implemented and/or completed (in whole or in part, and/or in accordance with any timing schedule). Any such failure on our part to implement and/or complete an Eligible Green Project will not constitute an event of default or require us to repurchase or redeem the Notes.

Pursuant to the recommendation of the Green Bond Principles of the International Capital Markets Association (the “**Green Bond Principles**”) that issuers use external assurances to confirm their alignment with the key features of the Green Bond Principles, we engaged Sustainalytics to provide an independent second party opinion in relation to the alignment of our Green Bond Framework with the 2021 Green Bond Principles (the “**Second Party Opinion**”). See “*Green Bond Framework*” and “*Use of Proceeds*”. On September 3, 2021, Sustainalytics certified that our Green Bond Framework is in alignment with the Green Bond Principles.

However, the Second Party Opinion or any third party opinion or rating (whether or not solicited by us in connection with an Eligible Green Project) may not satisfy environmental, social, sustainability and/or other criteria imposed by a Holder. In light of this, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion, or of any third party opinion or rating (whether or not solicited by us) made available in connection with the issuance of the Notes and, in particular, with any Eligible Green Project, to fulfill any environmental, social, sustainability and/or other criteria. For the avoidance of doubt, any such opinion or certification (i) is not, nor will it be deemed to be, incorporated in this Offering Memorandum, (ii) is not, nor should it be deemed to be, a recommendation by us, the Managers or any other entity

or person to buy, sell or hold any Notes, (iii) is current only as of the date it was initially issued, (iv) may be subsequently withdrawn and (v) may not address risks that relate to any Eligible Green Project or may affect the value of the Notes. As of the date of this Offering Memorandum, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

Finally, if the Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or “social” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), such listing or admission may not satisfy present or future investors’ expectations or requirements with which such investors or their investments are required to comply. No representation or assurance is given by us, or by any other entity or person, that such listing or admission will satisfy any present or future investment criteria or guidelines with which such investors or their investments are required, or with which such investors intend, to comply, whether pursuant to any present or future applicable law or regulations or pursuant to their own bylaws, other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses which are the subject of or related to any Eligible Green Projects. Furthermore, the listing criteria for any such dedicated market segment may vary from one stock exchange or securities market to another, and such listing or admission to trading may not be obtained or, if obtained, may not be maintained during the term of the Notes.

A failure of the Notes to meet investor expectations or requirements as to their “green”, “sustainable”, “social” or equivalent characteristics, including a failure to allocate an amount equivalent to the net proceeds from the offering of the Notes to Eligible Green Projects, a failure to provide, or the withdrawal of, a Second Party Opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid, or a failure on our part to report on the use of proceeds or Eligible Green Projects as anticipated may have a material adverse effect on the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in sustainable assets (which consequences may include the need to sell the Notes not falling within the investor’s investment criteria or mandate).

USE OF PROCEEDS

We estimate that the net proceeds from the offering of the Notes will amount to €390,300,000. We intend to allocate an amount equivalent to the net proceeds from the offering of the Notes to Eligible Green Projects as defined in the section entitled “*Green Bond Framework*”.

Following the offering of the Notes, we estimate that our total financial debt and net total financial debt will amount to approximately €1.9 billion (excl. warehousing) and approximately €1.3 billion (excl. warehousing), respectively. In addition, we estimate that, adjusted to reflect the offering of the Notes, our weighted average debt maturity approximately 4.4 years.

GREEN BOND FRAMEWORK

The following description is a summary of the material provisions of the Green Bond Framework (as defined below). The description does not restate the Green Bond Framework in its entirety and the Green Bond Framework may be amended or updated from time to time. Investors should refer to the Green Bond Framework in full as published on our website: <https://www.dic-asset.de/en/sustainability>.

Our Green Bond Framework has been developed in alignment with the Green Bond Principles (GBP) 2021 as published by the International Capital Market Association (ICMA) (the “**ICMA GBP**”) (the “**Green Bond Framework**”). We have developed the Green Bond Framework to attract specific funding for sustainable projects which contribute to the achievement of our sustainability goals furthering positive environmental impacts. Under the Green Bond Framework, we can issue green bonds and allocate an amount equal to the net proceeds from the issuance of the Notes to finance new and/or existing Eligible Green Projects (as defined below). Where feasible, DIC has also taken into account the recently published ‘EU Taxonomy Climate Delegated Acts’ in determining eligible uses of proceeds.

Use of Proceeds

An amount equivalent to the net proceeds from the offering of the Notes issued under the Green Bond Framework will be allocated, in part or in full, to finance or re-finance green projects in accordance with the eligibility criteria as set out below (the “**Eligibility Criteria**”) (the “**Eligible Green Projects**”), whereas refinancing of Eligible Green Projects will be limited to existing projects and expenditures done within the last three years prior to the Issue Date.

Eligible Green Projects:

Alignment with ICMA GBP	Eligibility Criteria	Alignment with the EU Environmental Objective	Alignment with the UN SDGs
Green buildings	<p>New or existing residential and commercial buildings owned that meet specific energy performance thresholds, including:</p> <ul style="list-style-type: none"> ○ Buildings built in accordance with the building Energy Code EnEV 2009, or fall in the top 15% most energy efficient buildings in the respective county¹; or ○ Buildings that have obtained or expected to obtain one or more environmental certification or label: <ul style="list-style-type: none"> ▪ LEED Gold or above, ▪ BREEAM Very Good or above, ▪ DGNB Gold or above, ▪ ÖGNI Gold or above, ▪ SGNI Gold or above, ▪ HQE Excellent or above, or ▪ ENERGY STAR score of 85 or higher 	Climate Change Mitigation	 <p>SDG 9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>

¹ Aligned with European Union, Annex to the Commission Delegated Regulation, C(2021) 2800 final.

Project Evaluation and Selection Process

In 2020, we expanded our risk management for all our projects to also include ESG risks in addition to the regulatory risks. This ESG due diligence is conducted by (independent) experts appointed by us.

Our ESG committee (the “**ESG Committee**”) will oversee the project evaluation and selection process. The ESG Committee is headed by the CEO and the Head of Sustainability, and is composed of representatives from the following departments:

- Corporate Finance;
- Institutional Business;
- Investments;
- Asset & Property Management;
- Portfolio Management;
- Accounting & Finance;
- Investor Relations; and
- HR.

The ESG Committee will meet at least every six months to discuss and is responsible for the following:

- review the Eligible Green Project list and assesses project eligibility for green financing in accordance with the pre-determined Eligibility Criteria set out above under “—*Use of Proceeds*”;
- monitor the Eligible Green Projects portfolio throughout the life of the Notes; the ESG Committee can decide to exclude or replace select Eligible Green Projects if an eligible project no longer meets the Eligibility Criteria, or if it is sold off;
- oversee the arrangements established to ensure alignment of the Notes with the ICMA GBP;
- managing the allocation of the net proceeds from the offering of the Notes as per section “—*Management of Proceeds*” and facilitating reporting as per section “—*Reporting*”; and
- manage any future updates of the Framework and corresponding second party opinion report (“SPO”).

Management of Proceeds

The net proceeds from the offering of the Notes will be earmarked towards Eligible Green Projects as set out under “—*Use of Proceeds*”. In the event that funds cannot be immediately and fully allocated, or in the event of any prepayment, the relevant proceeds will be held in line with our general liquidity guidelines until allocation to Eligible Green Projects.

We intend to allocate the proceeds from the offering of the Notes to Eligible Green Projects originated no more than three years prior to the issuance. The net proceeds from the offering of the Notes will be allocated as soon as reasonably practicable and at the latest within three years from the Issue Date.

The ESG Committee will be responsible for the management of the proceeds from the offering of the Notes and reporting processes.

Reporting

On an annual basis, we will publish annually, as part of our annual report, a green bond allocation and impact report. This reporting will be updated annually until full allocation of the net proceeds from the offering of the Notes or until the Notes are no longer outstanding.

Allocation Reporting

We will provide information on the Eligible Green Projects portfolio within our annual report and on our website. The information will contain at least the following details:

- The total amount of proceeds allocated to Eligible Green Projects;
- Breakdown of allocation by eligible project category;
- Breakdown of allocation by project location;
- Refinancing versus new financing; and
- The balance of unallocated proceeds.

Impact Reporting

Where feasible, we will provide reporting on relevant potential impact metrics for Eligible Green Projects including the following. The impact reporting will also include methodology and assumptions used to calculate the impact metrics.

- Green buildings
 - Building Certification or Document verifying the accordance with Eligibility Criteria (see “—*Use of Proceeds*”)
 - Level of Certification per sqm of building
 - Level of Certification per market value of building

There can be no assurance that we will be able to provide any or all of the indicators mentioned above.

External Review

Second Party Opinion

We have appointed Sustainalytics to provide an independent SPO on this framework and to confirm its alignment with the ICMA GBP. The SPO will be made publicly available on our corporate website at: <https://www.dic-asset.de/en/sustainability>.

Post issuance external verification

Our annual reporting will also be subject to external verification by our existing auditor. The auditor will verify:

- The compliance of assets financed by the proceeds from the offering of the Notes with the Eligibility Criteria (see “—*Use of Proceeds*”)
- Allocated amount related to the Eligible Green Projects financed by the proceeds from the offering of the Notes
- The management of proceeds and unallocated proceeds amount

The external auditor’s report will be published within our annual report.

2021 Green Bond Principles

The ICMA GBP are voluntary guidelines that were developed by an industry working group administered by the ICMA and are intended to promote the integrity in the sustainable bond market through recommendations relating to transparency, disclosure and reporting.

Other

Information contained in, or accessible through, our website and in our green bond reports is not incorporated in, and is not part of, this Offering Memorandum. The Notes do not require us to allocate an amount equal to the net proceeds from the offering of the Notes as described above, and any failure by us to comply with the foregoing will not constitute a breach of or default under the Notes. The above description of the Green Bond Framework is not intended to modify or add to any covenant or other contractual obligation undertaken by us under the Notes.

GENERAL INFORMATION ABOUT THE COMPANY

General Information

The Company is a publicly listed stock corporation (*Aktiengesellschaft*) whose shares are traded on Xetra (all German exchanges; prime standard; WKN: A1X3XX / ISIN: DE000A1X3XX4). The legal name of the Company is “DIC Asset AG”.

The Company was incorporated in Germany in the legal form of a German stock corporation (*Aktiengesellschaft*) as a so-called “shelf company” on September 29, 1998 upon adoption of its Articles of Association and operates under German law. The Company was founded by BBMS Beteiligungs- und Verwaltungs GmbH, Munich, whose company object was the holding, management and sale of interests in companies, provided no official permission or admission is required to this end. The Company initially had its registered office in Munich, and was registered in the commercial register of the local court (*Amtsgericht*) of Munich on October 13, 1998 under HRB 122409 and the name “AB 9894 Vermögensverwaltungs-Aktiengesellschaft”. The Company’s Annual General Meeting on June 29, 2001 resolved, *inter alia*, to relocate the Company’s registered office from Munich to Erlangen. This resolution was recorded in the commercial register of the local court of Fürth (Bavaria) on September 28, 2001, where it was subsequently listed under HRB 8614.

Deutsche Immobilien Chancen KGaA purchased all the shares in the shelf company at the beginning of 2002. In March 2002, Deutsche Immobilien Chancen KGaA transferred operational investment subsidiaries to the Company for the first time. Since this time, the Company has been investing in commercial real estate via property companies acquired or formed for this purpose.

Effective January 1, 2002, the Company acquired, pursuant to a merger by absorption, DIC Beteiligungs- und Immobilien AG (formerly DBI Dortmunder Beteiligungs- und Immobilien Aktiengesellschaft) Frankfurt am Main, which had previously been traded in the Open Market (*Freiverkehr*) on the Munich and Stuttgart Stock Exchanges. At the time of the merger, DIC Beteiligungs- und Immobilien AG no longer had any business operations of its own, but did have large cash holdings. After the entry into effect of the merger with DIC Beteiligungs- und Immobilien AG in March 2003, the Company’s shares were also in free float along with the majority holding at the time of Deutsche Immobilien Chancen KGaA, and were traded in the Open Market (*Freiverkehr*) in Munich and Stuttgart.

The Company’s name was changed to the current “DIC Asset AG” by way of resolution by the Annual General Meeting on February 18, 2002, which was recorded in the Company’s commercial register on March 26, 2002. The registered office of DIC Asset AG is in Frankfurt am Main, Germany, and it is registered with the commercial register (*Handelsregister*) maintained by the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under HRB 57679. The Company’s business address is Neue Mainzer Straße 20, MainTor, 60311 Frankfurt am Main, Germany, tel. +49 (0) 69 9 45 48 58 0, Internet address: <http://www.dic-asset.de>. The Company’s most recent Articles of Association are dated April 22, 2021.

The Company has been formed for an indefinite period of time. The fiscal year of the Company is the calendar year.

The Company can be reached at the telephone number +49 (0) 69 9 45 48 58 0.

The Company’s legal entity identifier (LEI) is 52990044JL2ZPWONU738.

The Company publishes its announcements in the Federal Gazette (*Bundesanzeiger*).

Principal Activities

Pursuant to § 2 of the Company’s Articles of Association, the Company’s object is the construction, project development, acquisition, management and sale of real estate and lease thereof. The Company may form or take over companies of the same or a different kind or hold interests therein, and assume the management and, hence, personal liability for other enterprises. The Company may establish branch offices and permanent establishments, domestically and abroad. The Company may perform any and all transactions and take any and all measures associated with the Company’s object and that are directly or indirectly suitable for promoting the Company’s object.

Organizational Structure and Equity Interests of DIC Asset AG

Structure (scope of consolidation)

The Company is a holding company and manages the DIC Asset Group. Therefore, its earnings situation is materially influenced by the interest and participation income of its subsidiaries. Apart from the Company, four subsidiaries, DIC Onsite GmbH, DIC Fund Balance GmbH, RLI Investors GmbH and GEG Real Estate Management GmbH perform operating tasks. DIC Onsite GmbH organizes real estate management with eight regional branch offices, and DIC Fund Balance GmbH, RLI Investors GmbH and GEG Real Estate Management GmbH are responsible for the Institutional Business segment. In close coordination with the Company's Executive Board, the respective persons responsible in the Group companies and subsidiaries ensure that the Group's objectives are implemented in their relevant market environment and adapted to any specific features of the sub-markets for which they are responsible. In total, the Issuer held indirect and direct equity interests in 177 fully consolidated entities as of December 31, 2020. In most cases, these are companies that hold property. These property companies are largely consolidated and managed via intermediate holding companies.

Sale of equity investment in TLG and acquisition of GEG and RLI Investors

The sale of DIC Asset's equity investment in TLG Immobilien AG, Berlin ("TLG"), which DIC Asset partly received in the context of the takeover offer of TLG to the shareholders of WCM Beteiligungs- und Grundbesitz-AG and partly through acquisition of additional shares thereafter, was completed in the first half of 2019, ending the involvement of DIC Asset with TLG entirely. The sale generated proceeds totaling approximately €376 million.

In early June 2019, DIC Asset acquired the operating activities of GEG from TTL Real Estate GmbH and the financial investor KKR Kohlberg Kravis Roberts & Co. GEG was founded in 2015 by TTL Real Estate GmbH and KKR Kohlberg Kravis Roberts & Co. and has since then strengthened its track record sourcing institutional products and investors as well as a combination of managing institutional business and refurbishment expertise. The Institutional Business segment combines our previous Fund segment with the institutional investments business of GEG. DIC is now one of Germany's leading investment and asset management platforms in the commercial real estate sector. At the time of the acquisition, GEG had €3.6 billion in assets under management, with several well-known properties already managed by DIC Asset's property management team under previous mandates. The acquisition has also enlarged the portfolio investment management capacity with the addition of a project management team specializing in the repositioning of landmark properties.

On December 23, 2020, DIC Asset acquired 100% of the shares in RLI Investors, the second-largest independent asset manager in the logistics sector in Germany, as well as a 25% minority shareholding in Realogis, for a purchase price of approximately €42 million. The transaction took effect in early January 2021. RLI Investors has assets under management in excess of €700 million and clients comprising institutional investors such as pension funds, family offices and international asset managers pursuing an investment strategy focused on returns, portfolio diversification and the attainment of long-term benefits from investments in the attractive, high-growth logistics asset class, by way of excellent complement to the DIC Asset Group's existing investor base, which has increased by 17 as a result. This acquisition, as part of our strategic expansion into the logistics sector, has not only contributed a further 36 properties to our existing portfolio and greater product know-how across our entire platform, but has also enabled us to expand the range of potential real estate investments available to us and our clients in terms of geographical location, investment volume per property and asset class, thereby helping to further reduce and avoid cluster risks as well as decreasing our dependence on income from large individual mandates, investors and asset classes. In February 2021, we launched our first combined RLI/GEG logistics fund with a target volume of approximately €400 million.

Auditor

The Company's auditor is Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Äußere Sulzbacher Straße 100, 90491 Nuremberg. The auditor audited the consolidated financial statements of DIC Asset AG for the fiscal years ended December 31, 2019 and December 31, 2020, which were prepared in accordance with IFRS as applicable in the EU and the additional commercial law provisions applicable pursuant to § 315(e)(1) German Commercial Code (*Handelsgesetzbuch*, HGB). The financial statements were issued with unqualified auditor's reports. Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), a corporation under public law.

Shareholder Structure

As of the date of this Offering Memorandum, the registered share capital of the Company amounts to €81,861,163.00. On the basis of the notifications received by the Company as of the date of this Offering Memorandum in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz*, “**WpHG**”), the following shareholders directly or indirectly hold more than 5% of the Company’s shares. The percentage values shown in the table below are based on the amount of voting rights last notified to the Company with regard to the stated reference date by the respective shareholder pursuant to Sections 33 *et seq.* WpHG in relation to the Company’s share capital as of the date of this Offering Memorandum. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to the Company because the relevant shareholders are not required to submit a corresponding updated voting rights notification if no notifiable thresholds have been reached or crossed.

Shareholders	% of share capital / voting rights⁽¹⁾
Freefloat	45.1
Deutsche Immobilien Chancen Group	34.8
RAG Foundation	10.0
Yannick Patrick Heller	10.1
Total	100.00

(1) Based on the voting rights reported to the Company according to Section 33 WpHG, calculated on the basis of the current registered share capital as of September 6, 2021.

The principal shareholder of the Company is the Deutsche Immobilien Chancen Group, represented by Deutsche Immobilien Chancen AG & Co. KGaA, DIC Opportunity Fund GmbH, DIC Opportunistic GmbH, DIC Beteiligungsgesellschaft bürgerlichen Rechts and TTL Real Estate GmbH, with a shareholding of 34.8%.

Other shareholders, including those shareholders whose shareholdings represent less than 3% of the total voting rights in the Company, hold the remaining shares of the Company.

There are no different classes of voting rights for certain shareholders.

Governing Bodies and Corporate Governance

In accordance with the German Stock Corporation Act (*Aktiengesetz*), the Company has a two-tier board system consisting of the Executive Board (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*). The two boards are separate, and, as a general manner, no individual may serve concurrently as a member of both boards.

The Executive Board is responsible for managing our day-to-day business in accordance with applicable German law and the articles of association (*Satzung*) (the “**Articles of Association**”) as well as its rules of procedure (*Geschäftsordnung*). In addition, the Executive Board must ensure appropriate control of risk within the Company and its subsidiaries in order that any developments jeopardizing the Company’s future as a going concern may be identified at an early stage. The Executive Board legally represents the Company in dealings with third parties and in court.

The Supervisory Board advises the Executive Board on the management of the Company, monitors its conduct of business and is responsible for appointing and dismissing the members of the Executive Board for good cause. It also represents the Company in transactions between a member of the Executive Board and the Company. The Supervisory Board generally may not exercise management functions. The Articles of Association and the rules of procedure (*Geschäftsordnung*) of the Executive Board, however, require that certain types of transactions may not be carried out by the Executive Board without the prior consent of the Supervisory Board. If the Supervisory Board refuses to approve a certain transaction or business activity contemplated by the Executive Board, the Executive Board can request that the general shareholders’ meeting decide on the matter. However, the general shareholders’ meeting of a German stock corporation may not issue directives to the Executive Board.

Executive Board

According to the Articles of Association and the provisions of the German Stock Corporation Act, the Executive Board must consist of a minimum of one member. The Supervisory Board determines the number of members of

the Executive Board and appoints such members. It may also appoint the chairman and deputy chairman of the Executive Board. Members of the Executive Board are appointed for a maximum term of five years.

The following table sets forth the current members of the Company's Executive Board.

Name	Member since	Appointed until	Position	Other current memberships in administrative, management or supervisory bodies or as partners in partnerships
Sonja Wärtges	June 1, 2013	December 31, 2023	Chief Executive Officer (CEO) (<i>Vorstandsvorsitzende</i>)	Chairwoman of the supervisory board of DIC Real Estate Investments GmbH & Co. KGaA, Frankfurt am Main; Member of the supervisory board of Fraport AG, Frankfurt am Main
Johannes von Mutius	April 1, 2015	December 31, 2023	Chief Investment Officer (CIO) (<i>Investmentvorstand</i>)	Member of the supervisory board of DIC Real Estate Investments GmbH & Co. KGaA, Frankfurt am Main
Patrick Weiden	April 1, 2020	June 30, 2023	Chief Capital Markets Officer (CCMO) (<i>Kapitalmarktvorstand</i>)	—
Christian Bock	August 1, 2020	June 30, 2023	Chief Institutional Business Officer (CIBO) (<i>Vorstand Institutional Business</i>)	—

Supervisory Board

The Supervisory Board currently consists of six members which are elected by the Company's shareholders at the general shareholders' meeting by the required simple majority of the votes cast.

The Supervisory Board members elect one of the members as chairman (*Vorsitzender*) and another one as deputy chairman (*Stellvertreter*) by a simple majority of the votes cast.

The following table sets forth the name, age, year of appointment, end of current term and the other principal positions of each of the current members of the Company's Supervisory Board.

Name	Member since	Appointed until	Responsibility	Other principal positions
Prof. Dr. Gerhard Schmidt	2002	2022	Chairman	Managing partner at Weil, Gotshal & Manges LLP (Germany), Munich; Chairman of the supervisory board of TTL Beteiligungs-und Grundbesitz-AG*, Munich; Chairman of the supervisory board of Deutsche Immobilien Chancen Beteiligungs AG*, Frankfurt am Main; Chairman of the supervisory board of Deutsche Immobilien Chancen AG & Co. KGaA*, Frankfurt am Main; Chairman of the supervisory board of DICP Erste Family Office Beteiligungsgesellschaft mbH & Co. KGaA*, Munich; Chairman of the supervisory board of DIC Capital Partners (Germany) GmbH & Co. KGaA, Munich; Chairman of the supervisory board of DICP Asset Management Beteiligungsgesellschaft mbH & Co. KGaA*, Munich; Chairman of the administrative board/managing director of DICP Capital SE**, Munich; Non-executive chairman of Novalpina Capital Group S.à r.l., Luxemburg**; Chairman of the supervisory board of DIC Capital Partners (Germany) Verwaltungs GmbH**, Munich; Chairman of the supervisory board of DIC Capital Partners Beteiligungs GmbH, Munich**
* Membership as defined in section 100 (2) sentence 2 German Stock Corporation Act (<i>Aktengesetz</i>)				
** Supervisory board not required by law				

Name	Member since	Appointed until	Responsibility	Other principal positions
Michael Zahn	2020	2025	Deputy Chairman	Chief executive officer of Deutsche Wohnen SE, Berlin; Deputy chairman of the supervisory board of QUARTERBACK Immobilien AG, Leipzig; Chairman of the advisory board of G+D Gesellschaft für Energiemanagement mbH, Magdeburg; Chairman of the advisory board of Funk Schadensmanagement GmbH, Berlin; Member of the advisory board of DZ Bank AG, Frankfurt am Main; Member of the advisory board of Füchse Berlin Handball GmbH, Berlin; Member of the real estate advisory board of GETEC Wärme & Effizienz GmbH, Magdeburg; Member of the supervisory board of IOLITE IQ GmbH, Berlin
Klaus-Jürgen Sontowski	2002	2022	Deputy Chairman	Founding partner and managing director of Sontowski & Partner GmbH, Erlangen; Founding partner of “Zinsbaustein”, Berlin; Founding partner of Pegasus CP Holding GmbH, Erlangen; Founding partner of BayernStift GmbH, Erlangen; Founding partner of BayernCare Immobilien GmbH & Co. KG, Erlangen; Deputy chairman of the supervisory board of Deutsche Immobilien Chancen Beteiligungs AG, Frankfurt am Main; Deputy chairman of the supervisory board of Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main; Chairman of the advisory board of S&P Commercial Development GmbH, Erlangen
Prof. Dr. Ulrich Reuter	2015	2025	Member	Professor for public law at University of Aschaffenburg; President of Sparkassenverband Bayern, Munich; Member of the supervisory board of Bayerischer Versicherungsverband Versicherungsaktiengesellschaft, Munich; Member of the supervisory board of Bayerische Landesbrandversicherung Aktiengesellschaft, Munich; Chairman of the supervisory board of Bayern-Versicherung Lebensversicherung Aktiengesellschaft, Munich; Member of the administrative board of Versicherungskammer Bayern, Versicherungsanstalt des öffentlichen Rechts, Munich
Eberhard Vetter	2018	2022	Member	Head of capital investments at RAG-Stiftung, Essen; Managing director of RAG-Stiftung Beteiligungsgesellschaft mbH, Essen; Member of the advisory board of HQ Capital (Deutschland) GmbH, Bad Homburg; Member of the advisory board of Röder Zeltsysteme GmbH, Bidingen; Member of the supervisory board of Scope SE & Co. KGaA, Berlin; Member of the supervisory board of Vertical Topco S.à.r.l., Luxembourg
René Zahnd	2019	2025	Member	Chief executive officer of Swiss Prime Site AG, Zürich, Switzerland; Chairman board of directors of Jelmoli AG, Zürich, Switzerland;

<u>Name</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibility</u>	<u>Other principal positions</u>
				President of the board of directors of Swiss Prime Site Immobilien AG, Olten, Switzerland;
				President of the board of directors of Swiss Prime Site Finance AG, Olten, Switzerland;
				President of the board of directors of Swiss Prime Site Management AG, Olten, Switzerland;
				President of the board of directors of Swiss Prime Site Solutions AG, Zürich, Switzerland;
				President of the board of directors of Wincasa AG, Winterthur, Switzerland;
				President of the board of directors of immoveris ag, Bern, Switzerland
				(all Group companies of Swiss Prime Site)

Further information about members of the Executive Board and the Supervisory Board

During the last five years, no member of the Executive Board or the Supervisory Board has been convicted in relation to fraudulent offenses.

During the last five years, no member of the Executive Board or the Supervisory Board has acted in any capacity at any entity which was subject to any bankruptcies, receiverships or involuntary liquidations.

No official public incrimination and/or sanctions by any statutory or regulatory authority against any member of the Executive Board or the Supervisory Board has occurred. No member of the Executive Board or the Supervisory Board has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct the affairs of any issuer during the past five years.

The Company has not granted any loans to Executive Board or Supervisory Board members. The members of the two corporate bodies have not concluded any transactions with the Company that lie outside the Company's normal operating activities.

Other than the exceptions described below, no member of the Executive Board or the Supervisory Board has any conflicts of interest between their duties to the Company and their private or other interests. The Chairman of the Company's Supervisory Board, Prof. Dr. Gerhard Schmidt, and the Deputy Chairman of the Supervisory Board, Klaus-Jürgen Sontowski, member of the Supervisory Board, also exercise these functions at Deutsche Immobilien Chancen AG & Co. KGaA and Deutsche Immobilien Chancen Beteiligungs AG. Prof. Dr. Gerhard Schmidt and Klaus-Jürgen Sontowski are also indirectly significant limited shareholders of Deutsche Immobilien Chancen KGaA. In addition, Prof. Dr. Gerhard Schmidt is the indirect majority shareholder of its sole general partner, Deutsche Immobilien Chancen Beteiligungs AG.

No Executive Board or Supervisory Board member has concluded any service contract with any of the Group's companies that includes special benefits upon the end of the service.

General shareholders' meeting

Unless otherwise required by German corporate law, the general shareholders' meeting can be convened at the request of the Executive Board. If the best interests of the Company require it, the Supervisory Board must call a general shareholders' meeting. The ordinary general shareholders' meeting takes place once a year. Each of the Shares of the Company carries one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights of the shares of the Company.

Unless mandatory provisions of the German Stock Corporation Act or the Articles of Association state otherwise, general shareholders' meeting resolutions are passed with a simple majority of the votes cast. In accordance with the German Stock Corporation Act, resolutions of fundamental importance require, in addition to a simple majority of the votes cast, a majority of at least three quarters of the share capital represented in order to pass such a resolution. Such resolutions of fundamental importance include in particular:

- changes in the Articles of Association;
- share capital increases;
- share capital decreases;
- the creation of authorized or contingent capital;
- divisions or split-offs as well as transfers of the entire assets of the Company;
- conclusions of intercompany agreements (in particular, domination agreements and profit and loss transfer agreements);
- changes in the legal form of the Company; and
- liquidation of the Company.

Neither German law nor the Articles of Association restrict the right to own shares or to exercise the associated voting rights for German non-residents or for foreign owners of shares.

Corporate governance

The Company attaches great value to corporate governance with the Company and the Group. The Executive Board and Supervisory Board feel that they have an obligation to ensure the Company's continued existence and the generation of sustained value added through responsible corporate governance with a long-term focus. For the Company, good corporate governance also includes managing risks in a responsible manner. The Executive Board, therefore, makes sure that risks are appropriately managed and controlled in the Company and ensures that the Company complies with the law by maintaining a compliance management system that reflects the Company's exposure to risk. As described in its annual declaration of conformity, the Company is in compliance with the recommendations of the German Corporate Governance Code as established on February 26, 2002 and last amended on February 7, 2017 as well as the recommendations of the German Corporate Governance Code as amended on December 16, 2019.

The Executive Board regularly informs the Supervisory Board of any existing risks and their development. The Company's internal control, reporting and compliance structures are continuously reviewed, enhanced and adjusted to changes in the general environment. Compliance guidelines are in place for the Group and a compliance officer supervises observance of material compliance requirements. In addition, a whistleblower system for reporting misconduct and violations has been set up.

Share Capital

Share capital and shares

As of the date of this Offering Memorandum, the share capital of the Company amounts to €81,861,163.00. It is divided into 81,861,163 ordinary shares (*Stammaktien*). It has been increased in several stages to the current amount by way of capital increases resolved upon by the general shareholders' meeting as well as by utilization of authorized capital and conditional capital granted by the general shareholders' meeting.

The shares in the Company are registered shares (*Namensaktien*) with no-par value (*Stückaktien*), each with a notional amount of the share capital of €1.00 per share. The share capital of the Company has been fully paid in.

Each share carries one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights and the shares carry full dividend entitlement.

In the event that the Company is dissolved, the Company's assets remaining after settlement of its liabilities will be distributed among the shareholders in proportion to their share in the Company's share capital.

Pursuant to Section 4(4) of the Articles of Association, shareholders are not entitled to receive definitive share certificates (*Aktienurkunden*) for their shares.

The Company's current share capital is represented by one or more global share certificates without dividend coupons, which are held with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.

Authorized capital

The Executive Board is authorized by a resolution adopted at the ordinary general shareholders' meeting on March 24, 2021 to increase the Company's share capital with the approval of the Supervisory Board by a total of up to €16,117,405.00 until March 23, 2026 by issuing new no-par value registered shares once or repeatedly in return for cash contributions and/or contributions in kind (authorized capital).

Contingent capital

By virtue of the resolution adopted at the ordinary general shareholders' meeting of July 8, 2020, the Executive Board is authorized, with the approval of the Supervisory Board, to issue bearer convertible bonds or bonds with warrants with or without limitation of maturities on one or more occasions until July 7, 2025 in a total nominal amount of up to €500,000,000.00, and to grant to holders and/or creditors of bonds conversion or option rights (which may include a conversion obligation) to no-par value registered shares in the Company representing a proportionate amount of the share capital of up to €15,814,309.00 in total, subject to the terms of the convertible bonds and/or bonds with warrants. The bonds may only be issued in return for cash payment. In principle, the shareholders are granted a pre-emptive right. The bonds may also be taken over within the meaning of section 186(5) sentence 1 of the German Stock Corporation Act by one or more credit institutes or companies determined by the Executive Board with the obligation of offering them to the shareholders for purchase (indirect pre-emptive right).

SELECTED HISTORICAL AND OTHER FINANCIAL AND OPERATING INFORMATION

The audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2019 and 2020 (together, the “**Audited Consolidated Financial Statements**”), which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (“**HGB**”), together with the respective independent auditor’s reports (Bestätigungsvermerke des unabhängigen Abschlussprüfers) thereon, as well as the unaudited interim consolidated financial statements of the Company as of and for the six months ended June 30, 2021 (the “**Unaudited Interim Consolidated Financial Statements**”), together with the Audited Consolidated Financial Statements, the “**Consolidated Financial Statements**”), which have been prepared in accordance with IFRS on interim financial reporting (IAS 34), are incorporated by reference in the Offering Memorandum.

Prospective investors are advised to consult their professional advisors for an understanding of: (i) the differences between IFRS and other systems of generally accepted accounting principles and how those differences might affect the financial information included in this Offering Memorandum and (ii) the impact that future additions to, or amendments of, IFRS may have on our results of operations or financial condition, as well as on the comparability of the prior periods.

In addition, we have included certain non-IFRS financial measures and ratios in this Offering Memorandum. See “—Non-IFRS financial measures” below. The non-IFRS financial measures we present may also be defined differently than the corresponding terms in the Terms and Conditions of the Notes (as defined herein).

The financial information contained in the following tables has been taken or derived from the Audited Consolidated Financial Statements. The financial information marked as “audited” in this Offering Memorandum is taken from the Audited Consolidated Financial Statements. Financial information marked as “unaudited” in this Offering Memorandum is not taken from the Audited Consolidated Financial Statements but is either taken or derived from the Unaudited Interim Consolidated Financial Statements or the Company’s accounting system or other internal reporting systems or is based on calculations of figures from the above-mentioned sources.

The figures below were rounded up or down in accordance with standard commercial practice. For this reason, it is possible that the sum of the figures set out in a table does not exactly match the totals which may also be set out in the table. Moreover, to the extent figures are shown in percentages, it is possible that the total does not add up to 100%. With respect to the following financial information a dash means that the corresponding figure is not available whereas zero (“0”) means that the corresponding figure is available but has been rounded to zero.

Investors should read the following selected financial information together with the other financial information contained in this Offering Memorandum, in particular, in sections “Use of Proceeds”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and the Consolidated Financial Statements of the Company.

Selected Consolidated Statement of Income Information

	Fiscal year ended December 31,		Six months ended June 30,	
	2019	2020	2020	2021
	(€ thousand)			
	<i>(audited)</i>		<i>(unaudited)</i>	
Total income	364,250	321,099	114,335	222,684
Total expenses	(252,344)	(214,916)	(72,038)	(164,604)
Gross rental income	101,942	100,695	51,386	48,340
Ground rents	(676)	(510)	(250)	(260)
Service charge income on principal basis	20,836	22,135	10,830	10,855
Service charge expenses on principal basis	(23,565)	(24,029)	(12,209)	(12,355)
Other property-related expenses	(10,631)	(16,070)	(8,787)	(6,430)
Net rental income	87,906	82,221	40,970	40,150
Administrative expenses	(17,876)	(19,077)	(9,763)	(10,487)
Personnel expenses	(27,918)	(30,280)	(14,594)	(18,561)
Depreciation and amortization	(34,242)	(38,774)	(18,615)	(21,579)
Real estate management fees	62,883	79,722	42,073	50,537
Other operating income	2,616	2,222	522	2,198
Other operating expenses	(1,979)	(1,852)	(839)	(506)
Net other income	637	370	(317)	1,692
Net proceeds from disposal of investment property	175,973	116,324	9,524	110,754
Carrying amount of investment property disposed	(135,457)	(84,324)	(6,981)	(94,427)
Profit on disposal of investment property	40,516	32,000	2,543	16,327
Net operating profit before financing activities	111,906	106,182	42,297	58,079
Share of the profit of associates	18,321	11,370	6,307	3,833
Interest income	10,296	8,670	4,294	4,552
Interest expense	(42,660)	(36,760)	(18,495)	(19,140)
Profit/loss before tax	97,863	89,462	34,403	47,324
Current income tax expense	(13,803)	(14,128)	(1,622)	(1,609)
Deferred tax expense	(3,371)	(2,222)	(4,309)	(8,037)
Profit for the period	80,689	73,112	28,472	37,678

Selected Consolidated Balance Sheet Information

	As of December 31,		As of June 30,
	2019	2020	2021
	(€ thousand)		
	<i>(audited)</i>		<i>(unaudited)</i>
ASSETS			
Investment properties	1,623,030	1,599,987	1,799,621
Total non-current assets	2,105,588	2,083,771	2,333,639
Non-current assets held for sale	100,154	126,059	695,444
Total current assets	551,855	640,397	1,051,596
Total assets	2,657,443	2,724,168	3,385,235
EQUITY AND LIABILITIES			
Issued capital	72,214	80,587	81,861
Share premium	763,909	878,789	896,290
Hedging reserve	(1,406)	(2,848)	(2,296)
Reserve for financial instruments classified as at fair value through other comprehensive income	4,775	1,682	4,353
Retained earnings	125,170	142,996	124,024
Total shareholders' equity	964,662	1,101,206	1,104,232
Non-controlling interest	4,116	7,215	4,680
Total Equity	968,778	1,108,421	1,108,912
Total non-current liabilities	1,331,201	1,475,789	1,773,577
Total current liabilities	357,464	139,958	502,746
Total liabilities	1,688,665	1,615,747	2,276,323
Total equity and liabilities	2,657,443	2,724,168	3,385,235

Selected Consolidated Statement of Cash Flows Information

	Fiscal year ended December 31,		Six months ended June 30,	
	2019	2020	2020	2021
	(€ thousand)			
	<i>(audited)</i>		<i>(unaudited)</i>	
Cash generated from operations	109,644	111,986	53,248	46,691
Cash flows from operating activities	64,841	67,429	41,480	40,513
Cash flows from investing activities	(15,164)	(73,568)	(18,639)	(462,915)
Cash flows from financing activities	754	26,307	42,495	261,595
Acquisition related increase in cash and cash equivalents	13,902	0	0	3,109
Net changes in cash and cash equivalents	50,431	20,168	65,336	(160,807)
Cash and cash equivalents at the start of the period	286,903	351,236	351,236	371,404
Cash and cash equivalents at the end of the period	351,236	371,404	416,572	213,706

Non-IFRS Financial Measures

This Offering Memorandum contains certain non-IFRS financial measures and ratios, including EBIT, NAV, , FFO, LTV, Adjusted NAV and Adjusted LTV. We define:

“**EBIT**” as earnings before interest and taxes, including the share of the profit or loss from associates;

“**NAV**” as net asset value. The net assets are calculated as the fair value of the assets less liabilities;

“**FFO**” as operating income from property management, before depreciation, tax, profits from sales and project developments as well as other non-recurring or non-cash income components;

“**LTV**” as loan-to-value ratio; LTV is calculated as shown in footnote (3) in “—*Selected Other Financial Data*” below;

“**Adjusted NAV**” as NAV adjusted for the fair value of the Institutional Business and GEG goodwill, intangible assets and other assets and liabilities;

“**Adjusted LTV**” as LTV adjusted for goodwill and service agreements, including the fair value of the Institutional Business; and

“**Unencumbered Asset Ratio**” as the proportion of unencumbered assets calculated as encumbered real estate assets (balance sheet fair value of investment properties, excluding properties not financed with secured debt) over total assets (including fair value of investment properties, co-investments and Institutional Business).

The non-IFRS financial measures and related ratios contained in this Offering Memorandum should not be considered in isolation and are not measures of our financial performance or liquidity under IFRS and should not be considered as an alternative to rental income, profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities or any other measure of our liquidity derived in accordance with IFRS. Non-IFRS financial measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations.

In addition, certain non-IFRS financial measures, as we define them, may not be comparable to other similarly titled measures used by other companies. We believe that EBIT and the other non-IFRS financial measures presented in this Offering Memorandum represent useful indicators of our financial performance when read in addition to IFRS financial measures indicating our financial performance. You should exercise caution in comparing the non-IFRS financial measures as reported by us to such measures, similar measures or adjusted variations thereof reported by other companies.

Selected Other Financial Data

	As of or for the fiscal year ended December 31,		As of or for the six months ended June 30,
	2019	2020	2021
	(€ thousand, unless stated otherwise)		
	(unaudited, unless stated otherwise)		(unaudited)
Other Financial Data			
EBIT ⁽¹⁾	130,227*	117,552*	61,912
EBITDA ⁽¹⁾	164,469	156,326	83,491
Adjusted EBITDA ⁽¹⁾	123,953	124,326	67,164
FFO ⁽²⁾	95,004	96,521	52,964
LTV (in %) ⁽³⁾	47.8	44.5	48.1
Adjusted LTV (in %) ⁽³⁾	41.8	39.2	43.2
NAV (in € million) ⁽⁴⁾	1,244.2	1,409.9	1,427.2
NAV per share (in €)	17.23	17.49	17.43
Adjusted NAV (in € million) ⁽⁵⁾	1,607.2	1,776.4	1,793.7
Adjusted NAV per share (in €)	22.26	22.04	21.91

* Audited.

(1) EBIT is shown as earnings before interest and taxes, including the share of the profit or loss from associates. The table below shows the reconciliation of EBIT to EBITDA and Adjusted EBITDA for the periods indicated. Adjusted EBITDA is calculated as EBITDA minus profit on disposal of investment property:

	Fiscal year ended December 31,		Six months ended June 30,
	2019	2020	2021
	(€ thousand)		
	(unaudited, unless stated otherwise)		
EBIT	130,227*	117,552*	61,912
Depreciation and amortization	34,242*	38,774*	21,579
EBITDA	164,469	156,326	83,491
Profit on disposal of investment property	(40,516)*	(32,000)*	(16,327)
Adjusted EBITDA	123,953	124,326	67,164

(2) The reconciliation of net rental income to FFO is as follows:

	Fiscal year ended December 31,		Six months ended June 30,	
	2019	2020	2020	2021
	(€ thousand)			
	(unaudited, unless stated otherwise)			
Net rental income	87,906*	82,221*	40,970	40,150
Administrative expenses	(17,876)*	(19,077)*	(9,763)	(10,487)
Personnel expenses	(27,918)*	(30,280)*	(14,594)	(18,561)
Net other income	637*	370*	(317)	1,692
Real estate management fees	62,883*	79,722*	42,073	50,537
Share of the profit or loss of associates	18,321*	11,370*	6,307	3,833
Net interest income	(32,364)*	(28,090)*	(14,201)	(14,588)
Other adjustments ^(a)	3,415	285	142	388
Funds from operations (FFO)	95,004	96,521*	50,617	52,964

* Audited.

(a) Other adjustments include, for the fiscal years ended December 31, 2020 and 2019:

- transaction, legal and consulting costs of €285 thousand (previous year: €2,090 thousand); and
- administrative expenses and personnel costs of €0 thousand (previous year: €1,325 thousand).

(3) The following table shows the calculation for LTV and Adjusted LTV for the reporting dates presented:

	As of December 31,		As of June 30,
	2019	2020	2021
	(€ thousand)		
	(unaudited, unless stated otherwise)		
ASSETS			
Fair value of investment properties, total	1,900,017	2,000,019	2,117,981
Fair value of equity investments (indirect property) ^(a)	130,710	152,155	146,989 ^(b)
Goodwill	177,892*	177,892*	189,842
Service agreements	40,795	37,604	73,810
Carrying amount of loans/receivables, related parties	130,529*	145,434*	147,858
Fair value of assets (value)	2,379,943	2,513,104	2,676,480
Goodwill	(177,892)*	(177,892)*	(189,842)
Service agreements	(40,795)	(37,604)	(73,810)
Fair value of Institutional Business	557,000	563,295	563,295
Adjusted fair value of assets (value)	2,718,256	2,860,903	2,976,123
LIABILITIES			
Non-current interest-bearing loans and borrowings ^(c)	967,374*	1,114,476*	1,115,200
Current interest-bearing loans and borrowings	178,856*	33,431*	40,365
Related party liabilities	16,582*	16,187*	17,294
Corporate Bond	324,896*	326,494*	327,262
Other liabilities	0*	0*	0
less cash and cash equivalents	(351,236)*	(371,404)*	(213,706)
Net liabilities (loan)	1,136,472	1,119,184	1,286,415
LTV (in %)^(c)	47.8	44.5	48.1
Adjusted LTV (in %)^(c)	41.8	39.2	43.2

* Audited.

- (a) Includes equity interests in associates and other investments.
(b) Includes IFRS 5 investments of €22.1 million.
(c) Adjusted for warehousing.

(4) The following table shows the calculation for NAV:

	As of December 31,		As of June 30,
	2019	2020	2021
	(€ thousand)		
	(unaudited, unless stated otherwise)		
Carrying amount of properties	1,623,030	1,599,987	1,799,621
Fair value adjustment	276,987	306,067	318,360
Fair value of the Commercial Portfolio	1,900,017	1,906,054	2,117,981
Real estate assets acc. to IFRS 5	100,154	93,965	612,362
Fair value of properties	2,000,171	2,000,019	2,730,343
Carrying amount of equity investments	71,212	66,712	67,909
Fair value adjustment	5,887	0	0
Fair value of investments in associates	77,099	66,712	67,909
+/- Other assets/liabilities (excluding goodwill)	592,770	719,463	804,689
Restatement of other assets/liabilities ^(b)	(60,288)	(83,827)	(236,271)
Net loan liabilities at carrying amount	(1,512,125)	(1,474,401)	(1,760,074)
Net loan liabilities in accordance with IFRS 5	(35,031)	0	(363,936)
Non-controlling interests	(12,253)	(14,769)	(12,214)
Goodwill incl. other assets / liabilities	193,892	196,660	196,764
NAV	1,244,235	1,409,857	1,427,209

* Based on valuation reports with valuation date December 31, 2020.

- (a) Includes non-controlling interests and IFRS 5 properties.
(b) For the fiscal years ended December 31, 2020 and 2019: Restated for deferred taxes (€+5,009 thousand; previous year: €+7,880 thousand), financial instruments (€+5,129 thousand; previous year: €-3,045 thousand) and IFRS 5 assets and liabilities (€-93,965 thousand; previous year: €-65,123 thousand).

(5) The following table shows the calculation for Adjusted NAV per share in EUR:

	As of December 31,		As of June 30,
	2019	2020	2021
	(€ thousand)		
	<i>(unaudited, unless stated otherwise)</i>		
NAV	1,244,235	1,409,857	1,427,209
Number of shares (thousand)	72,214	80,587	81,861
EPRA-NAV per share in EUR ^(a)	17.23	17.49	17.43
Fair Value of Institutional Business	7.71	6.99	6.88
Goodwill, intangible assets and other assets and liabilities ...	(2.68)	(2.44)	(2.40)
Adjusted NAV per share in EUR	22.26	22.04	21.91

(a) Based on 81,861,163 shares as of June 30, 2021 (2020: 80,587,028 shares; 2019: 72,213,775 shares).

Key Operating Data (Total Platform)

	As of or for the fiscal year ended December 31,		As of or for the six months ended June 30,
	2019	2020	2021
	<i>(unaudited)</i>		
Assets under management (in € million) ⁽¹⁾	7,629.4	9,595.5	11,306.7
Number of properties	180	189	234
Rental space (in sqm)	2,007,000	2,219,700	3,112,200
Weighted average lease term ("WALT") (in years) ⁽²⁾	6.2	6.7	5.9

(1) We define assets under management as all managed real estate assets from the Commercial Portfolio and Institutional Business segments at the most recently determined market value in each case.

(2) Excluding third-party business and repositioning properties.

MARKETS AND COMPETITION

The Company has operations in the German market for commercial real estate, which is driven by the macroeconomic development as well as market-specific parameters.

Macroeconomic Development in Germany

Although the German economy has been affected by the coronavirus pandemic, Germany's economic downturn will be less severe than previously expected and less severe compared to other countries. The Federal Government's support since the beginning of the crisis has proven effective to date. Falling COVID-19 incidence rates, vaccination rollout and a resurgent economy contribute to the current optimistic outlook. The German economy assesses its current business situation more positively, with orders in the industrial sector rising and job levels similarly on the rise. (Source: GTI - Gesellschaft für Außenwirtschaft und Standortmarketing). According to data from the Federal Ministry for Economic Affairs and Energy, Germany's GDP fell by 4.9% in 2020. Earlier forecasts predicted a GDP slump of at least 6.3%. Despite the fact that COVID restrictions are still widespread, the ministry forecasts GDP growth of 3.5% for the year.

Germany's government moved early on to counteract the worst effects of the crisis, introducing a far-reaching package of financial measures to safeguard health, jobs and the economy. The record aid package includes a supplementary government budget of €156 billion to absorb the immediate consequences of the crisis. The complete program of help measures planned – including guarantees and subsidized KfW bank loans – planned represents €1.2 trillion in total. (Source: GTI - Gesellschaft für Außenwirtschaft und Standortmarketing).

Throughout the COVID lockdowns, German households have accumulated sizeable savings during the pandemic. As a result, the lifting of COVID restrictions is likely to translate into a strong uptick in private consumption and increased activity in the services sector, as suggested by rising retail sales and improving confidence. The improvement of macroeconomic conditions has started to have positive repercussions on the labour market. The number of shorttime workers newly reported to Bundesagentur für Arbeit (the German federal agency in charge of the labour market) has declined to below 100,000 in June and July 2021, compared to close to one million in January 2021 and to a peak of 8 million in April 2020. Meanwhile, the harmonised unemployment rate stood at 3.7% in June 2021, down from 4.0% at the end of 2020 (Source: Moody's).

German Real Estate Landscape

The main reasons for the popularity of the German property market are the country's stable economy and the attractive financing on offer. The Company believes that stable and solid growth, high employment, low inflation and a growing population are positive indicators for further growth in the commercial real estate sector. Moreover, all procedures related to property purchasing are strictly regulated, and the buyers' and the sellers' rights are securely protected.

According to the Company, when compared to other European countries, the German market for commercial real estate is highly attractive. Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart (the "Top 7 Cities") have large amounts of office space, busy transaction activities and liquid trading, more intense competition, and therefore greater movement in prices and rentals. In addition, there is a large number of medium-sized towns and cities that act as centres of economically important regions. There is less competition in these regions, and transaction activities are less extensive. At the same time, prices and rentals for office and commercial real estate are less volatile in these regions than in the major economic centres, and vacancy rates are usually lower.

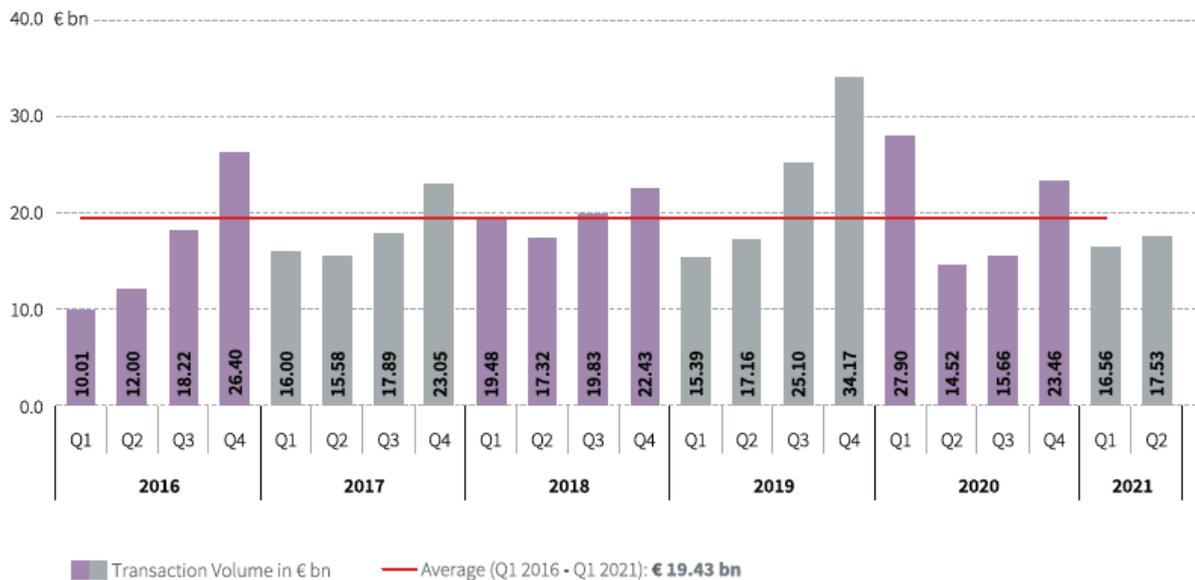
Developments in the German Commercial Real Estate Market

Transaction volume in the first half of 2021

For the first half of 2021, JLL reported a transaction volume of approximately €34 billion, which was only approximately 20% lower than the first half of 2020. After falling by over 40% in the first quarter of 2021, the market showed improvement in the second quarter, growing by 21% versus the second half of 2020. The second quarter contributed 51% to the half-year volume. Approximately 30% of the transaction volume flowed into the office segment that, among the entire commercial transaction volume, represents the second strongest investment activity after Living. Approximately €16 billion of the investment volume was attributable to the major five

locations Berlin, Düsseldorf, Frankfurt am Main, Hamburg and Munich (Source: JLL, Germany Investment Market July 2021).

Transaction Volume Germany



Source: JLL, Germany Investment Market Overview 2021

German real estate landscape in the Top 7 Cities

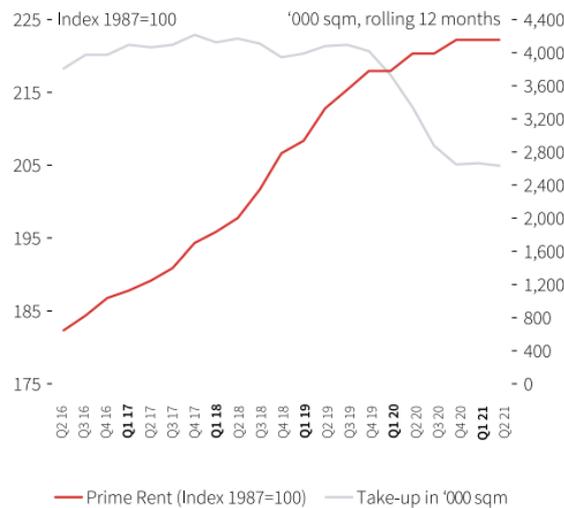
Demand for office space is stabilising

In the six months ended June 30, 2021, approximately 1.31 million sqm of office space in the Top 7 Cities was either let to tenants or sold to owner-occupiers, almost unchanged to the 1.32 million sqm in H1 2020. The German office market crisis arising from COVID-19 appears to have faded given the take-up volume of 715,000 sqm in the first three months of the year is comparable to the first three months of 2020 as well, the last pandemic-free period in Germany (Source: JLL, Germany Office Market Overview April and July 2021).

With the office market representing a lagging indicator of economic fluctuations, it will be some time before the positive underlying data will affect demand. Assuming the vaccination rate continues to rise and that any fourth wave in the autumn would not require a mandatory return to home working, demand is not expected to change drastically (Source: JLL, Germany Office Market Overview July 2021).

Overall, it is unlikely to see significantly greater momentum on letting markets before 2022 and take-up forecast for 2021 as a whole is about 2.8 million sqm, which would be 5% higher than 2020. In terms of demand, the German office market would then still emerge in very good shape from a crisis situation never seen before in this form (Source: JLL, Germany Office Market Overview July 2021).

Prime Rental Index and Take-up Big 7



Source: JLL, Germany Office Market Overview July 2021

Vacancies continue to rise significantly

In total, office vacancies amounted to 4.0 million sqm in the Top 7 Cities at the end of the first half of 2021. This is just over 1 million sqm (or 35%) compared to the end of June 2020. This further cements the somewhat unusual turning point in the cycle at the end of 2020, with increasing vacancies yet rising or stable rents. The average vacancy rate for the Big 7 currently stands at 4.3%, 40 basis points higher than in the first quarter and this vacancy rate is currently still below the crucial threshold of 5%. (Source: JLL, Germany Office Market Overview April and July 2021).

The proportion of sub-lettings – a type of seismograph for future developments – has remained at a consistent level and accounts for 12% of overall vacancies and could creep up to 15% during the year, but would still be well below the rate recorded in 2002 (24%), with a similar economic crisis but without a banking crisis. (Source: JLL, Germany Office Market Overview July 2021).

Completions volume higher than a year ago level while pre-lettings fall

In the first six months of 2021, office space completions amounted to a total of around 817,000 sqm, representing an increase of almost 82% compared to the first half of 2020. Almost 828,000 sqm is expected for the rest of 2021, bringing the total volume of new space in 2021 to to approximately 1.6 million sqm – a plus of approximately 13% compared to the year 2020. (Source: JLL, Germany Office Market Overview July 2021).

There is additional office space of 4.4 million sqm under construction, of which Berlin alone accounts for 39%. Previous studies show that the share of speculative or available space has increased slightly compared to recent quarters. With the proportion of space that is already rented and occupied standing at a somewhat lower level of 43%, it remains to be seen whether this trend of declining pre-letting rates is already an effect of the recent sharp rise in building prices. (Source: JLL, Germany Office Market Overview July 2021).

Rents remain unchanged and even increase in two of the Top 7 Cities

The mixed supply and demand situation has not affected rents. While many tenants are becoming more price-sensitive, others are still willing to pay prime rents for prime space in the best locations. In terms of the Big 7, two cities recorded positive growth rates compared to a year ago: Hamburg (3.3%) and Berlin (2.7%). In the other Top 7 Cities, prime rents remained unchanged during the second quarter. The JLL prime rental price index remained unchanged at 222.35 points at the end of the second quarter and was therefore unchanged for the third quarter in a row. (Source: JLL, Germany Office Market Overview July 2021).

A fundamental disruption when it comes to demand for space is not expected as a consequence of the trend of working from home. There are two opposing developments: On the one hand, increased working from home regulations have had a compressive effect on consumption. On the other hand, in order to guarantee hygienic standards, new concepts require more distance between employees, increasing the necessary office space per

employee (Source: Bulwiengesa). Further, real estate companies offering average rent prices could profit from the economic recovery since demand for space at peak rent prices tends to be more heavily affected than space with average rent prices.

Vacancy incl. Space for Subletting	Q4 2020		Q2 2020		Q2 2021		%
	sqm	Rate (%)	sqm	Rate (%)	sqm	Rate (%)	
Berlin ¹	589,300	2.8	379,700	1.9	811,800	3.9	113.8
Düsseldorf ²	633,100	6.8	566,500	6.2	708,500	7.6	25.1
Frankfurt/M ³	714,000	6.1	728,400	6.3	764,900	6.6	5.0
Hamburg ⁴	450,400	3.0	406,200	2.7	474,400	3.1	16.8
Cologne ⁵	202,000	2.6	169,400	2.2	240,000	3.1	41.7
Munich Region ⁶	735,700	3.5	561,900	2.7	877,600	4.2	56.2
Stuttgart ⁷	181,700	2.1	182,700	2.1	165,600	1.8	-9.4

Prime Office Rents (€/sqm/month)	Q4 2020	Q2 2020	Q2 2021	%
Berlin ¹	38.00	37.00	38.00	2.7
Düsseldorf ²	28.50	28.50	28.50	0.0
Frankfurt/M ³	41.50	41.50	41.50	0.0
Hamburg ⁴	31.00	30.00	31.00	3.3
Cologne ⁵	26.00	26.00	26.00	0.0
Munich Region ⁶	41.00	41.00	41.00	0.0
Stuttgart ⁷	25.50	25.50	25.50	0.0

Completions (in sqm)	2020	H1 2020	H1 2021	%
Berlin ¹	488,500	149,200	220,500	47.8
Düsseldorf ²	102,700	25,500	46,400	82.0
Frankfurt/M ³	223,800	65,300	84,700	29.7
Hamburg ⁴	174,800	53,200	83,300	56.6
Cologne ⁵	80,500	28,800	42,100	46.2
Munich Region ⁶	347,800	110,600	159,000	43.8
Stuttgart ⁷	34,300	5,500	181,300	3,196.4

Source: JLL, Germany Office Market Overview, July 2021

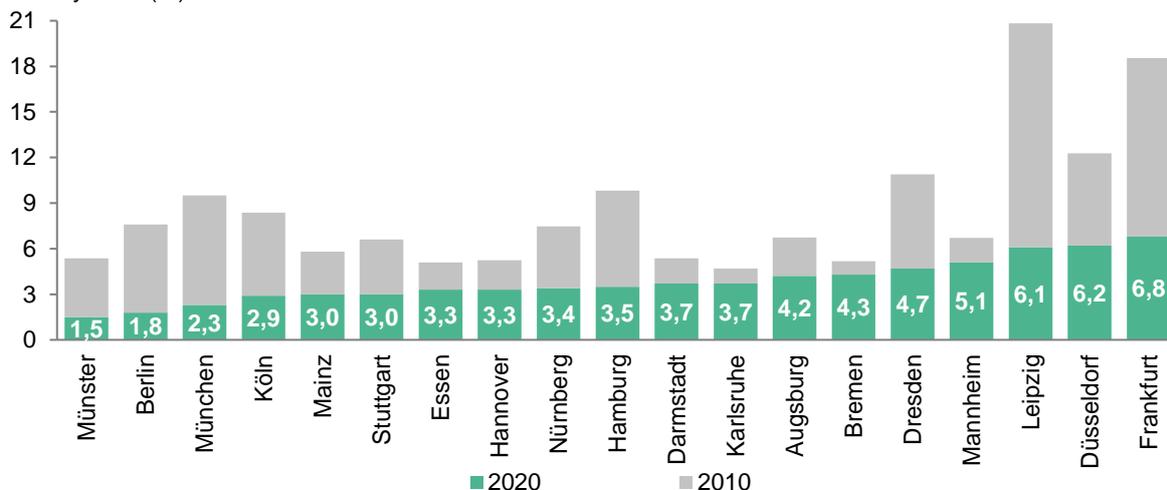
German real estate landscape outside the Top 7 Cities

Take-up in regional centres was broadly in line with long-term average in 2020. Prime rents in regional centres up by nearly 30 per cent since 2010, with some regional centres achieving higher rents in “office-only” peripheral locations compared to prime city centre locations.

Offices will remain an essential part of the working world and attractive office space will be virtually unaffected by falling prime rents. A moderate increase in vacancy rates is expected in 2021 but will have only a marginally negative impact on prime rents, although falling office demand could have a disproportionately large impact on weaker office locations.

Despite an increase, vacancy rates in the office market remain low

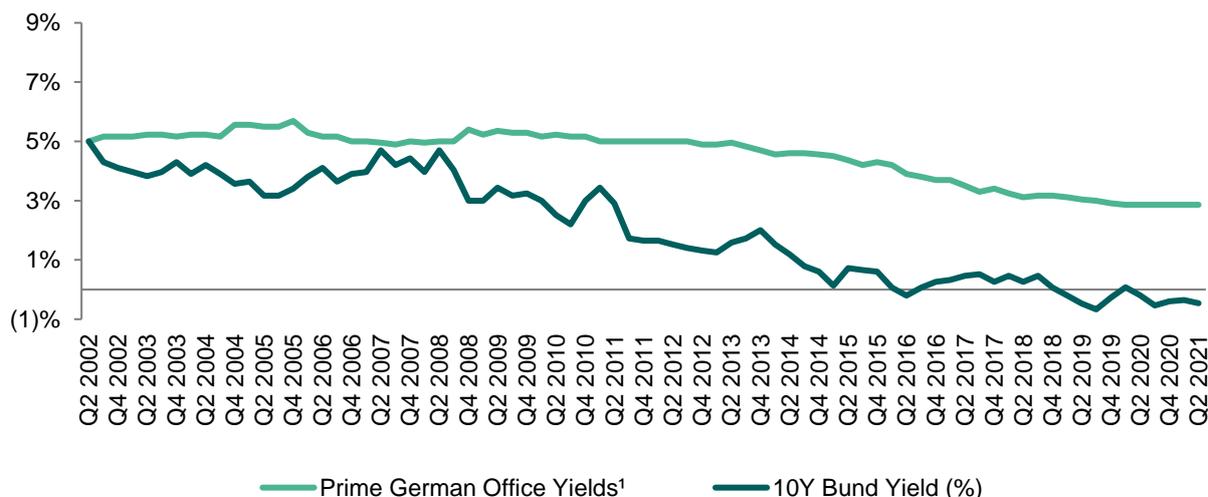
Vacancy Rate (%)



Source: DZ Hyp, Main Regional Real Estate Markets in Germany 2021.

German Real Estate Asset Management Market

Interest rates in Germany are close to record lows, with German ten-year government bonds trading at a negative 0.48% as of August 24, 2021 (Source: German Federal Bank, Yields on debt securities).



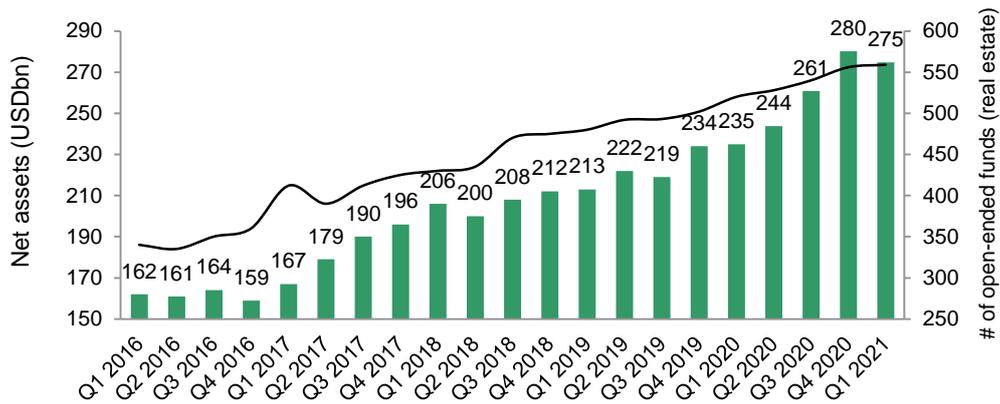
¹German office yields as average of Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich and Stuttgart

Source: Bundesbank, CBRE.

Due to continued low respectively negative interest rate environment, investors are seeking investment opportunities with higher yield potential than fixed-income instruments and at the same time long-term stability and perceived low risk.

The prime office yield in the Top 5 Cities (Berlin, Dusseldorf, Frankfurt, Hamburg and Munich) amounts to 271 basis points at the end of the second quarter in 2021 (CBRE).

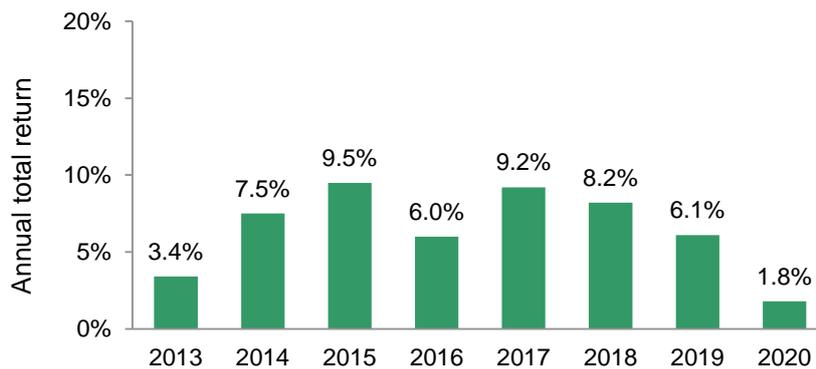
Open-ended real estate funds in Germany



Source: International Investment Funds Association (IIFA)

Consequently, German real estate funds continue to gain importance among institutional investors. The number and assets under management of German real estate open-ended funds has steadily increased in the past three years. In the first quarter of 2021, there was a number of 559 funds managing \$275 billion of assets (Source: International Investment Funds Association, First Quarter 2021).

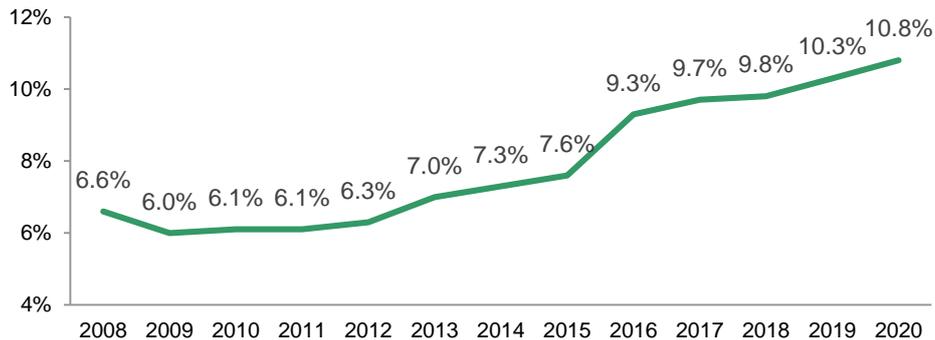
Performance of European non-listed real estate



Source: INREV, Annual Index 2021.

Moreover, the performance of European non-listed real estate funds has been historically strong. The INREV index, which measures total return of non-listed real estate funds with a minimum of 90% of gross asset value (“GAV”) in Europe, displays an average return of approximately 6.5% per annum between 2013 and 2020 and has been particularly successful in 2015, 2017 and 2018. Despite the pandemic, 2020 registered a positive annual total return of 1.8%.

Real estate investment as part of portfolio



Source: EY, Trendbarometer Immobilienanlagen der Assekuranz, 2021.

In addition to the aforementioned yield spread, attractive return levels have majorly contributed to increasing relative investment into real estate over the past years. Based on an investor survey conducted among insurance companies by EY, investment into real estate as part of the total portfolio has increased to 10.8%. The relative amount invested in real estate has continuously increased over the past decade from 6.0% in 2009 to 10.8% in 2020 (EY, Trendbarometer 2020). The annual Investment Intentions Survey by INREV comes to very similar results with an average institutional allocation to real estate of 9.3% in 2021 (compared to 10.4% in 2020). Target allocations for two years from now are, on average, 10.0% indicating that the average institutional investor is currently below target and that more capital should be expected to flow to real estate over the coming two years. While current and target allocations by investors vary across the regions, all regions globally report allocations below target. European investors report lagging targets by 30 basis points in 2021. (INREV, Investment Intentions Survey 2021).

Across EMEA, Germany remains the country with highest inbound capital flow in Europe with a total amount of €77.4 billion as of 2018 (CBRE, EMEA Investor Intentions Survey 2019). Full year 2020 German investment volume declined by just 5% year-on-year from 2019 despite the pandemic (CBRE, EMEA Investor Intentions Survey 2021). The activity of international buyers decreased slightly in 2020 compared to the previous year due to several varying travel restrictions and the global recession. Overall, foreign capital accounted for almost 41% of the transaction volume, compared to 43% in 2019. Like in previous years, International involvement in portfolio transactions was 60% higher than for individual transactions. The bulk of the activity came from buyers outside the European Union at approximately 20% of the total volume. (Source: ZIA Frühjahrsgutachten Immobilienwirtschaft 2021).

Overall, investors value the high transparency in the German office market and continued strong money market fundamentals. In terms of investment volume, although 2020 total investment of €59.6 billion was below the 2019 level of €72.6 billion, it exceeded by almost a quarter the ten-year average of €48.2bn. The market has been robust in 2020 despite the pandemic and was driven by a strong first and fourth quarter. (Source: ZIA, Frühjahrsgutachten Immobilienwirtschaft 2021).

Competitive Landscape

Commercial Portfolio

The intensity of competition for leases varies according to the location of the property. There is a high level of competition in the major economic centres. The Company believes that the factors critical to the tenant are the rent level and the overall package on offer. The belief is that the local presence of the Company gives it an advantage in terms of customer loyalty, response times, and proximity to the market, especially when compared to investors located farther away.

For real estate transactions, the Company's competitors include local, national, and international companies. The intensity of the competition depends, among other things, on economic factors, the situation in the sector, and the availability of equity and borrowed capital. The Company believes that the regional presence and detailed market knowledge are an advantage, especially in comparison to international competitors. Prospective buyers interested

in individual properties and portfolios with a medium investment volume are mainly private investors, locally operating real estate companies, other real estate investors with a regional focus, and international financial investors in real estate. Competitors for large portfolios include primarily international financial investors, listed real estate companies, and other German institutional investors. The intensity and professionalism of the competition are often greater for large portfolio transactions, which are usually carried out by auction, than for individual properties and smaller portfolios.

When selling real estate, the Company competes with market participants that offer real estate properties in a similar income and risk category, of similar quality, and with comparable yields. Because of regional market knowledge and an established network in the investment market, the Company believes that it can identify and target suitable buyers, allowing it to place selected properties favorably. The Company's real estate funds for institutional investors compete with the funds of other providers offering similar long-term investment options, particularly when it comes to funds governed by German law.

Institutional Business

In the Institutional Business segment, the Company covers the entire lifecycle of investments in real estate for national and international institutional investors, comprising acquisition of assets, capital raising, asset and property management, selected development, own investment and the exit phase.

According to Property Funds Research and Institutional Real Estate Inc. in its study entitled Global Investment Managers 2019, the top 100 real estate asset managers handle, in aggregate, approximately €3.41 trillion, up from €0.85 trillion in 2008 (+300%). The biggest manager is Blackstone with gross real estate assets under management of approximately €248 billion followed by Brookfield AM with approximately €185 billion assets under management, while the smallest manager analyzed in the top 100 is BMO Real Estate Partners, managing real estate assets under management of approximately €7 billion. Based on the total assets under management handled by the Company (€8.6 billion as of June 2021) and on the market data provided by Property Funds Research the Company would rank number 87 globally (Institutional Real Estate Inc, Global Investment Managers 2020).

While German listed peers with similar business models exist, the Company's competitors differ in terms of completeness of service, core business, geographic focus, client base and recurrence of fees. Closest peers include, inter alia, Patrizia Immobilien AG ("**Patrizia**") with assets under management of €47 billion (Source: Company information). Patrizia is a close peer in terms of asset management and real estate funds with focus on B2B clients. However, it differs from the Company in a variety of factors including geographic focus, service offering, and deal structures. It cannot be excluded that additional potential competitors will enter the German market or that other market participants will start implementing a business model similar to ours and, as a result, increase competition.

Furthermore, the Company faces competition in each of the distinct stages of the real estate investment lifecycle and the competitive landscape frequently varies among each stage. Thus, given the heterogeneous clustering of the German commercial real estate market, it is not possible to give a precise description of the competitive situation. The Company's real estate funds for institutional investors compete with the funds of other providers offering similar long-term investment options, particularly when it comes to funds governed by German law.

BUSINESS

Portfolio Overview

We believe we are one of Germany's leading listed commercial property companies with a fully integrated platform focused on office real estate. As of June 30, 2021, our real estate assets under management (the "**Real Estate Portfolio**") comprised 234 properties, of which 96 belonged to the Commercial Portfolio (thereof 3 warehousing properties) and 138 to the Institutional Business, with total rental space of approximately 3.1 million square meters ("**sqm**") and a total market value of €11.3 billion. Of this amount, €2.7 billion relates to real estate we own (incl. warehousing properties in the amount of €0.6 billion) and €8.6 billion relates to real estate we manage for institutional investors.

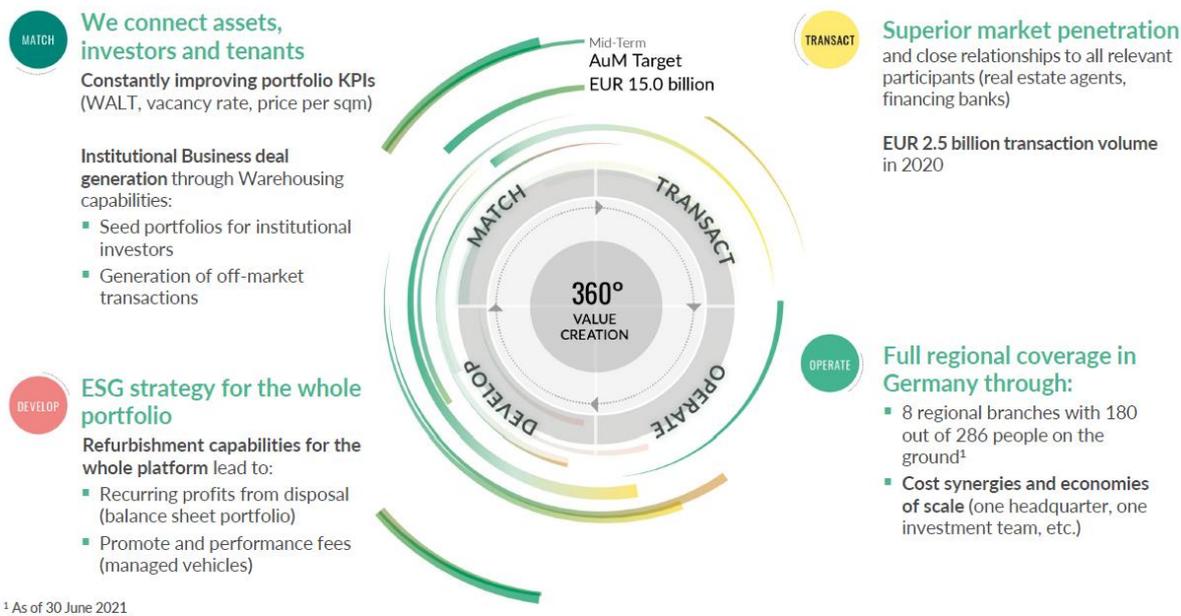
For the fiscal year ended December 31, 2020, our total income amounted to €321.1 million, our EBIT to €117.6 million, of which €70.9 million was generated by the Commercial Portfolio and €46.7 million by the Institutional Business, and our funds from operations ("**FFO**") to €96.5 million, of which €47.3 million were generated by the Commercial Portfolio and €49.2 million by the Institutional Business. For the six months ended June 30, 2021, our total income amounted to €222.7 million, our EBIT to €61.9 million, of which €36.0 million was generated by the Commercial Portfolio and €25.9 million by the Institutional Business, and our FFO to €53.0 million, of which €24.3 million was generated by the Commercial Portfolio and €28.7 million by the Institutional Business. In the six months ended June 30, 2021, our letting volume in both segments amounted to 100,100 sqm, 58% of which related to new lettings and 42% to renewals. Annualized like-for-like rental income generated across our platform for the six months ended June 30, 2021 amounted to €318.0 million, of which €85.9 million was generated by the Commercial Portfolio and €232.1 million by the Institutional Business.

As of June 30, 2021, our total adjusted NAV amounted to €1.8 billion. As of June 30, 2021, our Unencumbered Asset Ratio amounted to approximately 29.3%. Our total financial liabilities amounted to €1.5 billion (excl. warehousing) out of which €1 billion (excl. warehousing) constituted secured debt.

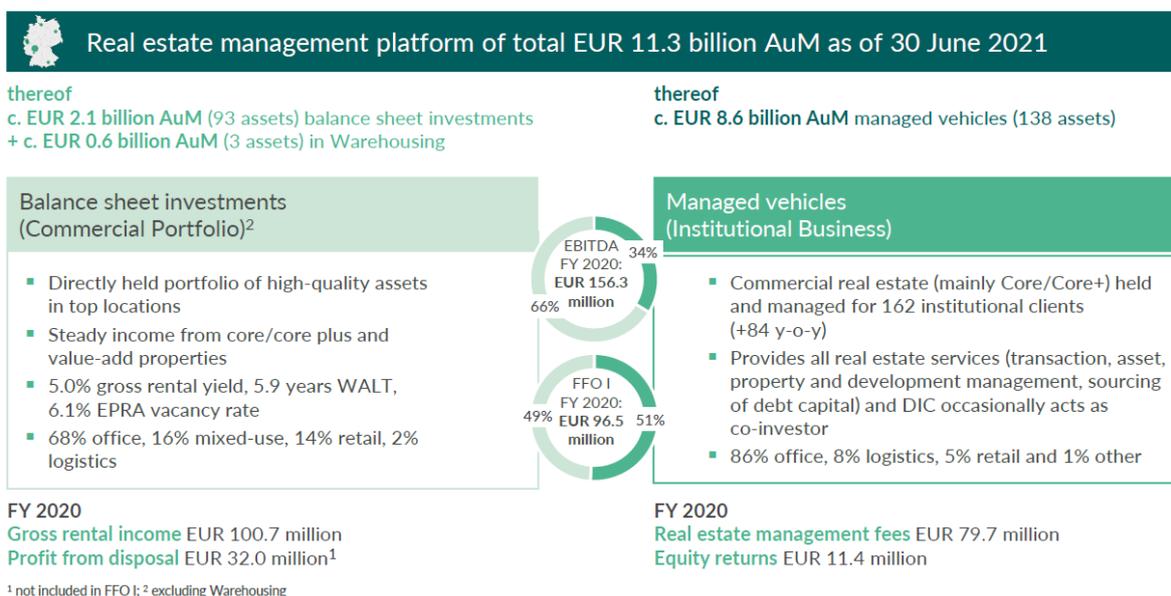
Our headquarters are located in Frankfurt am Main, Germany, with seven further regional branches strategically located in close proximity to our assets and 180 individuals in asset, property and development management. We had a total of 286 employees as of June 30, 2021.

We implement a diversified business model for the active management of commercial real estate investments, which is focused on our Commercial Portfolio and Institutional Business segments and combines several sources of income: It is mainly based on sustainable rental income from our Commercial Portfolio and recurring fee income from a broad range of managed accounts in our Institutional Business, also supplemented by equity returns from our co-investments in the Institutional Business. The combined business is serviced by our proprietary, fully integrated real estate investment, transaction and management platform, which generates attractive recurring and predictable income streams and comprises the following elements:

Our "**MATCH**" strategy involves the targeted matching of properties with tenants and investors, and the exploitation of our warehousing capabilities for the generation of deals in our Institutional Business, comprising the establishment of seed portfolios for institutional investors as well as the realization of off-market transactions. We match assets, investors and tenants and thereby contribute to the improvement of our portfolio KPIs (WALT, vacancy, price per sqm). Our "**TRANSACT**" activities are directed at the initiation and structuring of transactions with a view to achieving dynamic growth and value appreciation, with our experienced management also taking a proactive, all-encompassing ESG-driven approach to the operation of our business in line with sustainability aspects. Our superior degree of market penetration and close relationships with all relevant participants (real estate agents, financing banks) is evidenced by our €2.5 billion transaction volume in 2020. Our "**OPERATE**" policy is reflected in our adoption of an active and sustainable approach to the management of our properties across the board, the maintenance of full regional coverage throughout Germany and a direct local presence on the ground, with 180 of the 286 employees at our eight regional offices managing our assets on site in close proximity to our properties and tenants, and the realization of cost synergies and economies of scale (with a single headquarters and a single investment team, for example). Our "**DEVELOP**" tactics entail the continuous development, maintenance and optimization of our real estate properties under management, as well as the use of digitization as a further building block in our ESG strategy for the management of our entire portfolio with a view to the use of refurbishment capabilities throughout the entire platform to generate recurring profits from disposals (balance sheet portfolio) and promotion and performance fees (managed vehicles).



We believe that our business model is unique in that it has transformed a formerly straight-line value chain into dynamic circular processes, enabling us to integrate all players and phases of property management to deliver 360-degree value creation to our investors and shareholders while also taking advantage of strong synergy effects. This approach allows us to optimize the use of resources such as capital and the know-how of our in-house management teams while effectively networking assets, tenants and investors on our platform, and to achieve uninterrupted value creation across all market cycles. Coordinating and combining our commitments as property asset holder with the deliverables we provide in the capacity of initiator and manager of investment products for institutional clients enables us to ensure reliable deal flows and cash flows on our platform and to function as a full-service system provider covering all aspects of commercial real estate investments.



We actively manage our Real Estate Portfolio through our fully integrated platform, supported by an experienced management team and 286 employees, as of June 30, 2021. This includes one headquarter location, a development team, a transaction team and regional property management teams for our local offices. We believe this approach provides us with operating cost and capacity allocation synergies as well as a competitive advantage and allows us to be responsive to our tenants as well as remain a trusted and reliable partner. Certain regulatory reporting and risk management services are outsourced to KVG in the Institutional Business.

Our corporate strategy is to maintain a balance in FFO between the directly owned balance sheet investments held in the Commercial Portfolio and the indirect investments fee income within the Institutional Business, with a target of reaching €15 billion in assets under management over the medium term.

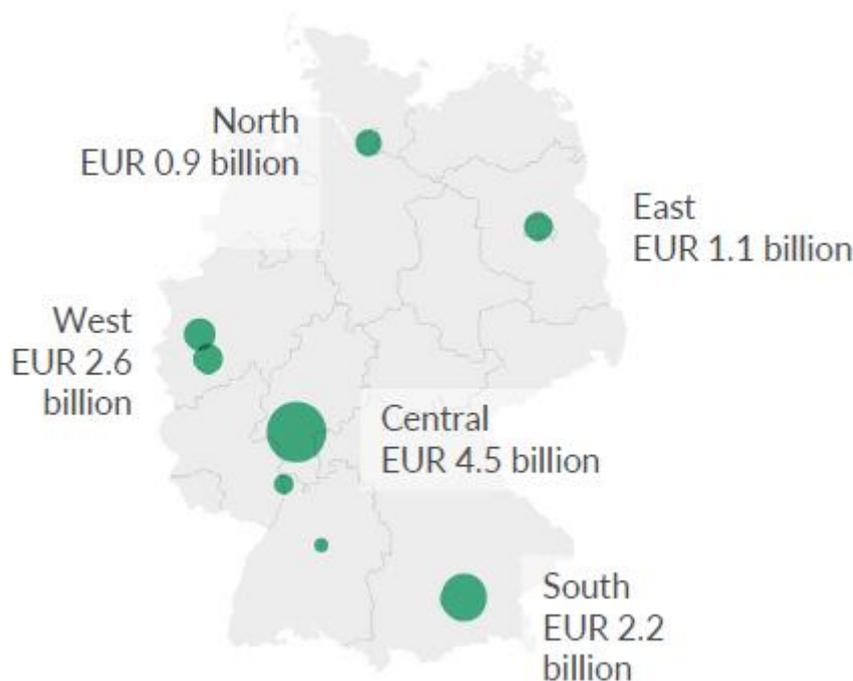
The table below gives an overview of our Real Estate Portfolio in relation to the two segments, Commercial Portfolio and Institutional Business, as of June 30, 2021 (with comparative figures as of June 30, 2020):

Portfolio overview	Total as of June 30,		Commercial Portfolio as of June 30,		Institutional Business as of June 30,	
	2021	2020	2021	2020	2021	2020
Number of properties	234	187	96	93	138	94
<i>thereof warehousing</i>	-	-	3	-	-	-
Market value in € million	11,306.7	8,501.1	2,730.3	1,902.9	8,576.4	6,598.2
<i>thereof warehousing</i>	-	-	620.2	-	-	-
Rental space in sqm	3,112,200	2,195,600	908,000	837,200	2,204,200	1,358,400
<i>thereof warehousing</i>	-	-	81,900	-	-	-

Our Real Estate Portfolio benefits from our regional diversification and diverse tenant structure. We are focused on major German office locations and centers (Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg and Munich) and on economically powerful medium-sized regional centers such as Darmstadt, Karlsruhe or Mannheim. We usually target cities with approximately 30,000 inhabitants or more.

We manage our activities through a network of eight own regional branches located in the portfolio hubs of Hamburg, Berlin, Düsseldorf, Cologne, Mannheim, Munich, Stuttgart and Frankfurt am Main. We believe that the resulting proximity to tenants and regional markets gives us a significant advantage in terms of location and know-how in comparison to national and international competitors located elsewhere.

The map below provides a geographical overview of our Real Estate Portfolio as of June 30, 2021 by assets under management:



Our business activities cover the entire value chain, from site and portfolio evaluation, execution of the purchasing process, asset and property management (through our subsidiary DIC Onsite GmbH (“**DIC Onsite**”)), refurbishment of property (if needed) and letting or, from time to time, sale. We also believe our in-house asset and property management (operated by our subsidiary DIC Onsite) is a key factor to our success, allowing us to leverage value enhancement potential in our divisions and increase earnings with an active asset and property management approach.

We have a strong and diversified base of high-quality tenants across our Real Estate Portfolio. Our tenants include our “blue chip” tenants, including Deutsche Börse, City of Hamburg, as well as Mercedes Benz, DKB and SAP.

Our stable tenant base and long-term lease agreements provide us with high visibility on rental income and cash flow generation. Our tenant base of more than 700 tenants (under nearly 900 rental contracts) includes well-known tenants, primarily from the public sector (which account for approximately 34% of our top eleven tenants' annualized rental income), the telecommunications sector and the retail sector. With the exception of Deutsche Börse AG, no tenant accounted for more than 5% of total letting volume in the period under review.

History

The Company was founded in 1998 and incorporated as a German stock corporation (*Aktiengesellschaft*). Since 2002, the Company has been investing in commercial real estate via property companies acquired or formed for this purpose, which was underpinned by the acquisition of several real estate portfolios and individual assets in recent years. Since June 2006, the Company has been listed in the SDAX segment of the Frankfurt Stock Exchange. In June 2019, the Company acquired GEG, which is one of Germany's leading investment and asset management platforms in the commercial real estate sector. In December 2020, the Company acquired RLI Investors GmbH as well as a 25% stake of Realogis Holding GmbH to expand the footprint in the strategically important logistics asset class.

Commercial Portfolio

In the Commercial Portfolio segment (the “**Commercial Portfolio**”) with approximately €2.1 billion assets under management (excluding warehousing, *i.e.*, the acquisition of properties which are earmarked as start-up portfolios of new investment vehicles and which are subsequently sold to the relevant investment vehicle), we act as owner and portfolio holder and generate income from rental income, sales proceeds and value optimization of our own real estate portfolio. The Commercial Portfolio is predominantly focused on office and, to a lesser extent, mixed-use as well as retail and logistics properties. As of June 30, 2021, the Commercial Portfolio comprised 93 properties with 826,100 sqm (without warehousing). The rental space in the Commercial Portfolio (excluding warehousing) is predominantly leased to tenants under long-term leases (a weighted average lease term (“**WALT**”) of 5.9 years as of June 30, 2021 (compared to 6.3 years as of June 30, 2020)) with attractive rental yields (gross rental yield of 5.0% as of June 30, 2021). By date of lease expiry, 3.5% of leases are expected to expire in 2021, 4.4% in 2022, 11.5% in 2023, 5.6% in 2024 and 75.0% in 2025 or beyond. As of June 30, 2021, the European Public Real Estate Association (“**EPRA**”) vacancy rate was at 6.1%, (excluding warehousing) which represents a slight decline on the EPRA vacancy rate as of June 30, 2020 of 7.5%. For the fiscal year ended December 31, 2020, our Commercial Portfolio generated gross rental income of €100.7 million. For the six months ended June 30, 2021, our Commercial Portfolio generated gross rental income of €48.3 million.

In our Commercial Portfolio (excl. warehousing) approximately 48% of the properties by market value are situated in Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart (the “**Top 7 Cities**”).

The table below provides an overview of key Commercial Portfolio data (excluding warehousing) as of the dates indicated:

Portfolio overview*	June 30, 2021	June 30, 2020
Number of properties	93	93
Market value in € million	2,110.1	1,902.9
Rental space in m²	826,100	837,200
Annualized rental income in € million	102.4	97.2
Average rent per m² in €	11.21	10.36
WALT in years	5.9	6.3
EPRA vacancy rate in %	6.1	7.5
Gross rental yield in %	5.0	5.1

* All figures excluding project developments and repositioning and warehousing.

As of June 30, 2021, the allocation of the 93 properties in the Commercial Portfolio into asset classes resulted in the following structure:

Asset class	No. of properties	Market value		Rental income p.a.		EPRA vacancy rate	WALT
		EUR m	% of total	EUR m	% of total		
 Office	55	1,426.9	68%	67.9	66%	6.5%	6.0
 Mixed-use	15	341.0	16%	18.4	18%	6.3%	5.2
 Retail	11	25.9	14%	12.9	13%	4.2%	6.7
 Logistics	8	47.9	2%	2.8	3%	2.9%	5.0
 Other	4	8.4	0%	0.4	0%	16.2%	2.8
Balance Sheet Portfolio	93	2,110.1	100%	102.4	100%	6.1%	5.9
 In Warehousing ¹	3	620.2		19.2		0.0%	9.9

¹ Two assets have been transferred to the Institutional Business after June 30, 2021.

Office is our largest asset class. The acquisition focus is on office properties and tenants with strong credit profiles. Mixed-use properties combine various types of use (office, retail, hotel and storage). Mixed-use is, in particular, an attractive independent asset class in the context of the “post-coronavirus” future of city centers. With respect to retail properties, the focus is on acquiring food retail. Logistics properties are the smallest sub-portfolio with growth opportunities through further investments. Other properties primarily consist of non-strategic properties (such as housing) and undeveloped land.

The chart below provides an overview of the top 20 assets of our Commercial Portfolio by market value as of June 30, 2021:

Location	Address	Rental space (thsd. sqm)	EPRA vacancy rate	Annualized rental income (€ million)	Market value* (€ million)	WALT (years)
Berlin	Taubenstr. 7 – 9	10.1	0.0%	4.3	120.5	3.6
Düsseldorf	Werdener Str. 4	29.5	7.4%	6.1	107.5	5.3
Offenbach	Berliner Str. 300	11.5	0.0%	2.7	85.2	11.8
Frankfurt	Instenburger Str. 7	14.3	6.2%	5.5	73.5	2.1
Eschborn**	Frankfurter Str. 1	9.3	0.0%	2.6	72.1	7.1
Cologne	Mercedes-Allee 1	23.4	0.0%	*	71.3	*
Halle	Neustädter Passage 17 a – d	30.7	0.9%	4.4	69.4	4.4
Munich	Georg-Brauchle-Ring 56, 58	9.2	0.0%	2.2	66.7	1.7
Hamburg	Marckmannstr. 129a – e	23.4	0.0%	2.4	63.8	10.5
Duisburg**	Steinsche Gasse 26	12.6	0.0%	2.3	58.3	15.7
Leverkusen**	Horst-Henning-Platz 1	13.4	0.0%	2.4	57.1	13.7
Frankfurt	Kaiserstr. 62 – 64	9.3	0.0%	2.1	56.0	11.3
Frankfurt	Königsberger Str. 29	12.7	15.9%	2.0	50.5	8.9
Chemnitz	Am Rathaus 1	26.9	0.0%	2.2	50.0	14.0
Wiesbaden	Gustav-Stresemann-Ring 12 – 16	26.1	38.1%	2.4	48.1	3.2
Hanover	Podbielskistr. 343	9.3	0.0%	1.9	47.6	8.4
Karlsruhe**	Bahnhofplatz 12	11.0	0.0%	1.9	44.7	9.7
Hamburg	Kurt-Schumacher-Allee 2 – 6	13.1	0.0%	1.6	41.6	6.3
Cologne	Mathias-Brüggen-Str. 124 – 170	28.2	2.4%	2.2	41.2	3.4
Mannheim	Coblitzallee 1 – 7	17.9	0.0%	2.3	38.0	7.1
Top 20 properties		341.9	4.8%	58.5	1,263.1	6.8
Other properties		484.2	7.8%	43.9	847.0	4.7
Total properties (excl. Warehousing)		826.1	6.1%	102.4	2,110.1	5.9
Properties in Warehousing		81.9	0.0%	19.2	620.2	9.9
Total properties		908.0	5.1%	121.6	2,730.3	6.5

Top 20 list without non-strategic properties and properties earmarked for future development activities

* Undisclosed information for reasons of competition

** Green Buildings (in total 11.0% of Market value excl. warehousing)

In the Commercial Portfolio, we aim to generate steady cash flows from stable long-term rental income and to unlock appreciation potential using active lettings management as well as by developing and repositioning portfolio properties. In the six months ended June 30, 2021, leases were signed representing annual rental income of €12.5 million, 20.8% higher than prior year levels (€9.9 million).

The Commercial Portfolio comprises properties, generally with long-term leases and attractive rental yields, which are owned by us and regarded as high-yielding rental assets with some investments being made in lower yielding properties to improve the WALT and the vacancy rate of the portfolio. The properties in the Commercial Portfolio are generally intended to be held and managed for the longer term to generate continuous rental income. With regard to portfolio optimization (*e.g.*, by way of refurbishment), sales at the right time may in some cases be in line with the strategic objective. We invest in real estate and manage and optimize our portfolio through our in-house asset and property management (operated by our subsidiary DIC Onsite) to leverage value enhancement potential and increase earnings with an active asset and property management approach. We create value through re-lettings, refurbishments and asset repositioning. We hold all our properties in our Commercial Portfolio through portfolio and property companies.

The properties are leased primarily to solvent tenants from broadly diverse sectors. In the six months ended June 30, 2021, 40.0% of rental income was attributable to the eleven largest tenants (tenants with 2% or more of annualized rental income for the Commercial Portfolio, excluding warehousing), with a WALT of 7.4 years. Approximately 34% of our top tenants' rental income is generated from public sector tenants.

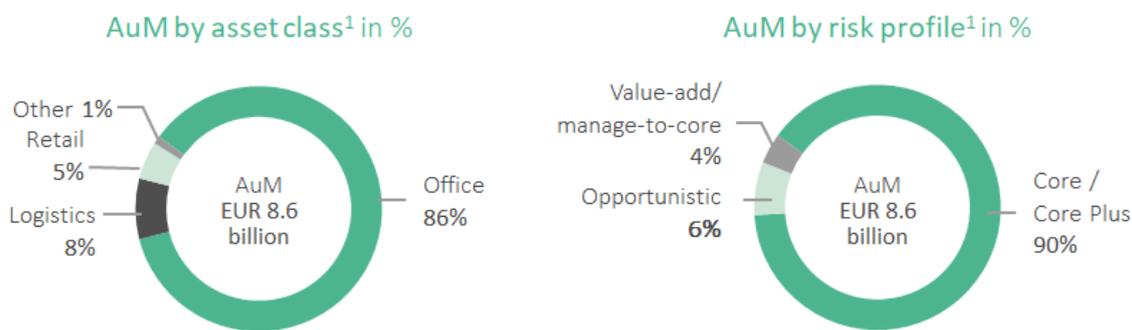
Institutional Business

The Institutional Business segment (the “**Institutional Business**”) has approximately €8.6 billion assets under management (as of June 30, 2021) for third party clients. As of June 30, 2021, the Real Estate Portfolio of our Institutional Business comprised 138 properties with approximately 2.2 million sqm of rental space. Through the Institutional Business segment, we generate income from fees we earn by acting as issuer and manager of special real estate investment vehicles providing for recurring cashflows. We offer the full range of asset, fund, and property management services and related investment products (open-ended special fund, KG, closed investment KG), covering mostly office asset classes in the Top 7 Cities. Fee income in the Institutional Business segment is generated along the entire real estate investment lifecycle from the sourcing/acquisition stage through the investment/property management and exit/realization stages, and includes recurring transaction fees (set-up fees in connection with new investment vehicles, for which we secure one or two properties by way of initial assets and which are recognized as such and also as warehousing income, and acquisition and sales fees, both of which are recognized as a percentage of the transaction volume), asset/property management and development fees (with asset/property management fees being recognized as a percentage of assets under management and development fees for the repositioning of office and retail projects generally being recognized as a percentage of the construction cost), as well as one-off (success-based) promote fees (which are recognized upon the sale of the properties of in question) and performance fees (which are payable upon the return thresholds for the investment vehicle being met or exceeded). We believe that our fully integrated business model positions us uniquely to benefit from recurring fee income in our Institutional Business, in particular.

We also act as a co-investor in some real estate investment vehicles and generate dividends from several mandates. Each such dividend comprises a recurring regular equity return from own investments in our investment vehicles (with fixed return levels) and a one-time (success-based) return upside, with the gain in value of the equity stake being recognized upon the positive performance of the investment vehicle concerned. For the fiscal year ended December 31, 2020, we realized real estate management fees of €79.7 million. For the six months ended June 30, 2021, we realized real estate management fees of €50.5 million.

The strategic focus of most of the individual investment strategies in the Institutional Business have a core/core+ risk profile. “Core” investments contain the lowest risk profile profile, whereas “core+” projects are typically low and moderate risk investments. These make up the vast majority (approximately 90%) of assets under management as of June 30, 2021. However, to a lesser extent also higher risk strategies along the yield curve (value-add, manage to core, opportunistic) are being managed, depending on the requested risk profile and targeted yield of the particular mandate. One of the key current projects of the opportunistic risk profile is the refurbishment of the former headquarters of Commerzbank in Frankfurt am Main, Germany, and its repositioning as Global Tower. An example for the core risk profile is, among many, the Japan Tower, located in Frankfurt am Main, Germany, vested with a long-term lease with a financial institution.

The diagrams below give an overview of the type of use and risk profile based on assets under management of our Institutional Business as of June 30, 2021:

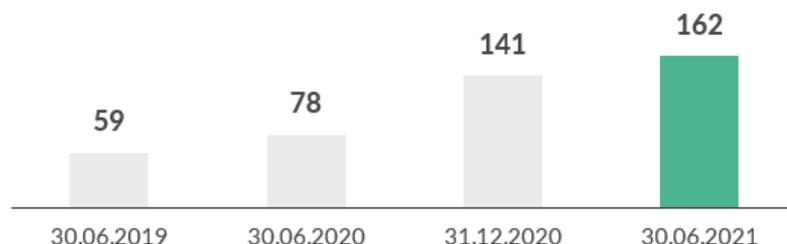


¹ Based on reported AuM as of 30.06.2021 of EUR 8.6 billion

Our open-ended special funds (*Spezialfonds*) such as the DIC Office Balance funds I to VI and the DIC Retail Balance I fund are all managed within our Institutional Business segment. We participate in some of the investment vehicles as co-investor with up to 10% interest.

The investment vehicles are offered under the German Investment Code (*Kapitalanlagegesetzbuch – KAGB*) and are primarily operated by IntReal as fund management company (*Kapitalverwaltungsgesellschaft*), a service fund management company focusing on the issuance of investment vehicles units and administration of property investment vehicles for third parties. We have entered into investment management agreements (*Geschäftsbesorgungsverträge*) with, *inter alia*, IntReal or Hansainvest. According to such agreements, we carry out the purchase process, arrange the financial and legal structure, and perform the property and asset management and the sale or refurbishment process of the properties held by the relevant investment vehicles.

Number of investment partners



The total volume of the Institutional Business segment (until March 31, 2019, of the segments Funds plus Other Investments) has steadily increased since 2010, for example, from €1.4 billion in 2015 to approximately €8.6 billion as of June 30, 2021 with a sharp rise in the second quarter of 2019 and the first quarter of 2021, respectively, as a result of the acquisition of GEG in 2019 and the consummation of the acquisition of RLI Investors in January 2021. As of June 30, 2021, our Institutional Business had invested equity of approximately €3.8 billion, comprised 138 properties and 30 mandates under management and had 162 institutional investors (including pension funds, insurance companies, savings banks and family offices) The number of investment partners has more than doubled in the last twelve months prior to 30 June 2021. As of the same date, 69% of assets under management of our Institutional Business (excl. project developments and repositioning properties) were located in the Top 7 Cities and 31% in other regions. As of June 30, 2021, 62% of assets under management were in the holding phase and 38% in the investment phase. By asset class, office including infrastructure accounted for approximately 86% of assets under management of our Institutional Business as of the same date. We have a highly diversified investor base with no investor having a greater share than 4% of total committed equity. Our investor base is characterized by a high level of investor retention, with approximately 54% investing in more than one investment vehicle.

We offer deal structures tailored to our investor needs and serve a diversified investor basis. As of June 30, 2021, based on assets under management, 15% of our deal structures included club deals, 56% pool funds and 29% separate accounts. As of the same date and by type of investment partner (based on committed equity), 32% were pension and sovereign wealth funds, 26% were insurance companies, 32% were banks and savings banks and 10% were family offices. The diagram below gives an overview of our deal structures:

Pool funds

- Pool funds specialised in regions or asset classes with a proven track record
- Funds legally structured as special funds under the German or Luxembourg regime
- Joint investments with investment partners, co-investment by DIC
- Strong individual property size
- Typically a portfolio of 7 – 8 properties acquired over time

- Individual property EUR 20 – 60 million
- Typically a portfolio of 7 – 8 properties acquired over time

EUR 4.9 billion

Club deals

- Investments for institutional investment partners in real estate in Germany's top 10 markets for commercial real estate, either in single-asset or portfolio transactions
- DIC secures property(ies) in order to mitigate the transaction uncertainty; the investment partners then join

- Individual property sizes
- Typically 2 – 3 properties with 2 – 3 institutional investors

EUR 1.2 billion

Separate accounts

- We initiate joint investment strategies for selected investment partners within the framework of individual mandates
- The investment strategies may not interfere with the existing pool funds and club deals

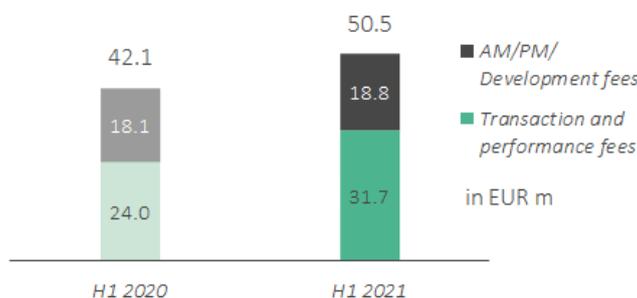
- Individual property sizes
- Typically individual property; no portfolio investments

EUR 2.5 billion

AuM (30.06.2021)

Income in the Institutional Business is generated by management fees, development fees, transaction fees, performance fees and equity returns. Fees for asset and property management and development are strongly correlated with assets under management whereas transaction and performance fees comprise fees for acquisitions and disposals, and the set-up of investment products. With the exception of promotion and performance fees which are success based, all our fees are recurring. Asset and property management fees are recognized as percentage of assets under management and development fees, which relate to the repositioning of office and retail projects, generally recognized as a percentage of construction costs. Transaction fees include set-up fees, which comprise warehousing income and set-up fees for new investment vehicles and acquisition and sales fees, which are recognized as a percentage of the transaction volume.

The income within the Institutional Business for the six months ended June 30, 2021 (with comparative figures for the six months ended June 30, 2020) is split as follows:



Warehousing

Our warehousing activities represent the intersection of our Commercial Portfolio and Institutional Business segments. In an initial phase, we acquire and transfer properties to our own balance sheet (Commercial Portfolio), where they are usually recognized in accordance with IFRS 5. In the intermediary phase, these properties are held over a warehousing period of typically up to 12 months, while we set up financing and investment target structures for investment vehicles to be managed by us and might invest in the further development (“refurbishment”) and optimization of the acquired properties to create a reservoir of attractive investment components (in the form of “seed portfolios”) that are available on short notice to be incorporated into said managed investment vehicles. In the meantime, the properties are managed on site on a regional basis through our own real estate platform and generate rental cash flows for our business. In the final phase, they are transferred to the managed investment vehicles (Institutional Business) and remain on the DIC platform pending their marketing/placement with investors, who benefit from transaction security and returns commencing upon the launch of the investment vehicles in question, while we realize sales profits as well as set-up/structuring fees and ongoing asset management and property management fees.

As of June 30, 2021, we had three properties with a total volume of €620.2 million in the process of being transferred out of our warehousing portfolio. In December 2020, we acquired a logistics property in Bremen for

approximately €25 million as part of the strategic expansion of our logistics segment. With approximately 8,500 sqm of lettable space and a WALT of approximately 9.5 years, the property is situated in an attractive micro-environment in Bremen's Airport-Stadt North with excellent regional and nationwide transport links, and the sole tenant is a subsidiary of the Airbus Group. In the first half of 2021, we acquired two attractive properties for warehousing purposes, with the aim of transferring them to the Institutional Business at a later date. In January 2021, we acquired the second construction phase of the "Erfurt ILP" logistics property in Arnstadt in Thuringia (comprising a rental space of approximately 54,000 sqm: two logistics warehouses with more than 21,000 sqm of warehouse and logistics space plus 700 sqm of office space and substantial parking spaces for cars and trucks), which reached completion in the first quarter of the year and is fully let on a long-term basis to international logistics service provider DACHSER SE. The acquisition of the landmark "Uptown Tower" property in Munich, with a market value of more than half a billion euros, followed in June 2021. This high-class property (which comprises a rental space of approximately 52,300 sqm, has a WALT of approximately 10 years and is fully let to Telefónica Germany) is the largest high-rise office building in Bavaria and a key feature of the Munich cityscape at 146 meters in height. The two warehousing properties in Bremen and Arnstadt have since been transferred to the Institutional Business after the last balance sheet date in the second half of 2021. The Uptown Tower is expected to be transferred to the Institutional Business by end of 2021.

Investment Strategy and Acquisition Criteria

We specialize in commercial real estate with a particular focus on office properties and an exclusive focus on Germany. We aim to ensure a stable portfolio architecture through long-term tenancies, regional diversification and a robust tenant structure and an ongoing optimization through intensive real estate management. Further, all our value creation activities are performed in-house by our own expert staff. We have established DIC Onsite as our in-house real estate manager and offer regional management via branches. We also have capacity for project development and refurbishment within the Group. Properties are financed on a long-term basis with an average WALT of 5.9 years as of June 30, 2021.

Our investment strategy is coupled with a structured acquisition process based on certain investment criteria, which we believe reduce our competition with other real estate investors.

The table below provides an overview of our acquisition profile:

Commercial Portfolio		Institutional Business
<ul style="list-style-type: none"> ■ Core ■ Core plus / Value-add ■ Maximum vacancy rate of up to 30% 	Risk / Return Profile	<ul style="list-style-type: none"> ■ Core / core plus with maximum vacancy rate of up to 15% ■ Refurbishment projects landmark properties ■ e.g. Global Tower, refurbishment
≥4.0%	Ø Yield Range ¹	2.0%–4.5%
EUR 10-100m	Avg. size (EUR m)	> EUR 40m, with optionality for selected assets >EUR 500m
<ul style="list-style-type: none"> ■ "ABBA" <ul style="list-style-type: none"> ■ ~50% in Top 7 ■ ~50% in metropolitan areas (>30,000 inhabitants) 	Geographical location	<ul style="list-style-type: none"> ■ Higher focus on Top 7 ■ Selective strong B-cities (>100,000 inhabitants)
Office, Logistics, Retail	Asset classes	Offices, Infrastructure real estate tenant, Logistics
Balance sheet	Vehicle	Off balance sheet: Club Deals, Pool Funds, Separate Accounts

¹ GRI / acquisition price

We source opportunities to acquire new properties mainly through our established network of market participants, including real estate brokers, financial institutions, asset managers, property developers, real estate advisors, governmental agencies and property companies, and also explore attractive off-market opportunities. We are very close to the market and benefit from "early look" advantage in sourcing acquisitions. In 2020, we had a total transaction volume of approximately €2.5 billion (compared to approximately €2.2 billion in 2019). In the six months ended June 30, 2021, we had a total transaction volume of approximately €900 million. We also make use of our extensive network in the German market for commercial real estate to identify attractive acquisition opportunities early. For the selective sales process, the seller appoints a broker for the selection process and only three to five potential buyers are contacted.

Before making an acquisition, new properties are examined in detail during the course of a due diligence. This examination includes, on the one hand, technical, legal, ESG and commercial due diligence, and, on the other

hand, compliance with investment and yield targets. We have a strong and tangible deal pipeline to grow both segments.

A typical Institutional Business investment case includes the following stages: Acquisition, holding or sale and reinvestment and sale. The acquisition is usually financed with committed equity and bank financing at approximately 50% LTV on purchase price. Occasionally selected assets are warehoused as an accelerator of funds. Our strategy is to unlock potential to increase values by using an individual property strategy with respect to the holding or sale and reinvestment. After repositioning, the optimized properties are managed and a stable cash flow is ensured. Optionally, some of the stabilized properties can be sold and the capital released reinvested in the investment vehicle. The sales period begins after approximately eight to ten years and the proceeds are reinvested into new investment vehicles.

Financial Policy

Our financial policy is in line with our operating strategy, as summarized in the chart below:

Leverage	<ul style="list-style-type: none"> ■ Maintain a moderate leverage of around 45% reported LTV (excl. warehousing and the value of the Institutional Business) ■ Diversification of debt financing sources and decrease in avg. senior unsecured interest costs through new bond issuance
Financial Structure	<ul style="list-style-type: none"> ■ Acquisitions carried out in accordance with track record of disciplined, selective and successful acquisitions, while always adhering to our disciplined financial policy ■ Maintain balanced debt maturity profile in relation to corporate size ■ Commitment to grow the own balance sheet portfolio in order to reach investment grade level during the maturity of the bond
Dividend	<ul style="list-style-type: none"> ■ Historically, 50–60 % pay-out ratio of FFO ■ Lower cash distribution due to scrip dividend, offered to shareholders since 2017 (acceptance c.47% in 2021)

Acquisitions and Sales in 2021

Our fully integrated platform allows us to monitor local market dynamics on a constant and consistent basis in order to manage the size and footprint of our portfolio as well as identify opportunities to realize value enhancement through selected disposals and acquisitions.

As of June 30, 2021, our investment teams notarized acquisitions and sales with a total volume of approximately €900 million. On the acquisition side, purchases amounting to approximately €724 million were notarized in the six months ended June 30, 2021, with approximately €138 million thereof being attributable to the balance sheet portfolio of our Commercial Portfolio and approximately €586 million to warehousing with subsequent transfer to the Institutional Business. These include the Uptown Tower property in Munich with a market value of approximately €500 million and a rental space of approximately 52,300 sqm. The Uptown Tower was built in 2014 (last modernization in 2018) and has a rental space of approximately 52,300 sqm with a WALT of approximately 10 years.

On the sales side, two properties from the Institutional Business were sold for €173 million.

The transfer of possession, benefits and associated risks for the above mentioned properties took place in the six months ended June 30, 2021.

COVID-19 Update

Since the COVID-19 crisis began, we have implemented several measures to safeguard our employees and prevent any disruptions of our operations. In particular, we have modified our business practices to minimize physical interactions (including practicing social distancing, flexible working hours and minimizing employee travel).

Due to lower-than-planned transaction volumes or later-than-planned transfers of possession, benefits and associated risks in both the Commercial Portfolio and the Institutional Business, we expected lower acquisition-related gross rental income, lower transaction-related management income and thus lower recurring management income for the financial year 2020 overall.

Pursuant to the COVID-Act, landlords were prohibited from terminating residential and commercial lease agreements if the tenant failed to pay rent during the period from April 1, 2020 to June 30, 2020, provided that such non-payment was caused by impacts related to COVID-19. Payments that became due during the period of April 1, 2020 through June 30, 2020, but that were not settled, will ultimately have to be settled by June 30, 2022. Directly affected tenants, primarily those in the retail, restaurant and hotel sectors, took particular advantage of this opportunity.

As a result, we entered into dialogue with our tenants at an early stage, primarily those from the retail, hotel and restaurant sectors in both business segments. We worked with these tenants to find the best possible contractual solution for both parties and ensure a long-term partnership. These agreements often comprised a combination of temporary short-term relief from rent payments and a simultaneous extension of lease terms. In 2020, one of our major tenants, Kaufhof, entered into protective shield proceedings (*Schutzschirmverfahren*) as a result of the COVID-19 pandemic. For two out of three Kaufhof properties, new contracts have been signed with an extension of WALT and a reduction in monthly rent. A third Kaufhof property was discontinued by Kaufhof, however, a new anchor tenant for the property (“Opti-Wohnwelt”) could be found immediately afterwards.

In response to the COVID-19 pandemic, we have made contractual arrangements and lease adjustments with major tenants in the Commercial Portfolio, thus aiming to minimize the risk of non-payment of rent for the rest of the fiscal year ending December 31, 2021. Rent payments in 2021, including advance payments for service charges, reached a level comparable to that recorded before the outbreak of the COVID-19 pandemic. Correspondingly, the rent collection rate decreased slightly in the first half of 2021 in connection with the extended federal lockdown measures in Germany but, by the beginning of August 2021, had already returned to a close to normalized level of approximately 97%.

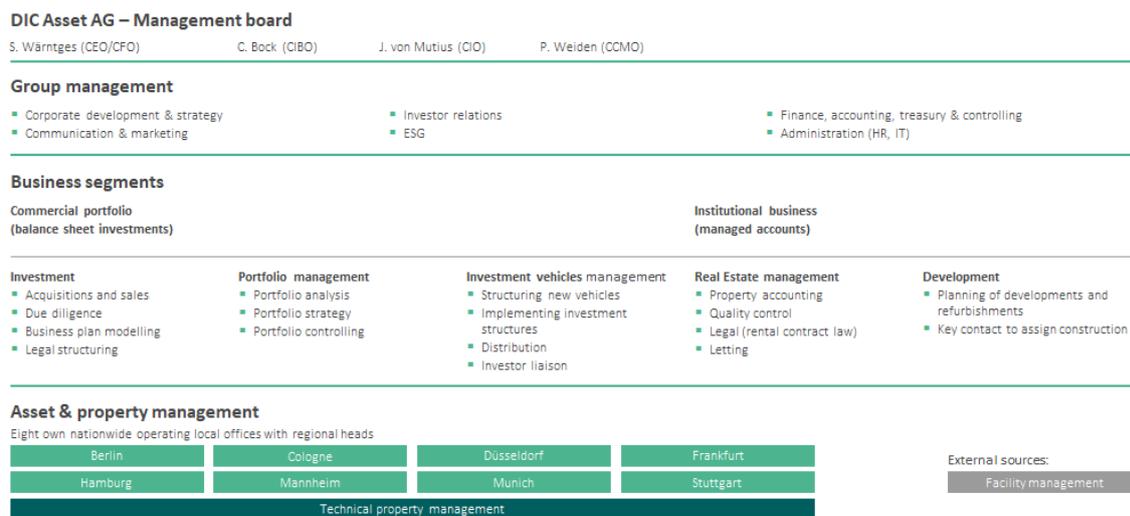
Operating Areas

Overview

We pool all our management functions centrally, including in particular the definition of the corporate strategy, corporate and real estate financing, risk management, real estate management, and communication with investors and reporting. All key decision, control, and core competencies for the entire value chain process are available in-house. DIC has five divisions: Group Management, Investment, Portfolio Management, Fund Management and Real Estate Management.

Facility management services for our properties are provided by a number of third-party service providers, with which we enter into individual contracts. The service providers’ fees may vary subject to the scope of work required for each property.

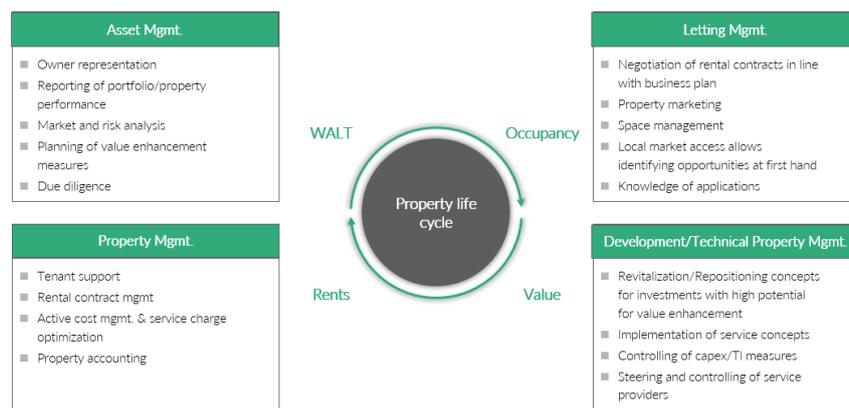
The diagram below shows the organizational structure:



Asset and Property Management

Asset and Property Management services for our Real Estate Portfolio are provided by our subsidiary DIC Onsite. DIC Onsite provides on-site support for the entire Real Estate Portfolio, including the Commercial Portfolio as well as real estate in Institutional Business throughout Germany. In this division, our Real Estate Portfolio is managed and optimized by DIC Onsite, which operates out of eight branches at the main locations of the Real Estate Portfolio (Frankfurt am Main, Mannheim, Düsseldorf, Cologne, Hamburg, Berlin, Munich and Stuttgart) and manages, as of June 30, 2021, a portfolio of 234 properties throughout Germany with approximately 3.1 million sqm of rental space. The focus is on intensive, proactive tenant support, maintenance, and tasks relating to the property management of our Real Estate Portfolio. In addition, DIC Onsite carries out refurbishments and repairs of properties. We believe that DIC Onsite’s proactive real estate management contributes to enhancing the rental income quality.

The graphic below provides an overview of DIC Onsite’s business activities:



Development Management Services

The Development Management Services division performs revitalization/repositioning concepts for investments with high potential for value enhancement. This includes modernization or conversion of existing properties, refurbishments and repositioning of existing properties to achieve upside potential and the complete range of services for all planning and implementation phases in-house. The Development Management Services division oversees the implementation of service concepts, the controlling of capex/TI (Tenant Incentives) measures and is responsible for the steering and controlling of service providers. The implementation of property repositionings is controlled centrally from Frankfurt am Main with a team including architects and engineers. From 2016-2020, our repositioning activities with respect to four finished projects (Kaiserpassage Frankfurt (Commercial

Portfolio), Lighthouse Frankfurt (Commercial Portfolio), Wilhelminenhaus Darmstadt (originally Commercial Portfolio, sold into the Institutional Business segment) and BKA Wiesbaden (Institutional Business)) resulted in an estimated €77 million in value creation.

Investment

In consultation with Group Management, the Investment division is responsible for identifying and assessing investment and divestment opportunities for all business segments (Commercial Portfolio and Institutional Business segments) and for preparing the corresponding transactions.

Decisions on investment projects that exceed the relevant thresholds are taken jointly by the Executive Board and the Supervisory Board. For the preparation of the respective decision, the Investment division has the following areas of operation: acquisitions and sales, due diligence (location and property checks), development of business plans and legal structuring.

Portfolio Management

The Portfolio Management division performs in-house active portfolio management as a key component of our corporate development strategy. The division constantly monitors and analyzes the risks associated with the sale or purchase of real estate and, where required, recognizes provisions. This includes the constant examination and development of options for expanding our real estate portfolio as well as extensive due diligence in conjunction with external experts prior to the acquisitions of new properties. The division prepares risk-oriented business plans, which are continually adjusted to cost and income trends.

Fund Management

In the light of the expansion of the Institutional Business, especially following the acquisitions of GEG and RLI Investors, capacities have been increased in the Fund Management division in the last few years, which has significantly strengthened our position in real estate investment vehicle management. The division designs investment vehicles for institutional investors. This also includes asset sourcing and financial structuring of the investment vehicles. Subsequent to the constructing of a new investment vehicle the Fund Management division is involved in the launch and distribution of new investment vehicles.

Group Management

The Group Management division has overall responsibility for key management functions at DIC. These include corporate strategy, corporate and real estate financing, communication with investors and reporting, and central administrative tasks. The division bases the development of the corporate strategy firstly on the analyzes of investment and divestment opportunities prepared by the Investment division, and secondly on strategies relating to the existing portfolio developed by the Real Estate Management division.

Environmental, Sustainability and Governance (ESG)

We manage our business proactively in line with our sustainability strategy, to which end we have defined four objectives:

- **Environment:** We positively mitigate climate change
- **Social:** We shape our business with and for the people
- **Governance:** We are a reliable partner, and conduct our business activities in a transparent and accountable manner
- **Digitization:** We use digitization for ESG purposes

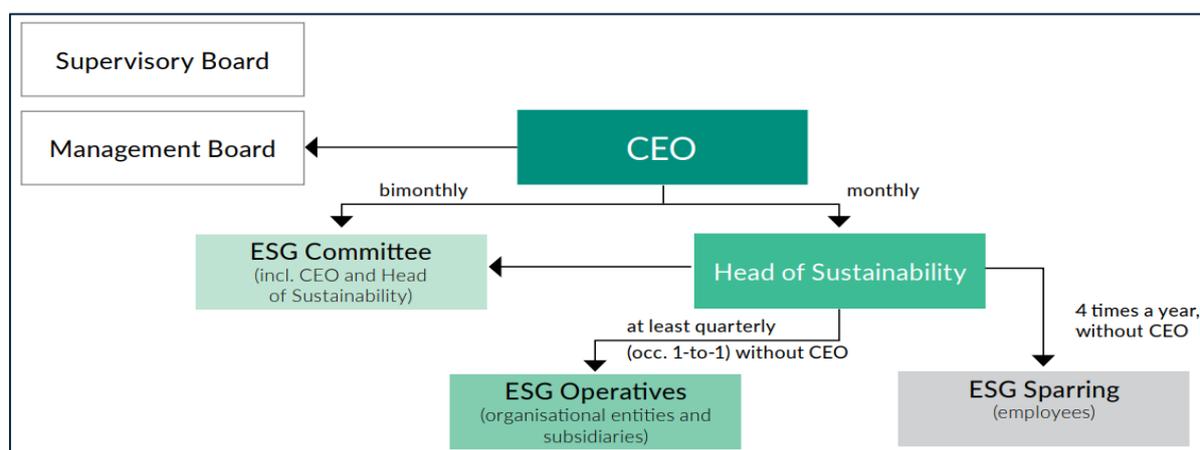
To ensure our long-term financial success, our Executive Board attaches great importance to ESG (“environmental, social, governance”) aspects, in addition to economic aspects. In dealing with these issues, the focus is on identifying, monitoring, mitigating and avoiding adverse consequences of our business activities, including those affecting the properties under our care. We started defining our principles for the economic, environmental and social dimensions many years ago, when we presented our first separate sustainability report for the 2011 financial year. Sustainability is a key component of our corporate strategy and we have intensified our ESG activities over the years. With the creation of the position “Head of Sustainability” in early 2021, the ESG topic has been reorganized and we have initiated a process of continuous development to implement a more thorough sustainability strategy for all Group entities.

Our dynamic ESG roadmap comprises both short- and medium-term goals. Those in relation to the environment include further investment in energy-efficient and sustainable real estate: We believe that our Commercial Portfolio contains four assets in the amount of €232 million. In the first half of 2021, we introduced a green building quota of 20% in line with our intention to more than double the proportion of by “green” buildings in our existing property portfolio by the end of 2023.

We intend to carry out “carbon due diligence” for selected assets in order to identify further measures to reduce CO2 emissions, and to continue to implement the portfolio screening program launched in early 2021. From 2018 to 2020 we could reduce our CO2 emissions by approximately 23%. In the social context, we are working on increasing our attractiveness as an employer and focusing on occupational health and safety for the benefit of our workforce, while maintaining and further intensifying our involvement in and commitment to charitable and social projects. Our governance objectives include broadening the scope of our policies and reporting procedures and incorporating ESG considerations into our internal guidelines and risk management endeavors. Finally, our digitization strategy involves the digitalization of raw data for our control and reporting processes and the creation of sustainable and digital concepts for our business and also for the benefit of our tenants and investors.

DIC ESG Committee

In 2021, an ESG Committee was set up and staffed with the CEO, the Head of Sustainability as well as senior executives from the Investor Relations & Corporate Communications, Human Resources, Investment, Portfolio Management, Development, and Corporate Finance units. Its purpose is to adopt major decisions concerning the orientation of our ESG strategy and our ESG targets. It will be the ESG Committee’s job to define ESG priorities, and to initiate ESG measures in line with the Company’s ESG roadmap.



Assets under management of DIC Asset AG

We strive to contribute to the sustainable development of and the reduction of CO₂ emissions in our real estate properties by investing in energy-efficient and sustainable buildings, e.g. by means of acquisitions, and when initiating upgrade measures in our portfolio properties.

As a real estate industry player, we assume responsibility not only for environmental topics but also for many other sustainability aspects. This includes, in equal measure, employees, tenants, investors, business partners and society at large, which we take into account in investment, project development and capital expenditure decisions. The perception of the ESG paradigm among the general public and in the global investor landscape has shifted and gained traction due to the impact of the coronavirus pandemic.

Environment and climate change mitigation

We aim to actively contribute towards actively to the decarbonization of the European buildings sector, and rolling back our carbon dioxide emissions and reducing the environmental impact of and the depletion of resources resulting from our business operations are priorities in the context of both our Commercial Portfolio and our Institutional Business segments. Our efforts in this regard focus on the efficient management of our portfolio, the implementation of measures to upgrade the energy efficiency of our buildings, and sustainably managed investments, including the use of renewable energy.

With a view to ensuring that we are able to make a sustained contribution towards sustainability, we have developed an ESG management approach based on the 360-degree approach which we have implemented throughout our entire organization. The ESG management approach requires us to develop our Commercial Portfolio on the basis of DIC-specific criteria (MATCH), to acquire suitable properties while disposing of unsuitable ones (TRANSACT), to practice sustainable letting and management (OPERATE), and to continue to develop property portfolio in a structured, technically advanced and innovative manner structural, technical and innovative ways (DEVELOP).

In early 2021, we started our portfolio screening for the Commercial Portfolio using selected, recently prioritized ESG criteria and we will continue to extend the process to our entire real estate platform. Annual reviews and the drafting of ESG action plans for our assets under management are important management measures.

In March and April 2021, as part of our ESG strategy, we issued an ESG-linked promissory note with a total volume of €250 million. See “*Description of Certain Financing Arrangements—Promissory Notes*”.

Intellectual Property

Given the nature of our business, intellectual property rights are not material to us. While our brand names “DIC” and “GEG” are of significant importance to our business, we do not depend on any individual trademarks or trade names.

We predominantly use the internet domain www.dic-asset.de and www.geg.de.

Employees

As of June 30, 2021, we had 286 employees (June 30, 2020: 246), excluding the Executive Board. The number of employees increased as a result of the acquisition of RLI Investors and the subsequent integration of its employees as well as the overall platform growth.

Because of the size of the workforce, we are not subject to co-determination law in accordance with the German One-Third Participation Act (*Drittelbeteiligungsgesetz*, DrittelbG), which only applies to companies with more than 500 employees. As a result, our Supervisory Board does not have any employee representatives.

Insurance

To limit risk exposure, we have taken out building and property owner’s liability insurance for protection against personal injury and loss or damage to property and assets as well as building insurance for protection against damage caused by fire, mains water, storms, and natural forces. Individual policies additionally cover losses in rental value and hail damage. Our insurance policies contain market-standard exclusions and deductibles. Furthermore, we maintain insurance coverage level relating to our directors and officers (D&O insurance).

It is in accordance with our established business practice to take out building and property owner’s liability insurance as well as commercial insurance against fire, electronics, and other liability risks and to review the insurance coverage on an ongoing basis. We believe that our insurance coverage is in line with market standards in the commercial real estate industry. However, there is no guarantee that we will not suffer any loss or damage for which there is no insurance coverage or that exceeds the coverage under the insurance policies. For more information, see “*Risk Factors—Risks relating to internal control and IT risks—We may incur liabilities that are not covered by, or which exceed the coverage limits, of our insurance policies.*”

Material Agreements

The funds management companies (*Kapitalverwaltungsgesellschaft*, KVG) IntReal, Hansainvest and Union Investment managing the investment vehicles into which DIC participates as co-investor have entered with DIC into agreements for the management of the affairs of others (*Geschäftsbesorgungsvertrag*), respectively. DIC is instructed under those agreements to carry out the purchase process, arrange the financial and legal structure, and perform the property management and the sale process of the properties held by the relevant investment vehicle. Most of these agreements can be terminated with a notice period of six up to twelve months. However, these termination rights are only available after initial lock-in periods (e.g., 5-7 years after fund set-up) and are linked to certain default conditions (e.g., change-of-control). Also, the termination rights are linked to penalty payments equal to the amount of the fee income until the end of the lock-in period.

Litigation

From time to time, we are involved in administrative, legal and arbitration proceedings that arise in the ordinary course of business. Neither we nor any of our subsidiaries is currently involved in any litigation, arbitration or administrative proceedings relating to claims or amounts that are material to our business and, to our knowledge, no such litigation, administrative proceeding or arbitration is pending or threatened.

As of the date of this Offering Memorandum, certain entities that are not fully consolidated but presented as investment in associates in the Company's consolidated financial statements are currently subject to legal proceedings concerning an increase of the purchase price in relation to a property purchase agreement. The court of first instance held against them, and the judgment remains subject to a possible appeal. The Company understands that the entities have recognized an appropriate provision in accordance with applicable accounting standards.

Recent Developments

Recently, a contract for moving a property in Berlin to an investment vehicle of the Institutional Business segment was notarized. The transfer is scheduled to take place in the first half of 2022.

Furthermore, two warehousing properties in Bremen and Arnstadt have since been transferred to the Institutional Business after the last balance sheet date in the second half of 2021.

Most recently, we entered into two new lease agreements for a combined floor area of 6,200 sqm, comprising a property near the Frankfurt Airport as well as the "Stadttor" in Heidelberg, the latter of which includes a lease renewal of a floor area of 4,700 sqm.

FFO Forecast

FFO forecast for the fiscal year ending December 31, 2021

In our half-year report, we announced an adjusted FFO forecast for the fiscal year ending December 31, 2021 (the "**FFO Forecast 2021**") in consideration of the COVID-19 pandemic and the likely effects on our expected rental income and real estate management fees in 2021.

The FFO Forecast 2021 is not a presentation of facts and should not be interpreted as such by investors. Rather, it reflects the forward-looking expectations of the Executive Board with respect to the future development of our FFO. Potential investors should not place undue reliance on this FFO Forecast 2021. Investors should also read the sections "*Disclosure Regarding Forward-Looking Statements*" and "*Risk Factors*".

The calculation of the FFO for the purpose of the FFO Forecast 2021 was based on the calculation methodology and reconciliation used by us to calculate the FFO.

The FFO is an industry standard performance indicator for evaluating operational recurring profit of a real estate firm. We define the FFO as operating income from property management, before depreciation, tax, profits from sales and project developments as well as other non-recurring or non-cash income components. See "*Selected Historical and Other Financial and Operating Information—Non-IFRS financial measures*".

The FFO Forecast 2021 is based on the following assumptions made by the Executive Board. These assumptions relate to factors (i) outside of our influence, (ii) that can be influenced by us to a limited extent or (iii) that can be influenced by us. Even though we considered these assumptions as appropriate when preparing the FFO Forecast 2021, if they prove in retrospect to be inappropriate or unfounded, the actual FFO can deviate materially from the FFO Forecast 2021.

In the FFO Forecast 2021, we announced that we expect our FFO to amount to between €106 and €110 million for the fiscal year ending December 31, 2021, thus surpassing the high level (€96.5 million) for the fiscal year ended December 31, 2020.

Explanatory Notes to the FFO Forecast 2021

The FFO Forecast 2021 was based on our accounting information prepared on the basis of IFRS. The accounting policies applied by us are described in the notes to our audited consolidated financial statements for the fiscal year ended December 31, 2020. The FFO Forecast 2021 has been compiled and prepared on a basis that is comparable

with our audited consolidated financial statements as of and for the fiscal years ended December 31, 2020 and December 31, 2019 and is consistent with our accounting policies.

Factors and Assumptions

The FFO Forecast 2021 is influenced by a range of factors as well as assumptions of the Executive Board.

Factors falling outside our sphere of influence

The FFO Forecast 2021 is generally subject to factors falling completely outside our sphere of influence. The main factors and related assumptions are described below:

Factor: Legislative and regulatory conditions

On March 25, 2020, the German federal government passed The Act to Mitigate the Effects of the COVID-19 pandemic (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie*) (the “**COVID-Act**”). Pursuant to the COVID-Act, which prohibited landlords from terminating residential and commercial lease agreements if the tenant failed to pay rent during the period from April 1, 2020 to June 30, 2020, provided that such non-payment was caused by impacts related to COVID-19. Payments that became due during the period of April 1, 2020 through June 30, 2020, but that were not settled, will ultimately have to be settled by June 30, 2022. 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 COVID-19 pandemic, some of these tenants might 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 fiscal year ending December 31, 2020 than in the previous year. We have set aside higher valuation allowances for this purpose and have already reached contractual agreements with major tenants to create certainty when planning for future rent cash flows.

Factors that can be influenced by the Company to a limited extent

Other factors that can be influenced by the Company to a limited extent may also affect the FFO Forecast 2021. The relevant assumptions are described below:

Factor: Gross rental income

For the purposes of the FFO Forecast 2021, we have assumed that gross rental income for the fiscal year ending December 31, 2021, will be between €98 million and €102 million.

Factor: Real estate management fees

For the purposes of the FFO Forecast 2021, we have assumed that real estate management fees for the fiscal year ending December 31, 2021, will be between €94 million and €104 million. 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 normalize in the second half of 2021. Demand among institutional investors for the products offered by us 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. We have more than €700 million in extra capital at our disposal for additional investments. This will enable us to acquire additional properties in the amount of more than €1.3 billion in the medium to long term.

Factors that can be influenced by the Company

Factor: Timing of acquisition and disposals

For the purposes of the FFO Forecast 2021, we have assumed an acquisition volume of between €200 million and €300 million for the Commercial Portfolio, an acquisition volume of between €1.0 billion and €1.5 billion for the Institutional Business portfolio, sales volume out of the Commercial Portfolio at approximately €100 million and sales volume out of the Institutional Business portfolio at approximately of between €200 million and €300 million. The date of execution of such acquisitions and disposals is not fully under our control.

Other Explanatory Notes

As the FFO Forecast 2021 relates to a period not yet completed and is prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties, it is possible that the actual FFO for the fiscal year ending December 31, 2021 may differ materially from the FFO Forecast 2021.

The FFO Forecast 2021 is subject to the condition that there are no new restrictions caused by another deterioration in the current COVID-19 situation and the possible reintroduction of restrictions by the German government during the second half of 2021 and that, based on current forecasts, there is no further significant negative change in fundamental economic data in 2021, which in turn would have a significant impact on existing tenancy agreements and transaction activity in the real estate market.

Results of Operations

Six Months ended June 30, 2021 Compared to Six Months ended June 30, 2020

Gross rental income

Gross rental income decreased by €3,046 thousand, or 5.9%, from €51,386 thousand in the six months ended June 30, 2020 to €48,340 thousand in the six months ended June 30, 2021. The decrease was primarily attributable to sales of properties in 2020 and the transfer of properties from our balance sheet portfolio to the Institutional Business.

Service charge income and expenses on principal basis

Service charge income on a principal basis remained relatively stable and only slightly increased by by €25 thousand, or 0.2%, from €10,830 thousand in the six months ended June 30, 2020 to €10,855 thousand in the six months ended June 30, 2021. Service charge expenses on a principal basis increased by €146 thousand, or 1.2%, from €12,209 thousand in the six months ended June 30, 2020 to €12,355 thousand in the six months ended June 30, 2021.

Other property-related expenses

Other property-related expenses decreased by €2,357 thousand, or 26.8%, from €8,787 thousand in the six months ended June 30, 2020 to €6,430 thousand in the six months ended June 30, 2021. The decrease is mainly attributable to lower valuation allowances for potential loss of rental income due to the COVID-19 pandemic. In the first half of 2021, the valuation allowances amounted to EUR 0.3 million (June 30, 2020: €3.1 million).

Administrative expenses

Administrative expenses increased by €724 thousand, or 7.4%, from €9,763 thousand in the six months ended June 30, 2020 to €10,487 thousand in the six months ended June 30, 2021. The increase was primarily attributable to the first time recognition consolidation of RLI Investors and the significant growth in assets under management.

Personnel expenses

Personnel expenses increased by €33,155 thousand, or 27.2%, from €14,594 thousand in the six months ended June 30, 2020 to €18,561 thousand in the six months ended June 30, 2021. The increase was primarily attributable to the integration of RLI Investors and strategic additions to the 360 degree real estate platform.

Real estate management fees

Real estate management fees increased by €8,464 thousand, or 20.1%, from €42,073 thousand in the six months ended June 30, 2020 to €50,537 thousand in the six months ended June 30, 2021. The increase was primarily attributable to the strong increase in assets under management in the Institutional Business, including the transfer of properties from the Commercial Portfolio to the Institutional Business as well as the launch of a new investment vehicle.

Other operating income and expenses

Other operating income increased by €1,676 thousand, or 321.1%, from €522 thousand in the six months ended June 30, 2020 to €2,198 thousand in the six months ended June 30, 2021.

Other operating expenses decreased by €333 thousand, or 39.7%, from €839 thousand in the six months ended June 30, 2020 to €506 thousand in the six months ended June 30, 2021.

Profit on disposal of investment property

Profit on disposal of investment property increased by €13,784 thousand, or 542.0%, from €2,543 thousand in the six months ended June 30, 2020 to €16,327 thousand in the six months ended June 30, 2021. The increase was due to the transfer of a repositioned property from the Commercial Portfolio into a new product in the Institutional Business segment.

Share of the profit or loss of associates

Share of the profit or loss of associates decreased by €2,474 thousand, or 39.2%, from €6,307 thousand in the six months ended June 30, 2020 to €3,833 thousand in the six months ended June 30, 2021. The decrease was primarily attributable to lower transaction-related investment income.

Interest income and expense

Interest income increased by €258 thousand, or 6.0%, from €4,294 thousand in the six months ended June 30, 2020 to €4,552 thousand in the six months ended June 30, 2021. Interest expense increased by €645 thousand, or 3.5%, from €18,495 thousand in the six months ended June 30, 2020 to €19,140 thousand in the six months ended June 30, 2021. The improvement in the net interest result was primarily attributable to the measures implemented in the second half of the fiscal year ended December 31, 2019 to optimize our financing structure. This included the repayment of a bond with a coupon of 4.625% per annum and a volume of €175 million and the first issue of low-interest promissory notes (average 1.55% per annum with a volume of €180 million).

Current income tax expense

Current income tax expense decreased by €13 thousand, or 0.8%, from €1,622 thousand in the six months ended June 30, 2020 to €1,609 thousand in the six months ended June 30, 2021.

Fiscal Year ended 31 December 2020 Compared to Fiscal Year ended 31 December 2019

Gross rental income

Gross rental income decreased slightly by €1,247 thousand, or 1.2%, from €101,942 thousand in the fiscal year ended December 31, 2019 to €100,695 thousand in the fiscal year ended December 31, 2020. This was largely made possible, in spite of the challenges posed by the COVID-19 pandemic and the high level of sales realized in the two preceding fiscal years, by the conclusion of agreements with those of DIC's tenant partners who were particularly impacted by the pandemic which provided for adjustments to our rents in the amount of €1,425 thousand, while additional rental income from property acquisitions and new or extended leases largely offset lower rental income from expiring leases and property sales. Acquisitions undertaken in 2019 and 2020 resulted in an increase in gross rental income of €10,315 thousand and €2,185 thousand, respectively, which also included €2,987 thousand from the transfer of warehousing properties to investment vehicles in 2020.

Service charge income and expenses on principal basis

Service charge income on a principal basis increased by €1,299 thousand, or 6.2%, from €20,836 thousand in the fiscal year ended December 31, 2019 to €22,135 thousand in the fiscal year ended December 31, 2020. At the same time, service charge expenses on a principal basis increased by €464 thousand, or 2.0%, from €23,565 thousand in the fiscal year ended December 31, 2019 to €24,029 thousand in the fiscal year ended December 31, 2020. The costs recognized include apportionable current expenses incurred by the Group pursuant to Section 1 of the German Regulation on Operating Costs (*Betriebskostenverordnung*) based on its ownership of the land or its use of the building, annexes, facilities and the like in accordance with their intended purpose, as well as ancillary leasing costs to be borne by the tenants under the terms of their contracts, which typically comprise costs for water, power, heating and property tax, for example, as well as the necessary maintenance and inspection costs.

The shortfall between income and expenses from service charges amounting to €1,894 thousand (2019: €2,729 thousand) is mainly the result of costs which could not be passed on to tenants on account of the exemption clauses written into their leases.

Other property-related expenses

Other property-related expenses increased by €5,439 thousand, or 51.2%, from €10,631 thousand in the fiscal year ended December 31, 2019 to €16,070 thousand in the fiscal year ended December 31, 2020. Other property-related expenses include property management costs that cannot be passed on to tenants as operating expenses due to the fact that they are already comprised in the rent charged, as well as costs to rectify structural defects caused by wear and tear to or ageing of buildings, administrative and ancillary costs resulting from vacant space and also bad debt allowances on rent receivables. The increase in other property-related expenses was primarily attributable to the recognition of additional valuation allowances of €3,153 thousand pursuant to agreements with our tenant partners on COVID-19-related rent adjustments, as well as deferral agreements and the temporary insolvency protection proceedings (*Schutzschirmverfahren*) of our tenant Kaufhof.

Administrative expenses

Administrative expenses increased by €1,201 thousand, or 6.7%, from €17,876 thousand in the fiscal year ended December 31, 2019 to €19,077 thousand in the fiscal year ended December 31, 2020. The increase was primarily due to 2020 being the first full fiscal year of the GEG Group's inclusion as part of the Group. As a result of the implementation of DIC's growth strategy and the associated expansion of expertise in the Group, costs for personnel recruitment and other personnel costs increased year-on-year, while digitalization projects within the Group and the adaptation of IT systems in line with regulatory requirements led to an increase in IT costs. Remuneration in the total amount of €786 thousand was paid to members of the Supervisory Board, who also received reimbursement of travel expenses in the total amount of €8 thousand. The fees incurred in connection with audits of the financial statements relates to the audit of the consolidated financial statements and the financial statements of DIC Asset AG and its affiliates as required by law. Other assurance services included, in particular, the review of the half-yearly IFRS financial statements, while other services mainly related to support services in connection with transactions and impairment tests.

Personnel expenses

Personnel expenses increased by €2,362 thousand, or 8.5% from €27,918 thousand in the fiscal year ended December 31, 2019 to €30,280 thousand in the fiscal year ended December 31, 2020. The increase was primarily due to 2020 being the first year of full consolidation of the GEG Group. Personnel expenses include the wages and salaries of employees of DIC Asset AG, DIC Onsite GmbH, DIC Fund Balance GmbH and the entities of the GEG Group, as well as the related social security contributions in the total amount of €26,356 thousand (2019: €24,936 thousand). The social security contributions totaling €2,900 thousand (2019: €3,686 thousand) include €1,507 thousand (2019: €1,304 thousand) in contributions to the statutory pension fund. The average number of employees fell from 247 in the fiscal year ended December 31, 2019 to 244 in the fiscal year ended December 31, 2020, comprising, averaged out over the year, 99 DIC Asset AG employees, 119 DIC Onsite GmbH employees, 10 DIC Fund Balance GmbH employees and 16 employees of the GEG Group entities.

Real estate management fees

Real estate management fees increased by €16,889 thousand, or 26.9%, from €62,883 thousand in the fiscal year ended December 31, 2019 to €79,772 thousand in the fiscal year ended December 31, 2020. The increase was primarily attributable to the acquisition of the GEG Group in mid-2019. This income relates to asset and property management, leasing, project management and disposition fees generated by DIC Asset AG and its subsidiaries, particularly by DIC Onsite GmbH and GEG Real Estate Management GmbH. Real estate management fees in the fiscal year ended December 31, 2020 comprised property management and development fees in the amount of €35.2 million (2019: €31.7 million) and transaction- and performance-related fees in the amount of €44.5 million (2019: €31.2 million).

Other operating income and expenses

Other operating income decreased by €394 thousand from €2,616 thousand in the fiscal year ended December 31, 2019 to €2,222 thousand in the fiscal year ended December 31, 2020.

Other operating expenses decreased by €127 thousand from €1,979 thousand in the fiscal year ended December 31, 2019 to €1,852 thousand in the fiscal year ended December 31, 2020.

Profit on disposal of investment property

Profit on disposal of investment property decreased by €8,516 thousand from €40,516 thousand in the fiscal year ended December 31, 2019 to €32,000 thousand in the fiscal year ended December 31, 2020. This was primarily attributable to an increase in legal, consultancy and estate agent costs.

Share of the profit or loss of associates

Share of the profit or loss of associates decreased by €6,951 thousand, or 37.9%, from €18,321 thousand in the fiscal year ended December 31, 2019 to €11,370 thousand in the fiscal year ended December 31, 2020. The decrease was primarily attributable to the inclusion in the previous year of the dividend paid out by TLG Immobilien in the total amount of approximately €12.9 million. The share of the profit or loss of associates also includes contribution from the existing DIC Office Balance I, DIC Office Balance II, DIC Office Balance III, DIC Office Balance IV, DIC Office Balance V and DIC Retail Balance I funds, as well as investment income from minority interests in the amount of €1,544 thousand (2019: €151 thousand).

Interest income and expense

Interest income decreased by €1,626 thousand, or 15.8%, from €10,296 thousand in the fiscal year ended December 31, 2019 to €8,670 thousand in the fiscal year ended December 31, 2020. The decrease was primarily attributable to the repayment of a loan.

Interest expense decreased by €5,900 thousand, or 13.8%, from €42,660 thousand in the fiscal year ended December 31, 2019 to €36,760 thousand in the fiscal year ended December 31, 2020. The expense arising from the repayment of processing fees incurred in connection with financial liabilities amounted to €1,082 thousand (2019: €1,669 thousand), with this decrease primarily being due to the repayment of a loan. Effective interest expense in the amount of €16,098 thousand (2019: €21,476 thousand) related to the corporate bonds, with this decrease primarily being attributable to the scheduled repayment of the €175 million 14/19 bond in September 2019. Finance costs included interest expense for lease liabilities in the amount of €222 thousand (2019: €225 thousand).

Current income tax expense

Current income tax expense increased by only €325 thousand from €13,803 thousand in the fiscal year ended December 31, 2019 to €14,128 thousand in the fiscal year ended December 31, 2020. Current income taxes relate exclusively to taxable profits of consolidated subsidiaries and DIC Asset AG. Current tax expense primarily comprised corporation tax including solidarity surcharge in the amount of €8,830 thousand (2019: €9,493 thousand) and trade tax in the amount of €5,298 thousand (2019: €4,310 thousand). No deferred tax assets were recognized on corporation tax loss carryforwards amounting to €18.6 million (2019: €25.7 million) or on trade tax loss carryforwards amounting to €90.2 million (2019: €92.5 million).

Liquidity and Capital Resources

Overview

Our primary source of financing is net cash generated from operating activities and long-term financing from banks and institutional investors. Following the issuance of the Notes, a portion of our long-term indebtedness will consist of the Notes. Our ability to generate cash flow from our operating activities depends on our future operating performance, which is, in turn, dependent on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in the section titled “*Risk Factors*”.

Although we believe that our expected cash flows from operating activities, together with available borrowings, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operating activities or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs. See “*Risk Factors—Risks related to the Nature and the Terms and Conditions of the Notes—We require a significant amount of cash to service our debt, and our ability to generate sufficient cash depends on factors that may be beyond our control.*”

Cash Flows

The following table sets forth our cash flows for the fiscal years ended December 31, 2020 and 2019 and the six months ended June 30, 2020 and 2021.

	Fiscal year ended December 31,		Six months ended June 30,	
	2019	2020	2020	2021
	(€ thousand)			
	<i>(audited)</i>		<i>(unaudited)</i>	
Cash generated from operations	109,644	111,986	53,248	46,691
Cash flows from operating activities	64,841	67,429	41,480	40,513
Cash flows from investing activities	(15,164)	(73,568)	(18,639)	(462,915)
Cash flows from financing activities	754	26,307	42,495	261,595
Acquisition related increase in cash and cash equivalents	13,902	0	0	3,109
Net changes in cash and cash equivalents	50,431	20,168	65,336	(160,807)
Cash and cash equivalents at the start of the period.....	286,903	351,236	351,236	371,404
Cash and cash equivalents at the end of the period	351,236	371,404	416,572	213,706

Cash flows from operating activities

Cash flows from operating activities decreased by €967 thousand from €41,480 thousand in the six months ended June 30, 2020 to €40,513 thousand in the six months ended June 30, 2021. The decrease was primarily due to recognized real estate management fees that had not yet been generating cash inflows as of June 30, 2021.

Cash flows from operating activities increased by €2,588 thousand from €64,841 thousand in the fiscal year ended December 31, 2019 to €67,429 thousand in the fiscal year ended December 31, 2020. The increase was primarily due to the continued, highly positive revenue trend in the Institutional Business, reflecting the Company's strong operational profitability. At the same time, financing costs were further optimized. Tax payments also rose, in line with the increase in earnings in recent years, by €6,160 thousand from a cash outflow of €7,896 thousand in the fiscal year ended December 31, 2019 to a cash outflow of €14,056 thousand in the fiscal year ended December 31, 2020.

Cash flows from investing activities

Cash flows from investing activities increased by €444,276 thousand from a cash inflow of €18,639 thousand in the six months ended 30 June 2020 to a cash outflow of €462,915 thousand in the six months ended June 30, 2021. The decrease was primarily due to investments in the Commercial Portfolio, including the acquisition of warehousing properties, the acquisition of RLI Investors as well as a 25% stake in Relogics Holding GmbH.

Cash flows from investing activities increased by €58,404 thousand from a cash outflow of €15,164 thousand in the fiscal year ended December 31, 2019 to a cash outflow of €73,568 thousand in the fiscal year ended December 31, 2020 in line with our growth strategy. Proceeds from the sale of real estate with a view to streamlining the portfolio in the amount of €116,324 thousand (2019: €175,973 thousand) were offset by payments for the acquisition of new properties in the amount of €168,867 thousand (2019: €254,710 thousand) and investments in our portfolio properties of €17,710 thousand (2019: €48,992 thousand). The previous year had also been impacted by the cash outflow of €222,208 thousand for the acquisition of GEG, which was more than offset by cash inflows from the disposal of our shares in TLG Immobilien AG and from dividend payments received.

Cash flows from financing activities

Cash flows from financing activities increased by €219,100 thousand from a cash inflow of €42,495 thousand in the six months ended June 30, 2020 to a cash inflow of €261,595 thousand in the six months ended June 30, 2021. The increase was primarily due to the proceeds from the issuance of promissory note loans (€250 thousand) as well as proceeds from refinancing of newly acquired properties (€124 thousand). The increase was partially offset by repayment of loans and the cash component of the dividend for 2019, which was paid out 2020.

Cash flows from financing activities increased by €25,553 thousand from a cash inflow of €754 thousand in the fiscal year ended December 31, 2019 to a cash inflow of €26,307 thousand in the fiscal year ended December 31, 2020. This was primarily due to the capital increase implemented in January 2020 and the resulting inflow of funds in the amount of €109,724 thousand. Proceeds from loans totaled 188,140 thousand (2019: €224,105 thousand) whereas repayments came to €230,074 thousand (2019: €206,904 thousand). A total of €35,956 thousand was distributed to the shareholders as a cash dividend in 2020 (2019: €17,703 thousand).

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Unless otherwise defined in this Offering Memorandum or unless the context otherwise requires, terms defined in the agreements described below shall have the same meanings when used in this section.

Syndicated Loan Agreement

On December 14, 2016 (as amended on January 20, 2017 and on February 9, 2017), certain subsidiaries of the Company as borrowers and DIC Finance Management GmbH & Co. KG as financing party entered into a syndicated loan agreement (the “**Syndicated Loan**”) with, *inter alios*, Deutsche Hypothekbank Actien-Gesellschaft as facility agent, security agent and lender and Berlin Hyp AG, HSH Nordbank AG and Landesbank Hessen-Thüringen Girozentrale, as lenders pursuant to which the lenders agreed to make available to the borrowers loans in a total amount of up to €960 million. The purpose of the Syndicated Loan is to refinance certain bank financing arrangements and ancillary costs concerning a real estate asset portfolio amounting up to about €960 million. As of June 30, 2021, €552.3 million were outstanding under the Syndicated Loan.

The Syndicated Loan is divided into eight tranches with four tranches amounting from €19.8 million to €332.5 million maturing until December 29, 2023.

The Syndicated Loan also provides for a mandatory prepayment in case of, *inter alia*, sale of parts of the real estate portfolio. The proceeds of the respective sale are transferred to a reserve account. In case certain agreed DSCR or LTV levels are not complied with, the Syndicated Loan provides that the rental income from the portfolio must, after certain deductions, be paid into a blocked account, which is pledged in favor of the lenders. If such non-compliance continues for four consecutive quarters, the borrowers must use the balance of such account to make a mandatory prepayment of the Syndicated Loan.

The Syndicated Loan sets forth certain financial covenants for the lenders. These covenants include, *inter alia*, a Debt-Service Coverage Ratio (DSCR), meaning the ratio of expected net rental incomes and the expected debt service for the loan agreement, of not less than 250% for the first five years from the signing date. Thereafter, the minimum DSCR increases to 295%. In addition, the Syndicated Loan provides for an LTV-ratio, meaning the ratio of consolidated secured net financial liabilities to the market value of the respective real estate portfolio, of less than 77% for the two years from the signing date and of less than 75% for the time beyond.

In addition, the Syndicated Loan contains a negative pledge that prohibits the encumbering of underlying assets, rental incomes relating to the real estate portfolio or other assets serving as a security under the loan agreement without consent by the facility agent. Furthermore, the Syndicated Loan contains certain consent requirements, *inter alia*, in cases of a change of control, acquisition of shares of other companies, merger, conversion or change of the borrower’s registered office. The Syndicated Loan further contains customary events of default, including, non-payment, breach of the financial covenants or other undertakings, certain insolvency events or a material adverse change.

The loan is guaranteed by the borrowers on a joint and severe basis and secured through liens on property, assignment of redemption claims and certain other receivables, pledge of shares and pledge of accounts. In addition, the Company provides for a guarantee of up to a maximum amount of €58 million which decreases every year end by €2.5 million if certain conditions are met.

The Syndicated Loan is governed by German law.

Corporate Bonds

The Company currently has two outstanding corporate bonds: the corporate bond 2017/2022 in the aggregate principal amount of €180 million issued in July 2017 and maturing on July 11, 2022 and the corporate bond 2018/2023 in the aggregate principal amount of €150 million issued in October 2018 and maturing on October 2, 2023.

Corporate bond due 2022

In July 2017, the Company issued a corporate bond in the aggregate principal amount of €180 million (the “**2017 Notes**”). The 2017 Notes bear interest at a rate of 3.25% per annum, payable annually in arrears on July 11 of each year.

The following is a summary of certain terms and conditions of the 2017 Notes (the “**2017 Notes Terms and Conditions**”):

- The Company may, upon prior notice of redemption given to the paying agent and to the holders, redeem, at its option, the 2017 Notes in whole or in part within the period from and including July 11, 2021 to but excluding the maturity date at 101% of their principal amount, together with any unpaid interest to (but excluding) the date fixed for redemption (“Call-Option”).
- In an event of default, *e.g.* in case of a cross default relating to a capital market indebtedness, each holder is entitled to demand redemption of the 2017 Notes at their principal amount together with accrued interest.
- If a change of control occurs, each holder shall have the right, but not the obligation, to require the Company to redeem or, at the Company’s option, purchase (or procure the purchase by a third party of) his 2017 Notes in whole or in part; the exercise of the option must be declared within 30 days after a notice of the change of control has been published to the specified office of the paying agent and the Company. An exercise of the option by a holder shall only become valid, if holders of at least 20% of the aggregate principal amount of the 2017 Notes then outstanding have exercised the option. The Company must redeem or purchase a 2017 Note in case of an exercise of the option on the 60th day (subject to an adjustment, pursuant to the 2017 Notes Terms and Conditions following notification of a change of control) at the principal amount plus possible interest accrued by the call redemption date (exclusive).
- If 80% or more in principal amount of the 2017 Notes then outstanding have been redeemed or purchased, the Company may, on not less than 30 or more than 60 days’ notice to the holders, redeem, at its option, the remaining 2017 Notes as a whole at a redemption price of the principal amount thereof plus interest accrued to but excluding the date of such redemption.

Corporate bond due 2023

In October 2018, the Company issued a corporate bond in the aggregate principal amount of €150 million (the “**2018 Notes**”). The 2018 Notes bear interest at a rate of 3.50% per annum, payable annually in arrears on 2 October of each year.

The following is a summary of certain terms and conditions of the 2018 Notes (the “**2018 Notes Terms and Conditions**”):

- The Company may, upon prior notice of redemption given to the paying agent and to the holders, redeem, at its option, the 2018 Notes in whole or in part within the period from and including October 2, 2021 to but excluding October 2, 2022 at 102% of their principal amount or within the period from and including October 2, 2022 to but excluding the maturity date at 101% of their principal amount together with any unpaid interest to (but excluding) the date fixed for redemption (“Call-Option”).
- In an event of default, *e.g.* in case of a cross default relating to a capital market indebtedness, each holder is entitled to demand redemption of the 2018 Notes at their principal amount together with accrued interest.
- If a change of control occurs, each holder shall have the right, but not the obligation, to require the Company to redeem or, at the Company’s option, purchase (or procure the purchase by a third party of) his 2018 Notes in whole or in part; the exercise of the option must be declared within 30 days after a notice of the change of control has been published to the specified office of the paying agent and the Company. An exercise of the option by a holder shall only become valid, if holders of at least 20% of the aggregate principal amount of the 2018 Notes then outstanding have exercised the option. The Company must redeem or purchase a 2018 Note in case of an exercise of the option on the 60th day (subject to an adjustment, pursuant to the 2018 Notes Terms and Conditions following notification of a change of control) at the principal amount plus possible interest accrued by the redemption date (exclusive).
- If 80% or more in principal amount of the 2018 Notes then outstanding have been redeemed or purchased, the Company may, on not less than 30 or more than 60 days’ notice to the holders,

redeem, at its option, the remaining 2018 Notes as a whole at a redemption price of the principal amount thereof plus interest accrued to but excluding the date of such redemption.

Promissory Notes and Registered Note

In July 2019, the Company placed an unsecured promissory note (*Schuldscheindarlehen*) together with a registered note (*Namensschuldverschreibung*) with a total volume of €150 million, a weighted annual average interest rate of 1.58% and an average maturity of 5.4 years. In the second half of the fiscal year 2019, the promissory note was increased by a further €30 million (together, the “**2019 Promissory Notes**”). After the increase, the average interest rate was 1.55% and the average maturity was 4.8 years at the end of 2019. The total amount of 2019 Promissory Notes outstanding is €180 million. The promissory notes bear interest at fixed or at variable interest rates and have been issued in tranches from €12.5 million up to €38 million. The 2019 Promissory Notes are maturing between July 2022 and July 2030. The 2019 Promissory Notes set forth certain financial covenants for the Company. These covenants include, *inter alia*, an LTV-ratio of not more than 70.00%, meaning the ratio of net financial liabilities to total assets, and an ICR-ratio, meaning the ratio of EBITDA to cash net interest expenses of the Company, of not less than 1.80:1.00. Non-compliance with the respective financial covenants leads to an increase of interest rate, in the case of an LTV-ratio of more than 75.00% or an ICR-ratio below 1.30:1.00, to an event of default.

In March and April 2021, the Company placed an unsecured ESG-linked promissory note (*Schuldscheindarlehen*) with a total volume of €250 million, a weighted average interest rate of 1.78% and an average maturity of 4.2 years (the “**ESG Promissory Note**” and together with the 2019 Promissory Notes, the “**Promissory Notes**”).

The ESG Promissory Note sets forth certain financial covenants for the Company. These covenants include, *inter alia*, an LTV-ratio of not more than 60.00%, meaning the ratio of net financial liabilities to total assets, and an ICR-ratio, meaning the ratio of EBITDA to cash net interest expenses of the Company, of 1.80:1.00 or less.

Interest rate under the ESG Promissory Note is linked to the share of green buildings in the Company’s Commercial Portfolio. If the Company reaches a share of 20% or more by the end of 2023 (and subsequently by the end of 2026 and 2029, as applicable), interest rate will decline by 5 basis points. In case of a share between 15% and 20%, interest rate will remain unchanged, whereas a share under 15% will lead to an interest rate step up of 5 basis points. Green buildings are assessed by way of compliance with certain categories and certifications of renowned national and international evaluation and certification systems (*e.g.*, BREEAM or LEED).

Change of control and negative pledge

The Promissory Notes contain customary change-of control clauses. These clauses stipulate certain consent requirements or re-negotiation obligations in the event that changes occur in relation to the current majority of the shares or voting rights in the borrowing entity. In addition, the Promissory Notes contain a negative pledge that prohibits the encumbering of current and future assets in connection with the issuance of bonds and similar capital market instruments subject to certain exceptions.

Events of default

The Promissory Notes stipulate customary termination rights of the lenders. In particular, the lenders have a termination right in the event that (i) certain payments are not made when due, (ii) financial covenants or other material contractual obligations are not complied with, (iii) the borrowing entity becomes insolvent or defaults on other financial liabilities, or (iv) capital market indebtedness of (A) the Company exceeding €25 million in the case of the 2019 Promissory Notes; or (B) the Company or any of its material subsidiaries exceeding 2.5% of the Company’s balance sheet total in the case of the ESG Promissory Notes, is accelerated or, in each case, becomes capable of being accelerated as a result of an event of default.

Governing law

The Promissory Notes are governed by German law.

Commercial Paper Program

In November 2019, the Company established an uncommitted €300 million multi-currency program for the issuance of commercial paper with Commerzbank Aktiengesellschaft as arranger, dealer issue agent and paying agent and Bayerische Landesbank, DZ Bank AG Deutsche Zentral-Genossenschaftsbank (Frankfurt am Main) and Société Générale as dealers. The Company may use the net proceeds from the issuance and sale of any notes

under the program for general corporate purposes. The dealers are under no obligation to purchase and the Company is under no obligation to issue any notes under the commercial paper program. As of June 30, 2021, no amounts have been drawn under the program.

Each series of notes will have a minimum aggregate nominal amount of €500,000 or its equivalent in certain other currencies unless the Company and the relevant dealer agree otherwise. The exact amount, pricing and maturity of each series of notes is to be agreed between the Company and the relevant dealer on a case by case basis, provided that the maturity cannot exceed 364 days.

The Company undertakes, so long as any Notes are outstanding, not to create any security interest over the whole or any part of its undertakings, assets or revenues, present or future, in connection with the issuance of bonds and similar capital market products subject to certain exceptions.

The commercial paper program is governed by German law.

Bank Loans of Subsidiaries

From time to time, certain subsidiaries entered into bilateral credit facilities and similar instruments with local financial institutions. As of June 30, 2021, the total amount outstanding under the existing bilateral credit facilities (excluding warehousing) amounted to €444.0 million.

The three largest mortgage loans (excluding warehousing) are:

Landesbank Hessen-Thüringen Girozentrale – DIC Projekt Berlin Taubenstraße GmbH

In November 2019, DIC Projekt Berlin Taubenstraße GmbH entered into a loan agreement with Landesbank Hessen-Thüringen Girozentrale (“**Landesbank Hessen-Thüringen**”) as lender pursuant to which Landesbank Hessen-Thüringen agreed to make available to the borrower a loan in the amount of €64,000,000 in relation to the financing of a real estate portfolio. The loan bears interest at a fixed rate and matures on December 31, 2024.

The loan agreement provides for mandatory prepayment in case of, *inter alia*, a sale of the real estate portfolio, the receipt of certain insurance proceeds arising out of cases of damage or the receipt of amounts based upon warranty claims of a certain amount or in case of a change of control over the borrower.

The loan agreement contains customary information obligations as well as financial covenants such as certain requirements as to LTV and DSCR. In addition, the borrower has to provide for certain property-related undertakings (*e.g.*, insurance, duty of care agreements with property administrators, limited rights of amendments of rental contracts). The loan agreement stipulates customary termination rights for Landesbank Hessen-Thüringen. It has a termination right, *inter alia*, in the event that payments have not been made, non-compliance with financial covenants or information obligations are not met or certain representations and warranties prove to be incorrect. The loan agreement also contains a negative pledge clause and provides for a blocked account which is pledged for the benefit of Landesbank Hessen-Thüringen. Funds standing to the credit of such blocked account must be applied in prepayment if certain contractual obligations are not met.

Payment claims under the loan agreement are secured by land charges on the financed properties. Moreover, claims are secured by a security assignment of rights and claims (including, *inter alia*, those under rental and lease agreements and insurance policies) as well as pledges over certain accounts.

The loan agreement is governed by German law.

Sparkasse Erlangen – DIC Asset Portfolio GmbH & Co. KG

In June 2021, DIC Asset Portfolio GmbH & Co. KG entered into a loan agreement with Sparkasse Erlangen Höchststadt Herzogenaurach (“**Sparkasse Erlangen**”), as lender, pursuant to which Sparkasse Erlangen agreed to make available to the borrower a loan in the amount of €38,500,000 in relation to the acquisition of a property in Munich. The loan bears interest at a fixed rate and matures on June 15, 2028.

The loan agreement provides for mandatory prepayment in case of, *inter alia*, non-compliance with information obligations, certain representations and warranties prove to be incorrect or in case of a change of control in the borrower.

The loan agreement contains customary information obligations, in particular with regard to the financial situation of the borrower and the status of the property as well as a DSCR financial covenant. In addition, the borrower is

required to adhere to certain property-related undertakings (e.g., insurance, administration and maintenance services). The agreement provides for certain events which are subject to information of or approval by Sparkasse Erlangen, such as a change of control.

Payment claims under the loan agreement are secured by a land charge on the financed property. Moreover, it is secured by further collateral, including a security assignment of rights and claims (including, *inter alia*, those under rental and lease agreements, insurance policies) a pledge of certain accounts and a pledge over the shares in the entity that acquired the property.

The loan agreement is governed by German law.

Münchener Hypothekenbank – DIC Objekt Eschborn Frankfurter Straße GmbH (formerly Siebte Rhein-Main Projektentwicklung GmbH)

In July 2020, Siebte Rhein-Main Projektentwicklung GmbH entered into a loan agreement with Münchener Hypothekenbank eG (“**Münchener Hyp**”) as lender pursuant to which Münchener Hyp agreed to make available to the borrower a loan in the amount of €34,000,000. The loan bears interest at a fixed rate and matures on June 30, 2027.

The loan agreement contains customary information obligations as well as a LTV financial covenant. In addition, the borrower is required to adhere to certain property-related undertakings (e.g., insurance, administration and maintenance services). The loan agreement stipulates customary termination rights for the lender. The lender has a termination right, *inter alia*, in the event that payments have not been made, or non-compliance with information obligations or certain representations and warranties prove to be incorrect. The loan agreement also provides for a blocked account which is pledged for the benefit of the Lenders. Funds standing to the credit of such blocked account must be applied in (partial) prepayment if certain contractual obligations are not met.

Payment claims under the loan agreement are secured by a land charge on the financed property. Moreover, they are secured by a security assignment of rights and claims (including, *inter alia*, those under rental and lease agreements and restitution claims in relation to the land charge).

The loan agreement is governed by German law.

Uptown Tower Financing.

In November 2019, Euro Pyramid S.à.r.l entered into a loan agreement with Deutsche Pfandbriefbank, Bayerische Landesbank and DekaBank Deutsche Girozentrale (the “**Lenders**”) as lenders pursuant to which the Lenders agreed to make available to the borrower a loan in the amount of €276,000,000 in relation to the acquisition of the real estate portfolio Uptown Tower in Munich. The loan bears interest at a fixed rate and matures on June 13, 2031.

The loan agreement contains customary information obligations as well as LTV and debt yield financial covenants. In addition, the borrower has to adhere to certain property-related undertakings (e.g., insurance, duty of care agreements with property administrators, limited rights of amendments or termination as to the rental contracts and any sufficiently concrete planned sale of the property). The loan agreement stipulates customary termination rights for the Lenders. The Lenders have a termination right, *inter alia*, in the event that payments have not been made, non-compliance with financial covenants or information obligations or certain representations and warranties prove to be incorrect. The loan agreement also contains a negative pledge clause and provides for a blocked account which is pledged for the benefit of the lender. Funds standing to the credit of such blocked account must be applied in prepayment if certain contractual obligations are not met. The loan agreement further provides for mandatory prepayment in case of certain insurance obligations arising out of cases of damage or warranty claims. The loan agreement also provides for a blocked account which is pledged for the benefit of the Lenders. Funds standing to the credit of such blocked account must be applied in (partial) prepayment if certain contractual obligations are not met.

Payment claims under the loan agreement are secured by land charges on the financed property. Moreover, they are secured by a security assignment of rights and claims (including, *inter alia*, those under rental and lease agreements, insurance policies) and pledges over certain accounts.

The loan agreement is governed by German law.

Other loan agreements

In addition to the loan agreements above, the Company's subsidiaries have obtained financing under various similarly structured agreements.

Interest and interest rates

The loan agreements bear interest at fixed as well as variable interest rates. Variable rates are tied to benchmarks such as the Euro Interbank Offered Rate (EURIBOR) plus margin.

Bullet repayment / regular amortization / prepayment

The loan agreements provide either for the full repayment of the nominal loan amount at the end of the term (bullet repayment) or for regular payments of the nominal loan amount (amortizing). Any remaining loan balances have to be repaid at the final maturity date.

Most of the loan agreements do not allow for voluntary prepayments. However, some of the agreements provide for a mandatory, partial, prepayment of the loan under certain circumstances, *inter alia*, the sale of the finance property, or change of control. In the event prepayments are made, the borrower is typically obliged to pay break costs or a prepayment fee for the interest damages caused by the prepayment. Land charges have been granted as security over the financed or re-financed properties. In addition to land charges, the loans are typically secured by pledges over bank accounts and/or receivables or assignments of portfolio-related claims.

Covenants and undertakings

Apart from certain information obligations, some loan agreements contain financial covenants. The financial covenants of these agreements are mostly customary in nature. For example, some loan agreements provide for minimum requirements as to interest service coverage ratio, debt service coverage ratio or loan-to-value ratio. In some instances, in case of a breach of a financial covenant, the financing bank can terminate the loan agreement and claim the early repayment of the loan. Additionally, some of the loan agreements contain a second set of financial covenants in relation to which a breach does not result in a termination right for the financing bank. Many loan agreements provide for accounts with limited rights of disposal for the respective lender which are pledged for the benefit of the respective lender. Most loan agreements also provide for a blocked account which is pledged for the benefit of the lender. Funds standing to the credit of such blocked account must be applied in prepayment if certain contractual obligations are not met. Funds standing to the credit of such blocked account must be applied in prepayment if the relevant financial conditions are not met.

Some of the loan agreements also contain customary representations as well as positive and negative undertakings including, *inter alia*, with respect to (i) certain legal matters, (ii) insurance policies, (iii) the provision of information, (iv) the incurrence of additional indebtedness and (v) the maintenance of accounts as well as (vi) negative pledge undertakings.

Events of default

The loan agreements stipulate customary termination rights for the lenders thereunder. In particular, the lenders have a termination right in the event that (i) payments, including interest, amortization or other payments, are not made when due, (ii) financial covenants, information obligations or other material contractual obligations are not complied with, (iii) the borrowing entity becomes insolvent or defaults on other financial liabilities, or (iv) representations or warranties stipulated in the loan agreement turn out to be incorrect.

Change of control provisions

Most of the loan agreements contain customary change of control clauses. These clauses stipulate certain consent or re-negotiation obligations if changes occur in relation to the current majority of the shares or voting rights in a borrowing entity, others trigger a termination right or mandatory prepayment. Some agreements provide for a special termination right in case of a change of control.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN (die „Anleihebedingungen“)	TERMS AND CONDITIONS (the “Terms and Conditions”)
§ 1 WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN	§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS
(1) <i>Währung; Stückelung.</i> Diese Emission von Schuldverschreibungen (die „ Schuldverschreibungen “) der DIC Asset AG (die „ Emittentin “) wird am 22. September 2021 (der „ Begebungstag “) im Gesamtnennbetrag von €400.000.000 (in Worten: Dreihundert Millionen Euro) in einer Stückelung von €100.000 (die „ Festgelegte Stückelung “) begeben.	(1) <i>Currency; Denomination.</i> This issue of notes (the “ Notes ”) of DIC Asset AG (the “ Issuer ”), is being issued in the aggregate principal amount of €400,000,000 (in words: three-hundred million Euro) in a denomination of €100,000 each (the “ Specified Denomination ”) on September 22, 2021 (the “ Issue Date ”).
(2) <i>Form.</i> Die Schuldverschreibungen sind durch eine auf den Inhaber lautende Globalurkunde ohne Zinsscheine verbrieft (die „ Globalurkunde “). Einzelkunden und Zinsscheine werden nicht ausgegeben. Ein Recht der Gläubiger auf Ausgabe und Lieferung von Einzelkunden oder Zinsscheinen besteht nicht.	(2) <i>Form.</i> The Notes are represented by a permanent global note in bearer form without interest coupons (the “ Global Note ”). Definitive notes representing individual Notes and interest coupons will not be issued. The right of the Holders to require the issue and delivery of definitive notes or interest coupons is excluded.
(3) <i>Vorläufige Globalurkunde – Austausch</i>	(3) <i>Temporary Global Note – Exchange.</i>
(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die „ vorläufige Globalurkunde “) ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die „ Dauerglobalurkunde “) ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in dessen Namen mit einer Kontrollunterschrift versehen. Einzelkunden und Zinsscheine werden nicht ausgegeben.	(a) The Notes are initially represented by a temporary global note (the “ Temporary Global Note ”) without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the “ Permanent Global Note ”) without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorized signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
(b) Die vorläufige Globalurkunde wird frühestens an einem Tag gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Begebung der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über	(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note from a date 40 days after the date of issue of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest on Notes represented by a Temporary Global Note will be made only after

<p>solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß diesem § 1(3)(b) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 6(2) definiert) geliefert werden.</p>	<p>delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(3)(b). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 6(2)).</p>
<p>(4) <i>Verwahrung und Clearing; Übertragbarkeit.</i> Die Globalurkunde, welche die Schuldverschreibungen verbrieft, wird durch ein Clearingsystem (das „Clearingsystem“ bedeutet jeweils folgendes: Clearstream Banking S.A. (42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg) („CBL“) and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgien) („Euroclear“) (CBL und Euroclear jeweils ein „ICSD“ und zusammen die „ICSDs“) verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.</p>	<p>(4) <i>Custody and Clearing; Transferability.</i> The Global Note representing the Notes shall be kept in custody by a Clearing System ((the“Clearing System” means each of the following: Clearstream Banking S.A. (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) (“CBL”) and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) (“Euroclear”) (CBL and Euroclear each an “ICSD” and together the “ICSDs”)) until all obligations of the Issuer under the Notes have been satisfied.</p>
<p>Die Schuldverschreibungen werden in Form einer New Global Note („NGN“) ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.</p>	<p>The Notes are issued in new global note (“NGN”) form and are kept in custody by a common safekeeper on behalf of both ICSDs.</p>
<p>(5) <i>Register der ICSDs.</i> Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind maßgeblicher Nachweis des Gesamtnennbetrages der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine für zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Betrag der so verbrieften Schuldverschreibungen ist maßgebliche Bescheinigung des Inhalts des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.</p>	<p>(5) <i>Records of the ICSDs.</i> The aggregate principal amount of Notes represented by the global note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer’s interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the global note and, for these purposes, a statement issued by a ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.</p>
<p>Bei jeder Rückzahlung oder einer Zinszahlung auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten der Rückzahlung, Zahlung oder</p>	<p>On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the global note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the global note shall be entered accordingly</p>

des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.	in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the global note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.
Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden.	On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.
(6) <i>Gläubiger von Schuldverschreibungen.</i> „ Gläubiger “ bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.	(6) <i>Holder of Notes.</i> “ Holder ” means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.
(7) <i>Vereinigte Staaten.</i> Für die Zwecke dieser Anleihebedingungen bezeichnet „ Vereinigte Staaten “ die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und den Northern Mariana Islands).	(7) <i>United States.</i> For the purposes of these Terms and Conditions, “ United States ” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).
§ 2 STATUS	§ 2 STATUS
Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit solchen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.	The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
§ 3 NEGATIVVERPFLICHTUNG	§ 3 NEGATIVE PLEDGE
(1) <i>Negativverpflichtung.</i> Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Zahlstelle zur Verfügung gestellt wurden, keine dinglichen Sicherheiten an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten mit Ausnahme verbriefter Kapitalmarktverbindlichkeiten oder von durch die Emittentin in Bezug auf Kapitalmarktverbindlichkeiten übernommenen	(1) <i>Negative Pledge.</i> The Issuer undertakes, so long as any Notes are outstanding, but only until all amounts of principal and interest have been placed at the disposal of the Paying Agent, not to create or permit to subsist, and to procure that none of its Material Subsidiaries will create or permit to subsist, any security interest <i>in rem</i> (<i>dingliche Sicherheit</i>) over its assets to secure any Capital Market Indebtedness other than Securitized Capital Market Indebtedness or to secure any guarantee or indemnity given by the

<p>Garantien oder abgegebenen Freistellungserklärungen zu bestellen oder fortbestehen zu lassen, und zu gewährleisten, dass keine ihrer Wesentlichen Tochtergesellschaften die zuvor genannten Sicherheiten bestellt oder fortbestehen lässt, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden, vorbehaltlich Absatz (3), durch die betreffende Sicherheit gleichrangig und anteilig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.</p>	<p>Issuer in respect of Capital Market Indebtedness unless, subject to paragraph (3), the Issuer's obligations under the Notes are secured equally and rateably with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.</p>
<p>(2) <i>Beschränkung.</i> Die Verpflichtungserklärungen nach Absatz (1) gelten jedoch nicht für eine Sicherheit, die (i) über Vermögensgegenstände einer Tochtergesellschaft der Emittentin, die erst nach dem Begebungstag zu einer Tochtergesellschaft der Emittentin wurde, gewährt wurde, vorausgesetzt, dass die Sicherheit nicht im Zusammenhang mit dem Erwerb der Tochtergesellschaft begründet wurde, (ii) nach anwendbarem Recht gesetzlich vorgeschrieben ist, (iii) Voraussetzung für die Gewährung staatlicher Genehmigungen ist, (iv) bereits am Begebungstag bestand, (v) durch eine Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen dieser Tochtergesellschaft gegen die Emittentin oder eine ihrer Tochtergesellschaften aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren gewährt wurde, soweit diese Sicherheit zur Sicherung von Verpflichtungen dieser Tochtergesellschaft aus diesen Wertpapieren dient, (vi) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichert, die infolge der Akquisition eine Verpflichtung der Emittentin wird, vorausgesetzt, dass die Sicherheit nicht im Zusammenhang mit der Akquisition begründet wurde, (vii) eine Erneuerung, Verlängerung oder Ersetzung einer Sicherheit gemäß vorstehender Ziffern (i) bis (vi) darstellt, vorausgesetzt, dass die Kapitalmarktverbindlichkeit in ihrem Nennbetrag nicht erhöht wird, oder (viii) nicht in den Anwendungsbereich von (i) bis (vii) fällt und Kapitalmarktverbindlichkeiten besichert, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die dingliche Sicherheiten (gewährt durch die Emittentin oder eine Wesentliche Tochtergesellschaft) bestehen, die nicht in den Anwendungsbereich von (i) bis (vii) fallen) EUR 100.000.000 (bzw. den Gegenwert in anderen Währungen am Tag der Bestellung dieser Sicherheit) nicht überschreitet.</p>	<p>(2) <i>Limitation.</i> The undertakings pursuant to paragraph (1) shall not apply to a security which (i) was granted over assets of a Subsidiary of the Issuer that becomes a Subsidiary only after the Issue Date, <i>provided that</i> the security was not created in anticipation of the acquisition of the Subsidiary, (ii) is mandatory according to applicable laws, (iii) is required as a prerequisite for governmental approvals, (iv) existed on the Issue Date, (v) is granted by a Subsidiary in respect of any existing or future claims of this Subsidiary against the Issuer or any of its Subsidiaries as a result of passing on proceeds from the sale or issuance of any securities, <i>provided that</i> such security serves as security for obligations of this Subsidiary under such securities, (vi) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer as a consequence of such acquisition, <i>provided that</i> the security was not created in anticipation of the acquisition, (vii) constitutes the renewal, extension or replacement of any security pursuant to the foregoing (i) through (vi), <i>provided that</i> the principal amount of the Capital Market Indebtedness is not increased, or (viii) does not fall within the scope of application of (i) through (vii) above and which secures Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Market Indebtedness which has the benefit of security (granted by the Issuer or any Material Subsidiary) other than any security falling within the scope of application of (i) through (vii) above) not exceeding EUR 100,000,000 (or its equivalent in other currencies as of the date of granting this security interest).</p>

<p>Eine nach diesem Absatz (2) zu bestellende Sicherheit kann auch zugunsten einer Person, die als Treuhänder der Gläubiger tätig ist, bestellt werden.</p>	<p>Any security which is to be provided pursuant to this paragraph (2) may also be provided to a person acting as trustee for the Holders.</p>
<p>(3) <i>Bestellung Sicherheiten.</i> Entsteht für die Emittentin eine Verpflichtung zur Besicherung der Schuldverschreibungen gemäß dieses § 3 (oder entsteht die Verpflichtung, für deren Besicherung durch eine Wesentliche Tochtergesellschaft Sorge zu tragen), so ist die Emittentin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass sie eine Sicherheit an dem jeweiligen Sicherungsgegenstand zugunsten eines Sicherheitentreuhänders bestellt (bzw. dadurch, dass sie die betreffende Wesentliche Tochtergesellschaft zur Begründung einer solchen Sicherheit veranlasst), und zwar in einer Weise, dass der Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund der Besicherung zur Bestellung dieser Sicherheit an dem betreffenden Sicherungsgegenstand führte.</p>	<p>(3) <i>Provision of Security.</i> Whenever the Issuer becomes obligated to secure (or procure that a Material Subsidiary secures) the Notes pursuant to this § 3, the Issuer shall be entitled to discharge such obligation by providing (or procuring that the relevant Material Subsidiary provides) a security interest in the relevant collateral to a security trustee, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally, for the benefit of the Holders and the holders of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral, such equal rank to be created <i>in rem</i> or, if impossible to create <i>in rem</i>, contractually.</p>
<p style="text-align: center;">§ 4 VERZINSUNG</p>	<p style="text-align: center;">§ 4 INTEREST</p>
<p>(1) <i>Zinssatz und Zinszahlungstage.</i> Die Schuldverschreibungen werden bezogen auf ihre Stückelung verzinst, und zwar vom 22. September 2021 (der „Verzinsungsbeginn“) (einschließlich) mit 2,250% p.a. bis zum Fälligkeitstag (ausschließlich). Die Zinsen sind jährlich nachträglich am 22. September zahlbar (jeweils ein „Zinszahlungstag“). Die erste Zinszahlung erfolgt am 22. September 2022.</p>	<p>(1) <i>Rate of Interest and Interest Payment Dates.</i> The Notes shall bear interest on their denomination at the rate of 2.250% <i>per annum</i> from (and including) September 22, 2021 (the “Interest Commencement Date”) to (but excluding) the Maturity Date. Interest shall be payable annually in arrears on September 22 (each such date, an “Interest Payment Date”). The first payment of interest shall be made on September 22, 2022.</p>
<p>Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von § 4(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1(3)(b).</p>	<p>Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to § 4(2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).</p>
<p>(2) <i>Zahlungsverzug.</i> Wenn die Emittentin aus irgendeinem Grund die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem</p>	<p>(2) <i>Late Payment.</i> If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue on the outstanding amount from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of</p>

gesetzlichen Verzugszins ¹ verzinst. Die Geltendmachung eines weitergehenden Schadens im Falle eines Zahlungsverzugs ist nicht ausgeschlossen.	interest established by law ² . Claims for further damages in case of late payment are not excluded.
(3) <i>Berechnung der Zinsen.</i> Sind Zinsen für einen Zeitraum zu berechnen, der kürzer ist als die Zinsperiode (wie in diesem Absatz (3) definiert), werden die Zinsen auf Grundlage der tatsächlichen Anzahl der in dem betreffenden Zeitraum abgelaufenen Kalendertage (einschließlich des ersten, aber ausschließlich des letzten Tages dieses Zeitraums), geteilt durch die tatsächliche Anzahl der Kalendertage der Zinsperiode (einschließlich des ersten, aber ausschließlich des letzten Tages der maßgeblichen Zinsperiode), in den der maßgebliche Zeitraum fällt, ermittelt.	(3) <i>Calculation of Interest.</i> Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined in this paragraph (3)), the interest will be calculated on the basis of the actual number of calendar days elapsed in the relevant period, from (and including) the first date in the relevant period to (but excluding) the last date of the relevant period, divided by the actual number of calendar days in the Interest Period in which the relevant period falls (including the first such day of the relevant Interest Period, but excluding the last day of the relevant Interest Period).
„Zinsperiode“ bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und anschließend den Zeitraum vom jeweiligen Zinszahlungstag (einschließlich) bis zum darauffolgenden Zinszahlungstag (ausschließlich).	“Interest Period” means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and thereafter from (and including) each relevant Interest Payment Date to (but excluding) the next following Interest Payment Date.
§ 5 ZAHLUNGEN	§ 5 PAYMENTS
(1) <i>Zahlung von Kapital und Zinsen.</i> Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich Absatz (2), an die Zahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.	(1) <i>Payment of Principal and Interest.</i> Payment of principal and interest in respect of the Notes shall be made, subject to paragraph (2) below, to the Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.
(2) <i>Zahlungsweise.</i> Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in Euro geleistet.	(2) <i>Manner of Payment.</i> Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in euro.
(3) <i>Erfüllung.</i> Die Emittentin wird durch Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.	(3) <i>Discharge.</i> The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
(4) <i>Geschäftstag.</i> Ist der Tag für eine Zahlung in Bezug auf eine Schuldverschreibung kein Geschäftstag, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung	(4) <i>Business Day.</i> If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “ Business Day ”

¹ Der gesetzliche Verzugszinssatz beträgt fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

² The default rate of interest established by statutory law is five percentage points above the basis rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288 paragraph 1, 247 paragraph 1 of the German Civil Code.

<p>zu verlangen. Für diese Zwecke bezeichnet „Geschäftstag“ einen Tag (außer einem Samstag oder Sonntag), an dem Banken in Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 („TARGET2“) betriebsbereit sind, um Zahlungen vorzunehmen.</p>	<p>means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (“TARGET2”) are operational to effect payments.</p>
<p>(5) <i>Bezugnahmen auf Kapital und Zinsen.</i> Bezugnahmen in diesen Anleihebedingungen auf Kapital und Zinsen der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: Rückzahlungsbetrag, Wahl-Rückzahlungsbetrag (Call), Wahl-Rückzahlungsbetrag (Put), gegebenenfalls gemäß § 8 zahlbare Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge.</p>	<p>(5) <i>References to Principal and Interest.</i> References in these Terms and Conditions to principal or interest in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount, the Call Redemption Amount, the Put Redemption Amount, Additional Amounts which may be payable under § 8 and any other premium and any other amounts which may be payable under or in respect of the Notes.</p>
<p>(6) <i>Hinterlegung von Kapital und Zinsen.</i> Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Wenn und soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.</p>	<p>(6) <i>Deposit of Principal and Interest.</i> The Issuer may deposit with the local court (<i>Amtsgericht</i>) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.</p>
<p>§ 6 RÜCKZAHLUNG</p>	<p>§ 6 REDEMPTION</p>
<p>(1) <i>Rückzahlung bei Endfälligkeit.</i> Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 22. September 2026 (dem „Fälligkeitstag“) zurückgezahlt. Der „Rückzahlungsbetrag“ einer jeden Schuldverschreibung entspricht dabei ihrem Nennbetrag.</p>	<p>(1) <i>Redemption at Maturity.</i> Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on September 22, 2026 (the “Maturity Date”). The “Final Redemption Amount” in respect of each Note shall be its principal amount.</p>
<p>(2) <i>Vorzeitige Rückzahlung aus steuerlichen Gründen.</i></p>	<p>(2) <i>Early Redemption for Reasons of Taxation.</i></p>
<p>(a) Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gemäß § 15 gegenüber den Gläubigern gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen vorzeitig zurückgezahlt werden, falls die</p>	<p>(a) If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany (or in the event the Issuer has become subject to another tax jurisdiction pursuant to § 8(4), the laws or regulations of such other tax jurisdiction) affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or</p>

<p>Emittentin als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften der Bundesrepublik Deutschland (oder für den Fall, dass die Emittentin gemäß § 8(4) einer anderen Steuerrechtsordnung unterworfen wird, der Gesetze oder Vorschriften dieser anderen Steuerrechtsordnung), die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag der Begebung der Schuldverschreibungen wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von Zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann, die nach Auffassung der Emittentin zumutbar sind (wobei jeweils die Interessen der Gläubiger zu berücksichtigen sind).</p>	<p>regulations, which amendment or change becomes effective on or after the date on which the Notes were issued, the Issuer is required to pay Additional Amounts on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of measures available to the Issuer which are, in the judgement of the Issuer, in each case taking into account the interests of Holders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time upon not less than 45 days' nor more than 60 days' prior notice of redemption given, in accordance with § 15, to the Holders, at the principal amount together with interest accrued to (but excluding) the date fixed for redemption.</p>
<p>Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.</p>	<p>However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.</p>
<p>(b) Eine solche Kündigung gemäß Absatz (a) hat gemäß § 15 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.</p>	<p>(b) Any such notice pursuant to paragraph (a) shall be given in accordance with § 15. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement summarizing the facts constituting the basis for the right of the Issuer so to redeem.</p>
<p>(3) <i>Vorzeitige Rückzahlung nach Wahl der Emittentin.</i></p>	<p>(3) <i>Early Redemption at the Option of the Issuer.</i></p>
<p>(a) Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (5) verlangt hat) insgesamt oder teilweise, nach ihrer Wahl durch Erklärung gemäß § 15 gegenüber den Gläubigern vom 22. Juni 2026 (der „Erste Rückzahlungstag“) bis zum Fälligkeitstag zu ihrem Rückzahlungsbetrag zusammen mit allen nicht gezahlten Zinsen, die bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufen sind, zurückzahlen.</p>	<p>(a) The Issuer may, upon prior notice of redemption given, in accordance with § 15, to the Holders, redeem, at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of the option to require the redemption of such Note under paragraph (5)) in whole or in part within the period from June 22, 2026 (the “First Call Date”) to the Maturity Date at their Final Redemption Amount together with any unpaid interest to (but excluding) the date fixed for redemption</p>

<p>(b) Eine solche Kündigungserklärung ist unwiderruflich und muss die folgenden Angaben beinhalten: (i) die Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen, und (ii) den für die Rückzahlung festgesetzten Tag, der nicht weniger als 30 und nicht mehr als 60 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.</p>	<p>(b) Such notice shall be irrevocable and must specify (i) whether the Notes are to be redeemed in whole or in part and, if in part, the aggregate principal amount of the Notes which are to be redeemed, and (ii) the date fixed for redemption, which shall be not less than 30 nor more than 60 days after the date on which notice is given by the Issuer to the Holders.</p>
<p>(4) <i>Vorzeitige Rückzahlung nach Wahl der Emittentin (Make-Whole)</i>. Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (5) verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gemäß § 15 gegenüber den Gläubigern kündigen und an einem von ihr anzugebenden Tag (dem „Wahl-Rückzahlungstag (Call)“) zu ihrem Wahl-Rückzahlungsbetrag (Call) zusammen mit allen nicht gezahlten Zinsen zurückzahlen, die bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) (aber ohne aufgelaufene Zinsen, die in dem Wahl-Rückzahlungsbetrag (Call) berücksichtigt sind) aufgelaufen sind. Sie ist unwiderruflich und muss den Wahl-Rückzahlungstag (Call) angeben.</p>	<p>(4) <i>Early Redemption at the Option of the Issuer (Make-Whole)</i>. The Issuer may, upon not less than 45 days' nor more than 60 days' prior notice of redemption given, in accordance with § 15, to the Holders, redeem on any date specified by it (the "Call Redemption Date"), at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under paragraph (5)) in whole but not in part, at their Call Redemption Amount together with any unpaid interest accrued to (but excluding) the Call Redemption Date (but excluding accrued interest accounted for in the Call Redemption Amount). It shall be irrevocable and must specify the Call Redemption Date.</p>
<p>Der „Wahl-Rückzahlungsbetrag (Call)“ je Schuldverschreibung entspricht (i) dem Nennbetrag je Schuldverschreibung oder (ii), falls höher, dem Abgezinsten Marktpreis (<i>Make-Whole Amount</i>) je Schuldverschreibung. Der „Abgezinst Marktpreis (Make-Whole Amount)“ wird von einem von der Emittentin auf eigene Kosten bestellten unabhängigen Sachverständigen (der „Unabhängige Sachverständige“) am Rückzahlungsberechnungstag berechnet, indem der Nennbetrag und die verbleibenden Zinszahlungen bis zum Ersten Rückzahlungstag auf jährlicher Basis unter Zugrundelegung eines Jahres mit 365 bzw. 366 Tagen und der Zahl der tatsächlich in dem Jahr verstrichenen Tage und mit der Benchmark-Rendite plus 50 Basispunkte abgezinst werden.</p>	<p>The "Call Redemption Amount" per Note means the higher of (i) the principal amount per Note and (ii) the Make-Whole Amount per Note. The "Make-Whole Amount" will be an amount calculated by an independent financial adviser appointed by the Issuer at the Issuer's expense (the "Independent Financial Adviser") on the Redemption Calculation Date by discounting the principal amount and the remaining interest payments to the First Call Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Benchmark Yield plus 50 basis points.</p>
<p>Die „Benchmark-Rendite“ ist die am Rückzahlungsberechnungstag bestehende Rendite, wie sie etwa um 12.00 Uhr mittags (Ortszeit Frankfurt am Main) auf der Bildschirmseite für die Referenzanleihe, oder, sollte zu diesem Zeitpunkt keine Rendite festgestellt werden können, die vorstehend bestimmte Rendite so wie sie zu einem anderen Zeitpunkt, der von dem Unabhängigen Sachverständigen für angemessen</p>	<p>„Benchmark Yield“ means the yield as at the Redemption Calculation Date as appearing at around noon Frankfurt am Main time on the Screen Page in respect of the Benchmark Security, or if such yield cannot be so determined at such time, the yield determined as aforesaid as appearing on the Screen Page at such other time on the Redemption</p>

erachtet wird, am Rückzahlungs-Berechnungstag auf der Bildschirmseite angezeigt wird.	Calculation Date as may be considered to be appropriate by the Independent Financial Adviser.
„ Bildschirmseite “ ist Bloomberg HP (Einstellung „Last Yield to Convention“ und Verwendung der Preisquelle „FRNK“) (oder jede Nachfolgeside oder Nachfolge-Preisquelle) für die Referenzanleihe, oder, falls diese Bloomberg-Seite oder Preisquelle nicht verfügbar ist, eine andere Seite (falls vorhanden) eines Informationsanbieters, die weitgehend ähnliche Daten anzeigt, wie von dem Unabhängigen Sachverständigen für angemessen erachtet.	„ Screen Page “ means Bloomberg HP (setting “Last Yield To Convention” and using the pricing source “FRNK”) (or any successor page or successor pricing source) for the Benchmark Security, or, if such Bloomberg page or pricing source is not available, such other page (if any) from such other information provider displaying substantially similar data as may be considered to be appropriate by the Independent Financial Adviser.
„ Referenzanleihe “ ist die Euro Referenz-Anleihe der Bundesrepublik Deutschland, DBR 0,00%, 15. August 2026 (ISIN: DE0001102408) oder, falls diese Anleihe am Rückzahlungs-Berechnungstag nicht mehr aussteht, eine ersetzende Referenzanleihe, welche der Unabhängige Sachverständige auswählt, jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibungen bis zu deren Fälligkeitstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und in Übereinstimmung mit der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibungen vergleichbaren Laufzeit verwendet würde.	„ Benchmark Security “ means the euro denominated benchmark debt security of the Federal Republic of Germany, DBR 0.00%, August 15, 2026 (ISIN: DE0001102408), or, if such security is no longer outstanding on the Redemption Calculation Date, such substitute benchmark security selected by the Independent Financial Adviser, in each case as having a maturity comparable to the remaining term of the Notes to the Maturity Date, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date of the Notes.
„ Rückzahlungs-Berechnungstag “ ist der zehnte Geschäftstag vor dem Wahl-Rückzahlungstag (Call).	„ Redemption Calculation Date “ means the tenth Business Day prior to the Call Redemption Date.
(5) <i>Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Kontrollwechsels.</i>	(5) <i>Early Redemption at the Option of the Holders upon a Change of Control.</i>
(a) Tritt nach dem Begebungstag ein Gläubiger-Rückzahlungsereignis ein, so ist jeder Gläubiger berechtigt, aber nicht verpflichtet, von der Emittentin die vollständige oder teilweise Rückzahlung oder, nach Wahl der Emittentin, den Ankauf (oder die Veranlassung eines Ankaufs) seiner Schuldverschreibungen innerhalb von 30 Tagen nachdem die Gläubigerwahl-Rückzahlungsereignis-Mitteilung gemäß Unterabsatz (b) bekannt gegeben wurde (der „ Ausübungszeitraum “) zum Wahl-Rückzahlungsbetrag (Put) (das „ Gläubiger-Rückzahlungswahlrecht “) zu verlangen. Dieses Gläubiger-Rückzahlungswahlrecht ist wie nachstehend unter den Unterabsätzen (b) bis (c) beschrieben, auszuüben.	(a) If a Put Event occurs after the Issue Date, each Holder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) in whole or in part his Notes, within 30 days after a Put Event Notice under subparagraph (b) has been published (the “ Put Period ”), at the Put Redemption Amount (the “ Put Option ”). Such Put Option shall operate as set out below under subparagraphs (b) to (c).

<p>Ein „Gläubiger Rückzahlungsereignis“ gilt tritt jedes Mal ein wenn ein Kontrollwechsel eingetreten ist, in Bezug auf den eine Rating Abstufung erfolgt ist.</p>	<p>A „Put Event“ is deemed to occur if a Change of Control has occurred in respect of which also a Rating Downgrade has occurred.</p>
<p>„Investment Grade Rating“ bezeichnet ein der Emittentin oder den Schuldverschreibungen zugewiesenes Rating von „Baa3“ oder besser durch Moody’s Investors Service und „BBB-“ oder besser durch S&P Global Ratings (oder, für den Fall dass eine dieser Rating Agenturen der Emittentin und den Schuldverschreibungen kein Rating mehr zuweist, jedes gleichwertige Rating durch eine andere Rating Agentur).</p>	<p>„Investment Grade Rating“ means any rating assigned to the Issuer or the Notes of “Baa3” or better by Moody’s Investors Service and “BBB-“ or better by S&P Global Ratings (or, if or, if either such entity ceases to rate the Notes and the Issuer, the equivalent credit rating from any other Rating Agency).</p>
<p>Ein „Kontrollwechsel“ gilt jedes Mal als eingetreten (unabhängig davon, ob die Geschäftsführung der Emittentin zugestimmt hat), wenn eine oder mehrere Personen, die gemeinsam handeln, (die „relevante(n) Person(en)“) oder ein oder mehrere Dritte, die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit unmittelbar oder mittelbar (i) 50% oder mehr des Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin, auf die 50% oder mehr der Stimmrechte entfallen, erwirbt bzw. erwerben oder hält bzw. halten.</p>	<p>A „Change of Control“ shall be deemed to have occurred at each time (whether or not approved by the board of directors of the Issuer) that any person or persons acting in concert (“Relevant Person(s)”) or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) 50% or more of the share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying 50% or more of the voting rights.</p>
<p>Eine „Rating Abstufung“ in Bezug auf einen Kontrollwechsel gilt als eingetreten, wenn innerhalb von 90 Tagen nach Eintritt eines Kontrollwechsels (a) eine oder mehrere Rating Agenturen die Ratingeinstufung der Schuldverschreibungen (i) zurückzieht, (ii) von einem Investment Grade Rating in ein nicht-Investment Grade Rating abändert oder (b) zur Zeit des Kontrollwechsels kein Rating für die Schuldverschreibungen vergeben ist und keine Rating Agentur innerhalb von 90 Tagen nach Eintritt eines Kontrollwechsels ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb dieses Zeitraums nicht in der Lage ein solches Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel hat).</p>	<p>A „Rating Downgrade“ in respect of a Change of Control shall be deemed to have occurred if within 90 days after the occurrence of a Change of Control (a) any rating previously assigned to the Notes by one or more Rating Agencies is (i) withdrawn, (ii) changed from an Investment Grade Rating to a non-Investment Grade Rating or (b) if at the time of the Change of Control there is no rating assigned to the Notes and no Rating Agency assigns within 90 days after the occurrence of a Change of Control an Investment Grade Rating to the Notes (unless the Issuer is unable to obtain such rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control).</p>
<p>„Rating Agentur“ bezeichnet S&P Global Ratings und Moody’s Investors Service sowie jeden ihrer Rechtsnachfolger oder jede andere Agentur, die Ratings vergibt, mit</p>	<p>„Rating Agency“ means each of S&P Global Ratings and Moody’s Investors Service or any of their respective successors or any other rating agency of equivalent international</p>

gleichwertiger internationaler Reputation, die die Emittentin benannt hat.	standing specified from time to time by the Issuer.
Der „ Wahl-Rückzahlungsbetrag (Put) “ bezeichnet für jede Schuldverschreibung 101% des Nennbetrags der Schuldverschreibung zuzüglich nicht gezahlter bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen.	“ Put Redemption Amount ” means for each Note 101% of the principal amount of such Note, plus unpaid interest accrued to (but excluding) the Put Date.
(b) Tritt nach dem Begebungstag ein Gläubiger Rückzahlungsereignis ein, so teilt die Emittentin dies unverzüglich nachdem die Emittentin davon Kenntnis erlangt hat, den Gläubigern gemäß § 15 mit (eine „ Gläubigerwahl-Rückzahlungsereignis-Mitteilung “) und gibt dabei die Art des Gläubiger Rückzahlungsereignisses und das in diesem Absatz (5) vorgesehene Verfahren zur Ausübung des Gläubiger-Rückzahlungswahlrechts an.	(b) If a Put Event occurs after the Issue Date, then the Issuer shall, without undue delay, after the Issuer becoming aware thereof, give notice of the Put Event (a “ Put Event Notice ”) to the Holders in accordance with § 15 specifying the nature of the Put Event and the procedure for exercising the Put Option contained in this paragraph (5) .
(c) Zur Ausübung des Gläubiger-Rückzahlungswahlrechts muss der Gläubiger an einem Geschäftstag innerhalb des Ausübungszeitraums, (i) bei der bezeichneten Geschäftsstelle der Zahlstelle eine ordnungsgemäß ausgefüllte Ausübungserklärung in der jeweils bei der Zahlstelle erhältlichen maßgeblichen Form zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) einreichen (die „ Gläubiger-Ausübungserklärung “) und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Gläubiger-Rückzahlungswahlrecht ausüben möchte, und zwar entweder durch (x) Übertragung dieser Schuldverschreibungen auf das Clearingsystem-Konto der Zahlstelle oder (y) Abgabe einer unwiderruflichen Anweisung an die Zahlstelle, die Schuldverschreibungen aus einem Wertpapierdepot des Gläubigers bei der Zahlstelle auszubuchen. Die Emittentin wird die betreffende(n) Schuldverschreibung(en) sieben Tage nach Ablauf des Ausübungszeitraums (der „ Wahl-Rückzahlungstag (Put) “) zurückzahlen oder nach ihrer Wahl ankaufen (oder ankaufen lassen), soweit sie nicht bereits vorher zurückgezahlt oder angekauft und entwertet wurde(n). Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das Clearingsystem. Eine einmal abgegebene	(c) To exercise the Put Option, the Holder must deliver on any Business Day within the Put Period (i) to the Paying Agent at its specified office a duly completed notice of exercise in the then current form obtainable from the Paying Agent at least in text form (section 126b of the German Civil Code, <i>Bürgerliches Gesetzbuch</i>) (a “ Put Notice ”) and (ii) the aggregate Specified Denomination of Notes for which the Holder wishes to exercise its Put Option by either (x) transferring such Notes to the Clearing System account of the Paying Agent or (y) giving an irrevocable instruction to the Paying Agent to withdraw such Notes from a securities account of the Holder with the Paying Agent. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date seven days after the expiration of the Put Period (the “ Put Date ”) unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Put Notice, once given, shall be irrevocable.

Gläubiger-Ausübungserklärung ist unwiderruflich.	
(6) <i>Vorzeitige Rückzahlung bei Geringem Ausstehenden Gesamtnennbetrag der Schuldverschreibungen.</i> Wenn 80% oder mehr des Gesamtnennbetrags der Schuldverschreibungen von der Emittentin oder einer direkten oder indirekten Tochtergesellschaft der Emittentin zurückgezahlt oder angekauft wurden, ist die Emittentin jederzeit berechtigt, nach vorheriger Bekanntmachung gegenüber den Gläubigern gemäß § 15 mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl die ausstehenden Schuldverschreibungen insgesamt, aber nicht teilweise, zum Nennbetrag zuzüglich bis zum tatsächlichen Rückzahlungstag (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zurückzuzahlen.	(6) <i>Early Redemption in case of Minimal Outstanding Aggregate Principal Amount of the Notes.</i> If 80% or more of the aggregate principal amount of the Notes have been redeemed or purchased by the Issuer or any direct or indirect Subsidiary of the Issuer, the Issuer may at any time, on not less than 30 or more than 60 days' notice to the Holders given in accordance with § 15, redeem, at its option, the remaining Notes in whole but not in part at the principal amount thereof plus unpaid interest accrued to (but excluding) the date of actual redemption.
(7) Die durch eine Globalurkunde verbrieften Schuldverschreibungen werden in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt, und eine etwaige teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Gesamtnennbetrags wiedergegeben.	(8) Notes represented by a global note shall be selected in accordance with the rules of the relevant Clearing System and a possible partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in aggregate principal amount, at the discretion of CBL and Euroclear.
§ 7 ZAHLSTELLE	§ 7 PAYING AGENT
(1) <i>Bestellung; bezeichnete Geschäftsstelle.</i> Die anfänglich bestellte Zahlstelle und deren anfänglich bezeichnete Geschäftsstelle ist:	(1) <i>Appointment; Specified Office.</i> The initial Paying Agent and its initial specified offices shall be:
HSBC Continental Europe 38, avenue Kléber 75116 Paris, France	HSBC Continental Europe 38, avenue Kléber 75116 Paris, France
Die Zahlstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle in derselben Jurisdiktion zu ersetzen.	The Paying Agent reserves the right at any time to change its specified office to another office in the same jurisdiction.
(2) <i>Änderung oder Beendigung der Bestellung.</i> Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle zu ändern oder zu beenden und zusätzliche oder eine oder mehrere andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle unterhalten. Eine Änderung, Beendigung, Bestellung oder ein Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 15 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Tagen informiert wurden.	(2) <i>Variation or Termination of Appointment.</i> The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint another Paying Agent, additional or other paying agents. The Issuer shall at all times maintain a Paying Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 15.

<p>(3) <i>Erfüllungsgehilfen der Emittentin.</i> Die Zahlstelle und jede andere nach Absatz (2) bestellte Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.</p>	<p>(3) <i>Agents of the Issuer.</i> The Paying Agent and any other paying agent appointed pursuant to paragraph (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.</p>
<p>§ 8 STEUERN</p>	<p>§ 8 TAX</p>
<p>(1) <i>Zahlungen ohne Einbehalt oder Abzug von Steuern.</i> Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Bundesrepublik Deutschland (die „Steuerjurisdiktion“) oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Landes im Wege des Einbehalts oder Abzugs an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.</p>	<p>(1) <i>Payments Free of Taxes.</i> All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany (the “Taxing Jurisdiction”) or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.</p>
<p>(2) <i>Zahlung Zusätzlicher Beträge.</i> Ist ein Einbehalt oder Abzug in Bezug auf zu zahlende Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die „Zusätzlichen Beträge“) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug erhalten worden wären; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für Steuern oder Abgaben:</p>	<p>(2) <i>Payments of Additional Amounts.</i> If such withholding or deduction with respect to amounts payable in respect of the Notes is required by law, the Issuer will pay such additional amounts (the “Additional Amounts”) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:</p>
<p>(a) die anders als durch Einbehalt oder Abzug von Zahlungen, welche die Emittentin an den Gläubiger leistet, zu entrichten sind; oder</p>	<p>(a) are payable otherwise than by withholding or deduction from payments, made by the Issuer to the Holder, or</p>
<p>(b) die von einer als Depotbank oder Inkassobeauftragte im Namen eines Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder</p>	<p>(b) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or</p>
<p>(c) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Steuerjurisdiktion zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Steuerjurisdiktion stammen</p>	<p>(c) are payable by reason of the Holder having, or having had, some personal or business relation to the Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are</p>

(oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder	deemed to be, derived from sources in, or are secured in, the Taxing Jurisdiction, or
(d) die durch eine Zahlstelle von der Zahlung einzubehalten oder abzuziehen sind, wenn die Zahlung von einer anderen Zahlstelle ohne einen solchen Einbehalt oder Abzug hätte vorgenommen werden können; oder	(d) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction, or
(e) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder Sparguthaben oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung, an denen die Steuerjurisdiktion oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder dieses Abkommen oder diese Vereinbarung umsetzt oder befolgt dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, einzubehalten oder abzuziehen sind; oder	(e) are withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income or savings, or (ii) any international treaty or understanding relating to such taxation and to which the Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
(f) die nicht erhoben oder einbehalten oder abgezogen worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, einer Zahlstelle oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in der Steuerjurisdiktion vorgeschriebenen Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der maßgeblichen Steuerjurisdiktion erhobenen Steuern oder für eine Reduzierung der Höhe des Einhalts oder Abzugs solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der Steuerjurisdiktion ansässig ist),	(f) would not have been imposed, withheld or deducted but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or a Paying Agent addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of the Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of withholding or deduction of, taxes imposed by the relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Taxing Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation, or

jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen; oder	
(g) die Nachlasssteuern, Erbschaftsteuern, Schenkungsteuern, Umsatzsteuern, Verbrauchsteuern, Verkehrssteuern, Vermögenssteuern oder ähnliche Steuern darstellen, oder	(g) are estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or
(h) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung wirksam wird; oder	(h) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or
(i) die aufgrund jeglicher Kombination der Absätze (a) bis (h) zu entrichten sind.	(i) are payable due to any combination of items (a) to (h),
Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer der Zahlung erhält, soweit nach den Gesetzen der Steuerjurisdiktion eine solche Zahlung steuerlich den Einkünften eines Begünstigten oder Treugebers in Bezug auf einen solchen Treuhänder oder eines Gesellschafters der Personengesellschaft oder eines wirtschaftlich Berechtigten zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn er selbst Gläubiger der Schuldverschreibungen wäre.	nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.
Zudem werden keine Zusätzlichen Beträge im Hinblick auf Steuern gezahlt, die gemäß dem Gesetz zur Abwehr von Steuervermeidung und unfaiem Steuerwettbewerb (<i>Steueroasen-Abwehrgesetz</i>) in seiner jeweiligen Fassung erhoben werden.	Furthermore, no Additional Amounts shall be payable on account of taxes levied pursuant to the Defence against Tax Havens Act (<i>Gesetz zur Abwehr von Steuervermeidung und unfaiem Steuerwettbewerb und zur Änderung weiterer Gesetze</i>) as amended.
Zur Klarstellung wird festgehalten, dass die in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer zuzüglich des darauf anfallenden Solidaritätszuschlags sowie Kirchensteuer, soweit eine solche im Wege des Steuerabzugs erhoben wird, keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.	For the avoidance of doubt, the withholding tax levied in the Federal Republic of Germany at the level of the custodian bank plus the solidarity surcharge imposed thereon as well as church tax, where such tax is levied by way of withholding, pursuant to tax law as in effect as of the Issue Date do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.
(3) <i>FATCA</i> . Ungeachtet sonstiger hierin enthaltener Bestimmungen darf die Emittentin Beträge, die gemäß einer in Section 1471(b) des U.S. Internal Revenue Code von 1986 (der „ Code “) beschriebenen Vereinbarung erforderlich sind oder	(3) <i>FATCA</i> . Notwithstanding any other provisions contained herein, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “ Code ”) or

<p>die anderweitig aufgrund der Sections 1471 bis 1474 des Code (oder jeder Änderung oder Nachfolgeregelung), der Vorschriften oder Verträge darunter, der offiziellen Auslegungen davon oder jeglichen Umsetzungsgesetzes und zwischenstaatlichen Konzepts dazu vorgegeben sind, einbehalten oder abziehen („FATCA Quellensteuer“). Die Emittentin ist aufgrund einer durch die Emittentin, eine Zahlstelle oder eine andere Partei abgezogenen oder einbehaltenen FATCA Quellensteuer nicht zur Zahlung zusätzlicher Beträge oder anderweitig zur Entschädigung eines Investors verpflichtet.</p>	<p>otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing and intergovernmental approach thereto (“FATCA Withholding”). The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party.</p>
<p>(4) <i>Andere Steuerjurisdiktion.</i> Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sind die Bezugnahmen in diesem § 8 auf die Jurisdiktion der Emittentin als Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese andere(n) Rechtsordnung(en) zu lesen und auszulegen.</p>	<p>(4) <i>Other Tax Jurisdiction.</i> If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer, references in this § 8 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer and/or to such other jurisdiction(s).</p>
<p>§ 9 VORLEGUNGSFRIST, VERJÄHRUNG</p>	<p>§ 9 PRESENTATION PERIOD, PRESCRIPTION</p>
<p>Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 Bürgerliches Gesetzbuch für die Schuldverschreibungen wird auf zehn Jahre verkürzt. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre vom Ende der betreffenden Vorlegungsfrist an.</p>	<p>The presentation period provided for in section 801 paragraph 1, sentence 1 of the German Civil Code (<i>Bürgerliches Gesetzbuch</i>) is reduced to ten years for the Notes. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.</p>
<p>§ 10 KÜNDIGUNGSGRÜNDE</p>	<p>§ 10 EVENTS OF DEFAULT</p>
<p>(1) <i>Kündigungsgründe.</i> Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Gläubiger berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Abgabe einer Kündigungserklärung gemäß Absatz (2) gegenüber der Zahlstelle fällig zu stellen und (vorbehaltlich des nachfolgenden Absatzes (4)) deren unverzügliche Rückzahlung zu ihrem Nennbetrag zuzüglich bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zu verlangen. Jedes der folgenden Ereignisse stellt einen „Kündigungsgrund“ dar:</p>	<p>(1) <i>Events of Default.</i> If an Event of Default occurs and is continuing, each Holder shall be entitled to declare due and payable by submitting a Termination Notice pursuant to paragraph (2) to the Paying Agent its entire claims arising from the Notes and demand (subject to paragraph (4) below) immediate redemption at the principal amount thereof together with unpaid interest accrued to (but excluding) the date of actual redemption. Each of the following is an “Event of Default”:</p>

(a) Die Emittentin zahlt auf die Schuldverschreibungen fällige Kapital- oder Zinsbeträge oder sonstige Beträge nicht innerhalb von 30 Tagen nach Fälligkeit; oder	(a) The Issuer fails to pay principal, interest or any other amounts due under the Notes within 30 days from the relevant due date; or
(b) die Emittentin erfüllt eine andere wesentliche Verpflichtung aus den Schuldverschreibungen nicht und die Nichterfüllung dauert - sofern sie geheilt werden kann - jeweils länger als 60 Tage fort, nachdem die Zahlstelle eine Aufforderung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) in der in Absatz (2) vorgesehenen Art und Weise von einem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder	(b) the Issuer fails to duly perform any other material obligation arising from the Notes and such failure, if capable of remedy, continues unremedied for more than 60 days after the Paying Agent has received a request at least in text form (section 126b of the German Civil Code, <i>Bürgerliches Gesetzbuch</i>) thereof in the manner set forth in paragraph (2) from a Holder to perform such obligation; or
(c) eine nicht im Rahmen der Schuldverschreibungen bestehende Finanzverbindlichkeit der Emittentin oder einer Wesentlichen Tochtergesellschaft wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische Fälligestellung oder auf andere Weise), wobei der Gesamtbetrag dieser Finanzverbindlichkeiten mindestens 2,5% der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, beträgt. Zur Klarstellung wird festgehalten, dass dieser Absatz (1)(c) keine Anwendung findet, wenn die Emittentin oder die jeweilige Wesentliche Tochtergesellschaft nach Treu und Glauben bestreitet, dass diese Zahlungsverpflichtung besteht, fällig ist oder die Anforderungen für die vorzeitige Fälligestellung erfüllt sind; oder	(c) any Financial Indebtedness of the Issuer or any Material Subsidiary (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), <i>provided that</i> the aggregate amount of such Financial Indebtedness amounts to at least 2.5% of the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published. For the avoidance of doubt, this paragraph (1)(c) shall not apply, where the Issuer or the relevant Material Subsidiary contests in good faith that such payment obligation exists, is due or the requirements for the acceleration are satisfied; or
(d) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen generell ein; oder	(d) the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or
(e) über die Emittentin wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt, oder die Emittentin beantragt oder leitet ein solches Verfahren ein, oder	(e) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 days, or the Issuer applies for or institutes such proceedings; or
(f) die Emittentin geht in Liquidation, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere Gesellschaft übernimmt alle Verpflichtungen, die die	(f) the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes.

<p>Emittentin im Zusammenhang mit den Schuldverschreibungen eingegangen ist.</p>	
<p>(2) <i>Kündigungserklärungen.</i> Eine Erklärung eines Gläubigers (i) gemäß Absatz (1)(b) oder (ii) zur Kündigung seiner Schuldverschreibungen gemäß diesem § 10 (eine „Kündigungserklärung“) hat in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 17(4) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung hält.</p>	<p>(2) <i>Termination Notices.</i> Any notice by a Holder (i) in accordance with paragraph (1)(b) or (ii) to terminate its Notes in accordance with this § 10 (a “Termination Notice”) shall be made by means of a declaration made at least in text form (section 126b of the German Civil Code, <i>Bürgerliches Gesetzbuch</i>) to the Paying Agent delivered together with evidence by means of a certificate of the Holder’s Custodian (as defined in § 17(4)) that such Holder, at the time of such Termination Notice, is a holder of the relevant Notes.</p>
<p>(3) <i>Heilung.</i> Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 10 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt worden ist; es ist zulässig, den Kündigungsgrund gemäß Absatz (1)(c) durch Rückzahlung der maßgeblichen Finanzverbindlichkeiten in voller Höhe zu heilen. Vorbehaltlich anwendbarer zwingender Rechtsvorschriften berechtigen andere als die in Absatz (1) genannten Ereignisse oder Umstände die Gläubiger nicht dazu, ihre Schuldverschreibungen vorzeitig zur Rückzahlung fällig zu stellen, es sei denn, dies ist ausdrücklich in diesen Anleihebedingungen bestimmt.</p>	<p>(3) <i>Cure.</i> For the avoidance of doubt, the right to declare Notes due in accordance with this § 10 shall terminate if the situation giving rise to it has been cured before the right is exercised and it shall be permissible to cure the Event of Default pursuant to paragraph (1)(c) by repaying in full the relevant Financial Indebtedness. No event or circumstance other than an event specified in paragraph (1) shall entitle Holders to declare their Notes due and payable prior to their stated maturity, save as expressly provided for in these Terms and Conditions and subject to applicable mandatory law.</p>
<p>(4) <i>Quorum.</i> In den Fällen gemäß den Absätzen (1)(b) und (c) wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in den Absätzen (1)(a) sowie 1(d) bis (f) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Zahlstelle Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 15% des Gesamtnennbetrages der dann ausstehenden Schuldverschreibungen eingegangen sind. Die Wirksamkeit einer solchen Kündigung entfällt, wenn die Gläubiger dies binnen drei Monaten mit Mehrheit beschließen. Für den Beschluss über die Unwirksamkeit der Kündigung genügt die einfache Mehrheit der Stimmrechte, vorausgesetzt, dass in jedem Fall mehr Gläubiger diesem Beschluss zustimmen als gekündigt haben.</p>	<p>(4) <i>Quorum.</i> In the events specified in paragraph (1)(b) and (c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in paragraphs (1)(a) as well as (1)(d) to (f) entitling Holders to declare their Notes due has occurred, become effective only when the Paying Agent has received such default notices from the Holders representing at least 15% of the aggregate principal amount of the Notes then outstanding. Any such termination shall become ineffective if within three months the majority of the Holders so resolve. The resolution in relation to the ineffectiveness of a termination may be passed by simple majority of the voting rights, <i>provided, however, that</i> in any case there must be more Holders consenting to such resolution that Holders having terminated the Notes.</p>
<p style="text-align: center;">§ 11 VERPFLICHTUNGSERKLÄRUNGEN</p>	<p style="text-align: center;">§ 11 COVENANTS</p>
<p>(1) <i>Beschränkungen für das Eingehen von Finanzverbindlichkeiten.</i> Die Emittentin verpflichtet sich, nach dem Begebungstag keine Finanzverbindlichkeiten einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach</p>	<p>(1) <i>Limitations on the Incurrence of Financial Indebtedness.</i> The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing</p>

<p>dem Begebungstag keine Finanzverbindlichkeiten eingehen (in beiden Fällen mit Ausnahme von Finanzverbindlichkeiten zur Refinanzierung bestehender Finanzverbindlichkeiten mit einem Gesamtnennbetrag, der dem Gesamtnennbetrag der refinanzierten Finanzverbindlichkeiten entspricht oder diesen unterschreitet), wenn unmittelbar nach dem Wirksamwerden der Eingehung solcher weiterer Finanzverbindlichkeiten (unter Berücksichtigung der Verwendung der aus einer solchen Eingehung resultierenden Nettozuflüsse):</p>	<p>existing Financial Indebtedness with an aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, immediately after giving effect to the incurrence of such additional Financial Indebtedness (taking into account the application of the net proceeds of such incurrence),</p>
<p>(a) das Verhältnis der (i) Summe aus (x) den Konsolidierten Nettofinanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) den Neuen Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden, zu der (ii) Summe aus (unter Ausschluss einer Doppelberücksichtigung) (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (y) den Kaufpreisen für Immobilienvermögen (ohne Abzüge für übernommene Finanzverbindlichkeiten), das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) der Zuflüsse aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden (jedoch nur soweit diese Zuflüsse nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurden) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der „Verschuldungsgrad (LTV)“ zu dem entsprechenden Zeitpunkt) 60% übersteigen würde; oder</p>	<p>(a) the ratio of (i) the sum of (x) the Consolidated Net Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the New Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the sum of (without duplication) (x) the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase prices of any Real Estate Property (without any deductions for assumed Financial Indebtedness) acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness) (such ratio, with respect to any date, the “Loan-to-Value Ratio” as of that date) would exceed 60%; or</p>
<p>(b) das Verhältnis (i) der Summe aus (x) den Besicherten Finanzverbindlichkeiten zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) den Neuen Besicherten</p>	<p>(b) the ratio of (i) the sum of (x) the Secured Financial Indebtedness as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the New Secured Financial Indebtedness incurred since</p>

<p>Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden, zu (ii) der Summe aus (unter Ausschluss einer Doppelberücksichtigung) (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (y) der Kaufpreise für Immobilienvermögen (ohne Abzüge für übernommene Finanzverbindlichkeiten), das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) der Zuflüsse aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden (jedoch nur soweit diese Zuflüsse nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der „Verschuldungsgrad (LTV) Besichertes Vermögen“ zu dem entsprechenden Zeitpunkt) 45% übersteigen würde.</p>	<p>the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase prices of any Real Estate Property (without any deductions for assumed Financial Indebtedness) acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness) (such ratio, with respect to any date, the “Secured Loan-to-Value Ratio” as of that date) would exceed 45%.</p>
<p>(2) <i>Einhaltung des Zinsdeckungsgrad.</i> Die Emittentin verpflichtet sich sicherzustellen, dass an jedem Berichtsstichtag das Verhältnis (i) des Gesamtbetrags des Konsolidierten EBITDA gesamt in den letzten vier aufeinanderfolgenden Quartalen, die an dem Berichtsstichtag geendet haben, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, zu (ii) dem Gesamtbetrag des Zahlungswirksamen Zinsergebnisses in den letzten vier aufeinanderfolgenden Quartalen, die an dem Berichtsstichtag geendet haben, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, nicht weniger als 1,80 zu 1,00 beträgt (dieses Verhältnis der „Zinsdeckungsgrad“ zu dem entsprechenden Zeitpunkt).</p>	<p>(2) <i>Maintenance of Interest Coverage Ratio.</i> The Issuer shall procure that on each Reporting Date the ratio of (i) the aggregate amount of Consolidated EBITDA total in the respective most recent four consecutive quarters ending prior to the Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the aggregate amount of Net Cash Interest in the respective most recent four consecutive quarters ending prior to the Reporting Date for which Consolidated Financial Statements of the Issuer have been published will be no less than 1.80 to 1.00 (such ratio the “Interest Coverage Ratio” as of that date).</p>
<p>(3) <i>Berichte.</i> Solange Schuldverschreibungen ausstehen, veröffentlicht die Emittentin die folgenden Angaben auf ihrer Internetseite:</p>	<p>(3) <i>Reports.</i> For so long as any Notes are outstanding, the Issuer shall post on its website,</p>
<p>(a) Innerhalb von 120 Tagen nach dem Ende jedes Geschäftsjahrs der Emittentin einen Geschäftsbericht mit einem geprüften</p>	<p>(a) within 120 days after the end of each of the Issuer’s fiscal years, annual reports containing</p>

Konzernabschluss in Übereinstimmung mit IFRS; und	the audited consolidated financial statements in accordance with IFRS; and
(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale in jedem Geschäftsjahr der Emittentin einen ungeprüften verkürzten Konzern-Zwischenabschluss in Übereinstimmung mit IFRS bzw. eine Quartalsmitteilung in Übereinstimmung mit den Anforderungen der Frankfurter Wertpapierbörse.	(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Issuer, unaudited condensed consolidated quarterly financial statements in accordance with IFRS or a quarterly statement in accordance with the requirements of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>).
§ 12 ERSETZUNG	§ 12 SUBSTITUTION
(1) <i>Ersetzung.</i> Die Emittentin ist berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen auf die Schuldverschreibungen vorliegt, jederzeit ohne die Zustimmung der Gläubiger ein mit der Emittentin verbundenes Unternehmen an Stelle der Emittentin als Hauptschuldnerin (die „ Nachfolgeschuldnerin “) für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen einzusetzen, <i>vorausgesetzt, dass:</i>	(1) <i>Substitution.</i> The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with these Notes (the “ Substitute Debtor ”) <i>provided that:</i>
(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;	(a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Notes;
(b) die Nachfolgeschuldnerin und die Emittentin alle für die Ersetzung notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten hat und sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und die Verpflichtungen der Nachfolgeschuldnerin aus den Schuldverschreibungen gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;	(b) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Notes are valid and binding in accordance with their respective terms and enforceable by each Holder;
(c) die Nachfolgeschuldnerin alle für die Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der erforderlichen Währung an die Zahlstelle überweisen kann, ohne zum Einbehalt oder Abzug von Steuern oder sonstigen Abgaben gleich welcher Art verpflichtet zu sein, die in dem Land erhoben	(c) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to withhold or deduct any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all

werden, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz hat oder steuerlich ansässig ist;	amounts required for the fulfilment of the payment obligations arising under the Notes;
(d) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben, Festsetzungen oder behördlichen Lasten freizustellen, die einem Gläubiger im Zusammenhang mit der Ersetzung auferlegt werden;	(d) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
(e) die Emittentin (in derartiger Eigenschaft, die „ Garantin “) unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert (die „ Garantie “), die sicherstellen, dass jeder Gläubiger in der wirtschaftlichen Position ist, die mindestens so vorteilhaft ist wie die Position, in der die Gläubiger wären, wenn die Ersetzung nicht stattgefunden hätte; und	(e) the Issuer (in such capacity, the “ Guarantor ”) irrevocably and unconditionally guarantees (the “ Guarantee ”) in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and
(f) die Emittentin der Zahlstelle ein Rechtsgutachten bezüglich jeder betroffenen Rechtsordnung von anerkannten Rechtsanwältinnen vorgelegt hat, das bestätigt, dass die Bestimmungen in den vorstehenden Unterabsätzen (a) bis (d) erfüllt worden sind.	(f) the Issuer shall have delivered to the Paying Agent one legal opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) to (d) above have been satisfied.
(2) <i>Bekanntmachung.</i> Jede Ersetzung der Emittentin gemäß diesem § 12 sowie das Datum, an dem die Ersetzung wirksam wird, ist gemäß § 15 bekanntzugeben.	(2) <i>Notice.</i> Any substitution of the Issuer pursuant to this § 12 and the date of effectiveness of such substitution shall be published in accordance with § 15.
(3) <i>Änderung von Bezugnahmen.</i> Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin (mit Ausnahme der Bezugnahme auf die Emittentin in § 11) ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf die Bundesrepublik Deutschland und die Steuerjurisdiktion im Hinblick auf die Emittentin gilt ab diesem Zeitpunkt als Bezugnahme auf die im Hinblick auf die Nachfolgeschuldnerin maßgebliche Steuerjurisdiktion. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme auf die Emittentin in § 11 (und den zugehörigen Definitionen) und die Definition von „Gruppe“ ab dann als Bezugnahme auf die Garantin. Zudem gilt eine Bezugnahme auf die Garantin in § 3 und § 10(1)(c) bis (f) als einbezogen (zusätzlich zur Bezugnahme auf die Nachfolgeschuldnerin gemäß dem ersten Satz dieses Absatzes (3)). Darüber hinaus gilt im Falle einer solchen Ersetzung ein weiterer Kündigungsgrund in § 10(1) als vereinbart; ein solcher Kündigungsgrund	(3) <i>Change of References.</i> Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer (other than references to the Issuer in § 11) shall from then on be deemed to refer to the Substitute Debtor and any reference to the Federal Republic of Germany and the Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the relevant taxing jurisdiction with respect to the Substitute Debtor. Upon effectiveness of the substitution any reference to the Issuer in § 11 (and the related definitions) and the definition of “Group” shall from then on be deemed to refer to the Guarantor. In addition, in § 3 and § 10(1)(c) to (f) a reference to the Guarantor shall be deemed to have been included in addition to the reference according to the first sentence of this paragraph (3) to the Substitute Debtor. Furthermore, in the event of such substitution, a further event of default shall be deemed to be included in § 10(1); such

soll bestehen, falls die Garantie aus irgendeinem Grund unwirksam ist oder wird.	event of default shall exist in the case that the Guarantee is or becomes invalid for any such reason.
(4) <i>Weitere Ersetzungen.</i> Die Nachfolgeschuldnerin ist jederzeit nach einer Ersetzung gemäß vorstehendem Absatz (1) berechtigt, ohne die Zustimmung der Gläubiger eine weitere Ersetzung vorzunehmen, vorausgesetzt, dass alle Bestimmungen der vorstehenden Absätze (1) bis (3) sinngemäß Anwendung finden und, ohne hierauf beschränkt zu sein, Bezugnahmen in diesen Anleihebedingungen auf die Emittentin, sofern der Zusammenhang dies verlangt, (auch) als Bezugnahmen auf jede weitere Nachfolgeschuldnerin gelten, wobei die Ersetzung gemäß diesem § 12 in keinem Fall die Wirkung einer Befreiung der Emittentin von irgendwelchen Verpflichtungen aus ihrer Garantie hat.	(4) <i>Further Substitution.</i> At any time after a substitution pursuant to paragraph (1) above, the Substitute Debtor may, without the consent of the Holders, effect a further substitution <i>provided that</i> all the provisions specified in paragraphs (1) to (3) above shall apply, <i>mutatis mutandis</i> , and, without limitation, references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor, <i>provided that</i> in no event shall any substitution under this § 12 have the effect of releasing the Issuer from any of its obligations under its Guarantee.
§ 13 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG	§ 13 FURTHER ISSUES, PURCHASES AND CANCELLATION
(1) <i>Begebung weiterer Schuldverschreibungen.</i> Die Emittentin ist, vorbehaltlich der Bestimmungen des § 11, berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags, des Verzinsungsbeginns, der ersten Zinszahlung und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.	(1) <i>Further Issues.</i> Subject to § 11, the Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the relevant issue date, interest commencement date, first interest payment date and/or issue price) so as to form a single series with the Notes.
(2) <i>Ankauf.</i> Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.	(2) <i>Purchases.</i> The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.
(3) <i>Entwertung.</i> Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.	(3) <i>Cancellation.</i> All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.
§ 14 ÄNDERUNG DER ANLEIHEBEDINGUNGEN DURCH BESCHLÜSSE DER GLÄUBIGER, GEMEINSAMER VERTRETER	§ 14 AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, JOINT REPRESENTATIVE
(1) <i>Änderung der Anleihebedingungen.</i> Die Emittentin kann mit den Gläubigern Änderungen der Anleihebedingungen oder sonstige Maßnahmen durch	(1) <i>Amendment of the Terms and Conditions.</i> The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue

<p>Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen („SchVG“) in seiner jeweils geltenden Fassung beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.</p>	<p>of a majority resolution of the Holders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (“SchVG”), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under paragraph (2) below. A duly passed majority resolution shall be binding equally upon all Holders.</p>
<p>(2) <i>Mehrheit.</i> Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, oder über sonstige wesentliche Maßnahmen bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine „Qualifizierte Mehrheit“).</p>	<p>(2) <i>Majority.</i> Except as provided by the following sentence and <i>provided that</i> the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a “Qualified Majority”).</p>
<p>(3) <i>Beschlussfassung.</i> Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.</p>	<p>(3) <i>Passing of Resolutions.</i> The Holders may pass resolutions in a meeting (<i>Gläubigerversammlung</i>) in accordance with §§ 5 et seqq. of the SchVG or by means of a vote without a meeting (<i>Abstimmung ohne Versammlung</i>) in accordance with § 18 and §§ 5 et seqq. of the SchVG.</p>
<p>(4) <i>Gläubigerversammlung.</i> Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 17(4)(i)(a) und (b) dieser Anleihebedingungen und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.</p>	<p>(4) <i>Meeting.</i> Attendance at the meeting (<i>Gläubigerversammlung</i>) and exercise of voting rights is subject to the Holders’ registration. The registration must be received at the address stated in the convening notice (<i>Einberufung</i>) no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 17(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.</p>
<p>(5) <i>Abstimmung ohne Versammlung.</i> Sollen Beschlüsse der Gläubiger durch eine Abstimmung ohne Versammlung nach § 18 SchVG gefasst werden, müssen die Gläubiger, zusammen mit der Stimmabgabe, ihre Berechtigung zur Teilnahme an</p>	<p>(5) <i>Vote without a meeting.</i> If resolutions of the Holders shall be made by means of a vote without a meeting (<i>Abstimmung ohne Versammlung</i>) Holders must, together with casting their votes, demonstrate their eligibility to participate in the vote by means of</p>

<p>der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 17(4)(i)(a) und (b) dieser Anleihebedingungen und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum Tag, an dem der Abstimmungszeitraum endet (einschließlich), nicht übertragbar sind, nachweisen.</p>	<p>a special confirmation of the Custodian in accordance with § 17(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such votes have been cast to (and including) the day the voting period ends.</p>
<p>(6) <i>Zweite Gläubigerversammlung.</i> Wird für die Gläubigerversammlung gemäß Absatz (4) oder die Abstimmung ohne Versammlung gemäß Absatz (5) die mangelnde Beschlussfähigkeit festgestellt, kann - im Fall der Gläubigerversammlung - der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und - im Fall der Abstimmung ohne Versammlung - der Abstimmungsleiter eine Gläubigerversammlung einberufen, die als zweite Versammlung im Sinne des § 15 Abs. 3 Satz 3 SchVG anzusehen ist. Die Teilnahme an der zweiten Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer Anmeldung der Gläubiger abhängig. Für die Anmeldung der Gläubiger zu einer zweiten Versammlung gilt Absatz (4) Satz 3 entsprechend.</p>	<p>(6) <i>Second Noteholders' Meeting.</i> If it is ascertained that no quorum exists for the meeting pursuant to paragraph (4) or the vote without a meeting pursuant to paragraph (5), in case of a meeting the chairman (<i>Vorsitzender</i>) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting, the scrutineer (<i>Abstimmungsleiter</i>) may convene a noteholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second noteholders' meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in paragraph (4) sentence 3 shall apply <i>mutatis mutandis</i> to the Holders' registration for a second meeting.</p>
<p>(7) <i>Gemeinsamer Vertreter.</i> Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der „Gemeinsame Vertreter“), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder anderen wesentlichen Maßnahmen gemäß § 14(2) dieser Anleihebedingungen zuzustimmen.</p>	<p>(7) <i>Holders' Representative.</i> The Holders may by majority resolution provide for the appointment or dismissal of a joint representative (the “Holders' Representative”), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorized to consent, in accordance with § 14(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.</p>
<p>(8) <i>Veröffentlichung.</i> Bekanntmachungen betreffend diesen § 14 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.</p>	<p>(8) <i>Publication.</i> Any notices concerning this § 14 shall be made exclusively pursuant to the provisions of the SchVG.</p>
<p>§ 15 MITTEILUNGEN</p>	<p>§ 15 NOTICES</p>
<p>(1) <i>Mitteilungen.</i> Alle die Schuldverschreibungen betreffenden Mitteilungen werden auf der Internetseite der Börse Luxemburg unter www.bourse.lu elektronisch veröffentlicht, wenn nicht in § 14(8) anders vorgesehen, sowie, falls gesetzlich vorgeschrieben, in den gesetzlich</p>	<p>(1) <i>Notices.</i> Except as stipulated in § 14(8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>) at www.bourse.lu and, if legally required, in the form of media determined by law in</p>

vorgesehenen zusätzlichen Medien. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichung am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam gegenüber den Gläubigern erfolgt.	addition thereto. Any notice so given will be deemed to have been validly given to the Holders on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).
(2) <i>Mitteilungen an das Clearingsystem.</i> Wenn eine Veröffentlichung von Mitteilungen nach dem vorstehenden Absatz (1) nicht weiterhin rechtlich oder nach den Regeln der Wertpapierbörse, an denen die Schuldverschreibungen notiert sind, erforderlich ist, kann die Emittentin die betreffende Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am fünften Kalendertag nach dem Tag der Mitteilung an das Clearingsystem als wirksam gegenüber den Gläubigern erfolgt.	(2) <i>Notification to the Clearing System.</i> If the publication of notices pursuant to paragraph (1) above is no longer required by law or the rules of the stock exchange on which the Notes are listed, the Issuer may deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given to the Holders on the fifth calendar day following the day on which the said notice was given to the Clearing System.
(3) <i>Mitteilungen an die Emittentin.</i> Mitteilungen eines Gläubigers an die Emittentin haben in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) in deutscher oder englischer Sprache übermittelt. Eine derartige Mitteilung kann von jedem Gläubiger gegenüber der Zahlstelle über das Clearingsystem in der von der Zahlstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen.	(3) <i>Notification to the Issuer.</i> Notices to be given by any Holder to the Issuer shall be made by means of a declaration at least in text form (section 126b of the German Civil Code, <i>Bürgerliches Gesetzbuch</i>) to be delivered in the German or English language to the Paying Agent. Such notice may be given by any Holder to the Paying Agent through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.
§ 16 DEFINITIONEN	§ 16 DEFINITIONS
„ Abgezinsten-Marktpreis (Make-Whole Amount) “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	„ Make-Whole Amount “ has the meaning assigned to such term in § 6(4).
„ Ausübungszeitraum “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	„ Put Period “ has the meaning assigned to such term in § 6(5)(a).
„ Begebungstag “ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.	„ Issue Date “ has the meaning assigned to such term in § 1(1).
„ Benchmark-Rendite “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	„ Benchmark Yield “ has the meaning assigned to such term in § 6(4).
„ Berichtsstichtag “ ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.	„ Reporting Date “ means March 31, June 30, September 30 and December 31 of each year.
„ Besicherte Finanzverbindlichkeiten “ bezeichnet den Teil der Konsolidierten Nettofinanzverbindlichkeiten, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Emittentin oder ihrer	„ Secured Financial Indebtedness “ means that portion of the Consolidated Net Financial Indebtedness that is secured by a Lien on properties or other assets of the Issuer or any of its Subsidiaries (each as determined in accordance with IFRS).

Tochtergesellschaften besichert ist (jeweils nach IFRS ermittelt).	
„ Bilanzsumme “ bezeichnet die Summe der nachfolgenden (unter Ausschluss einer Doppelberücksichtigung) Posten (jeweils wie im Konzernabschluss, einschließlich Lagebericht, der Emittentin ausgewiesen oder entsprechende Posten): (i) „ <i>Marktwert Immobilien gesamt</i> “ (zur Klarstellung: einschließlich Wertdifferenzen bzw. –anpassungen zum Zeitwert), „ <i>Marktwert Beteiligungen (indirekte Immobilien)</i> “ und „ <i>Buchwert Ausleihungen / Forderungen nahestehende Unternehmen</i> “ und (ii) Marktwert des „Institutional Business“-Segment (ohne Minderheitsbeteiligungen).	„ Total Assets “ means (without double counting) the sum of the following items (each as shown in the Consolidated Financial Statements of the Issuer, including the management report, or any equivalent items, as the case may be): (i) “ <i>Fair value of investment properties, total</i> ” (for the avoidance of doubt, including fair value adjustments), “ <i>Fair value of equity investments (indirect property)</i> ” and “ <i>Carrying amount of loans / receivables, related parties</i> ” and (ii) the fair value attributable to the “ <i>Institutional Business</i> ” segment (excluding minority interests).
„ Bildschirmseite “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	„ Screen Page “ has the meaning assigned to such term in § 6(4).
„ Clearingsystem “ hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.	„ Clearing System “ has the meaning assigned to such term in § 1(4).
„ Code “ hat die diesem Begriff in § 8(3) zugewiesene Bedeutung.	„ Code “ has the meaning assigned to such term in § 8(3).
„ Depotbank “ hat die diesem Begriff in § 17(4) zugewiesene Bedeutung.	„ Custodian “ has the meaning assigned to such term in § 17(4).
„ Eingehen “ bezeichnet in Bezug auf eine Finanzverbindlichkeit oder eine sonstige Verbindlichkeit einer Person die Begründung oder Übernahme dieser Finanzverbindlichkeit oder dieser sonstigen Verbindlichkeit oder die Abgabe einer Garantie oder Bürgschaft oder anderweitige Übernahme der Haftung für diese Finanzverbindlichkeit oder diese sonstige Verbindlichkeit; das „ Eingehen “ bzw. „ eingegangen “ sind entsprechend auszulegen.	„ Incur “ means, with respect to any Financial Indebtedness or other obligation of any Person, to create, assume, guarantee or otherwise become liable in respect of such Financial Indebtedness or other obligation, and “ incurrence ” and “ incurred ” have the meanings correlative to the foregoing.
„ Emittentin “ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.	„ Issuer “ has the meaning assigned to such term in § 1(1).
„ Erster Rückzahlungstag “ hat die diesem Begriff in § 6(3)(a) zugewiesene Bedeutung.	„ First Call Date “ has the meaning assigned to such term in § 6(3)(a).
„ Fälligkeitstag “ hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.	„ Maturity Date “ has the meaning assigned to such term in § 6(1).
„ FATCA Quellensteuer “ hat die diesem Begriff in § 8(3) zugewiesene Bedeutung.	„ FATCA Withholding “ has the meaning assigned to such term in § 8(3).
„ Festgelegte Stückelung “ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.	„ Specified Denomination “ has the meaning assigned to such term in § 1(1).
„ Finanzverbindlichkeiten “ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle	„ Financial Indebtedness “ means (without duplication) any indebtedness (excluding any

Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) aus:	indebtedness owed to another member of the Group) for or in respect of:
(i) aufgenommenen Geldern;	(i) money borrowed;
(ii) allen im Rahmen von Akzeptkrediten oder eines dematerialisierten Äquivalents aufgenommenen Beträgen;	(ii) any amount raised by acceptance under any acceptance credit facility or a dematerialized equivalent;
(iii) allen im Rahmen von Fazilitäten zum Kauf kurzfristiger Schuldtitel oder im Rahmen der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder vergleichbaren Instrumenten aufgenommenen Beträgen;	(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, commercial papers or any similar instrument;
(iv) veräußerten oder diskontierten Forderungen (außer bei einem Forderungsverkauf ohne Rückgriffsrecht);	(iv) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
(v) der Aufnahme von Beträgen im Rahmen anderer Rechtsgeschäfte (einschließlich Termingeschäften), die die wirtschaftliche Wirkung einer Kreditaufnahme haben, ausgenommen jedoch Bankgarantie-Fazilitäten, die der Emittentin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Emittentin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Emittentin oder einer Tochtergesellschaft verpflichtet hat;	(v) any amounts raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities made or to be made available by financial institutions to the Issuer or a Subsidiary under which the Issuer or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who agrees to purchase a Real Estate Property owned by the Issuer or a Subsidiary;
(vi) einem Aufwendungsersatzanspruch in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Standby- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und	(vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
(vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den	(vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above,

vorstehenden Absätzen (i) bis (vi) genannten Art,	
jeweils nur falls und soweit der jeweilige Betrag oder die jeweilige Verpflichtung nach IFRS als „ <i>Verbindlichkeit</i> “ erfasst wird.	in each such case only if and to the extent the relevant amount or obligation is recorded as “ <i>liabilities</i> ” in accordance with IFRS.
„ Garantie “ hat die diesem Begriff in § 12(1)(e) zugewiesene Bedeutung.	“ Guarantee ” has the meaning assigned to such term in § 12(1)(e).
„ Garantin “ hat die diesem Begriff in § 12(1)(e) zugewiesene Bedeutung.	“ Guarantor ” has the meaning assigned to such term in § 12(1)(e).
„ Gemeinsamer Vertreter “ hat die diesem Begriff in § 14(7) zugewiesene Bedeutung.	“ Holders’ Representative ” has the meaning assigned to such term in § 14(7).
„ Geschäftstag “ hat die diesem Begriff in § 5(4) zugewiesene Bedeutung.	“ Business Day ” has the meaning assigned to such term in § 5(4).
„ Gläubiger “ hat die diesem Begriff in § 1(6) zugewiesene Bedeutung.	“ Holder ” has the meaning assigned to such term in § 1(6).
„ Gläubiger-Ausübungserklärung “ hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.	“ Put Notice ” has the meaning assigned to such term in § 6(5)(c).
„ Gläubiger-Rückzahlungsereignis “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Put Event ” has the meaning assigned to such term in § 6(5)(a).
„ Gläubiger-Rückzahlungswahlrecht “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Put Option ” has the meaning assigned to such term in § 6(5)(a).
„ Gläubigerwahl-Rückzahlungsereignis-Mitteilung “ hat die diesem Begriff in § 6(5)(b) zugewiesene Bedeutung.	“ Put Event Notice ” has the meaning assigned to such term in § 6(5)(b).
„ Globalurkunde “ hat die diesem Begriff in § 1(2) zugewiesene Bedeutung.	“ Global Note ” has the meaning assigned to such term in § 1(2).
„ Gruppe “ bezeichnet die Emittentin und ihre Tochtergesellschaften.	“ Group ” means the Issuer together with its Subsidiaries.
„ IFRS “ bezeichnet die International Financial Reporting Standards wie sie in der Europäischen Union anzuwenden sind in der jeweils geltenden Fassung.	“ IFRS ” means the International Financial Reporting Standards as adopted by the European Union, as in effect from time to time.
„ Immobilienvermögen “ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) das im Konzernabschluss der Emittentin in der Bilanzposition (oder entsprechendem Posten) „ <i>Als Finanzinvestition gehaltene Immobilien</i> “ zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, angesetzt oder nach IFRS seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, anzusetzende	“ Real Estate Property ” means (without duplication) the real estate property of the Issuer and the Subsidiaries that is recognized as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, or is required to be recognized in accordance with IFRS since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, in the balance sheet item (or equivalent

Immobilienvermögen der Emittentin und der Tochtergesellschaften.	item) “investment property” of the Consolidated Financial Statements of the Issuer.
„ Investment Grade Rating “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Investment Grade Rating ” has the meaning assigned to such term in § 6(5)(a).
„ Kapitalmarktverbindlichkeit “ bezeichnet jede gegenwärtige oder künftige Verpflichtung zur Rückzahlung aufgenommener Geldbeträge (einschließlich Verbindlichkeiten aus Garantien oder sonstigen Haftungsvereinbarungen für solche Verbindlichkeiten Dritter), die verbrieft ist in Form von Anleihen, Schuldverschreibungen oder sonstigen Wertpapieren, die an einer Börse, einem außerbörslichen Markt oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden können sowie Schuldscheindarlehen und Namensschuldverschreibungen nach deutschem Recht.	“ Capital Market Indebtedness ” means any present or future obligation for the payment of borrowed money (including obligations by reason of any guarantee or other liability agreement for such obligations of third parties) which is in the form of, or represented by, bonds, notes or other securities which are capable of being quoted, listed, dealt in or traded on a stock exchange, over-the-counter-market or other recognised securities market as well as <i>Schuldschein</i> loans/promissory notes and German law governed registered notes (<i>Namensschuldverschreibungen nach deutschem Recht</i>).
„ Konsolidierte Nettofinanzverbindlichkeiten “ bezeichnet die Nettofinanzverbindlichkeiten der Emittentin und ihrer Tochtergesellschaften auf konsolidierter Basis, die nach IFRS als „ <i>Unternehmensanleihen</i> “, „ <i>Langfristige verzinsliche Finanzschulden</i> “, „ <i>Kurzfristige verzinsliche Finanzschulden</i> “ und „ <i>Verbindlichkeiten gegenüber nahestehenden Unternehmen</i> “ abzüglich „ <i>Guthaben bei Kreditinstituten und Kassenbestand</i> “ ermittelt werden (jeweils wie im Konzernabschluss der Emittentin ausgewiesen oder entsprechenden Posten).	“ Consolidated Net Financial Indebtedness ” means the net financial liabilities of the Issuer and any of its Subsidiaries, on a consolidated basis determined in accordance with IFRS as “ <i>Corporate bonds</i> ”, “ <i>Non-current interest-bearing loans and borrowings</i> ”, “ <i>Current interest-bearing loans and borrowings</i> ” and “ <i>Liabilities to related parties</i> ” less “ <i>Cash and cash equivalents</i> ” (each shown in the Consolidated Financial Statements of the Issuer or any equivalent items, as the case may be).
„ Konsolidiertes EBITDA gesamt “ bezeichnet die unter den Überschriften „ <i>Ergebnis vor Zinsen und sonstigen Finanzierungstätigkeiten</i> “ und „ <i>Ergebnis aus assoziierten Unternehmen</i> “ angegebenen Zahlenwerte (jeweils wie im Konzernabschluss der Emittentin ausgewiesen oder entsprechenden Posten), bereinigt um Abschreibungen und einmalige Posten.	“ Consolidated EBITDA total ” means the numbers set out in the items “ <i>Net operating profit before financing activities</i> ” and “ <i>Share of the profit or loss of associates</i> ” (each shown in the Consolidated Financial Statements of the Issuer or any equivalent items, as the case may be), adjusted for depreciation and amortization and non-recurring items.
„ Kontrollwechsel “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Change of Control ” has the meaning assigned to such term in § 6(5)(a).
„ Konzernabschluss “ bezeichnet in Bezug auf eine Person den nach IFRS erstellten Konzernabschluss mit Anhang und Lagebericht für diese Person und ihre Tochterunternehmen sowie Konzernzwischenabschlüsse und Quartalsmitteilungen (zum relevanten Zeitpunkt).	“ Consolidated Financial Statements ” means, with respect to any Person, the consolidated financial statements and notes to those financial statements and the group management report of that Person and its subsidiaries prepared in accordance with IFRS as well as interim consolidated financial statements and quarterly statements (as of the relevant date).
„ Kündigungserklärung “ hat die diesem Begriff in § 10(2) zugewiesene Bedeutung.	“ Termination Notice ” has the meaning assigned to such term in § 10(2).

„ Kündigungsgrund “ hat die diesem Begriff in § 10(1) zugewiesene Bedeutung.	“ Event of Default ” has the meaning assigned to such term in § 10(1).
„ Nachfolgeschuldnerin “ hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.	“ Substitute Debtor ” has the meaning assigned to such term in § 12(1).
„ Neue Finanzverbindlichkeiten “ bezeichnet den Betrag der eingegangenen Finanzverbindlichkeiten abzüglich (i) des Betrags der zurückgezahlten Finanzverbindlichkeiten und (ii) „Zahlungsmittel und Zahlungsmitteläquivalente“ (jeweils nach IFRS ermittelt).	“ New Financial Indebtedness ” means the amount of Financial Indebtedness incurred minus (i) the amount of Financial Indebtedness repaid and (ii) “ <i>cash and cash equivalents</i> ” (each as determined in accordance with IFRS).
„ Neue Besicherte Finanzverbindlichkeiten “ bezeichnet den Betrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Betrags der zurückgezahlten Besicherten Finanzverbindlichkeiten (jeweils nach IFRS ermittelt).	“ New Secured Financial Indebtedness ” means the amount of Secured Financial Indebtedness incurred minus the amount of Secured Financial Indebtedness repaid (each as determined in accordance with IFRS).
„ Person “ bezeichnet natürliche Personen, Körperschaften, Personengesellschaften, Joint Ventures, Vereinigungen, Aktiengesellschaften, Trusts, nicht rechtsfähige Vereinigungen, Gesellschaften mit beschränkter Haftung, staatliche Stellen (oder Behörden oder Gebietskörperschaften) oder sonstige Rechtsträger.	“ Person ” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government (or any agency or political subdivision thereof) or any other entity.
„ Qualifizierte Mehrheit “ hat die diesem Begriff in § 14(2) zugewiesene Bedeutung.	“ Qualified Majority ” has the meaning assigned to such term in § 14(2).
„ Rating Abstufung “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Rating Downgrade ” has the meaning assigned to such term in § 6(5)(a).
„ Rating Agency “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Rating Agency ” has the meaning assigned to such term in § 6(5)(a).
„ Referenzanleihe “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“ Benchmark Security ” has the meaning assigned to such term in § 6(4).
„ Relevante Person(en) “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Relevant Person(s) ” has the meaning assigned to such term in § 6(5)(a).
„ Rückzahlungs-Berechnungstag “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“ Redemption Calculation Date ” has the meaning assigned to such term in § 6(4).
„ Rückzahlungsbetrag “ hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.	“ Final Redemption Amount ” has the meaning assigned to such term in § 6(1).
„ Schuldverschreibungen “ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.	“ Notes ” has the meaning assigned to such term in § 1(1).
„ SchVG “ hat die diesem Begriff in § 14(1) zugewiesene Bedeutung.	“ SchVG ” has the meaning assigned to such term in § 14(1).

<p>„Verschuldungsgrad (LTV) Besichertes Vermögen“ hat die diesem Begriff in § 11(1)(b) zugewiesene Bedeutung.</p>	<p>“Secured Loan-to-Value Ratio” has the meaning assigned to such term in § 11(1)(b).</p>
<p>„Sicherungsrecht“ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte, Sicherung-Treuhandverträge, Sicherungsurkunden, Verpfändungsverträge, Sicherungsabtretungen, Sicherungsübereignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch u. a. einschließlich bedingter Kaufverträge oder Vereinbarungen unter Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstiger Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine</p>	<p>“Lien” means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest in rem to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding</p>
<p>(i) in Abteilung 2 eines deutschen Grundbuchs eingetragenen Belastungen;</p>	<p>(i) any encumbrance registered in department 2 of the German land register;</p>
<p>(ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, u.a. Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises;</p>	<p>(ii) any lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any lien created in assets subject to a sale agreement for the purposes of financing the purchase price;</p>
<p>(iii) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung übermittelt wurde;</p>	<p>(iii) any lien in respect of which an unconditional deletion consent has been delivered to the relevant member of the Group;</p>
<p>(iv) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen;</p>	<p>(iv) any lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business;</p>
<p>(v) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden;</p>	<p>(v) any cash collateral posted in connection with cross-currency and interest rate hedging transactions;</p>
<p>(vi) Sicherungsrechte an Bankkonten nach Maßgabe von Finanzierungsvereinbarungen oder allgemeinen Geschäftsbedingungen des Anbieters von Bankkonten;</p>	<p>(vi) any lien on bank accounts under financing agreements or general terms and conditions of any provider of bank accounts;</p>

(vii) Sicherungsrechte für Finanzverbindlichkeiten, die am Begebungstag ausstehen; und	(vii) any lien securing Financial Indebtedness outstanding on the Issue Date; and
(viii) bestehende Sicherungsrechte an erworbenem oder zu erwerbendem Immobilienvermögen, die mit der beabsichtigten Rückzahlung der hiermit besicherten Finanzverbindlichkeiten aus den Nettoerlösen dieser Schuldverschreibungen abgelöst werden.	(viii) existing liens over Real Estate Property acquired or to be acquired which shall be released as a consequence of the intended repayment of Financial Indebtedness thereby secured from the net proceeds of these Notes.
„ Steuerjurisdiktion “ hat die diesem Begriff in § 8(1) zugewiesene Bedeutung.	“ Taxing Jurisdiction ” has the meaning assigned to such term in § 8(1).
„ Tochtergesellschaft “ bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen, oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50% des Kapitals oder der Stimmrechte hält.	“ Subsidiary ” means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in aggregate more than 50% of the capital or the voting rights.
„ Unabhängiger Sachverständiger “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“ Independent Financial Adviser ” has the meaning assigned to such term in § 6(4).
„ Verbriefte Kapitalmarktverbindlichkeit “ bezeichnet jede Kapitalmarktverbindlichkeit aus oder im Zusammenhang mit einer Verbriefung oder vergleichbaren Finanzierungsvereinbarung in Bezug auf Vermögenswerte der Emittentin oder ihrer Tochtergesellschaften, bei der die Rückgriffsrechte der Gläubiger der betreffenden Kapitalmarktverbindlichkeit auf die Emittentin ausschließlich auf die betreffenden Vermögenswerte oder die daraus erzielten Erträge beschränkt sind.	“ Securitized Capital Market Indebtedness ” means any Capital Market Indebtedness incurred in respect of or in connection with any securitization or similar financing arrangement relating to assets owned by the Issuer or its Subsidiaries and where the recourse of the holders of such Capital Market Indebtedness against the Issuer is limited solely to such assets or any income generated therefrom.
„ Vereinigte Staaten “ hat die diesem Begriff in § 1(7) zugewiesene Bedeutung.	“ United States ” has the meaning assigned to such term in § 1(7).
„ Verschuldungsgrad (LTV) “ hat die diesem Begriff in § 11(1)(a) zugewiesene Bedeutung.	“ Loan-to-Value Ratio ” has the meaning assigned to such term in § 11(1)(a).
„ Verzinsungsbeginn “ hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.	“ Interest Commencement Date ” has the meaning assigned to such term in § 4(1).
„ Wahl-Rückzahlungsbetrag (Call) “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“ Call Redemption Amount ” has the meaning assigned to such term in § 6(4).
„ Wahl-Rückzahlungstag (Call) “ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“ Call Redemption Date ” has the meaning assigned to such term in § 6(4).
„ Wahl-Rückzahlungsbetrag (Put) “ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“ Put Redemption Amount ” has the meaning assigned to such term in § 6(5)(a).
„ Wahl-Rückzahlungstag (Put) “ hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.	“ Put Date ” has the meaning assigned to such term in § 6(5)(c).

<p>„Wesentliche Tochtergesellschaft“ bezeichnet eine Tochtergesellschaft der Emittentin, die verpflichtet ist, einen geprüften und nicht konsolidierten Jahresabschluss zu erstellen, und deren Bilanzsumme gemäß ihrem geprüften und nicht konsolidierten Jahresabschluss mindestens 5% der Bilanzsumme ausmacht.</p>	<p>“Material Subsidiary” means any Subsidiary of the Issuer that is required to prepare audited non-consolidated annual accounts and whose total assets as shown in its audited non-consolidated annual accounts are at least equal to 5% of the Total Assets.</p>
<p>„Zahlstelle“ hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.</p>	<p>“Paying Agent” has the meaning assigned to such term in § 7(1).</p>
<p>„Zahlungswirksames Zinsergebnis“ bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, aufgelaufenen, bar zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller durch Mitglieder der Gruppe von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden und aufgelaufenen Zinsen und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (u. a. einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).</p>	<p>“Net Cash Interest” means all interest and other financing charges accrued, payable in cash to persons who are not members of the Group less the amount of any interest and other financing charges accrued to be received by members of the Group from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).</p>
<p>„Zinsdeckungsgrad“ hat die diesem Begriff in § 11(2) zugewiesene Bedeutung.</p>	<p>“Interest Coverage Ratio” has the meaning assigned to such term in § 11(2).</p>
<p>„Zinsperiode“ hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.</p>	<p>“Interest Period” has the meaning assigned to such term in § 4(3).</p>
<p>„Zinszahlungstag“ hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.</p>	<p>“Interest Payment Date” has the meaning assigned to such term in § 4(1).</p>
<p>„Zusätzliche Beträge“ hat die diesem Begriff in § 8(2) zugewiesene Bedeutung.</p>	<p>“Additional Amounts” has the meaning assigned to such term in § 8(2).</p>
<p>§ 17 ANWENDBARES RECHT, ERFÜLLUNGORT UND GERICHTSSTAND, GERICHTLICHE GELTENDMACHUNG</p>	<p>§ 17 GOVERNING LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION; ENFORCEMENT</p>
<p>(1) <i>Anwendbares Recht.</i> Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht unter Ausschluss des internationalen Privatrechts.</p>	<p>(1) <i>Governing Law.</i> The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law without giving effect to the principles of conflict of laws.</p>
<p>(2) <i>Erfüllungsort.</i> Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.</p>	<p>(2) <i>Place of Performance.</i> Place of performance is Frankfurt am Main, Federal Republic of Germany.</p>
<p>(3) <i>Gerichtsstand.</i> Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG, ist nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder</p>	<p>(3) <i>Place of Jurisdiction.</i> Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the courts of Frankfurt am Main, Federal Republic of Germany, will have nonexclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with the Notes.</p>

<p>sonstigen Verfahren Frankfurt am Main, Bundesrepublik Deutschland.</p>	
<p>(4) <i>Gerichtliche Geltendmachung.</i> Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu sichern und geltend zu machen: (i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die zu dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) einer Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet „Depotbank“ jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.</p>	<p>(4) <i>Enforcement.</i> Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the relevant Notes certified as being a true copy of the original Global Note by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, “Custodian” means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes, including the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.</p>
<p style="text-align: center;">§ 18 SPRACHE</p>	<p style="text-align: center;">§ 18 LANGUAGE</p>
<p>Diese Anleihebedingungen sind in deutscher Sprache abgefasst; eine Übersetzung in die englische Sprache ist beigelegt. Nur die deutsche Fassung ist rechtlich bindend. Die englische Übersetzung ist unverbindlich.</p>	<p>These Terms and Conditions are written in the German language and provided with an English language translation. The German version shall be the only legally binding version. The English translation is for convenience only.</p>

TAXATION

The following is a general description of certain tax consequences of Germany of the acquisition, ownership and sale of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. The following section only provides some very general information on the possible tax treatment. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular investor. This summary is based on the laws of Germany currently in force and as applied on the date of this Offering Memorandum, which are subject to change, possibly with retroactive or retrospective effect.

Prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

PROSPECTIVE INVESTORS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

Germany

Income tax

Tax residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

Taxation if the Notes are held as private assets (Privatvermögen)

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

Income

The Notes qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of Section 20 (1) no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to Section 20 (1) no 7 ITA.

Capital gains / capital losses realized upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, qualify as positive or negative savings income in terms of Section 20 (2) sentence 1 no 7 ITA. If Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where the Notes are acquired and/or sold in a currency other than Euros, the acquisition costs will be converted into Euros at the time of acquisition, the sales proceeds will be converted into Euros at the time of sale and the difference will then be computed in Euros. If interest claims are disposed of separately (*i.e.*, without the Notes), the proceeds from the sale are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to recent legislative changes, losses arising from a bad debt loss (*Forderungsausfall*), a waiver of a receivable (*Forderungsverzicht*) or a transfer of an impaired receivable to a third party or from any other default can only be offset against other income from capital investments and only up to an amount of €20,000 per year. If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax

purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

German withholding tax (Kapitalertragsteuer)

With regard to savings income (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are kept or administrated in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank or – if no German bank or financial services institution is the Disbursing Agent – the Issuer (each, a “**German Disbursing Agent**”) and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (*i.e.*, prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (*e.g.*, if the Notes had been transferred from a non-EU custodial account prior to the sale) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30% of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375% (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is €801 (€1,602 in the case of jointly assessed spouses or registered life partners). Similarly, no withholding tax will be levied if the relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

On June 25, 2021, the Defense against Tax Havens Act (*Gesetz zur Abwehr von Steuervermeidung und unfairem Steuerwettbewerb und zur Änderung weiterer Gesetze – “SteueroasenAbwG”*) was passed by the Bundesrat (see BR-Drs. 509/21(B) and BGBl. I p. 2056). The exact scope of this new law, in particular its application to third-party financing arrangements, is unclear. Payments made to a Holder who or which is tax resident in a so-called “non-cooperative territory” (*nicht kooperatives Steuerhoheitsgebiet*) pursuant to the *SteueroasenAbwG* may be subject to a tax deduction at a rate of 15% (plus solidarity surcharge) of the gross payment amount.

Tax assessment

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor’s income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375% - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed spouses or registered life partners the application can only be filed for savings income of both spouses / life partners.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of €801 (€1,602 in the case of jointly assessed spouses or registered life partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal tax rate.

Taxation if the Notes are held as business assets (Betriebsvermögen)

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15% or income tax at a rate of up to 45%, as the case may be, (generally, in each case plus 5.5% solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Potential change in law

Due to still ongoing discussions it cannot fully excluded that the flat tax regime may be abolished for certain investment income, which might also affect the taxation of income from the Notes.

Abolishment of solidarity surcharge

The solidarity surcharge has been partially abolished as of the assessment period 2021 for certain individuals. However, the solidarity surcharge continues to apply to investment income and, thus, to withholding taxes levied. In case the individual income tax burden for an individual holder is lower than 25%, the holder can apply for his/her capital investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded.

Non-residents

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income.

If a non-resident person is subject to German tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

Where tax is to be deducted from a payment made to a Holder who or which is tax resident in a non-cooperative territory under the *Steuererleichterung für AbwG* (as set forth under “—*German withholding tax (Kapitalertragsteuer)*”), such Holder will, in principle, incur a definitive tax charge.

Inheritance and gift tax

A gratuitous transfer of Notes by reason of death or as a gift will be subject to German inheritance or gift tax if the decedent or donor or the heir, donee or other beneficiary is at the time of the transfer a resident or deemed to be a resident of Germany. If neither the holder nor the recipient is a resident or deemed to be a resident of Germany at the time of the transfer, no German inheritance or gift taxes will be levied unless the Notes are attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed in Germany or the obligations under the Notes are directly or indirectly secured by German situs real estate (unless the Notes qualify as partial debentures (*Teilschuldverschreibungen*)). Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

Other taxes

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax (FTT). However, it is unclear if and in what form such tax will be actually introduced.

SUBSCRIPTION AND SALE OF THE NOTES

General

On September 13, 2021, the Issuer and the Managers entered into a subscription agreement (the “**Subscription Agreement**”) regarding the subscription and sale of the Notes. The obligations of the Issuer and Managers under the Subscription Agreement are subject to certain customary closing conditions. The Issuer agreed to pay certain fees to the Managers and to reimburse the Managers for certain expenses incurred in connection with the issuance of the Notes.

Under certain circumstances, the Managers may terminate the Subscription Agreement. In any such event, no Notes will be delivered to investors. Furthermore, the Issuer agreed to indemnify the Managers against certain liabilities it may incur in connection with the offer and sale of the Notes.

Selling Restrictions

General

The Managers have acknowledged that no representation is made by the Issuer or any of the Managers that any action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Offering Memorandum or any other materials relating to the Notes, in any country or jurisdiction where further action for that purpose would be required.

Each Manager has undertaken to comply, to the best of its knowledge and belief, in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes, or has in possession or distributes this Offering Memorandum (in preliminary, proof or final form) or any other materials, in all cases at their own expense.

Prohibition of sales to EEA retail investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended);
- a customer within the meaning of Directive 2016/97/EU (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Each of the Managers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

The expression retail investor means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that

customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Manager has represented and agreed that:

- it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer); and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

The Managers have represented, warranted and undertaken that they have not offered or sold, and will not offer or sell, the Notes constituting part of their respective allotment within the United States, except in accordance with Rule 903 of Regulation S. Accordingly, the Managers have further represented, warranted and undertaken that neither they, nor their respective affiliates, nor any persons acting on their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph shall have the meaning ascribed to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in transactions permitted by U.S. tax regulations. Terms used in this paragraph shall have the meaning ascribed to them by the United States Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

Switzerland

Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the offering nor the Issuer nor the Notes has been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Market Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

GENERAL INFORMATION

Listing and Admission to Trading

Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market in accordance with the rules thereof. The Euro MTF Market of the Luxembourg Stock Exchange is a multilateral trading facility for the purposes of MiFID II. The Issuer intends to have the Notes displayed on the Luxembourg Green Exchange (the “**LGX**”).

Authorization and Issue Date

The issue of the Notes has been authorized by resolutions of the Executive Board on September 13, 2021 and September 15, 2021 and of the Supervisory Board on August 31, 2021 and September 15, 2021. The Issue Date of the Notes is expected to be on or about September 22, 2021.

Interest of Natural and Legal Persons involved in the Issue/Offer

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones, that are material to the issue.

Clearing and Settlement

Payments and transfers of the Notes will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes have been assigned the following securities codes: ISIN: XS2388910270, Common Code: 238891027, WKN: A3MP5C.

The Issuer’s Legal Entity Identifier (LEI) is 52990044JL2ZPWONU738.

Eurosystem Eligibility:

The Notes are intended to be held in a manner which would allow Eurosystem eligibility.

This does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

Paying Agent

HSBC Continental Europe has been appointed as paying agent (the “**Paying Agent**”), based on an agency agreement to be dated on or about September 20, 2021.

Significant Change in Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group since June 30, 2021, the end of the last financial period for which financial information has been published.

Trend-Related Information

There has been no material adverse change in the prospects of the Issuer since the date of the last published consolidated financial statements as of June 30, 2021.

Third Party Information

This Offering Memorandum may also make reference to or include information which is provided by, or derived from information provided by, third parties, in particular with respect to market environment, market developments, growth rates, market trends and competitive situation. The Issuer takes the responsibility for the correct reproduction and extraction of such third party information in this Offering Memorandum. However, the Issuer has not independently verified any information provided by third parties or the external sources to which this Offering Memorandum may make reference to or on which the Issuer’s own estimates are based. Therefore,

the Issuer assumes no responsibility for the accuracy of the information presented in this Offering Memorandum as being third-party information or the accuracy of the information on which the Issuer's own estimates based on third-party information. Any statements regarding the market environment, market developments, growth rates, market trends and competitive situation presented in this Offering Memorandum regarding the Issuer or the Group are based on own estimates and/or analysis unless other sources are specified.

Valuation Reports

This Offering Memorandum includes appraisals prepared by independent external appraisers. The following appraisals (the "**Valuation Reports**") concerning the value of approximately 75% of our real estate portfolio are included in this Offering Memorandum on page V-1 *et seq.*:

- the valuation report by C & W (U.K.) LLP ("**Cushman & Wakefield**") – German Branch, Rathenauplatz 1, 60313 Frankfurt am Main, with valuation date of December 31, 2020; and
- the valuation report by ENA Experts GmbH & Co. KG Real Estate Valuation ("**ENA**"), Neutorstraße 3, 55116 Mainz, with valuation date of December 31, 2020.

The Valuation Reports were prepared by Cushman & Wakefield and ENA in their capacity as external valuers as defined by the RICS Valuation – Professional Standards (January 2014). The Valuation Reports were prepared upon request of the Issuer. The Issuer declares that the valuation firms who approved the content of the respective Valuation Report also consented to the form and context in which the Valuation Reports are included in this Offering Memorandum. The valuation report provided by ENA does not reflect the sale of a property with a market value of approximately €8 million by end of 2020.

The Issuer affirms that, as of the date of this Offering Memorandum, no material change in the value of the properties appraised in the Valuation Reports has occurred since the valuation dates as of December 31, 2020.

Documents on Display

For so long as any Note is outstanding, copies of the Offering Memorandum, including the Terms and Conditions of the Notes, the documents incorporated by reference herein and the articles of association (*Satzung*) of the Issuer may be inspected during normal business hours at the specified office of the Paying Agent.

As long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, the Offering Memorandum, including the Terms and Conditions of the Notes and the documents incorporated herein by reference will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

DOCUMENTS INCORPORATED BY REFERENCE

The information contained on the pages (shown below) of the following documents of the Issuer are incorporated by reference into this Offering Memorandum: (i) the unaudited interim consolidated financial statements as of and for the six months ended June 30, 2021, (ii) the audited consolidated financial statements as of and for the fiscal year ended December 31, 2020 and (iii) the audited consolidated financial statements as of and for the fiscal year ended December 31, 2019.

The following English-language unaudited interim consolidated financial statements and consolidated financial statements are translations of the respective German-language unaudited interim consolidated financial statements and the audited consolidated financial statements.

Unaudited Interim Consolidated Financial Statements of DIC Asset AG as of and for the six months ended June 30, 2021

	Pages
Consolidated Income Statement	40
Consolidated Statement of Comprehensive Income	41
Consolidated Statement of Cash Flows	42
Consolidated Balance Sheet	43
Consolidated Statement of Changes in Equity	44
Notes to the Interim Consolidated Financial Statements	46-51

Audited Consolidated Financial Statements of DIC Asset AG as of and for the fiscal year ended December 31, 2020

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Consolidated Statement of Comprehensive Income	145
Consolidated Balance Sheet	146
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Consolidated Statement of Changes in Equity	148-149
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Audited Consolidated Financial Statements of DIC Asset AG as of and for the fiscal year ended December 31, 2019

Consolidated Statement of Income	118
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VALUATION REPORTS

Portfolio Summary Report

For a portfolio of

42 mainly commercial used properties and two undeveloped sites
(in total 44 properties) located in various locations
throughout Germany

Instructing Party

DIC Asset AG
Neue Mainzer Straße 20
60311 Frankfurt am Main

Prepared by

C & W (U.K.) LLP – German Branch
Rathenauplatz 1
60313 Frankfurt am Main

Date of Valuation
31.12.2020

Date of Report
10.09.2021



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1 BASIS OF APPRAISAL

1.1 Scope of Instructions

1. Instructing Party

DIC Asset AG (Hereinafter referred to as "Instructing Party")

2. Addressees

The Valuation Report is addressed to and only for the use of the Instructing Party and the Addressees:

Goldman Sachs Bank Europe SE
Marienturm, Taunusanlage 9-10
60329 Frankfurt am Main
Germany

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

3. The valuation report was prepared on the basis of the job Arrangement Letter dated September 02, 2021 and is subject to this. C&W is liable for contractual demands to the Addressees of the report only.
4. C & W (U.K.) LLP – German Branch (Cushman & Wakefield or C&W) has prepared a valuation of the DIC portfolio comprising 44 properties located throughout the Federal Republic of Germany. We were instructed to prepare a Condensed Valuation Report ("the report") to assess the Market Values of the subject properties of the portfolio.
5. The purpose of this report is the inclusion in an offering memorandum (the "Offering Memorandum") in connection with a proposed issue of a green bond on the Euro MTF Market of the Luxembourg Stock Exchange (the "Listing"). C&W understands that the Offering Memorandum, containing the final Condensed Valuation Report, will be approved by the Luxembourg Stock Exchange.
6. This valuation is characterized by a differentiated consideration of properties in terms of the scope of inspection.
7. The report is a documentation of the methodology of this valuation. The Market Value of the portfolio is the aggregated sum of the Market Values of the 44 individual properties as at December 31, 2020.
8. Our report and valuation will be addressed to, for the use and benefit of and may be relied on by the Instructing Party only. An extension of the reliance to additional named parties may be granted on the basis of a standard reliance letter. The extension of reliance is subject to an additional fee payment. Our report is prepared only for the purpose stated and shall not be used for any other purpose. Neither this report nor any part thereof (including without limitation any conclusions, the identity of Cushman & Wakefield or any individuals signing or associated with this report or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means whatsoever, if not otherwise arranged in 2.2 of our engagement letter. Any disclosure of professional statements by C&W for promotional purposes is also ruled out.
9. The report may not be disclosed to, or relied upon by, any other person without our written consent. Such disclosure is subject to each disclosee signing a standard Release Letter in which the disclosee accepts that disclosure takes place without any direct or indirect contractual relationship, obligation or duties arising between C&W and the disclosee. It is hereby understood that the report is addressed to and is solely for the benefit of the Addressees named pursuant to the Reliance clause above, and that any disclosure on a non-reliance basis is not intended to create third party rights pursuant to Section 328

German Civil Code (Bürgerliches Gesetzbuch) (Vertrag zugunsten Dritter or Vertrag mit Schutzwirkung zugunsten Dritter) and, except with our prior written consent, is not to be transmitted or disclosed to, or used or relied upon by, any other person.

10. The value of the portfolio has been assessed in accordance with the Market Value definition relevant to international property valuations.
11. The definition of Market Value (MV) is that settled by the International Valuation Standards as well as the Royal Institution of Chartered Surveyors, London (RICS Valuation – Global Standards). Accordingly, the Market Value is:
“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”
12. No allowances are made for any expenses of realisation, any taxation liability (including potential VAT) arising from a sale of the properties, or other such capital costs including interest payments. We were not instructed to assess the Verkehrswert according to § 194 of German Building Code (Baugesetzbuch).
13. Our analysis was carried out on a property basis without considering the fact that the subject portfolio consists of a multitude of properties. Our valuation of the subject portfolio reflects the aggregate value of the individual properties only; no account is taken of risk adjustments/bulk discounts or premium payments for a portfolio transaction.
14. The effective date of this valuation is December 31, 2020. The effective date of the appraisal is relevant to the nature and condition of the subject Portfolio and to the general state of the property market.
15. For the purposes of item 1.2 of Annex I of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing the Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the Prospectus Regulation), we are responsible for this Condensed Valuation Report and accept responsibility for the information contained in this Condensed Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Condensed Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with paragraphs 128 to 130 of the ESMA update of CESR recommendations on the consistent implementation of the Prospectus Regulation implementing the Prospectus Directive.

1.2 Subject Portfolio

16. The subject portfolio comprises 44 properties in total. This portfolio is owned by DIC Asset AG and has been subject to changes as a result of property sales or property purchases since December 31, 2005. We have valued the subject portfolio in previous years, most recently as at December 31, 2019. Therefore, this valuation is a re-valuation.

1.3 Limiting Conditions

17. Our assessment on the condition and quality of the subject properties is solely based on information which has been supplied to us by the Instructing Party and has relied on this being correct and complete as well as on the random property inspections. On this the following applied:
18. Particularly with regard to rental areas and rental income, we have relied on this being correct and complete and the definition of rental areas is customary in its regional real estate market. Where we were not provided with information required for our valuation, we have compensated for any insufficiencies in the information with supplementary assumptions in respect of value-affecting circumstances.

19. We have not carried out a measured survey of the properties and have relied upon the information supplied to us in respect of floor areas. We have not tested any technical or other installations. Observations made during the property inspections were made on the basis of a visual inspection only. We have not carried out any technical or environmental due diligence.
20. We have not made any investigations into the structural integrity of the building involving the removal or destruction of construction elements. Any remarks relating to covered building elements are based solely on information provided to us or are the result of intuitive analysis. We have not carried out a structural survey and have not inspected woodwork or other such parts of the properties which are covered, unexposed or inaccessible and such parts are assumed to be in good repair and condition.
21. We have also assumed that the properties do not contain any materials and the site does not have any form of contamination that would affect their long-term use or have any influence on the health of residents and/or users.
22. We have assumed that there are no outstanding German statutory or private notices relating to the existing buildings or to the use of the sites.
23. We have assumed that all public charges and other such financial liabilities have been met in full as at the date of valuation assessment.
24. This valuation was carried out on the unverified assumption that there are no potential VAT losses to be considered resulting from letting to tenants who are not VAT registered.
25. We have assumed that the subject properties have been appropriately insured both in terms of the potential damage that might occur and for the sum of likely damages.
26. For the assessment of the Market Value we have assumed that the existing use of the subject property remains unchanged in substance and dimension for the full term of the implied economic useful life of the buildings as implied by the choice of capitalisation rates applied. It is assumed that the existing use of the subject property as at the date of valuation reflects the Highest & Best Use in accordance with the International Valuation Standards, IVS 104 No. 140.
27. Comments and observations made to us during the course of our enquiries by civil servants and civil representatives may not be considered as being legally binding in accordance with German legal precedents. The application of such statements in our assessment, where made, cannot therefore be guaranteed.
28. Particular rights and other such encumbrances on title have been reflected in our calculations only in so far as a recognisable effect on the income producing potential of the subject properties can be identified.
29. Usual landlord's fixtures such as central heating have been treated as an integral part of the building and will be included within the asset valued. Tenant's trade fixtures and fittings will be excluded from our valuation.
30. No allowances have been made for any expenses of realisation or any taxation liability arising from a sale of the properties.
31. Our valuation has not made allowance either for the cost of transferring sale proceeds outside of Germany or for any restrictions on doing so.
32. We have not undertaken investigations into the financial strength of any tenants or actual payments regarding agreed rental income or leasehold payments. Unless we become aware by general knowledge or we are specifically advised to the contrary, it is assumed that the tenants are financially in a position to meet their obligations and that there are no rent arrears or other breaches of covenant.
33. Where applicable, the valuation of any planned property elements has assumed that all relevant statutory and other such requirements in the public and private domain have been fulfilled as at the relevant date of valuation in order that the subject properties may be constructed or redeveloped and occupied without defect or hindrance in any form whatsoever.

34. Where applicable, the valuation of any planned property elements has additionally assumed that the building and all other planned improvements have been planned, constructed and completed without any defects to the highest quality as intended at the relevant date of valuation. In this context, the nature and finish of the subject properties is particularly assumed to be completed to a level that is capable of being let at a sustainable rental level as detailed in our valuation.
35. We have not carried out a survey on the fire safety or other such health, safety or security aspects of the configuration of the properties. Such surveys must be carried out by certified specialists in these aspects. The valuation has therefore been performed under the assumption, that all fire safety and other such health, safety and security aspects of the configuration of the properties fulfil all relevant regulations and requirements.
36. Our "Cushman & Wakefield Terms of Business (Germany)" ("T&C") are attached to this report as Appendix I for your reference. In the event of any ambiguity or conflict between the assumptions made in the engagement letter and the T&C, then the terms of the engagement letter shall prevail.

1.4 Special Assumptions

37. This valuation is not subject to any special assumptions.

1.5 Sources of Information

38. For the completion of our instruction we were provided with information by the Instructing Party between September 15, 2020 and December 04, 2020. For the purposes of this valuation it is assumed that the information provided to us is correct, relevant and complete in accordance with the date of valuation. C&W has not analysed the information provided for completeness and accuracy.

1.6 Property Inspections

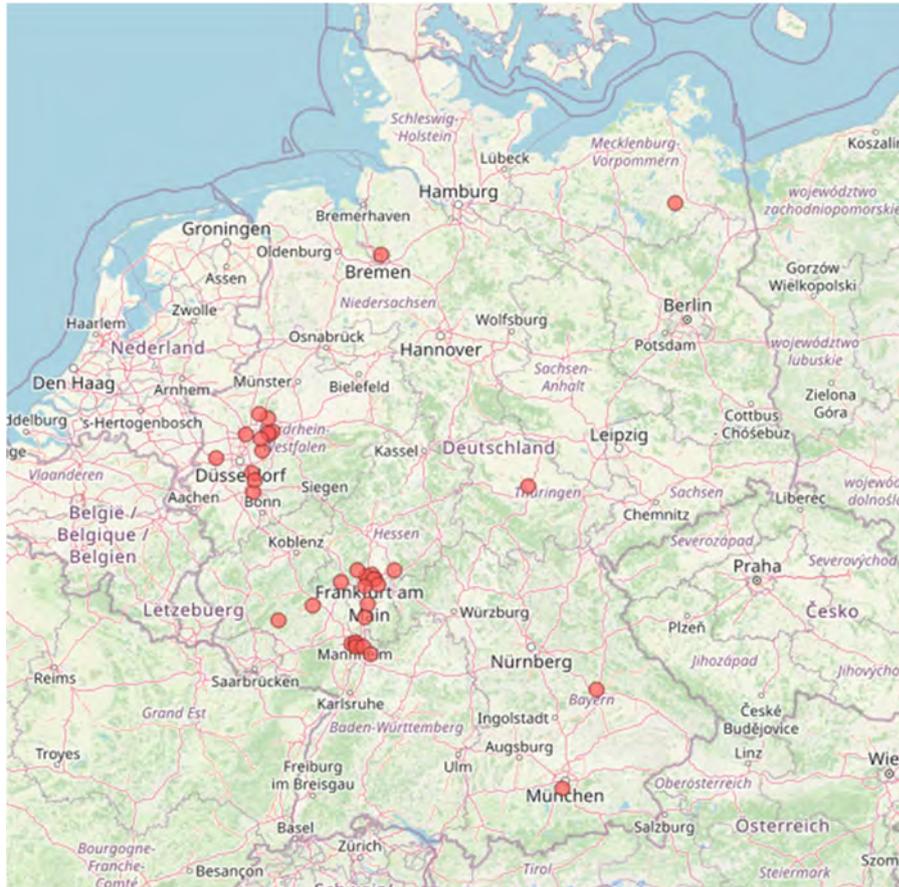
39. The following categories have been designated:
 - Category A: properties subject to full inspection,
 - Category B: properties subject to external inspection (drive-by inspection),
 - Category C: properties not inspected in the course of this re-valuation (desktop valuation).
40. In accordance with our instructions this valuation has been conducted on the basis of 16 full inspections and 7 external/drive-by inspections. The remaining properties have been valued on desktop basis. The selection of the inspected properties was assessed in line with the expected Market Value of the total portfolio as well as previous inspections and any likely significant changes in Market Value as a result of extensive reconstruction or refurbishment measures.
41. For this valuation as at December 31, 2020 the properties selected for inspection were inspected between October 19, 2020 and November 26, 2020. The inspections were conducted by appropriately qualified employees of C&W.
42. As at the date of valuation the net annual income of the inspected properties comprising categories A and B amounts to 46% of the total portfolio.
43. As at the date of valuation and under consideration of previous valuations C&W has inspected all properties of the portfolio between 2018 and 2020.
44. For the purpose of this re-valuation we have assumed that no circumstances have arisen since our inspection which would have an impact on the Market Value.
45. The property inspections and assessments of the overall locations were conducted on a selective basis only. Our report does not purport to be exhaustive in this respect. Photographs of the subject properties taken during the course of our inspections have been included in our working data.

2 THE SUBJECT PORTFOLIO

2.1 Regional Distribution of the Subject Portfolio

46. As at the date of valuation the subject DIC portfolio comprises 44 properties. The individual locations of the subject properties within Germany are shown in the map below.

Figure 1: Regional Distribution



47. The subject portfolio is located throughout the Federal Republic of Germany. In terms of Market Value 52.2% of the subject properties are located in Hesse, 25.8% of the subject properties are within North Rhine Westphalia, 13.2% in Baden-Wurttemberg. In contrast only 0.9% of the Market Value of the portfolio is located in Rhineland-Palatinate, 1.1% in Thuringia, 1.3% in Mecklenburg-Vorpommern, 2.1% in Bremen and 3.6% in Bavaria.

48. The following table shows the regional spread in terms of Market Value across the Federal States of Germany:

Table 1: Structure of the Portfolio - Federal States

Market Value in % as at December 31, 2020 Spread over Federal States		
Hesse	376,052,100 €	52.2%
North Rhine Westphalia	185,810,000 €	25.8%
Baden-Wuerttemberg	94,850,000 €	13.2%
Bavaria	25,760,000 €	3.6%
Bremen	15,200,000 €	2.1%
Mecklenburg-Vorpommern	9,170,000 €	1.3%
Thuringia	7,940,000 €	1.1%
Rhineland Palatinate	6,230,000 €	0.9%
Berlin	- €	0.0%
Brandenburg	- €	0.0%
Hamburg	- €	0.0%
Lower Saxony	- €	0.0%
Saarland	- €	0.0%
Saxony	- €	0.0%
Saxony-Anhalt	- €	0.0%
Schleswig-Holstein	- €	0.0%
Total	721,012,100 €	100.0%

49. The majority of the subject properties of the portfolio are office buildings (69.6% of Market Value of the Portfolio), followed by mixed-use buildings (25.4% Market Value share) and retail use (2.8%). Other uses contribute 2.1% of the total Market Value of the portfolio.
50. The following table shows the distribution of Market Value by property type.

Table 2: Structure of the Portfolio – Property Type

Market Value in % as at December 31, 2020 Property Type (main use)				
	Share in %	Market Value	Lettable Area	Contract Rent p.a.
Office	69.6%	501,740,000 €	188,183 m ²	26,633,821 €
Mixed Use	25.4%	183,490,000 €	93,919 m ²	9,488,201 €
Retail	2.8%	20,310,000 €	10,487 m ²	1,402,423 €
Industrial	1.5%	10,670,000 €	16,075 m ²	869,432 €
Residential	0.7%	4,790,000 €	4,663 m ²	417,967 €
Undeveloped Land	0.0%	12,100 €	733 m ²	- €
Total	100.0%	721,012,100 €	314,060 m²	38,811,844 €

51. Pure office buildings are let to a single tenant or a main tenant. Major tenants of the single-tenant properties include AOK, Federal State of Hesse and pronova bkk.
52. Some 21% (7 properties) of the Market Value of the subject portfolio are located in 3 of the top-6 cities of Germany (Frankfurt and Cologne). The locations are characterized by a regional/local supply and demand structure where the volatility of rental levels over the real estate cycle is limited/not fully reflected.

2.2 Classification of the Subject Property regarding Inspection Type (A, B, C)

53. As previously stated above in paragraph 41 and in accordance with our instructions the properties are subject to a differentiated consideration of properties in terms of scope of inspection and have been allocated to categories as such (A, B, C).

Table 3: Inspection Category

Market Value in % as at December 31, 2020		
Inspection Category		
	Marktwert	
Full Inspection (A)	373,760,000 €	51.8%
Drive-by Inspection (B)	99,520,000 €	13.8%
Desktop (C)	247,732,100 €	34.4%
Total	721,012,100 €	100.0%

2.2.1 SUBPORTFOLIO CATEGORY A PROPERTIES

54. The category A properties were subject to a full internal and external inspection. These 16 properties reflect 51.8% of the Market Value of the total portfolio (please refer to table 3 above).

2.2.2 SUBPORTFOLIO CATEGORY B PROPERTIES

55. The category B properties were subject to an external inspection (drive-by inspection). These 7 properties reflect 13.8% of the Market Value of the total portfolio.

2.2.3 SUBPORTFOLIO CATEGORY C PROPERTIES

56. The category C properties have not been inspected in the course of this year-end valuation 2020. Market Value of these properties has been assessed on the basis of a desktop valuation. The Market Value of these 21 properties reflect 34.4% of the Market Value of the total portfolio.

3 METHODOLOGY

3.1 Methodology

57. The subject portfolio comprises 44 individual properties which are mainly characterized by pure buildings accommodating office use and mixed-use buildings, held for financial investment purposes. The valuation was carried out in the particular market context. The assessment of the individual Market Values in the course of this valuation is based on a Discounted Cash Flow method (DCF). A 10-year cash flow period has been adopted with the assumption that all payments are made annually in arrears. The terminal value of the subject property at the end of the holding period is based on the estimated net operating income (NOI) of the year following the final cash flow year and calculated using an income capitalization approach at an assumed exit yield. The NOI is hereby also capitalized annually in arrears. Our calculations assume an inflation rate of 1.8% p.a. for the 1st year, 1.6% for the 2nd year, 1.8% for the 3rd and 4th year and 2.0% thereafter. The inflation rate affects all regular as well as non-regular expenses and is the basis for any rent adjustment clauses for current and market-based lease contracts.
58. This year-end valuation has been carried out using a MS Excel based DCF Tool. The application of the Discounted Cash Flow method is in accordance with the requirements of the International Valuation Standards for the use of an income-based approach to value. There is no separate assessment of land values. Tax liabilities and other such capital costs are not reflected. Please refer to 3.4 in this report for the applied cap rates and discount rates.

3.2 Cash Flow Period

59. The date of valuation is December 31, 2020. The review period starts on January 01, 2021, the end of year one is December 31, 2021.
60. A 10-year cash flow period has been adopted. In case of potential gross income or net operating income (NOI) in year 10 is not stabilized, it has been assumed that the subject properties are fully let without reflecting any costs for reletting as at the potential exit date.

3.3 Income and Costs

3.3.1 CONTRACTUAL GROSS RENTAL INCOME OF THE LET AREAS

61. The contractual gross rental income of the let areas refers to the rent roll provided by the Instructing Party under consideration of remaining unexpired lease terms (without consideration of possible unilateral renewal options by the tenant), step rents and indexation clauses (if included in a transparent manner in the rent roll). In total the contractual rental gross income amounts to € 38,811,844 (excluding VAT and operating costs). We have assumed that the average development of the Consumer Price Index (CPI), which is the basis for indexation clauses, equates with the inflation assumptions.
62. Generally, we have reflected the earliest break-date within our calculation thereby taking into account a probability of 50 % that renewal options will be exercised by the tenants. After that, a property and market specific void period as well as tenant improvements and letting fees have been assumed together with projected assumed nominal market rents as at the date of reletting, has been reflected. In the event of renewed leases with updated market rents (analogous to new lettings) it was assumed that there are no or only limited reletting costs (rental loss, tenant improvements and letting fees).
63. Indeterminate lease terms, primarily for residential leases, have mainly been considered with an unexpired remaining lease term of 2 years as at the date of valuation.

64. For re-lettings and new lettings of office areas we have generally assumed a lease term of 5 years. In addition, 100% (of CPI change) rental adjustments have been considered for CPI changes of more than 10%.
65. For re-lettings and new lettings of retail areas we have generally assumed a lease term of 5 or 10 years. In addition, 70% rental adjustments of CPI change have been considered if CPI changes more than 10%.
66. For re-lettings and new lettings of residential units we have generally assumed a lease term of 5 years without any adjustments due to indexation clauses.

3.3.2 MARKET RENTAL INCOME FOR VACANT UNITS

67. Current vacancy has been considered as being leased-up on the basis of letting assumptions we have determined regarding void periods, estimated rental levels as well as details of the lease.
68. For the purpose of this valuation estimated rental levels have been assessed under consideration of the respective structure of the lettable areas, the subject location of the property as well as the user-specific submarkets.
69. We expect rental growth rates in line with inflation assumptions in comparison to the previous year.

3.3.3 MARKET RENTAL INCOME

70. The assessed gross market rental income (nominal) under consideration of the various quality levels of the lettable areas is therefore assumed to total € 39,109,829 p.a. for the portfolio.

3.3.4 TERMINAL VALUE CAPITALISATION

71. The terminal value has been calculated on the basis of the present value of an annuity for the estimated cash flow income of the final cash flow year and discounted to the date of valuation. The estimated net operating income (NOI) of year 10 has been capitalised as annual perpetual annuity in arrears.
72. The selection of the cap rate has been made with close attention to current net initial yields on the real estate market and an additional risk premium in accordance with the individual property. Having regard to quality, location and structure of the subject properties, the selected capitalisation rates vary between 3.50% and 6.75%.

3.3.5 PROPERTY RELATED EXPENSES

73. We have calculated typical operating costs for the subject properties as follows:

Running Expenses

74. The nature and age of each property, together with the tenant and user structure has led us to assume that not all running expenses may be recoverable from the existing tenants. We have therefore assumed an allowance of 0.5% to 1.0% of the gross rental income to account for such expenses.
75. We have reflected vacancy costs for all areas which are currently vacant or might become temporary vacant during the cash flow period due to a change of tenants. For the purpose of this valuation we have reflected € 2.50/m²/month during vacancy for vacant space as ongoing operating costs.

Landlords' Repair and Maintenance Costs

76. The property owner is responsible for structural repairs and maintenance for the building with no formal legal definition available for the dividing line between measures that would fall into the tenants' sphere of responsibility and measures where the costs would minimise the owner's cash flow. For the purposes of the calculation and in keeping with the assumption of a regular cash flow in perpetuity it is therefore prudent to allow for a regular deduction of the cash flow to account for such measures that will occur from time to time.
77. Although a newly-built or refurbished property will clearly be subject to lower costs during the first years after completion (and warranties will clearly also be available), our allowance takes account of the basic assumption of a stabilised income flow in perpetuity.

78. For the purposes of this valuation we have reflected a regular deduction of € 5.00-6.00/m² of lettable area p.a.

Capital Expenditure

79. We have been provided by the Instructing Party with a capital expenditure budget for the years 2021 and 2022. Where we have been provided with costs for repairs, renovation or modernisation work we have reflected these costs.

80. If further costs will arise to remediate any defects, damage or maintenance backlog, these costs have to be deducted from the aggregated sum of Market Values.

Management Expenses

81. Property management expenses include the costs of letting, lease management, property accounting, cost controlling, invoicing of running costs as well as maintenance planning and performance. These expenses are assessed under the assumption of due professional competence and care in the operation of the property. We have assumed that not all management expenses will be recovered by the tenants and have therefore made a regular deduction from commercial passing rents of 0.50 % and 3.00% of the gross annual rental income and € 250/residential unit p.a.

Vacancy and Collection Loss

82. We consider it prudent to reflect a regular deduction from income in respect of structural vacancy and for collection loss which may from time to time occur with standing tenants. We have deducted vacancy and collection loss of up to 2.0% of the annual rental income.

Structural Vacancy

83. Structural vacancy is assumed as a permanent reduction of rental income characterised by a proportional vacancy of the total lettable area, where there is a general risk that some areas are not re-lettable in future due to the age and structure of the property. In such cases a structural vacancy has been considered with 0.0% to 2.0% of the gross annual rental income.

3.3.6 APERIODIC AND ONE-OFF COSTS

84. Current and future vacancies have been considered with a rental loss for an assumed void period in months and service shortfall costs of € 2.50/m²/month for property tax, insurance costs etc. that cannot be recovered from a tenant during vacancy.

85. For re-letting purposes, we have assumed tenant improvement costs per m² in line with the type of use, letting fees amounting to 3 months' rent for commercial units and 2 months' rent for residential units. In general, the following allowance for tenant improvements has been reflected depending on the quality of the lettable areas: € 100.00/m² to € 250.00/m² for office area, € 50.00/m² to € 150.00/m² for retail space and € 75.00/m² for residential area. If we have been provided by the Instructing Party with detailed cost estimates for already scheduled tenant improvements, we have reflected these costs accordingly.

3.4 Cash Flows and the Discounting of Cash Flows

86. The annual net cash flows of the subject properties (without financing costs and VAT) as documented in our working papers are total potential gross revenue p.a. with operating expenses, total leasing costs and capital expenditure within a period deducted.
87. The discount rate has been calculated from a long-term risk-free rate plus a risk premium for the property in accordance with international valuation practice.
88. The risk-free rate has been taken from the current yield of fixed-income government bonds with a term of 10 years to reflect the long-term horizon of real-estate investments as illustrated in the following table.

Table 4: Time series - government bond yields in Germany

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1st Quarter	3,13	1,97	1,50	1,63	0,40	0,33	0,37	0,60	0,13	-0,40
2nd Quarter	3,13	1,50	1,33	1,40	0,57	0,13	0,33	0,47	-0,10	-0,40
3rd Quarter	2,33	1,40	1,77	1,07	0,73	-0,03	0,43	0,33	-0,43	-0,50
4th Quarter	2,07	1,40	1,80	0,73	0,60	0,17	0,33	0,33	-0,17	-0,50
Yearly Average	2,67	1,57	1,60	1,21	0,58	0,15	0,37	0,43	-0,14	-0,45
10-Year-Average	0,80									

89. The ten-year average resulting from the 2011 to 2020 time series amounts to 0.80%.
90. The generally applied discount rate has therefore been calculated from a risk-free rate of 0.80% and an asset-specific risk premium reflecting the limited liquidity of real estate investments compared to more liquid asset classes such as stocks or bonds.
91. Please note that the applied discount rate also reflects our attempt to actively avoid double counting of real estate specific risks – the cash flows have already been adjusted for parameters such as collection loss, structural vacancy, property related expenses and letting fees.
92. Valuation results, the discount rates in conjunction with explicitly in the cash flow reflected parameters as well as capitalisation rates have been analysed with regard to current market conditions.
93. Therefore, the ratio of net operating income to the total investment of the individual properties have been analysed in relation to net initial yields and market rental multipliers on the real estate market. In case of unstable cash flows the development of running yields during the cash flow period has also been considered. In the context of the capital markets we consider an analysis of individual Market Values of the properties in comparison with empirical evidence in the relevant real estate sub-markets as integral part of the quality control of valuations on the basis of a discounted cash flow method.

4 MARKET VALUE

4.1 Definition

94. As detailed in section 9 of this report the Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

4.2 Market Value

95. Having given the matter careful consideration and having regard to our remarks contained in this report, we are of the opinion that the aggregated sum of the Market Values of each property as at December 31, 2020 subject to the limiting conditions and special assumptions detailed in section 1.3 and 1.4, was in the order of:

€ 721,012,100

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(in words: seven hundred twenty-one million twelve thousand one hundred Euro)

96. The individual Market Values reflect net initial yields under consideration of purchaser's costs at a rate of 5.0% to 8.0% (usually 3.5% to 6.5% land transfer tax¹, 1.0% for notary fees and 0.5% for agent fees). On average the aggregate sum of the Market Values reflects a net initial yield of 4.27% (net operating income year 1/total investment).
97. The current rent multipliers are considered on the basis of the respective Market Value of each subject property and the gross rental income of year one of the cash flow period. On average, the current rent multiplier for the portfolio is 18.6.
98. On average the Market Value of the portfolio is € 2,292/m² of lettable area.
99. Our analysis was carried out on a property-by-property basis without consideration of the fact that these properties comprise a portfolio. Our valuation of the subject portfolio reflects the aggregate value of the individual properties only; no account is taken of risk adjustments/bulk discounts or premium payments for a portfolio transaction.

¹ As at the date of valuation land transfer taxes are at 3.50% in Bavaria and Saxony, 5.00% in Baden-Wurtemberg, Bremen, Rhineland Palatinate and Saxony-Anhalt, 6.00% in Hesse and Mecklenburg-Vorpommern as well as 6.50% in North Rhine Westphalia and Thuringia.

4.3 Closing Remarks

100. For the sake of good order we would once again draw your attention to the remarks and assumptions in sections 1.3 and 1.4 of this report.
101. This valuation report is subject to copyright. It is intended for the exclusive use of the named Instructing Party and Addressees only for the sole purposes outlined in paragraph 4. The letter of instruction is an agreement between the named parties only and these are therefore solely entitled to refer to its content in a legal sense. Third parties are not permitted to rely on this report in any way. A disclosure of professional statements of C&W for promotion purposes is excluded as well.
102. This instruction has been performed by experienced appraisers under consideration of the current state of science, technology, experience and with highest professional diligence. We were not subject to influences which would endanger the reliability or credibility of our statements.
103. The full valuation report dated 22nd January 2021 is subject to the following disclaimer:
104. The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID 19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of these named properties under frequent review.
105. Properties which are priced on their trading potential with examples including hotel, restaurants and pubs as well as healthcare establishments and student accommodation may experience a greater impact on pricing in comparison to other asset classes. It is advisable therefore that valuations for these assets should be reviewed with greater frequency and care relative to other property types. With regards to hotels, there may be a risk to profitability (and potentially, therefore, value) caused by a fall in occupancy particularly where there is a high reliance on inbound tourism or meetings and events business.
106. For the avoidance of doubt, this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insights as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.
107. Since the date of the full valuation report and this Condensed Report the relevant property markets have proven to function again, with transaction volumes and other relevant evidence having returned to levels where an adequate quantum of market evidence exists upon which to base opinions of value.
108. For the sake of good order, we would once again draw your attention to the Cushman & Wakefield Terms of Business (Germany) and the remarks and assumptions on this valuation in section 1.3 and 1.4 of this report.

Report completed:

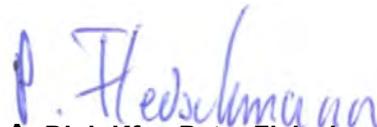
Frankfurt am Main, September 10, 2021

This report is 15 pages long and includes 1 appendix.

**C & W (U.K.) LLP – German Branch
Chartered Surveyors**



**Dipl.-Ing. Martin Belik MRICS
International Partner**



**i. A. Dipl.-Kfm. Peter Fleischmann
Partner**



**i. A. Dipl.-Bw. (FH) Pierre Prager
Associate**

APPENDIX

I Cushman & Wakefield Terms of Business (Germany)

Appendix I: Cushman & Wakefield Terms of Business (Germany)

1. Client Engagement

- 1.1 The Client appoints C&W to provide services on these Terms of Business and the terms set out in the Engagement Letter. Each Engagement Letter forms a discrete contract incorporating the latest version of these Terms of Business that have been provided to the Client (together an/the "**Engagement**").
- 1.2 The entire scope of the services to be provided as part of an Engagement ("**Services**") is set out in the Engagement Letter. Nothing shall bind C&W to perform any role or function other than as is documented in the Engagement Letter.
- 1.3 The Client shall provide all necessary co-operation to enable each member of the C&W Group to discharge its obligations in respect of all Applicable Laws, particularly those pertaining to 'know your client', anti-money laundering and the prevention of other financial crimes, and data protection. Each of the Client and C&W agrees that it shall comply with all Applicable Laws in performing its obligations in relation to the Engagement.
- 1.4 C&W may sometimes require input from third parties to perform all or part of the Services. Where C&W intends to subcontract to a third party, C&W will seek the Client's consent before so subcontracting. The Client consents to the use of other members of the C&W Group and C&W Affiliates to provide all or part of the Services, and no further notification need be given in relation to such use. Except where C&W contracts third parties directly (otherwise than as the Client's agent), C&W shall not be responsible for supervising or monitoring the performance of third parties.

2. Definitions and Interpretation

- 2.1 In an Engagement the following terms shall have the following meanings:

"Applicable Law" means all applicable laws, regulations, regulatory requirements and codes of practice of any relevant jurisdiction, as amended and in force from time to time;

"C&W" means the member of the C&W Group that is a party to the Engagement Letter;

"C&W Affiliate" means a third party licenced by a member of the C&W Group to trade using the Cushman & Wakefield brand;

"C&W Group" means DTZ Worldwide Limited (a company incorporated in England & Wales under company number 9073572) and any of its subsidiaries (within the meaning of section 290 of the German Commercial Code (*Handelsgesetzbuch*));

"C&W Materials" means all those materials owned by C&W and its licensors, and all Intellectual Property Rights owned by C&W and its licensors, whether before or after the date of the Engagement, but excluding the Service Materials;

"Client" means the addressee(s) of the Engagement Letter and excludes any third party who pays or may be responsible for paying any part of the Fees;

"Client Materials" means all those materials owned by the Client and its licensors, and all Intellectual Property Rights owned by the Client and its licensors, but excluding the Service Materials;

"Data Processing Schedule" means the schedule to these Terms of Business setting out the parties' obligations in respect of data processing;

"Document" means any research, data or report provided by C&W as part of the Services;

"Engagement Letter" means the letter issued by C&W to the Client and identified as the engagement letter, which shall set out particular Services to be provided by C&W together with other terms and conditions that shall form part of the Engagement. Where the context permits, documents cross referenced and/or attached to the Engagement Letter shall form part of it;

"Fees" means the amounts specified as payable in the Engagement Letter, or otherwise calculated in accordance with the Engagement Letter;

"Intellectual Property Rights" means patents, trademarks, design rights, applications for any of the foregoing, copyright, database rights, trade or business names, domain names, website addresses, whether registrable or otherwise, (including applications for and the right to apply for registration of any such rights), know how, methodologies, and any similar rights in any country whether currently existing or created in the future, in each case for their full term, together with any renewals or extensions;

"Relief Event" means: (i) any delay or failure by the Client or a person acting on its behalf to perform any obligation of the Client under an Engagement; (ii) the failure of any assumption set out in the Engagement Letter; and (iii) any other event specified in the Engagement Letter;

"RICS" means the Royal Institution of Chartered Surveyors;

"Services" means the services to be provided to the Client by C&W as part of the Engagement, as specified in the Engagement Letter;

"Service Materials" means all those works, and all Intellectual Property Rights in works, that are created, provided, or which arise exclusively in the course of the provision of the Services to the Client;

"Terms of Business" means the terms set out in this document; and

"Value Added Tax" means value added tax as provided for in the German Value Added Tax Act (*Umsatzsteuergesetz*), or any similar sales or turnover tax in any jurisdiction.

- 2.2 Unless the context otherwise requires or the contrary intention appears, any reference to an enactment includes that enactment as amended or replaced, together with any subordinate legislation made under that or any other applicable enactment; and any reference to a German legal term includes, in respect of any jurisdiction other than Germany, a reference to what most nearly approximates in that jurisdiction to the German legal term.

- 2.3 Other than for notices to be given, references to "written" or "in writing" include e-mail. The words "including" and "in particular" and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions. The words "subsidiary" and "holding company" have the meanings given in section 290 of the German Commercial Code (*Handelsgesetzbuch*). The headings in these Terms of Business are for convenience only and do not affect their interpretation.

3. Fees, Expenses, and Payments

Fees

- 3.1 In consideration of the provision of the Services, the Client shall pay the Fees. The Fees, or the method of calculating them, shall be as set out in the Engagement Letter.
- 3.2 Fees stated shall be exclusive of Value Added Tax which, where applicable, shall be charged to the Client at the prevailing rate. The Client agrees to pay to C&W any Value Added Tax in relation to the provision of the Services provided that C&W has supplied a valid tax invoice as required by Applicable Law.
- 3.3 Where another member of the C&W Group or a C&W Affiliate provides all or part of the Services in accordance with Clause 1.4, the Client acknowledges and agrees that such other member of the C&W Group or C&W Affiliate may raise invoices for payment by the Client in accordance with the terms of the Engagement.

Expenses

- 3.4 The Client shall reimburse all out of pocket expenses and disbursements properly incurred by or on behalf of C&W in the performance of the Services ("**Expenses**") up to five hundred euros (€500) per quarter. Before incurring any Expenses that would result in that limit being exceeded, C&W shall seek the Client's consent, in which case those further Expenses shall also be payable. Expenses may be invoiced at the same time as the Fees, or quarterly in arrears, at C&W's discretion.
- 3.5 The Client shall reimburse all marketing costs which shall, where relevant, be handled as follows:
- (a) C&W will inform the Client of any marketing costs proposed to be incurred on its behalf. C&W will provide cost estimates for any initial marketing campaign in the Engagement Letter, and further proposals if additional marketing is required.
 - (b) Cost estimates will be best estimates or based on actual quotations from suppliers. Final costs may differ from estimates provided. Advertising and printing rates provided will be from the publishers' rate cards current at the date of the marketing proposals. The Client shall pay any additional sum charged by the suppliers for the correction of mistakes in artwork or other advertising material not caused by the suppliers. The individual printer or supplier's terms will apply to all Client work placed with it. All costs are gross, and C&W will retain the usual trade discounts offered by newspapers, periodicals or other media suppliers.
 - (c) The Client shall instruct all suppliers directly. In the event that C&W agrees to instruct any such supplier, C&W may require advance payment of anticipated costs to be incurred on the Client's behalf. Where the sum paid on account exceeds the actual costs incurred, such excess shall be repaid to the Client without interest once all invoices and accounts have been finalised and settled. Where the marketing costs exceed the sum paid, the Client shall pay the amount of any difference to C&W immediately on request.
 - (d) The Client shall reimburse all marketing costs incurred on its behalf as and when the costs are incurred, irrespective of completion of the transaction to which the Services relate.

Payments

- 3.6 C&W's invoices are payable from the date of each invoice, and are due for payment within fourteen (14) days. C&W may charge the Client interest on any amounts due but which have not been paid within this period (whether before or after judgment) at nine (9) percentage points above the base interest rate announced by the German Federal Bank at the time payment is due if the amount is invoiced in euros or, if invoiced in any other currency, at the rate of nine (9) percentage points above the discount rate of the main banking institution of the country of the invoiced currency at the time the payment is due.
- 3.7 The Client shall pay all sums by electronic bank transfer to the C&W bank account detailed in an invoice. C&W is unable to accept payment by cash or cheque.
- 3.8 The Client shall pay all sums payable to C&W in relation to the Engagement without set-off and free of any deduction.
- 3.9 If the Client is required by Applicable Law to make any deduction from any payment, then it shall increase such payment to ensure that C&W receives the same amount as it would have received if no deduction were required.
- 3.10 C&W may require payments to be made on account before commencing or completing all or part of the Services. In specifying on-account payments C&W may have regard to the nature and context of Services to be performed, and the likely timing and amounts of Expenses to be incurred.
- 3.11 C&W may, by giving written notice to the Client, suspend Service provision if any sum is not paid to C&W within the period specified at Clause 3.6 until all outstanding sums have been paid in full in cleared funds.
- 3.12 After completing an Engagement, C&W shall be entitled to keep any Client materials held by it while sums payable to it by the Client remain outstanding.
- 3.13 C&W may search the Client's record at credit reference agencies for the purposes of verifying the Client's identity and to assess whether the Client is able to fulfil its payment obligations in relation to the Engagement.

Client Monies

- 3.14 C&W handles client monies in accordance with RICS rules and regulations.

4. Client Obligations

- 4.1 The Client shall, as soon as reasonably practicable following a request, provide all information, assistance, approvals, and consents reasonably requested by C&W in relation to the performance of C&W's obligations in connection with the Engagement. The Client shall ensure that all information provided by or on behalf of the Client shall be complete and accurate in all material respects, and notify C&W as soon as reasonably possible on becoming aware that any information is incomplete, inaccurate or misleading.
- 4.2 The Client acknowledges that C&W: (i) is entitled to rely upon the completeness, accuracy, sufficiency and consistency of any information supplied to it by or on behalf of the Client; and (ii) shall have no liability for any inaccuracies contained in any information provided by or on behalf of the Client unless otherwise stated.
- 4.3 All estimations made by C&W are based on depth and quality of information provided by the Client and the Client shall not be entitled to assume that C&W has performed an inspection. The Client must take this into account in relation to all figures, calculations, and advice.

4.4 The Client shall check and confirm the accuracy and completeness of any property particulars prepared by C&W and shall confirm that they are not misleading. The Client undertakes to notify C&W immediately if any particulars are or become inaccurate or incomplete.

5. Measurements

5.1 Where C&W is required to measure a property, it will do so in accordance with applicable measuring practices relevant to the property. If the Client requires C&W to adopt a particular measuring practice, it shall specify the same in writing before work starts. The Client acknowledges that the floor areas contained in any Document are approximate and if measured by C&W will be within a two percent (2%) tolerance either way. In cases where the configuration of the floor plate is unusually irregular or obstructed, this tolerance may be exceeded.

5.2 C&W is unable to measure areas to which it does not have access, in which cases floor area may be estimated from plans or by extrapolation. Where land or site areas are measured, all areas will be approximate and will be measured from plans supplied or Ordinance Survey plans, rather than being checked on site.

6. Confidentiality

6.1 The Client consents to C&W announcing that it is providing or has provided the Services to the Client and using the Client's name in publicity. However, C&W shall not publish any details of any proposed or actual transaction (other than those which are publicly available) without prior consent, such consent not to be unreasonably withheld or delayed.

6.2 The Client shall keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement): (i) any information received by it in respect of the methodologies and/or technologies used by C&W in providing the Services; (ii) the details of the terms on which C&W provides the Services; and (iii) any other information in respect of C&W's business activities which is not publicly available; or (iv) any Document (or part thereof) except as permitted in accordance with Clause 8.2 and 8.3.

6.3 C&W shall, during the period commencing on the date of the Engagement and ending two (2) years following the earlier of the termination or completion of the Services, keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement) any information in respect of the Client's business activities which comes into its possession as a consequence of C&W providing the Services and which is not publicly available.

6.4 A party shall not breach Clause 6 by disclosing information to the extent reasonably necessary:

- (a) where required to do so by Applicable Law or order of the courts, or by any securities exchange or regulatory or governmental body to which such party is subject or submits, wherever situated (whether or not the requirement for information has the force of Applicable Law); or
- (b) to the professional advisers, insurers, auditors and bankers of such party.

6.5 C&W shall not breach this Clause 6 by disclosing information to members of the C&W Group or C&W Affiliates in connection with the Engagement; or (ii) consultants, sub-contractors or third party service providers, to the extent reasonably necessary to provide the Service.

7. Data Protection & Data Handling

Data Controller

7.1 Subject to Clause 7.2 each party will act as independent data controllers, or the equivalent under data protection law, in relation to personal data they process in the course of the performance of the Engagement. Each party shall comply with its respective obligations under the data protection law for the duration of the Engagement. Neither party shall be responsible for any consequences resulting from the other party's failure to comply with data protection law in relation to personal data that it shares with the other party.

Data Processor

7.2 To the extent that C&W receives personal data from the Client in respect of which the Client is a data controller in connection with, and for the purpose of, providing the Services (the " Data"), the client appoints C&W as a data processor in relation to such Data and Clauses 7.3 to 7.5 (inclusive) shall apply.

In this Clause 7, references to the "European Union" and " EU Member State" shall be deemed to include the United Kingdom.

7.3 In processing Data pursuant to an Engagement, C&W shall: (a) unless otherwise requested by the Client in writing, process the Data only to the extent, and in such manner, as is necessary for the provision of the Services, except where otherwise required by any EU (or any Member State) law;

(b) ensure that appropriate technical and organizational measures shall be taken to protect the data from (i) accidental and unlawful destruction, and (ii) loss, alteration, unauthorised disclosure of, or access to, Data;

(c) ensure that any person whom it authorises to process the Data shall be subject to an actionable duty of confidence;

(d) only cause or permit Data processing to be sub-contracted to:

- (i) sub-contractors in accordance with Clause 1.4;
- (ii) members of the C&W Group and C&W Affiliates and each of their professional advisers, insurers, auditors and bankers; and/or
- (iii) service providers appointed by a member of the C&W Group to support C&W's business administration and infrastructure (as identified and updated from time to time)

who are committed, by means of a written contract with C&W, to protect the Data to the standard required by this Clause 7.

If the Client objects to any sub-processor under Clause 7.3(d) on reasonable grounds relating to the protection of personal data, then either C&W will not appoint the sub-processor or the Client may elect to suspend or terminate the Engagement upon written notice to be given not later than thirty (30) days after such objection has been notified to C&W in writing;

(e) only cause or permit Data to be transferred outside the European Economic Area:

- (i) to those persons identified under Clause 7.3(d) or otherwise with the Client's prior consent (not to be unreasonably withheld or delayed); and

- (f) notify the Client without undue delay and provide reasonable information and cooperation on becoming aware of such a breach of data security which would be notifiable under applicable data protection law.
- (g) Notify the Client without undue delay (and in any event provide reasonable and timely assistance to the Client (at the Client's expense) to enable the Client to respond to: (i) any request from a data subject to exercise any of its rights under applicable data protection law; and (ii) any other correspondence, enquiry or complaint received from a data subject, regulator, or other third party in connection with the processing of the Data.
- (h) C&W shall make available to the Client such information as is necessary to demonstrate its compliance with this Clause 7 and, if required, shall permit the Client (or its appointed third party auditors who are subject to strict obligations of confidentiality and whose identity has been agreed with C&W) to conduct an audit to confirm its compliance, provided that the Client gives reasonable notice of its intention to audit, conducts its audit during normal business hours, and takes all reasonable measures to prevent unnecessary disruption to C&W's operations. The Client may not exercise this right more than once in any twelve (12) month period except as required by instruction of a competent data protection authority.
- 7.4 If requested by the Client, C&W shall provide reasonable cooperation to the Client (at the Client's expense) in connection with any data protection impact assessment and any consultation with the Client's data protection authority that may be required under data protection law.
- 7.5 Unless otherwise instructed in writing by the Client to destroy or return the Data (or copies thereof) on termination of the Engagement, C&W will keep its Engagement files, including the Data, for seven (7) years after issue of C&W's final invoice. The client consents to the deletion and destruction of all Engagement files upon the expiry of that period unless the Client has requested in writing the return of Client papers or documents during that period. C&W shall not be liable for any loss arising out of or in connection with the destruction of documents occurring more than seven (7) years after the date of the final invoice. C&W shall be entitled to retain Data to the extent required by any EU (or any EU Member State) law.
- Data Handling**
- 7.6 The Client shall use all reasonable procedures to seek to ensure that any materials provided to C&W in any electronic format are virus free and shall be responsible for using appropriate firewalls and anti-virus software. The client shall not disclose any special categories of data to C&W except by express written agreement.
- 7.7 A copy of C&W's Privacy Notice can be found [here](#).
- Freedom of Information**
- 7.8 Where the Client is a public authority for the purposes of the Freedom of Information Act 2000 ("FOIA") as amended from time to time, the Client shall notify C&W of that fact at the start of the Engagement. The Client shall notify C&W within five (5) business days of receiving a request pursuant to the FOIA requesting information which relates to the business arrangements between C&W and the Client and/or any information C&W has provided to the Client at any time (whether or not in connection with the Engagement). In recognition of the fact that C&W may be providing the Client with confidential or commercially sensitive information, the Client agrees to consult with C&W and take into account C&W's views on all such requests, giving C&W reasonable notice to respond, before making any decision on whether any particular information should be disclosed.
- 7.9 The Client shall be responsible for C&W's reasonable and properly incurred charges in producing any documentation which the Client requires in order to comply with a request for disclosure under the FOIA. For the avoidance of doubt, the Client, not C&W, shall liaise with such third party.
- 8. Documents and "Reliance"**
- 8.1 C&W will take reasonable care in the preparation of any Document. Any opinions expressed in a Document constitute C&W's judgement, and data upon which this judgement is based are believed to be correct as at the date of the Documents (but may be subject to change during the life of the project and beyond and as new information becomes available). C&W reserves the right to change the underlying data, and its opinions, without prior notice in the light of revised market opinion and evidence, but shall not be required to update any Document already provided.
- 8.2 Subject to Clause 8.3, the provision of the Services is for the Client's benefit only and no part of any Document or advice produced by C&W for the Client shall be reproduced, transmitted, copied or disclosed to any third party without the prior written consent of C&W. C&W shall not be liable to any third party placing reliance upon any such Document or advice.
- 8.3 The Client may permit other persons to use C&W's Documents only with C&W's written consent and where such other persons have entered into a written agreement with C&W in relation to such use ("**Reliance Letter**"). C&W expressly disclaims any tortious duty of care (e.g., in negligence) to any third party in relation to any Document or advice provided in connection with an Engagement, and the Client shall not permit any person to rely upon such Document or advice unless that person has first entered into a Reliance Letter. Any limitation placed on C&W's liability set out in these Terms of Business or the Engagement Letter shall apply in aggregate to the Client and any party entering into a Reliance Letter.
- 8.4 Where the Client provides a copy of a Document to another person, or permits a person to rely upon a Document, the Client indemnifies and holds harmless C&W from and against any liability arising out of that person's use or reliance on that Document except where a Reliance Letter has been entered into by such person.
- 8.5 Where the Client acts on behalf of a syndicate or in relation to a securitisation, the Client agrees that it is not entitled to pursue any greater claim on behalf of any other person than it would have been entitled to pursue on its own behalf had there been no syndication or securitisation.
- 9. Service Quality**
- 9.1 In carrying out the Services, C&W shall exercise the reasonable care and skill to be generally expected of a competent provider of services similar in scope, nature and complexity to the Services.
- 9.2 In the event that the Client is dissatisfied with the provision of the Services by C&W it must refer such complaint in the first instance to the C&W representative named in the

Engagement Letter, in accordance with the provisions of C&W's complaints procedure current at the time of the complaint. C&W shall supply to the Client a copy of the complaints procedure upon the request of the Client.

9.3 No implied terms shall apply under and/or in connection with the Engagement, and no other express warranties are given - all such terms are expressly excluded to the extent permitted by Applicable Law.

9.4 C&W is certified as ISO9001; ISO14001; and ISO45001.

10. Conflicts of Interest and Anti-Corruption

10.1 C&W maintains conflict management procedures designed to govern actual or potential conflicts of interest. If the Client becomes aware of a possible conflict, it shall inform C&W immediately. If a conflict arises, then C&W will decide, taking account of legal constraints, relevant regulatory rules and the clients' interests and wishes, whether it can continue to act for both parties (e.g., through the use of ethical walls), for one only, or for neither. Where C&W does not believe that any potential or actual conflict can be managed appropriately and in accordance with C&W policy (available upon request), it will inform all clients affected and consult with them as soon as reasonably practicable as to the steps to take.

10.2 The Client acknowledges that C&W may earn commissions and referral fees, and may charge handling fees connected to the services that it performs, and agrees that C&W shall be entitled to retain them without specific disclosure. C&W will not accept any commissions or referral fees in circumstances where it is of the reasonable belief that they would compromise the independence of any advice that it provides.

10.3 It is not C&W policy to provide any services for financial gain either directly or through connected persons, to a prospective purchaser or tenant in respect of a property for which C&W is instructed as agents by the seller/owner, until unconditional contracts have been exchanged. C&W will notify the Client if it is instructed by a prospective purchaser or tenant to provide such services where the Client is the seller/owner.

10.4 C&W and the Client each confirms that it will not, and will procure that its employees will not, knowingly engage in any activity which is contrary to applicable anti-bribery and corruption laws. C&W confirms that it has in place a compliance and training programme designed to ensure compliance with the terms of applicable anti-bribery and corruption laws. C&W's Code of Business Conduct can be found [here](#).

10.5 For the purposes of this Clause **Error! Reference source not found.**, "Anti-Bribery & Corruption Laws" means the Bribery Act 2010, the US Foreign Corrupt Practices Act 1977 and any other applicable legislation prohibiting bribery and corruption involving public or private persons.

10.6 Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: are not, and will not become (during the term of the Engagement), a person or entity with whom a party is prohibited from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism and OFAC's Specially Designated and Blocked Persons list), the United Kingdom, the European Union, the United Nations, or under any other regulation, statute, executive order or governmental action

and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities ("Applicable Sanctions/AML Rules"); and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.10.7

10.7 In the event that C&W believes in good faith, and whether or not it has conducted an investigation, that the Client has acted in a way that may subject C&W to liability under Anti-Bribery & Corruption Laws or the Client (including all persons and entities owning (directly or indirectly) an ownership interest in it) becomes a target of Applicable Sanctions/AML Rules, C&W shall have the right terminate the Engagement upon written notice and shall be entitled to receive payment for Services in accordance with Clause 12.4, together with any and all reasonable additional costs incurred due to such early termination.

10.8 Each party shall:

(a) not engage in any activity, practice, or conduct which would constitute either:

(i) a German tax evasion facilitation offence under section § 370 AO; or

(ii) a foreign tax evasion facilitation offence under 46(6) of the Criminal Finances Act 2017;

(b) have and shall maintain in place such policies and procedures as are both reasonable to prevent the facilitation of tax evasion by another person (including, without limitation, its employees) and to ensure compliance with sub-Clause 10.8(a); and

(c) notify the other party in writing if it becomes aware of any breach of with sub-Clause 10.8(a) or has reason to believe that it or any person associated with it has received a request or demand from a third party to facilitate the evasion of tax within the meaning of § 370 AO or within the meaning of Part 3 of the Criminal Finances Act 2017 in connection with the performance of its obligations under an Engagement.

10.9 For the purpose of Clause 10.8, the meaning of reasonable prevention procedure shall be determined in accordance with any guidance issued under § 370 AO or section 47 of the Criminal Finances Act 2017.

11. Liability and Insurance

11.1 Notwithstanding any contrary provision, neither party limits or excludes its liability in respect of:

(a) any death or personal injury caused by its negligence;

- (b) any damage caused with intent or gross negligence;
- (c) any fraud or fraudulent misrepresentation; or
- (d) any statutory or other liability which cannot be limited or excluded under Applicable Law.
- 11.2 For other damage, C&W shall be liable only insofar as such damage derives from a breach of material contractual obligations (*vertragswesentliche Pflichten*). Material contractual obligations are obligations intended to facilitate the Client's contractual use of the services. C&W shall only be liable for damage typically occurring under this Engagement and in particular not for unforeseeable or indirect damage. C&W shall not be liable in any other respect.
- 11.3 C&W's total aggregate liability arising under or in connection with an Engagement or any breach or non-performance no matter how fundamental (including by reason of negligence or breach of statutory duty) in contract, tort or otherwise shall be limited in all circumstances except as laid out in Section 11.1 to an amount equal to the lesser of:
- (a) five (5) times the Fees paid or payable by or on behalf of the Client to C&W in relation to the Engagement; or
- (b) two million euros (€2,000,000).
- 11.4 Subject always to Clauses 11.1; 11.2 and 11.3, where an Engagement involves C&W being appointed as part of a project team, liability for loss and/or damage arising under or in connection with the Engagement shall be limited to that proportion of the Client's loss and/or damage which it would be just and equitable to require C&W to pay having regard to the extent of C&W's responsibility for the same and on the basis that:
- (a) all other Client consultants and contractors shall be deemed to have provided contractual undertakings, on terms no less onerous than those set out in the Engagement, to the Client in respect of the performance of their services in connection with the project;
- (b) there are no exclusions of or limitation of liability nor joint insurance or co-insurance provisions between the Client and any other party referred to above; and
- (c) they shall be deemed to have paid to the Client such proportion which would be just and equitable for them to pay having regard to the extent of their responsibility.
- 11.5 No actions or proceedings arising under or in respect of the Engagement or documents signed in connection with it shall be commenced against C&W after six (6) years after the date of the final invoice in relation to the Engagement.
- 11.6 C&W shall effect and maintain, during the Engagement and for a period of three (3) years after issue of C&W's final invoice, professional indemnity insurance with a limit of indemnity of no less than €10 million provided always that such insurance remains available at commercially reasonable rates, together with such other insurance as is required to be maintained in accordance with Applicable Law.
- 11.7 Further to Clause 1.2, nothing appoints or obliges C&W to act as an External Valuer as defined under the Alternative Investment Fund Managers Directive ("**AIFMD**") legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing by C&W. Where C&W provides valuation advice to an entity that falls within the scope of AIFMD ("**Fund**"), its role will be limited solely to providing valuations of property assets held by the Fund. Responsibility for the valuation function for the Fund and the setting of the net asset value of the Fund will remain with others. C&W's Document will be addressed to the Fund for internal purposes and third parties may not rely on it. C&W's aggregate liability howsoever arising out of such instruction is limited in accordance with these Terms of Business.
- 11.8 C&W shall not be responsible for the management of any property subject to the Engagement, and shall have no other responsibility (such as for maintenance or repair) in relation to nor shall C&W be liable for any damage occurring to any such property.
- 12. Termination**
- 12.1 Either party may terminate the Engagement at any time on not less than thirty (30) days written notice with cause.
- 12.2 Either party may terminate the Engagement at any time on written notice, either immediately or following such notice period as it shall see fit if the other party:
- (a) is in material breach of the contractual relationship with the client, and such breach is irremediable or has not been remedied within thirty (30) days from the service on it of a notice specifying the material breach and requiring it to be remedied (or, having so remedied, subsequently commits a similar breach within the next thirty (30) days); or
- (b) ceases or threatens to cease to carry on business, is found unable to pay its debts, has an administrator, administrative receiver or manager appointed over the whole or any part of its assets, enters any composition with creditors generally, or has an order made or resolution passed for it to be wound up (otherwise than in furtherance of any scheme for solvent amalgamation or solvent reconstruction) or undergoes any similar or equivalent process in any jurisdiction.
- 12.3 C&W may terminate the Engagement immediately upon written notice if the Client has failed to pay an invoice within sixty (60) days of the date of such invoice.
- 12.4 On termination of the Engagement, the Client shall pay to C&W:
- (a) Fees for the Services it has performed (on a pro rata basis having regard to the Fees payable for the completion of the Engagement, the expected duration of the entire Engagement and the Services performed prior to termination, unless otherwise specified);
- (b) any Expenses properly incurred in accordance with Clause 3.1, 3.2, 3.3, and marketing costs incurred in accordance with Clause 3.4, 3.5, on or before the effective date of the termination; and
- (c) where the right is exercised by the Client, any additional sums set out in the Engagement Letter as being payable upon termination.
- 12.5 If a party, acting in good faith, exercises a right of termination, its subsequent failure or refusal to perform all or any of its current or future obligations in connection with an Engagement shall not be a breach of an Engagement (whether repudiatory or otherwise).
- 13. Intellectual Property**
- 13.1 All Service Materials shall vest in the Client on creation. C&W hereby assigns the Service Materials to the Client together with the right to sue for and recover damages or other relief in respect of the infringement of any Service Materials by a

- third party. In relation to future copyright, this shall take effect as a present assignment of future rights.
- 13.2 The Client grants to C&W a worldwide, fully paid-up, non-exclusive, transferable (to a member of the C&W Group) licence to copy and modify the Client Materials and Service Materials to the extent necessary and for the purpose of providing the Services to the Client and performing its other obligations in relation to an Engagement.
- 13.3 C&W and its licensors shall retain all right, title and interest in and to the C&W Materials. The Client and its licensors shall retain all right, title and interest in and to the Client Materials.
- 14. Non-Solicitation**
- 14.1 Neither party shall (except with the other party's prior written consent) directly or indirectly solicit or entice away (or attempt to solicit or entice away) from the employment of the other, any employee or contractor working on an Engagement, and shall not offer employment to any employee working on an Engagement, for a period of six (6) months following the end of any involvement by that person with an Engagement. This shall not prohibit a party from offering employment to an employee or contractor of the other who has responded to an advertising campaign open to all comers and not specifically targeted at any of its employees or contractors.
- 14.2 In the event that a party breaches Clause 14.1, the other party shall be entitled to be paid compensation of six (6) months' salary or fees of the employee or contractor concerned. The parties agree that this is a genuine pre-estimate of loss taking into account the cost of recruitment and training of staff and is agreed on a commercial basis between the parties.
- 15. Notices**
- 15.1 Any notice or other information to be given by either party to the other under the terms of an Engagement (each a "**Notice**") shall be given by:
- (a) delivering it by hand; or
 - (b) sending it by Einschreiben; -Einschreiben/ Rückschein-; or
 - (c) sending it by email,
- to the other party at the address provided in the instruction
- 15.2 Any Notice delivered by hand shall be deemed to have been delivered at the time of actual delivery.
- 15.3 Any Notice sent in the manner provided by Clause 15.1(b) which is not returned to the sender as undelivered shall be deemed to have been delivered on the third day after it was so posted. Proof that the Notice was properly addressed, pre-paid, registered and posted, and that it has not been returned to the sender, shall be sufficient evidence that the Notice has been duly delivered.
- 15.4 The address of either party for service for the purposes of this Clause **Error! Reference source not found.** (but excluding legal proceedings) shall be that of its registered or principal office, or such other address as it may last
- have notified to the other party in writing from time to time. Notices to C&W must be addressed to EMEA to be valid.
- 15.5 Where a Notice is sent in the manner provided by Clause 15.1(b):
- 15.5.1 the Notice should be sent as a PDF attachment to the email, rather than in the body of the email; the subject of the email should make clear that the email contains a Notice relating to the Engagement;
- 15.5.2 the relevant email addresses shall be (i) the last email address notified to the other party in writing for this purpose and (ii) emea.contracts@cushwake.com.
- 15.5.3 Any Notice sent in the manner set out in Clause 15.1(c) shall, so long as the sender can provide evidence of sending and the sender does not receive notification that it has not been sent, be deemed to have been delivered on the day of sending, unless not sent on a business day, in which case it shall be deemed to have been delivered on the next business day.
- 16. No Waiver, Partnership or Joint Venture**
- 16.1 No waiver of any right in connection with an Engagement (including rights to sue for breach) shall operate or be construed as a waiver of any other or further right whether of a like or different character, or be effective unless in writing duly executed by an authorised representative of the affected party. The failure to insist upon the performance of the terms, conditions and provisions of the Engagement, or time or other indulgence granted by one party to another, shall not act as a waiver of any breach, as acceptance of any variation, or as the relinquishment of any right in connection with the Engagement, which shall remain in full force and effect.
- 16.2 The Engagement shall not be interpreted or construed to create an association, joint venture or partnership between the parties, or to impose any partnership obligation or liability upon either party.
- 17. Force Majeure and Relief**
- 17.1 If either party is prevented or hindered from performing any of its obligations in connection with an Engagement by reason of circumstances outside its reasonable control, (including without limitation, a reasonable business response, or a failure of supply, relating to a public health crisis whether or not pursuant to a strict government requirement), that party ("**Claiming Party**") shall as soon as reasonably possible serve notice in writing on the other party specifying the nature and extent of the circumstances preventing or hindering it from performing its obligations.
- 17.2 Subject to the Claiming Party serving notice in accordance with Clause 17.1, the Claiming Party shall have no liability in respect of any delay in performance or any non-performance of any such obligation (save for any payment obligation which shall continue in full force and effect), and the time for performance shall be extended accordingly to the extent that the delay or non-performance is due to such circumstances.
- 17.3 If the period of delay or non- performance continues for 30 days, the parties shall negotiate for a period of 15 days in good faith to agree how to proceed and to any necessary amendments to the Engagement. If no agreement is arrived

at for 15 days, the other party may terminate the Engagement by giving 30 days written notice to the Claiming party.

17.4 In the event that the Engagement is terminated pursuant to Clause 17, C&W shall be entitled to receive payment for work done by C&W to the date of termination to the Engagement.

17.5 The Client agrees that C&W shall be excused from its failure to perform or delay in performing any affected obligation in connection with the Engagement to the extent that such failure results from a Relief Event. C&W shall be entitled to a reasonable extension of time in relation to any affected obligation, and to recover reasonable additional costs incurred by it, as a result of a Relief Event.

18. Illegality/Severance

If any provision is declared by any competent court or body to be illegal, invalid or unenforceable under the law of any jurisdiction, or if any enactment is passed that renders any provision illegal, invalid or unenforceable under the law of any jurisdiction, this shall not affect or impair the legality, validity or enforceability of the remaining provisions relating to an Engagement, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction.

19. Assignment and Novation

19.1 Neither party may at any time, without the prior written consent of the other party (such consent not be unreasonably withheld or delayed), assign all or any part of its rights and/or obligations relating to an Engagement. Notwithstanding the previous sentence, C&W may assign/novate (as applicable) all or any part of its rights and/or obligations in connection with an Engagement to any other member of the C&W Group, without the Client's prior written consent.

19.2 Each Engagement shall inure to the benefit of, and be binding upon, the parties' successors and permitted assignees.

20. Further Assurance

Each party shall at all times from the date of the Engagement Letter, on being required to do so, at its own expense do or use reasonable endeavours to procure the doing by any necessary third parties of all such acts as may be required to give full effect to the terms of the Engagement including the execution and delivery of all deeds and documents.

21. Governing Law and Dispute Resolution

21.1 In the event of a dispute arising out of or in connection with an Engagement, the parties shall enter into mediation in good faith to settle such a dispute, in accordance with the rules of the DGMW. No party may commence any court proceedings in relation to any dispute arising out of or in connection with an Engagement until it has made reasonable endeavours to settle the dispute by mediation, provided that the right to issue proceedings is not prejudiced by a delay. Notwithstanding, C&W reserves the right to issue proceedings at any stage against the Client in respect of an Fees outstanding in relation to the engagement.

21.2 Clause 21.1 shall not prevent a party from, or require the party to serve notice prior to, applying to the court for interim injunctive relief.

21.3 Each Engagement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with German law. The parties submit, save as provided below, to the exclusive jurisdiction of the German courts for all purposes relating to and in connection with each Engagement and any such

dispute or claim. Nothing in this clause shall limit the right of C&W to take proceedings against the Client in the Client's country of domicile, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings by C&W in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

22. Third Party Rights

22.1 To the extent that any loss, damage or expense is suffered or incurred by a member of the C&W Group, the parties agree that such loss, damage or expense shall be deemed to be the loss, damage or expense of C&W, and such loss shall be fully recoverable from the Client as if the loss, damage or expense was suffered or incurred by C&W directly.

22.2 Provided that Clause 3.3 and 22.1 remains valid and in full force and effect, no term of the Engagement is intended for the benefit of a third party and the parties do not intend that any term of the Engagement shall be enforceable by a third party. If Clause 22.1 for any reason is or becomes illegal, invalid or unenforceable, then the rights under each Engagement shall be enforceable by any member of the C&W Group.

23. Entire Agreement

23.1 The Engagement constitutes the entire agreement and understanding between the parties relating to the transactions contemplated by or in connection with it and the other matters referred to in the Engagement and supersedes and extinguishes any other agreement or understanding (written or oral) between the parties or any of them relating to the same.

23.2 Each party acknowledges and agrees that it does not rely on, and shall have no remedy in respect of, any promise, assurance, statement, warranty, undertaking or representation made (whether innocently or negligently) by any other party or any other person except as expressly set out in the Engagement. The Client's sole remedy in relation to any act or omission of C&W relating to or in connection with the Engagement shall be for breach of contract.

24. Miscellaneous Terms

24.1 Each party warrants and represents that it has power to enter into the Engagement and that it has obtained all necessary consents and/or approvals to do so.

24.2 The Client agrees that C&W shall be entitled to rely upon instructions given by any employee or other representative of the Client, and any person holding themselves out as having the authority to give such instructions.

24.3 Where the Client comprises two or more persons their liability in relation to the Engagement shall be joint and several.

24.4 Clauses 1.1, 2, 3, 4.2,4.3,6,8,9.3,10.4,11,12.4,12.5,13 to 16 (inclusive), 18, and 20 to 24 (inclusive) of these Terms of Business shall survive termination of the Engagement.

24.5 The Client agrees and acknowledges that the Engagement is between the Client and C&W, and that the Client shall have no right to make any claim against any member (partner), director, employee, agent, or contractor of C&W or any member of the C&W Group or any C&W Affiliate.

24.6 In accordance with Directive 2006/123/EC on services in the internal market (BGBl I.S. 2568 of 17.12.2008), C&W is required to make available certain information to Clients which can be found [here](#).

24.7 In accordance with Section 54, part 6 of the Modern Slavery Act, details of the measures C&W has taken to ensure that

slavery and human trafficking is not taking place in its supply chains or in any part of its business can be found [here](#).

Cushman & Wakefield Terms of Business (Germany)
(Version 4.01 – January 2021)



C&W (U.K.) LLP German Branch; Rathenauplatz 1
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cushmanwakefield.com

Regulated by RICS

Portfolio

YE 2020

Consolidated Valuation Report
as at the valuation date of 31 December 2020

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1. GENERAL INFORMATION

Instructing Party:	DIC Asset AG (Hereinafter referred to as “Instructing Party”)
Addressees:	The Valuation Report is addressed to an only for the use of the Instructing Party, Goldman Sachs Bank Europe SE Marienturm, Taunusanlage 9-10 60329 Frankfurt am Main Germany HSBC Continental Europe 38, Avenue Kléber 75116 Paris France
Valuer:	ENA EXPERTS GmbH & Co. KG Real Estate Valuation Neutorstrasse 3 55116 Mainz
Contractual basis:	The Valuation Report was prepared on the basis of the Valuation mandate dated 2 November 2020 and 4 November 2020 and is subject to this. The Valuer is liable for contractual demands to the addressees of the report only.
Purpose:	Inclusion in an offering memorandum in connection with a proposed issue of a bond on the Euro MTF Market of the Luxembourg Stock Exchange
Valuation date:	Valuation as at 31 December 2020
Responsible valuer:	Brigitte Adam, FRICS Expert in the valuation of developed and undeveloped real estate, publicly appointed and inaugurated by the Chamber of Commerce and Industry for Rheinhessen; Graduate Real Estate Economist (ADI) The aforementioned responsible valuer has signed this valuation report on behalf of ENA EXPERTS GmbH & Co. KG.

2. EXECUTIVE SUMMARY

In their written valuation mandate dated 2/4 November 2020, the Instructing Party, DIC Asset AG, MainTor, Neue Mainzer Strasse 20, 60311 Frankfurt am Main, represented by the Management Board, commissioned ENA Experts GmbH & Co. KG to prepare this consolidated revaluation report.

The valuation mandate extends to seven different portfolios and five single real estate assets (hereinafter referred to as the 'Overall Portfolio'). The valuation mandate was based on the initial valuations for the Helena and Primo Portfolios dated 30 September 2007 and 31 December 2013, respectively, the year-end valuation updates (Helena 2008-2019, Primo 2014-2019), the subsequent revaluation dated 30 June 2013 (Helena) and information provided by the Instructing Party.

On the valuation date, the Helena Portfolio comprised 21 properties and the Primo Portfolio a total of four properties. In addition to the above-mentioned revaluations, the values of 19 properties were determined by the valuer for the first time; the overall portfolio therefore consists of 44 properties. The valuation of the overall portfolio was undertaken using the documents provided by the Instructing Party and listed in Chapter 4.

The values are determined in accordance with the IFRS 13 definition of Fair Value as follows:

'The Fair Value is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, without deducting transaction costs (see IFRS 13). Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.'

According to the relevant valuation literature, specifically 'Verkehrswertermittlung von Grundstücken' (the determination of the Fair Value of real estate), published by Prof. Wolfgang Kleiber, 9th Edition (Bundesanzeiger Verlag), the German edition of IAS (International Accounting Standards) or IFRS (International Financial Reporting Standards) defines Fair Value as *'the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction'*. IAS 40 §29 specifies the Fair Value of an investment property generally as the Market Value (in German: Marktwert/Verkehrswert). Under IAS 40 §31, the Fair Value must reflect the current market conditions and circumstances on the valuation date and not at a previous or future date.

The Fair Value is usually the Market Value based on the use made of the real estate. It is assumed that the use of the real estate will be continued in the same or similar business operations:

- without taking account of company-specific value potential by diversifying risk through the formation of portfolios, synergy effects and a special tax and financing situation (IAS 40 §36); and
- excluding transaction costs (IAS 40 §37).

Summary:

The overall portfolio comprises residential, commercial and mixed-use properties which are in an average to good state of repair and are located in the Federal Republic of Germany. The portfolio is well distributed across the locations, and the vacancy rate for the portfolio as a whole is around 10.0% of the total usable area. The rent receivable on the valuation date is €49,449,076.

The result of the revaluation (additive individual valuations) as at 31 December 2020 is as follows:

(rounded) €1,037,230,000

(in words: one billion, thirty-seven million, two hundred and thirty thousand Euros)

This valuation is expressly subject to the reservation of the terms and conditions agreed in the valuation mandate. It is not permitted to pass on the valuation results separately from the full valuation report. The valuation is intended for the Instructing Party and all parties concerned with the purpose (auditors). Any further use or transfer of the valuation to third parties requires our consent. Any liability vis-à-vis third parties is excluded unless the intended use for the benefit of third parties is expressly agreed in the valuation mandate.

The modified individual results are listed in the appendix 'DIC YE 2020-Werteübersicht'.

3. PRECONDITIONS OF THE REVALUATION

No check measurements were taken during the on-site inspections and the building services or other equipment were not tested for functionality. All the valuer's findings during the inspections are based on observations (visual inspection only). No destructive tests were carried out and all information on concealed building components and materials is based on the information and documentation provided, or on assumptions.

All findings regarding the quality and actual characteristics of the improvements and land are based solely on the documents supplied by the Instructing Party, which the valuer has not verified. No specialist investigations of any building defects or damage were undertaken. It is assumed without further verification that no building materials, components or other characteristics of the land exist which could affect or endanger the long-term use of the property, or the health and safety of residents and/or occupiers.

Common fixtures owned by the landlord such as central heating are considered an integral part of a building and are included in the valuation properties. Fixtures and fittings installed in the valuation properties and which are owned and used by the tenant(s) for business purposes are excluded from the valuation.

For the purposes of our valuation, any costs incurred for the transfer of sales proceeds abroad or any restrictions placed on this transaction have been disregarded.

As of the valuation date, it is assumed without further verification that all planning law, building control or other public and private law requirements for the construction of any planned projects in terms of type and scope, and all public and private law requirements for the intended use, unrestricted intended use and operation of all building services and equipment are being or have been satisfied.

Preliminary remarks on the determination of Market Value during the current COVID-19 pandemic:

'As a result of the COVID-19 pandemic, there were restrictions in important areas of life on the valuation date which have had an impact on the valuation of property. The macroeconomic effects on the subject market in general, and the specific submarket in particular, cannot be conclusively determined in relation to the letting and investment markets. Despite the COVID-19 pandemic, it is still possible to determine market values on the valuation date. Conclusions about the current conditions in the property market are merely subject to increased uncertainty and therefore a careful monitoring of market trends is recommended.'

4. PROPERTY-RELATED DOCUMENTS

To prepare this valuation, the Instructing Party furnished the valuer with the following documents:

- Bewertung YE 2020 ENA Objektliste dated August 2020 (43 properties)
- Bewertung YE 2020 ENA Mieterliste out_ohne Leinfelden-Echterdingen dated August 2020
- Bewertung YE 2020 ENA Mieterliste out_Leinfelden-Echterdingen_ab 05.2021 dated August 2020
- Bewertung YE 2020 ENA_mietfreie Zeiten out dated November 2020
- Bewertung YE 2020 ENA Mieterliste out_16222_16662_19063_19121 dated October 2020
- Update ENA Top Mietveränderungen Aug vs. Nov 2020 20201113 dated November 2020
- Bewertung YE 2020 ENA_mietfreie Zeiten out_16222_16662_19063_19121 dated November 2020
- Update ENA Top Mietveränderungen Okt vs. Nov 2020 20201111_16222_16662_19063_19121 dated November 2020
- Bewertung YE 2020 ENA_Erbbaurechte out_16662 dated November 2020
- Bewertung YE 2020 ENA Capex-Planung out dated November 2020
- Bewertung YE 2020 ENA Liste mit Baujahren dated December 2020
- QA-Frageliste ENA 2020_Antworten
- Bewertung YE 2020_Rheydt Galerie
- Bewertung YE 2020_Kaufhof Bremen
- Bewertung YE 2020_Theodor-Heuss-Allee 110
- 16512_GIF-Flächenberechnung
- 16282 Auflassung Über- u. Unterbauungsrechte_12.10.1971
- 16502_Stadt Mönchengladbach_Auskunft Baulastenverzeichnis_160428
- 17734_Stadt Essen_Altlasten
- 17734_Stadt Essen_Baulastenauskunft 573, 574, 597, 623 und 626_20120727
- 17734_Erschließungsbescheinigung_20180710
- 17734_Stadt Essen_Baulastenauskunft
- Land registry excerpts, floor plans, cadastral maps and area calculations were provided via the Drooms data room (excerpts)

Moreover, further information pertinent to the valuation was provided by the Instructing Party by email or telephone while we were preparing our report. The validity of the above information is assumed as of the valuation date. This information is considered in the cash flow modelling.

In this valuation, we assume without further verification that the documents and information submitted to us by the Instructing Party and relating to the subject properties are valid and fully accurate as of the valuation date of 31 December 2020.

ENA Experts has not examined the completeness and accuracy of the documents and information supplied by the Instructing Party for the purposes of this valuation. It is assumed that the information provided is complete. No other recent and/or new documents of relevance to value were provided. It is assumed that the Instructing Party is not aware of any other information of relevance to value.

It is assumed without further verification that there has been no change in the condition of the subject properties between the dates of the on-site inspections and the valuation date of 31 December 2020. This assumption has also been made in respect of conditions in the property market. Any circumstances of relevance to value that become known to us after the valuation date are not considered.

5. PROPERTY INFORMATION

No.	Property ID	Address	Location	Main use by area [sqm]
1	19055	Markircher Str. 12a	Mannheim	Storage
2	19073	Bismarckstr. 112	Ludwigshafen	Office
3	19075	Im Bosseldorn 29-30	Heidelberg	Office
4	19141	Insterburger Str. 7 a	Frankfurt a. M.	Office
5	16502	Stresemannstr. 1-7	Mönchengladbach	Retail
6	16881	Theodor-Heuss-Allee 110	Frankfurt a. M.	Office
7	16282	Papenstr. 5	Bremen	Retail
8	16283	Am Rathaus 1	Chemnitz	Retail
9	17733	Gladbecker Str. 431-435	Essen	Office
10	17734	Gladbecker Str. 425-427	Essen	Office
11	17831	Wiesdorfer Platz 82	Leverkusen	Retail
12	16672	Auf den Rödern 94	Saalfeld	Office
13	16512	Gustav-Stresemann-Ring 12-16	Wiesbaden	Office
14	16216	Tanusstr. 2	Stockstadt	Retail
15	16220	Podbielskistr. 343	Hanover	Office
16	16712	Heinrich-Hertz-Str. 7	Filderstadt	Storage
17	16724	Stiftsplatz 9/Welschnonnenstr. 7	Bonn	Office
18	16743	Herforder Str. 22-24	Bielefeld	Office
19	16752	Kurhessenstr. 13	Mörfelden	Office
20	16762	Wandsbeker Allee 72	Hamburg	Office
21	16772	Peter-Zimmer-Str. 3-11	Saarbrücken	Office
22	16773	Königstr. 57	Duisburg	Office
23	16793	Ostenhellweg 56-58	Dortmund	Office
24	16794	Berliner Str. 121	Berlin	Office
25	16804	Ständeplatz 23	Kassel	Office
26	16812	Gördelinger Str. 47	Brunswick	Office
27	16822	Speicker Str. 9-13	Mönchengladbach	Office

28	16824	Doberaner Str. 110-113	Rostock	Office
29	16832	Schillstr. 40-44	Wesel	Residential
30	16843	Heiligerstr. 2	Hanover	Office
31	16852	Halberstädter Str. 120	Magdeburg	Office
32	16891	Kurt-Schumacher-Allee 2-6	Hamburg	Office
33	16931	Mathias-Brüggen-Str. 124-170	Cologne	Storage
34	16941	Martin-Behaim-Str. 12	Neu-Isenburg	Office
35	16951	Anna-Schlinkheider-Str. 3	Ratingen	Storage
36	17514	Simon-von-Utrecht-Str. 4a	Hamburg	Office
37	17555	Helbingstr. 64	Hamburg	Storage
38	17621	Grossmannstr. 10	Hamburg	Office
39	17641	Marckmannstr. 129 a-e	Hamburg	Office
40	16221	Fasanenweg 9	Leinfelden-Echterdingen	Office
41	19063	Donnersbergweg 3	Ludwigshafen	Office
42	19121	Werdener Str. 4/Kölner Str. 186, 188	Düsseldorf	Office/hotel
43	16222	Neustädter Passage 17 a-d	Halle (Saale)	Retail
44	16662	Steinstr. 30-32/ Neuer Wall 10-22/Dr.H.Bähr-Str. 1-5	Moers	Retail

The annual net rental income reported here as of the valuation date of 31 December 2020 was calculated on the basis of the most recent rent rolls, taking into account the other information provided including new lease contracts, information on rent-free periods as of the rent roll date and units becoming vacant as of the valuation date. The valuer made subsequent adjustments to the lease terms, some from a risk perspective.

Regional distribution of the overall portfolio:



6. ON-SITE INSPECTION

In accordance with the valuation mandate dated 2 November 2020 and 4 November 2020, around 87% of the cash flow was inspected. In the case of recurring valuations, care was taken to ensure that all properties were regularly inspected. All properties not yet inspected were inspected both internally and externally. Due to the COVID-19 restrictions prevailing on the valuation date, in some cases internal inspections were only possible to a limited extent.

In other on-site inspections, some properties were inspected externally only and some were inspected both internally and externally. The selection of properties to be inspected and the decision on the scope of the inspection (internal and external, or externally only) was made by the valuer and is illustrated in the following table.

The internal inspections were accompanied by technical advisors and/or property managers nominated by the Instructing Party.

Overview of inspections:

Portfolio	Property location	Property address	Scope of survey	Date of on-site inspection
Helena	Filderstadt	Heinrich-Hertz-Str. 7	External	12.10.2020
Helena	Bonn	Stiftsplatz 9	Internal and external	13.10.2020
Helena	Bielefeld	Herforder Str. 22-24	External	14.10.2020
Helena	Mörfelden	Kurhessenstr. 13	Internal and external	08.10.2020
Helena	Hamburg	Wandsbeker Allee 72	External	07.10.2020
Helena	Saarbrücken	Peter-Zimmer-Str. 3-11	None	
Helena	Duisburg	Königstr. 57	External	13.10.2020
Helena	Dortmund	Ostenhellweg 56-58	None	
Helena	Berlin	Berliner Str. 121	Internal and external	18.11.2020
Helena	Kassel	Ständeplatz 23	Internal and external	14.10.2020
Helena	Brunswick	Gördelinger Str. 47	Internal and external	06.10.2020
Helena	Mönchengladbach	Speicker Str. 9-13	External	13.10.2020
Helena	Rostock	Doberaner Str. 110-113	None	
Helena	Wesel	Schillstr. 40-44	None	
Helena	Hanover	Heiligerstr. 2	External	06.10.2020
Helena	Magdeburg	Halberstädter Str. 120	None	
Helena	Frankfurt	Theodor-Heuss-Allee 110	Internal and external	08.10.2020
Helena	Hamburg	Kurt-Schumacher-Allee 2-6	Internal and external	07.10.2020
Helena	Cologne	Mathias-Brüggen-Str. 124-170	Internal and external	13.10.2020
Helena	Neu-Isenburg	Martin-Behaim-Str. 12	Internal and external	08.10.2020
Helena	Ratingen	Anna-Schlinkheider-Str. 3	None	
Primo	Hamburg	Simon-von-Utrecht-Str. 4a	External	07.10.2020
Primo	Hamburg	Helbingstr. 64	External	07.10.2020

Primo	Hamburg	Grossmannstr. 10	External	07.10.2020
Primo	Hamburg	Marckmannstr. 129 a-e	External	07.10.2020
Augusta	Mannheim	Markircher Str. 12a	Internal and external	12.10.2020
Augusta	Ludwigshafen	Bismarckstr. 112	Internal and external	12.10.2020
Augusta	Heidelberg	Im Bosseldorn 29-30	Internal and external	12.10.2020
Augusta	Frankfurt a. M.	Insterberger Str. 7 a	Internal and external	16.10.2020
Dolphin	Mönchengladbach	Stresemannstr. 1-7	Internal and external	13.10.2020
Dolphin	Wiesbaden	Gustav-Stresemann-Ring 12-16	Internal and external	16.10.2020
Single property asset	Stockstadt	Tanusstr. 2	Internal and external	29.10.2020
Single property asset	Hanover	Podbielskistr. 343	External	06.10.2020
Single property asset	Leinfelden-Echterdingen	Fasanenweg 9	Internal and external	12.10.2020
Kaufhof	Bremen	Papenstr. 5	Internal and external	06.10.2020
Kaufhof	Chemnitz	Am Rathaus 1	Internal and external	09.11.2020
Odin	Essen	Gladbecker Str. 431-435	Internal and external	14.10.2020
Odin	Essen	Gladbecker Str. 425-427	Internal and external	14.10.2020
Odin	Leverkusen	Wiesdorfer Platz 82	Internal and external	13.10.2020
V6A	Saalfeld	Auf den Rödern 94	Internal and external	18.11.2020
Single property asset	Halle (Saale)	Neustädter Passage 17 a-d	Internal and external	18.11.2020
Augusta	Düsseldorf	Werdener Str. 4/Kölner Str. 186-188	Internal and external	30.11.2020
V6A	Moers	Steinstr. 30-32/Neuer Wall 10-22/Dr.H.Bähr-Str. 1-5	Internal and external	30.11.2020
Augusta	Ludwigshafen	Donnersbergweg 3	Internal and external	02.12.2020

7. REGIONAL AND SECTORAL PROPERTY MARKET

7.1. General economic trends

Brief facts:

	2018	2019	Q1 2020	Q2 2020	Q3 2020
GDP growth	+1.5%	+0.6%	-1.7%	-11.3%	-4.1%
	2018	2019	08/2020	09/2020	10/2020
Unemployment rate	5.2%	5.0%	6.4%	6.2%	6.0%
	01/2018	01/2019	09/2020	10/2020	11/2020
GfK Consumer Climate	10.8	10.5	-1.7	-1.6	-3.1
	2018	2019	08/2020	09/2020	10/2020
ifo Business Climate	103.1	96.3	92.6	93.4	92.7
	2018	2019	08/2020	09/2020	10/2020
Inflation rate	+1.8%	+1.4%	+0.0%	-0.2%	-0.2%

(change since previous year)

In Spring 2020, global growth slowed down severely as a result of the COVID-19 pandemic and the OECD downgraded its economic forecasts for the global economy significantly. Helaba's most recent forecast for Germany on 30 October 2020 was for negative economic growth in 2020 of -5.4%. The bank then anticipates economic growth of +5.0% in 2021. With forecasts being continually revised, a reliable forecast will ultimately depend on the outcome of the pandemic.

Shutdowns in production and the closure of shops and restaurants effectively paralysed the economy in many areas in Spring 2020. In April 2020, the Business Climate Index showed the sharpest decline ever recorded in reunified Germany and was at its lowest level since July 2009. After rising for five successive months, the index fell again in October in the face of rising numbers of Coronavirus infections and the reintroduction of a partial lockdown; the Consumer Climate Index experienced a similar development. It also showed a waning of the effects of the reduction in the standard VAT rate with consumers no longer willing to buy expensive goods such as cars or furniture.

According to official statistics, there has been a slight fall in the unemployment rate over the past few months since the service sector has reopened. There has also been a noticeable reduction in the number of short-time workers recently. It has yet to be determined what the labour market will look like after the current partial lockdown.

The inflation rate has been at a comparatively low level since March 2020 as a result of the lower oil price. It has also been affected by the reduction in the standard VAT rate in force since 1 July 2020. According to Destatis, consumer prices are expected to have risen by 0.1% between September and October 2020, while the Consumer Price Index (CPI) measured a decline of 0.2% over the same period.

It has yet to be determined what the actual impact of the pandemic will be on the German economy and will ultimately depend on its outcome.

Sources: Destatis, Employment Agency, GfK, ifo, OECD; Helaba: Wochenausblick 30 October 2020.

7.2. General conditions in the office market

German letting market for office space

Although the office market is currently not affected by the COVID-19 (Sars-CoV-2) pandemic to the same degree as the hotel and retail market, this market segment is showing a decline in demand as a result of the economic downturn. While take-up increased by 16.0% to reach 644,000 sqm between the second and third quarters of 2020 (which was also the main period of lockdown), the total take-up in the first three quarters of 2020 of approximately 2.0 million sqm was 36.0% below the previous year's level and 21.0% below the 10-year average. Demand for office space slumped in all locations across Germany. The highest take-up was observed in Berlin with 482,000 sqm (-34.0%), followed by Munich with 460,000 sqm (-26.0%), Frankfurt with 241,000 sqm (-39.0%), Hamburg with 231,000 sqm (-44.0%), Düsseldorf with 255,000 sqm (-45.0%) and Cologne with 148,000 sqm (-30.0%). [BNP]

The supply/demand ratio in the current crisis is more balanced than in previous crises, and the vacancy rate is 4.2%, just 30 basis points higher than at the end of 2019. Vacancies in the German office market have therefore increased by just 6.0% over the past twelve months and are at a comparable level to 2018. [BNP]

Vacancy rates in Germany's Top 7 cities in Q3 2020 [JLL]:

Berlin	503,500 sqm (YoY: +27.1%)	(vacancy rate: 2.4%)
Düsseldorf	591,900 sqm (YoY: +7.8%)	(vacancy rate: 6.4%)
Frankfurt	749,600 sqm (YoY: +7.8%)	(vacancy rate: 6.5%)
Hamburg	402,300 sqm (YoY: -14.7%)	(vacancy rate: 2.7%)
Cologne	185,000 sqm (YoY: +/-0%)	(vacancy rate: 2.4%)
Munich region	591,600 sqm (YoY: +13.9%)	(vacancy rate: 2.8%)
Stuttgart	179,500 sqm (YoY: -5.1%)	(vacancy rate: 2.0%)

According to JLL, prime rents have risen in all but one of the Top 7 locations compared to the same period last year. The highest prime monthly rent is paid in Frankfurt at €41.50/sqm (YoY: +2.5%), followed by the Munich region with €41.00/sqm (YoY: +1.2%), Berlin with €37.00/sqm (YoY: +2.8%), Hamburg with €30.00/sqm (YoY: +3.4%), Düsseldorf with €28.50/sqm (YoY: +1.8%), Cologne with €26.00/sqm (YoY: +/-0%) and Stuttgart with €25.50/sqm (YoY: +4.1%). [JLL]

The following overview shows the highest monthly rents paid in the top office locations in Germany (Q1 - Q3 2020) [BNP]:

Berlin	€40.00/sqm	(Q1 - Q3 2019: €38.00/sqm)
Düsseldorf	€28.50/sqm	(Q1 - Q3 2019: €28.00/sqm)
Essen	€16.40/sqm	(Q1 - Q3 2019: €16.00/sqm)
Frankfurt	€47.00/sqm	(Q1 - Q3 2019: €45.00/sqm)
Hamburg	€32.00/sqm	(Q1 - Q3 2019: €31.00/sqm)
Cologne	€26.00/sqm	(Q1 - Q3 2019: €25.00/sqm)
Leipzig	€16.00/sqm	(Q1 - Q3 2019: €15.00/sqm)
Munich	€39.50/sqm	(Q1 - Q3 2019: €39.50/sqm)

The following overview shows the average monthly rents paid in the top office locations in Germany (Q1 - Q3 2020) [Colliers International]:

Berlin	€27.70/sqm	(Q1 - Q3 2019: €26.30/sqm)
Düsseldorf	€16.60/sqm	(Q1 - Q3 2019: €17.30/sqm)
Frankfurt	€22.70/sqm	(Q1 - Q3 2019: €21.30/sqm)
Hamburg	€17.10/sqm	(Q1 - Q3 2019: €17.30/sqm)
Cologne	€14.50/sqm	(Q1 - Q3 2019: €15.20/sqm)
Munich	€21.70/sqm	(Q1 - Q3 2019: €20.10/sqm)
Stuttgart	€16.80/sq m	(Q1 - Q3 2019: €16.60/sqm)

German investment market for office space

The office investment transaction volume in Germany in the first nine months of 2020 was around €15.2 billion. Although this is 32.0% lower than the previous year's record result, it is still around 16.0% above the 10-year average. This confirms that office investments are still very much in demand among investors despite the tendency towards working from home currently in discussion, with Core properties secured on long-term lets to highly creditworthy tenants a particular focus of investor interest. [BNP]

Germany's top tier locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart) registered an office investment transaction volume of around €12.0 billion in the first three quarters of 2020, 80.0% of the total investment volume in office properties. At the top of the list of major locations is Berlin with over €63.0 billion (YoY: +53.0%). Declines in turnover compared to the previous year were recorded in Frankfurt (€2.2 billion, YoY: -35.0%) and Munich (€1.7 billion, YoY: -51.0%), while increases have been recorded in the other top tier locations of Düsseldorf (€2.0 billion, YoY: +78.0%) and Hamburg (€2.0 billion, YoY: +21.0). [BNP]

In the first three quarters, the demand was mainly for high-volume transactions of more than €100 million, which accounted for 64.5% of turnover, an increase of 1.5 percentage points compared to the same period last year.

The other size categories were correspondingly smaller and for the most part recorded declines in shares compared to the same period last year. [BNP]

According to BNP, the prime net yield in the top tier locations of Berlin, Frankfurt, Hamburg, Cologne and Munich has fallen by five basis points since the beginning of the year, and by 10 basis points in Düsseldorf and Stuttgart, and currently ranges between 2.55% in Berlin and 2.95% in Cologne. [BNP]

Another market source published gross prime yields of 2.80% for Berlin, 3.30% for Düsseldorf, 3.00% for Frankfurt, 3.10% for Hamburg, 3.30% for Cologne, 2.75% for Munich and 3.30% for Stuttgart. [Colliers International]

Sources: Colliers International: Investment Q1 - Q3 2020 Germany, Office Letting Top 7 Q1 - Q3 2020 Germany; BNP Paribas RE: Office Investment Market Germany, Q1 - Q3 2020/Q3 2019, Office Market Germany, Q3 2020/Q3 2019; JLL: Office Market Overview Top 7, Q3 2020.

7.3. General conditions in the logistics market

German letting market for logistic and warehousing space

In the first nine months of 2020, 5.02 million sqm was taken up in the German market for logistic and warehousing space. This fell 5.0% short of the previous year's high result, but exceeded the 10-year average by 10.0%. When analysed on its own, the third quarter of 2020 recorded the best take-up result of the last ten years, of 2.29 million sqm. This shows that the logistics market can be classified as resilient in the face of the pandemic compared to other real estate segments. The trend towards online retail is offsetting negative trends in export-dependent companies and in the automotive industry. [BNP]

A total of 1.66 million sqm of logistic space was taken up in Germany's major regions in the first three quarters of 2020, 10.0% less than in the previous year. Hamburg (340,000 sqm, +41.0%), Cologne (102,000 sqm, +16.0%) and Leipzig (231,000 sqm, +88.0%) recorded higher take-up compared to the previous year, while Munich (166,000 sqm, -58.0%), Stuttgart (101,000 sqm, -32.0%), Berlin (294,000 sqm, -24.0%), Düsseldorf (94,000 sqm, -13.0%) and Frankfurt (333,000 sqm, -8.5%) recorded declines.

Outside the major regions, the Ruhr region achieved a year-on-year increase of 22.5% and second-best result ever, of 468,000 sqm. A take-up of 1.09 million sqm was recorded (YoY: -13.0%) in the 12 logistics hubs which are analysed alongside the regions.

Despite the effects of the pandemic, monthly rents in Germany's major logistics regions have increased again in some cases compared to the same period last year, and stand at €7.00/sqm in Frankfurt as of the third quarter of 2020 (QoQ: +3.0%) and at €4.55/sqm in Leipzig (QoQ: +1.0%). Annual rent rises were also observed in Düsseldorf with €6.00/sqm (YoY: +11.0%), Cologne with €5.60/sqm (YoY: +4.0%) and the Ruhr region with €4.90/sqm (YoY: +4.0%), while rents in Berlin were stable at €7.20/sqm, in Hamburg at €6.30/sqm, in Munich at €7.00/sqm and in Stuttgart at €7.00/sqm.

German investment market for logistic and warehousing space

The investment market for logistic and warehousing space has not been directly affected by the crisis so far and is even facing increased demand in some cases. Nationwide, the logistics and industrial real estate market generated around €5.0 billion in the first three quarters of 2020, up 16.0% year-on-year and 25.0% above the 5-year average.

This strong result was mainly due to single asset transactions which accounted for 68.0% of the total transaction volume. Compared to the two previous years, domestic investors were again strongly represented in the market with a share of 59.0% of the transaction volume (2019: 40.0%). Analysing investments by purchaser group, asset and fund managers lead the way with 33.0%.

The high demand for logistics real estate combined with strong investment pressure mean that transactions currently in the pipeline and close to completion in individual cases are recording multipliers considerably higher than 28 times the annual rent.

The prime gross yield for the latest generation logistic properties in the Top 7 investment locations is recorded as 3.90% in the third quarter of 2020.

Sources: BNP Paribas: German Logistics Market, Q3 2020; German Logistics Investment Market, Q3 2020; Colliers: Logistic Investment Germany, Q3 2020.

7.4. General conditions in the retail market

German retailers sold 3.7% more in price-adjusted terms and 5.2% more in nominal terms in August 2020 than in August 2019. Compared to February 2020, i.e. the point in time shortly before the outbreak of the pandemic, a calendar- and seasonally-adjusted increase of 5.8% in real terms can be observed. In August 2020, retail sales of food, beverages and tobacco were up 2.6% in real terms and 5.4% in nominal terms compared to the same month of the previous year. Broken down by segment, supermarkets, superstores and hypermarkets turned over more (2.9% in real terms and 5.6% in nominal terms compared to August 2019) than specialised food retailers which recorded an increase in sales of 0.3% in real terms and 3.7% in nominal terms. In the non-food retail sector, sales in August 2020 increased by 4.5% year-on-year in price-adjusted terms and 5.4% in nominal terms. The largest increase in turnover was registered by internet and mail order businesses with 23.0% in real terms and 24.4% in nominal terms. Retailers of furnishings, household appliances and building supplies also reported a high increase in sales (8.1% in real terms), while the strongest declines were suffered by retailers in the textiles, clothing, shoes and leather goods segment and by retailers of mixed goods (including department stores) (10.1% in real terms, 2.5% in nominal terms).

The German Trade Association HDE forecasts sales growth of 1.5% for the retail sector in 2020 compared to the previous year. However, the sub-sectors affected by the lockdown will lose 11.0% of turnover. According to an HDE survey of 1,000 retailers from all segments, locations and business sizes, more than 90.0% of clothing retailers and around 45.0% of electronics retailers observed a deterioration in their business in the first half of 2020. The highest growth in turnover is expected in online retail at just under 15.0%.

Source: Destatis: press release No. 381 from 30 September 2020, HDE: press release dated 22 September 2020.

Structural changes in the retail sector

According to figures published by HDE, retail sales in 2019 were around €544 billion, marking the tenth consecutive year of sales growth (YoY: +3.2%, or +€17 billion). Online retail achieved sales of €59.2 billion in 2019 (YoY +11.0%, or +€5.9 billion) continuing its upward trend. This means that online retail has already secured around 11.0% of the total retail volume. Last year, around 35.0% of the growth in turnover was due to online retail.

The retail sector in Germany is currently undergoing structural change, with wide disparities in the online shares of the various market segments, as can be seen from the following overview:

	2018	2019
Electrical & consumer electronics	30.5%	33.8%
Fashion & accessories	27.7%	30.0%
Leisure & hobbies	26.1%	28.9%
Office & stationery	23.0%	24.6%
Watches & jewellery	17.5%	18.9%
Household & home furnishings	13.4%	15.0%
Health & wellbeing	13.2%	14.3%
DIY & home improvements and garden centres	5.6%	6.0%
FMCG	2.2%	2.5%

Online retail has already gained significant market share, especially in the fashion & accessories, electrical & consumer electronics and leisure & hobbies segments. In the fast-moving consumer goods (FCMG) segment, which includes food retail and drugstores, the share is comparatively low at 2.5%. Online shares in food retail and drugstore products are significantly lower at 1.1% and 1.7%, respectively. Online retail is nevertheless generally considered a growth driver for the retail sector. Forecasts anticipate a further increase in online business, which may cause a further shift in retail sales.

Source: HDE Online Monitor 2020.

German letting market for retail space

The nationwide letting volume and take-up in city centre locations in the first three quarters of 2020 was 40.0% lower than in the corresponding period of the previous year. The textile (24.0%), hospitality (23.0%) and food retail (12.0%) segments were the drivers of the retail letting market.

Germany's top tier locations have seen 21.0% fewer lettings/openings and 25.0% lower take-up in the first three quarters of 2020. On average, 25 deals and 10,000 sqm of take-up were registered for the top tier cities (Q1 - Q3 2019: 30 deals and 13,000 sqm of take-up). However, there was some evidence of a market recovery in the third quarter with 6.0% more lettings than during the corresponding quarter of the previous year.

Frankfurt recorded the most lettings (38), followed by Berlin (36), Düsseldorf (29), Cologne (26), Hamburg (17), Munich (15) and Stuttgart (10). Berlin (22,000 sqm of take-up) and Düsseldorf (12,000 sqm of take-up) reported higher take-up compared to 2019 as a whole.

Investment market for retail space

An investment volume of €8.5 billion was recorded in the retail market in the first three quarters of 2020. This result was 13.3% up year-on-year, but the volume reported in the third quarter was 26.0% lower than the second quarter. The overall good result is due to a large number of portfolio transactions which accounted for around 71.0% of the total volume. One of the most significant portfolio transactions was Aroundtown's takeover of TLG Immobilien AG, a specialist in convenience retail properties. Similar to the first half of the previous year, the transaction volume by type of use was led by retail warehouses/retail parks with a share of around 48.0%, followed by the prime/high street retail segment (35.0% share), with an investment in Galeria Karstadt Kaufhof Immobilien making a substantial contribution. Shopping centres recorded the lowest share of total volume at 17.0%. Listed property companies were responsible for most of the transaction volume with 22.0%, followed by open-ended real estate/special funds (20.0% share) and opportunity funds/private equity funds (20.0% share). The share of international investors was high at 52.0% of the investment volume (YoY: +13.0 percentage points). [Colliers International]

Since no significant transactions have been negotiated since the introduction of measures to contain the pandemic, yields remained comparatively stable in the third quarter of 2020 compared to 2019. Net initial yields are 4.5% for shopping centres (YoY: +40 bps), 4.10% for retail parks (YoY: -20 bps) and 5.00% for retail warehouses (YoY: -30 bps). [BNP]

Prime gross yields in prime/high street retail locations in the Top 7 cities are currently 3.20% in Berlin, 3.40% in Düsseldorf, 2.80% in Frankfurt, 3.30% in Hamburg, 3.40% in Cologne, 2.75% in Munich and 3.30% in Stuttgart. [Colliers International]

Sources: BNP: Retail/Investment Market Germany Q3 2020, Retail Market Germany Q1 - Q3 2020; Colliers: Retail Investment Market Germany, Q1 - Q3 2020.

7.5. General conditions in the hotel market

German hotel market

The hotel market in Germany has consistently registered record results in terms of supply, demand and hotel performance for several years now. According to the Federal Statistical Office, the number of overnight stays in 2019 increased by approximately 3.7% compared to the previous year, to 495.6 million. There is a relatively well-balanced ratio between supply and demand but the situation varies in the individual markets. Between 2010 and 2019, the supply of beds grew by an average of 1.0% per annum, while overnight stays showed an annual growth rate of 3.0%. According to the latest figures from the Federal Statistical Office for August 2020, 49,352 accommodation establishments were open across Germany (YoY: -3.6%) with a total of 3.67 million beds (YoY: -3.6%). Around 25.2% of the establishments and approximately 31.1% of the beds are in the Hotel category (excluding B&B hotels).

According to the Federal Statistical Office, the following average room occupancy rates in hotels (excluding B&B hotels) are quoted for January to August 2020:

Germany:	39.4% (average)
Establishments with 25-49 rooms:	38.9% (average)
Establishments with 50-99 rooms:	41.6% (average)
Establishments with 100-249 rooms:	40.1% (average)
Establishments with 250 or more rooms:	36.3% (average)

The 1.8% annual uplift in RevPAR was due to ADR growth of 19.5% and a 12.3% increase in occupancy over the past ten years (2010 - 2019). Hotel occupancy increased by 0.2% to 72.1% across Germany in 2019. The average room rate (ADR) increased by 1.0% to €98.00 and consequently the revenue per available room (RevPAR) also rose by 1.4% to €71.00.

According to a hotel report from September 2020, the key data for the evaluated hotel categories (three- to five-star hotels in Germany) has deteriorated significantly in recent months. These drastic declines are due to the fall in demand in the wake of the pandemic. A decline in the RevPAR to €39.00 was recorded in August 2020 across all hotel categories (July 2020: €33.70). The ADR is shown as €87.00 (August 2020) (July 2020: €87.80). The occupancy rate was published for August 2020 at 44.6% (July 2020: 38.3%); nonetheless, the comparison with the previous month's figures from July 2020 shows a recent improvement of the hotel market in Germany.

Investment market for hotel properties

The German hotel investment market slumped by approximately 25.0% in the period up to the third quarter of 2020 due to the pandemic, recording a result of €1.8 billion. An investment volume of €450 million is quoted for the third quarter of 2020. In general, it should be noted that the portfolio share was exceptionally high at around 45.0%, half of which is attributable to Aroundtown's acquisition of TLG Immobilien AG. The spatial focus of hotel investments remains on Germany's Top 7 locations (Q1 - Q3 2020) due to the high portfolio share: €1.05 billion (YoY: -20.0%). Due to portfolio sales (including the TLG deal), Berlin assumed a significant lead among the top hotel investment locations with a volume of €426 million, followed by Munich (€233 million) and Hamburg. When analysing the transaction volume by size category, the largest share of turnover (28.7%) was generated by properties with values of over €100 million. Sales at €50 - €100 million accounted for a share of 28.0% and sales at €25 - €50 million accounted for around 22.3%. Among the purchaser groups, listed property companies/REITs assumed pole position with a share of approximately 26.3%, followed by special funds (18.3%) and investment/asset managers (13.2%). At 50.0%, the share of foreign investors remained roughly at the long-term level, due largely to the TLG transaction. Among foreign investors, purchasers from Europe (€451 million) and the Middle East (€345 million) were the most active.

Yield compression has begun to slow down. Gross initial yields in the seven most important locations ranged from 3.7% (Munich) to 4.4% (Berlin) in the third quarter of 2020.

Sources: BNP Paribas Real Estate: Hotel Investment Market Germany, Q3 2020; Colliers: Market Report 2020 Germany Hotel, Hotel Investment Market Germany Q3 2020; Destatis; Engel & Völkers: Hotel Market Report Germany 2020; Fairmas: Management Reporting/Revenue Monitoring April 2020; HypZert: Study 'Valuation of Hotels': September 2018.

7.6. General conditions in the housing market

German letting market for residential properties

The housing market has remained comparatively stable during the pandemic. Average asking rents in the Top 8 cities (Berlin, Hamburg, Munich, Cologne, Frankfurt, Düsseldorf, Stuttgart and Leipzig) have risen by 5.0% compared to the previous year, which shows that rents are continuing to increase, albeit at a slower rate. This is due in particular to increased housing construction. At the same time, demand, which had increased in recent years due to high levels of net migration to the cities from within Germany and abroad, has weakened slightly. [JLL]

The following average monthly asking rents are recorded for the Top 8 cities [JLL]:

Berlin	€13.00/sqm (YoY +6.6%)
Düsseldorf	€11.90/sqm (YoY +5.3%)
Frankfurt	€15.70/sqm (YoY +4.3%)
Hamburg	€13.00/sqm (YoY +2.8%)
Cologne	€12.40/sqm (YoY +4.2%)
Leipzig	€7.50/sqm (YoY +5.6%)
Munich	€20.55/sqm (YoY +5.7%)
Stuttgart	€15.40/sqm (YoY +5.8%)

The following monthly rental price ranges are published for the Top 8 cities [JLL]:

Berlin	€8.05 - 20.60/sqm
Düsseldorf	€9.05 - 17.05/sqm
Frankfurt	€11.05 - 24.65/sqm
Hamburg	€9.25 - 19.45/sq m
Cologne	€9.00 - 19.15/sqm
Leipzig	€5.90 - 10.15/sqm
Munich	€14.45 - 30.30/sqm
Stuttgart	€10.55 - 25.00/sqm

German investment market for residential properties

Compared to other real estate segments, the residential investment market is crisis-resistant. An investment volume of approximately €16.6 billion for larger residential portfolios (30 or more residential units) was recorded in the first three quarters of 2020, 23.0% above the corresponding period of the previous year and the second-best result ever recorded. This result was mainly due to sales of real estate in the > €100 million size category which accounted for 68.4% of the total volume and included a major acquisition of Adler Real Estate by Ado Properties. The most active purchasers in the residential investment market are listed property companies/REITs with 52.3% of the investment volume, followed by special funds with 11.5%. Investment/asset managers (9.2%), pension funds (7.1%) and property companies (6.8%) follow in third, fourth and fifth place, respectively. While the residential investment market was dominated by domestic investors in previous years, foreign investors accounted for 53.9% of the transaction volume in the first three quarters of 2020 due to the Adler acquisition; nonetheless, their share has declined compared to the first two quarters.

Around 34.0% of the investments were concluded in Germany’s top tier locations, a slightly lower proportion than in previous years. However, in absolute terms, this figure of €5.7 billion is 16.0% above the long-term average. Berlin is top of the leaderboard with an investment volume of €2.6 billion, followed by Frankfurt with €971 million, Hamburg with €912 million, Munich with €469 million, Düsseldorf with €463 million, Cologne with €197 million and Stuttgart with €27 million. [BNP]

Sources: JLL: Residential Market Overview Germany, H1 2020; BNP Residential Investment Market Germany, Q3 2020.

8. IDENTIFICATION OF RENTAL GROWTH POTENTIAL

8.1. Rental growth potential per property

Property ID	Address	Location
19055	Markircher Str. 12a	Mannheim
19073	Bismarckstr. 112	Ludwigshafen
19075	Im Bosseldorn 29-30	Heidelberg
19141	Insterberger Str. 7 a	Frankfurt a. M.
16502	Stresemannstr. 1-7	Mönchengladbach
16881	Theodor-Heuss-Allee 110	Frankfurt a. M.
16282	Papenstr. 5	Bremen
16283	Am Rathaus 1	Chemnitz
17733	Gladbecker Str. 431-435	Essen
17734	Gladbecker Str. 425-427	Essen
17831	Wiesdorfer Platz 82	Leverkusen
16672	Auf den Rödern 94	Saalfeld
16512	Gustav-Stresemann-Ring 12-16	Wiesbaden
16216	Taunusstr. 2	Stockstadt
16220	Podbielskistr. 343	Hanover
16712	Heinrich-Hertz-Str. 7	Filderstadt
16724	Stiftsplatz 9 / Welschnonnenstr. 7	Bonn
16743	Herforder Str. 22-24	Bielefeld
16752	Kurhessenstr. 13	Mörfelden
16762	Wandsbeker Allee 72	Hamburg
16772	Peter-Zimmer-Str. 3-11	Saarbrücken
16773	Königstr. 57	Duisburg
16793	Ostenhellweg 56-58	Dortmund
16794	Berliner Str. 121	Berlin
16804	Ständeplatz 23	Kassel
16812	Gördelinger Str. 47	Brunswick
16822	Speicker Str. 9-13	Mönchengladbach
16824	Doberaner Str. 110-113	Rostock
16832	Schillstr. 40-44	Wesel
16843	Heiligerstr. 2	Hanover
16852	Halberstädter Str. 120	Magdeburg
16891	Kurt-Schumacher-Allee 2-6	Hamburg
16931	Mathias-Brüggen-Str. 124-170	Cologne

16941	Martin-Behaim-Str. 12	Neu-Isenburg
16951	Anna-Schlinkheider-Str. 3	Ratingen
17514	Simon-von-Utrecht-Str. 4a	Hamburg
17555	Helbingstr. 64	Hamburg
17621	Grossmannstr. 10	Hamburg
17641	Marckmannstr. 129 a-e	Hamburg
16221	Fasanenweg 9	Leinfelden-Echterdingen
19063	Donnersbergweg 3	Ludwigshafen
19121	Werdener Str. 4 / Kölner Str. 186, 188	Düsseldorf
16222	Neustädter Passage 17 a-d	Halle (Saale)
16662	Steinstr. 30-32/ Neuer Wall 10-22/Dr.H.Bähr-Str. 1-5	Moers

The rental growth potential for 2021 shown here reflects a standard market rental level per property. This was calculated by multiplying the market rent per sqm or parking space by the respective area or number of parking spaces on a monthly basis. The market rent per month was then extrapolated over one year and all rental factors were added together per property. The market rents per sqm or parking space were estimated by the valuer, taking into account the current rents, the macro and micro locations of the respective properties, their fit-out specifications and state of repair, the respective rental markets and the positions of the rental units within each property.

8.2. Top 7 tenants by rental income

The income-weighted Top 7 tenants account for around 40% of the total rental income of the overall portfolio:

Top	Tenants
1	Freie und Hansestadt Hamburg
2	NH Hotels Deutschland GmbH
3	GALERIA Karstadt Kaufhof GmbH
4	Deutsche Börse AG
5	Clearstream Banking Aktiengesellschaft
6	ING-DiBa AG
7	real GmbH

8.3. Changes from the previous year (Primo and Helena)

The Helena and Primo Portfolios, which were valued separately in previous years, are included in the overall portfolio. Compared to the previous year, the following changes have occurred:

As at the valuation date of 31 December 2020, the Primo Portfolio continues to comprise four properties with a total lettable area of 33,901.38 sqm.

The value of the portfolio increased by 11% compared to the previous year. This considers that the leases with imminent expiry dates (2021/2022) can be re-let at market rents, releasing rental growth potential.

As at the valuation date of 31 December 2020, the Helena Portfolio comprised a total of 21 properties with a total lettable area of 156,954.31 sqm. In the previous year, the portfolio comprised 23 properties with a total lettable area of 197,574.06 sqm and a total Market Value of €319,410,000.

Two properties were sold in 2020 (Berlin, Landsberger Strasse 245-249 and 225-232).

The value of the overall portfolio has increased by 3%. The average vacancy rate is 15%. The determination of Market Value as at 31 December 2020 already considers the potential for follow-on lettings from 1 January 2021.

9. LAND REGISTRY DATA

As instructed, the market values were determined on the basis of the documents and information provided to us by the Instructing Party. Limited investigations were carried out, particularly with regard to the land registers submitted to us. No basic files were inspected and no information on up-to-date land registry extracts as of the valuation date, was obtained. It is assumed that the land registry excerpts provided by the Instructing Party reflect the current status on the valuation date and that no entries or changes of significant relevance to value have been registered in the respective land registers.

A classification of the land register situation at property level is included in the separate property reports.

10. LEGAL CIRCUMSTANCES/PUBLIC LAW RESTRICTIONS ON DISPOSAL

Rights, charges and encumbrances have been considered only insofar as they have a visible effect on the income and return generated by the subject portfolio.

10.1. Planning law

It is assumed that there have been no changes considered to be of material relevance to value between the date of the initial valuation (30 September 2007) and the date of this revaluation (31 December 2020).

10.2. Listed building protection

It is assumed that the valuer has been advised of all changes considered to be of material relevance to value.

10.3. Public land charges

It is assumed that the documents provided reflect the current status on the valuation date and that there have been no changes considered to be of material relevance to value.

10.4. Servicing/land improvements

It is assumed that the valuer has been advised of all servicing/land improvement costs considered to be of material relevance to value.

10.5. Insurance

As of the valuation date, it is assumed without further verification that the valuation properties were covered by insurance, both in terms of the type of possible damage and the appropriate amount of the sum insured.

11. BUILDING DESCRIPTION/STATE OF REPAIR/ENVIRONMENTAL INFLUENCES/CONTAMINATED SITES

As instructed, building descriptions and descriptions of the state of repair of the individual properties are not included in this consolidated report. No environmental influences considered to be of material relevance to value were identified during the on-site inspections. No suspicions of contamination of material relevance to value were raised from the documentation provided by the Instructing Party or impressions gained during the on-site inspections. As instructed, we did not carry out any investigations and/or research of contaminated sites or pollution. It is therefore assumed for the purposes of the valuation and without further verification that there are no inherent characteristics of the site or soil which could impair or endanger the sustainability of use of the property or the health of its residents or users.

However, it is not possible to exclude the presence of deleterious soil changes. Investigations of contaminated sites are not part of the valuer's area of responsibility and definitive statements on the issue of contamination may only be given based on appropriate specialist investigation. The valuer assumes no liability for this.

It is assumed without further verification that no building materials, components or other characteristics of the land are present which could affect or endanger the long-term use of the property or the health and safety of residents and/or occupiers.

12. LETTABLE AREAS/TENANCIES/VACANCIES

The areas of the properties were taken from the data provided by the Instructing Party without further verification. According to the rent roll provided (as of August/October 2020) and considering the information provided by new leases, some of which contain conflicting square metre measurements, the lettable area is approximately 454,698 sqm, excluding parking spaces.

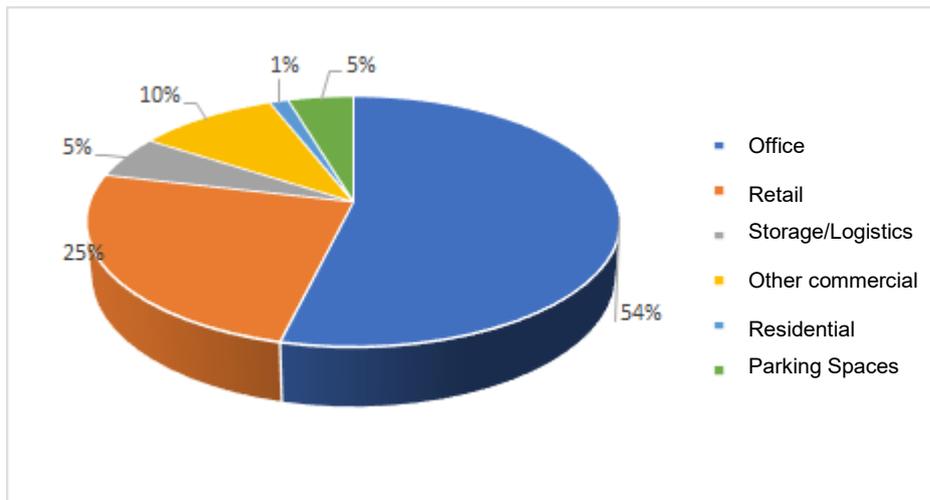
There are **44 properties** in the overall portfolio; in the previous year, only properties from the Helena and Primo Portfolios were included (27 properties in total), which is why there is no comparability with the previous year.

The lettable area is broken down as follows:

Use	Lettable area [sqm]	Rent p.m. [€]	Share of income [%]
Office	223,255	2,276,290	53.80
Retail	126,453	1,051,084	24.80
Storage/logistics	62,642	233,600	5.50
Other commercial	33,288	419,797	9.90
Residential	9,060	56,162	1.30
Parking spaces (spaces)	6,119	194,744	4.60
	454,698	4,231,677	

excl. parking spaces

Graphical representation of the share of income by type of use:



No planning documents were provided to us as of the valuation date. It was therefore not possible to review or check the plausibility of the lettable areas. The areas quoted in the rent roll were accepted without further verification. The number of rental units and parking spaces was roughly checked for plausibility for the properties inspected; otherwise, this information was taken from the rent roll without further verification.

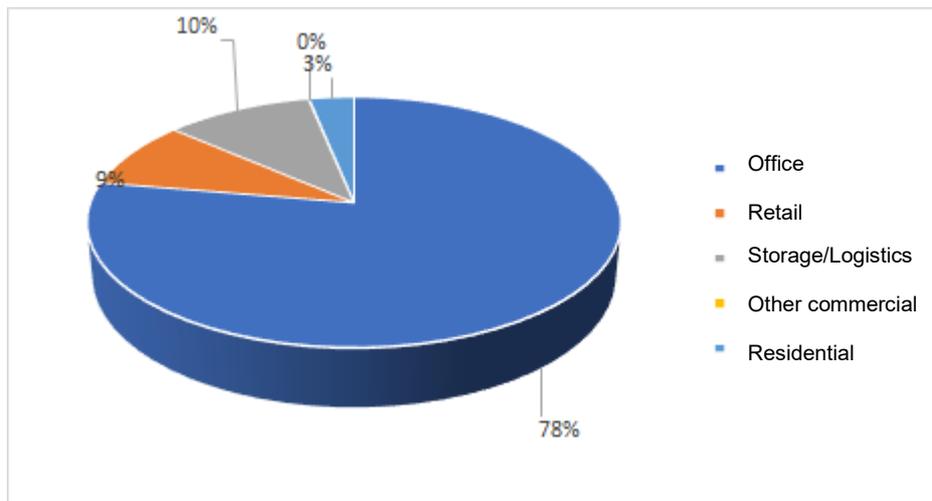
The valuation assumptions are based on the rent roll provided by the Instructing Party (dated August 2020, supplemented by a rent roll dated October 2020 and further information per email). Considering the other information provided with new lease contracts, information on rent-free periods in the rent roll and the units becoming vacant on the valuation date, while disregarding the units newly let after the valuation date, the annual gross rental income as of the valuation date of 31 December 2020 is approximately €49,449,076 p.a.

For the purposes of the valuation, the vacancy rate as of the valuation date of 31 December 2020 is calculated as around 10% and there is an EPRA vacancy rate of 10.98%.

In the cash flow calculation to determine the Market Value, the individual lease terms were taken into account. Broken down between the respective uses, the following vacancy rates are calculated:

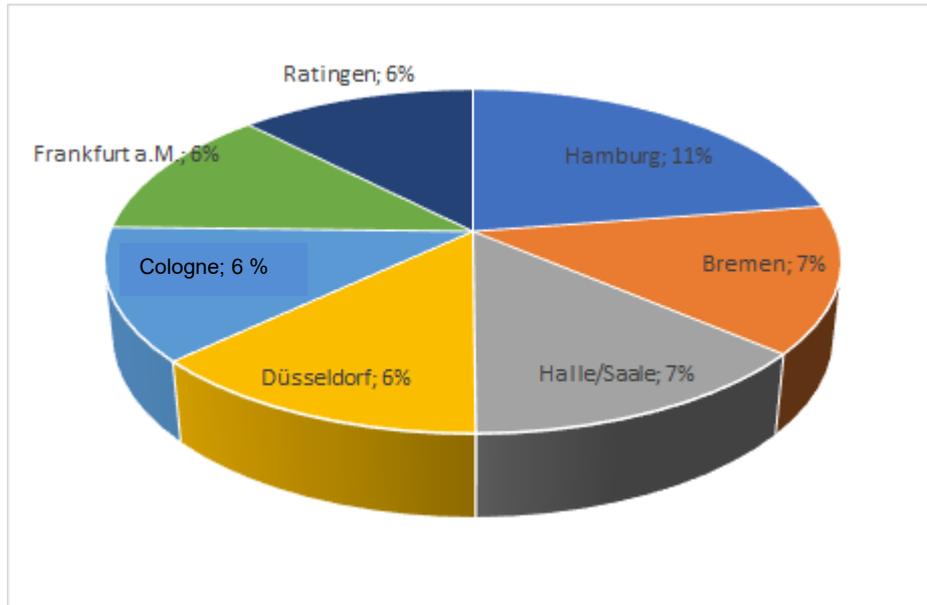
Use	Vacant space [sqm]	Share of vacancy [in %]	Share of use type [in %]
Office	35,258	77.70%	15.80%
Retail	3,970	8.70%	3.10%
Storage/logistics	4,706	10.40%	7.50%
Other commercial	29	0.10%	0.10%
Residential	1,428	3.10%	15.80%
Parking spaces (spaces)	1,276		20.90%
Total	45,391		

excl. parking spaces



13. MAJOR CITIES/PROPERTIES

The seven most important cities in terms of their share of the total area of the overall portfolio are shown in the chart below. Around 50% of the lettable area is accounted for by seven of the 34 locations in the overall portfolio:



The values of the properties weighted by Market Value account for around 49% of the value of the overall portfolio.

14. VALUATION METHODOLOGY

The valuation has been undertaken in accordance with the definition of Market Value by the International Valuation Standards Committee (International Valuation Standards IVS 2017, IAS 40, IFRS and RICS Valuation - Global Standards, the 'Red Book'). The **discounted cash flow method (DCF method)** has been used to determine value.

The DCF method is a valuation approach in which, in principle, the cash inflows are reduced by the cash outflows allocated to the valuation property and extrapolated over a defined reporting period according to their identifiable due date, and are discounted to the valuation date using a defined risk-adjusted discount rate.

The method is based on the 'time value of money', i.e. the basic principle that a rational investor prefers a Euro that he owns today to a Euro that he will not receive for a year. What the Euro to be received in a year is currently worth depends on how the investor can use his capital in the interim. Therefore, the DCF method represents a procedural equivalent to the simple income capitalization approach (single-stranded), i.e. the land value is not determined separately, but instead uses a large number of valuation parameters which must be explicitly presented and justified.

The following modifications must be considered:

Income (rents net of VAT and service charges) and expenses (operating costs) are input yearly and extrapolated on the basis of a forecast at the expected level. Operating costs develop independently in relation to income, as they are dependent upon a number of specific parameters.

The annual net income (cash flow) is then discounted to the valuation date by applying a discount rate equivalent to the yield for long-term government bonds (as a risk-free base interest rate) increased by a market risk premium. The discount rate can be compared to the return on alternative investments and is intended to reflect the risk associated with the individual investment or the associated return required by an external investor.

When selecting the calculation periods, the holding period is generally set at 10 years, taking into account a typical period of ownership. The remaining economic useful lifespan of the buildings is not accounted for mathematically. The capacity of a property to generate income over its lifespan is reflected in the valuation through the selected discount rate and the capitalization rate.

The residual value at the end of the aforementioned reporting period (holding period) is capitalized in perpetuity at a capitalization rate selected on the basis of the necessary long-term forecast, and discounted to the valuation date.

In this revaluation, we assume without further verification that the documents and information submitted to us by the Instructing Party and relating to the subject properties are valid and fully accurate as of the valuation date of 31 December 2020.

15. RENTAL INCOME

15.1. Current rent

The **current rent** included in the valuation is taken from the information contained in the documents and information provided by the Instructing Party.

15.2. Market rent

Where necessary, the market rental factors are continuously adjusted based on the initial valuation. The same applies to the rental growth potential and the likelihood of an extension of existing leases.

15.3. Lease terms

The actual remaining terms of existing lease contracts, as quoted in the rent roll, are applied. For new leases concluded after vacancy periods and open-ended residential tenancies, a 5-year fixed term is normally assumed.

16. EXPENDITURE

16.1. Periodic operating expenses

Depending on the type of property and use, operating expenses within the following ranges were selected:

Allowance for the risk of rental loss:	3.0% - 4.0% of the annual gross rental income
Maintenance costs:	€3.00 - 10.00/sqm per annum
Property management costs:	0.75% - 2.0% of the annual gross rental income

16.2. Non-recoverable service charges

As this is a portfolio with mainly commercially used properties, it is assumed that the proportion of non-recoverable service charges is negligible. No relevant information to the contrary was provided by the Instructing Party. From a risk perspective, non-recoverable service charges of 0.5% of the calculated gross rental income were considered subject to the type of property.

16.3. Maintenance costs

Standard market lease contracts were assumed when considering appropriate maintenance cost factors i.e. in the case of commercial leases, it was assumed that the owner would only assume responsibility for the maintenance of the roof, structure and fabric, and that all other maintenance obligations would pass to the tenant. In the case of residential tenancies, maintenance obligations are defined in the Second Computation Ordinance (II. BV). There were no extraordinary ongoing maintenance requirements identified from the available property information. Depending on the use, this results in a theoretical maintenance cost factor of €3.00 - 10.00/sqm of lettable area. Other space is taken into account at €1.00/sqm.

16.4. Property management costs

Property management costs are assumed at between 1.0% and 2.0% of the sustainable annual gross rental income, depending on the use and the associated expenditure. In exceptional cases, such as in the case of buildings used primarily for residential purposes with multiple dwelling units and low rental levels, or properties in need of major repositioning, a management cost factor of 3.0% was considered necessary. These factors are based on empirical data and are considered sufficient for the commercial and technical management of a portfolio of this size.

16.5. Allowance for the risk of rental loss

The allowance for the risk of rental loss due to non-recoverable rent arrears or temporary vacancy of space intended for letting is taken into account in the marketing period for the vacant space (in the case of temporary vacancy) or in the cap rate and discount rate (risk of non-recoverable rent arrears).

16.6. Non-periodic operating expenses

16.6.1. Rent-free periods/change of tenant

As in the initial valuation, valuation update and the subsequent revaluations, it is assumed that there is a period of vacancy between an existing lease contract expiring and a re-letting or subsequent letting of the space. This assumption considers, *inter alia*, the estimated actual vacancy period after the end of a lease term, any incentives agreed, marketing costs for the re-letting and any service charges incurred during the vacancy period. Depending on use, a vacancy period of six to twelve months is generally assumed, with the focus being on twelve months. In exceptional cases, a vacancy period of three months or a vacancy period of up to 24 months was assumed.

The likelihood of existing leases being extended after expiry is generally assumed to be 50%, in exceptional cases 0%, and in the case of apartments, 90%. Incentives of up to three months' rent-free and marketing costs comprising agent's commission of up to three months' rent were adopted. Service charges incurred during periods of vacancy (for general electricity, heating, etc.) are considered at €1.00 - €1.50/sqm p.m. of lettable area.

16.6.2. Tenants' fixtures and fittings

To ensure that a property continues to generate a marketable return, any tenants' fixtures & fittings deemed necessary, i.e. improvements (modernisation, structural alterations etc.) in the demised premises and provided by the landlord are considered in addition to the periodic maintenance cost factors. Considering, *inter alia*, the age of the building, its fit-out specification and the assumed tenant requirements, the respective cost factors for residential, office and retail space range from €75 to €250/sqm of lettable area, with the main focus on a cost factor of €150/sqm of lettable area; they occur when there is a change of tenant or the lease is extended. In exceptional cases, actual costs for tenants' fixtures & fittings (as reported by the Instructing Party) were considered for new leases.

16.6.3. Consideration of capital expenditure (CapEx)

The Instructing Party provided us with updated CapEx information which was adopted in full as CapEx costs in the valuation. It is assumed that this investment will be carried out in addition to the ongoing/routine maintenance programme. In line with the previous valuation, we were notified of CapEx works for 2021 and 2022. Our considerations of CapEx costs are based on the information on planned CapEx provided by the Instructing Party (Excel file 'Bewertung YE 2020 ENA CapEx-Planung out') and further information sent by email. We were not advised of any other planned works and have therefore assumed without further verification that none are necessary.

The highest CapEx costs for a single property, €20,000,000, were incurred for the revitalisation of the shopping centre at Stresemannstrasse 1-7 in Mönchengladbach. These costs are already considered in the factor for vacancy costs and market rents.

The 2021 CapEx measures notified for the overall portfolio total €49,270,000.

17. DISCOUNT RATE/CAPITALIZATION RATE

The discount rate corresponds to the internal rate of return of a series of payments consisting of the purchase price and cash flow planning, and therefore represents the current yield expectations of the market, while considering the property-specific characteristics. Due to the individual sales that have taken place in recent years, the discount rate is not just derived solely on the basis of a hypothetical sale of the portfolio, but also on the individual assessments of the respective properties, while considering the property-specific characteristics. It reflects the opportunity costs of the return on capital and the risks tied up in the investment that cannot be eliminated through diversification.

The yield on long-term government bonds as a risk-free interest rate is used as the basis for a market-oriented discount rate. As this base interest rate is an interest rate that applies uniformly to Germany and the value of real estate varies regionally and sectorally, it must be modified. Considering, *inter alia*, the possible speed of sale and saleability of a property, the base interest rate is increased by a risk premium containing a regional and sectoral element. Finally, the loss in value can be considered by means of a depreciation premium if this is not offset by a corresponding reduction in the annual net rental income or through the application of modernisation costs.

The base interest rate is the current yield published by the German Federal Bank on domestic bearer bonds/public-sector bonds with a minimum average term of 9-10 years.

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
January	3.00	2.00	1.50	1.80	0.50	0.50	0.30	0.50	0.20	-0.3
February	3.20	2.00	1.60	1.60	0.40	0.30	0.40	0.70	0.10	-0.4
March	3.20	1.90	1.40	1.50	0.30	0.20	0.40	0.60	0.10	-0.5
April	3.40	1.70	1.20	1.50	0.20	0.20	0.30	0.50	0.00	-0.4
May	3.10	1.40	1.30	1.40	0.60	0.20	0.40	0.50	-0.10	-0.4
June	2.90	1.40	1.50	1.30	0.90	0.00	0.30	0.40	-0.20	-0.4
July	2.80	1.30	1.60	1.20	0.80	-0.10	0.50	0.30	-0.30	-0.5
August	2.30	1.40	1.80	1.00	0.70	0.00	0.40	0.30	-0.50	-0.5
September	1.90	1.50	1.90	1.00	0.70	0.00	0.40	0.40	-0.50	-0.5
October	2.10	1.50	1.80	0.80	0.60	0.00	0.40	0.40	-0.40	-0.5
November	2.00	1.40	1.70	0.80	0.60	0.20	0.30	0.40	-0.30	-0.5
December	2.10	1.30	1.90	0.60	0.60	0.30	0.30	0.20	-0.20	-0.5
Annual average	2.67	1.57	1.60	1.21	0.58	0.15	0.37	0.43	-0.18	-0.45
10-year average					0.8					

It is based on a 10-year average of the current yield of 0.8 (as at 12 January 2021).

The base interest rate can be adjusted according to the risk associated with the respective investment.

The reasons for this include:

- Unexpected fluctuations in performance
- Liability risks
- Fluctuations in rental income
- Shortfalls in rental income
- Saleability deviating from the capital market
- Deteriorating resale conditions

In accordance with the principles of the capital asset pricing model, property-specific risk premiums are calculated from the differences between the yields of the asset classes and the respective risk-free base interest rate (current yield). A depreciation premium for deterioration due to age is applied linearly. Furthermore, an individual saleability premium is considered at individual property level when determining the discount rates.

To avoid a misleading result, yield factors in the valuation are selected in the respective ¼ steps (0.25%). Depending on the risk assessment, this produces market-conforming discount rate factors of between 3.25% and 6.00%. The selected capitalization rates are based on the same considerations as the discount rate; they are also individually selected for each property.

The following property characteristics are considered by means of additions and deductions to and from value:

- Macro and micro location
- Use/third-party use potential
- Restrictive ownership situation (part ownership, heritable building right)
- Quality/flexibility of the building
- Tenant structure - lease terms, tenant creditworthiness, vacancy

Depending on the risk assessment, this produces market-conforming discount rate factors of between 3.25% and 5.50%.

18. MARKET VALUE

The Market Value is derived from the sum of the individual results (rounded). There is no blanket consideration of the portfolio purchase through the application of additions or deductions, as future sales of the individual properties or the creation of alternative portfolios or sub-portfolios would require appropriate investigation due to possible alternative transaction options.

19. INDIVIDUAL RESULTS

The individual results are listed in tabular form in the appendix 'DIC YE 2020-Werteübersicht'.

20. SUMMARY OF RESULTS

The result of the revaluation as at 31 December 2020 is

(Rounded) €1,037,230,000

(in words: one billion, thirty-seven million, two hundred and thirty thousand Euros)

For the calculation of the net initial yield, the net incomes for Year 1 of the reporting period, flat-rate operating expenses and purchaser's on-costs of 1.0% agent's commission, 1.5% notary fees and the real estate transfer tax applicable in the respective federal state (at between 3.5% and 6.5%) were considered. This produces an unweighted net initial yield of 4.03%.

The unweighted gross income multiplier based on the Market Value at individual property level and the gross rental income for Year 1 of the reporting period (market rent), is around 19.4.

For the calculation of the total investment, the above-mentioned purchaser's on-costs must be considered.

Market Value	1,037,230,000 €
Purchaser's on-costs	70,181,780 €
Total investment	1,107,411,780 €

This valuation report comprises 38 pages and one appendix (individual results).

Mainz, 07 September 2021

B. Adam



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Publicly appointed and inaugurated valuer, Graduate Real Estate Economist (ADI)

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