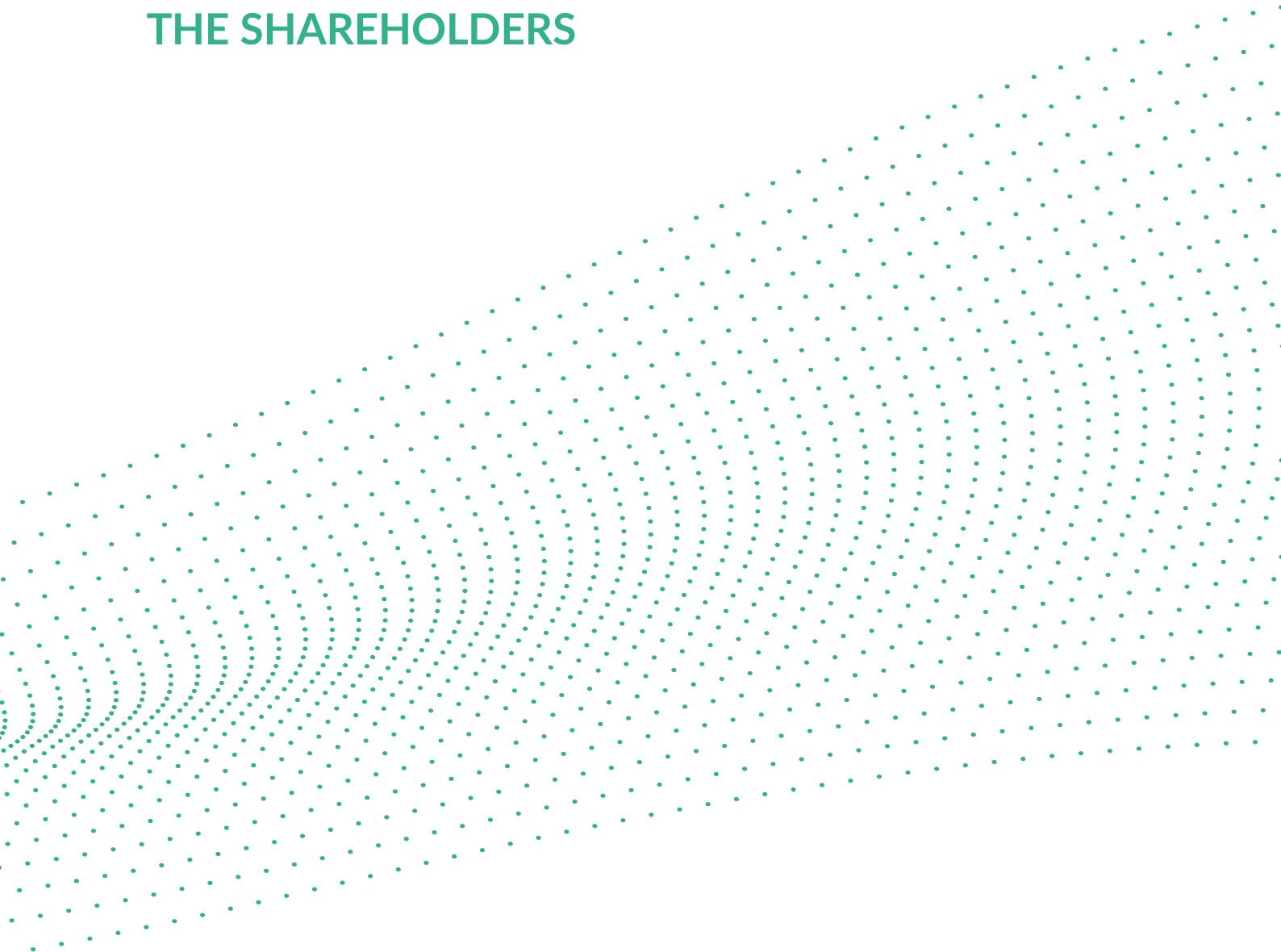




PART OF DIC

# MANAGING BOARD REPORT CONCERNING THE USE OF AUTHORISED CAPITAL 2022 TO THE EXCLUSION OF THE SHAREHOLDERS



**Managing Board Report  
for the Annual General Meeting of  
VIB Vermögen AG  
(also referred to as “the company”)  
on July 4, 2023,  
concerning  
use of Authorised Capital 2022  
in exchange for non-cash contributions, to the exclusion of the shareholders,  
for the purpose of creating 4,872,761 new shares in the Company**

**I.**

On account of the resolution of the Annual General Meeting of the Company on 30/08/2022, the Managing Board is authorised to increase the company's share capital until 29/08/2027, with the approval of the Supervisory Board, on one or more occasions by up to a total of EUR 13,855,004.00 by issuing up to 13,855,004 new no-par registered shares for subscription in cash and/or in kind (Authorised Capital 2022). Pursuant to Section 4 (9) of the company's articles of association, the Managing Board was, among other things, also entitled, with the approval of the Supervisory Board, to exclude the shareholders' statutory subscription right in the case of non-cash capital increases, particularly for – but not limited to – the acquisition of companies, company divisions, equity investments in companies (including in the course of changing company structures pursuant to the Act on Company Restructuring [UmwG]) and of properties, property portfolios or receivables (including those owed by the company) (Sect. 4 [9], paragraph 3, 2nd bullet point of the articles of association). Pursuant to Sect. 4 (9) of the articles of association, the Managing Board was further authorised, with the approval of the Supervisory Board, to determine the further details of capital increases from Authorised Capital 2022, in particular the further details of share rights and the terms of the share issue.

**II.**

On November 24, 2022, the Managing Board resolved, with the approval of the Supervisory Board granted on the same day, to increase the share capital of the company by EUR 4,872,761.00 from EUR 28,181,826.00 to EUR 33,054,587.00 by issuing 4,872,761 new no-par-value registered shares with a mathematical share of EUR 1.00 each of the company's share capital (hereinafter referred to individually as a “new share” or collectively as “the new shares”) at an issue price of EUR 1.00 per new share (lowest issue price within the meaning of Sect. 9 [1] of the German Stock Corporation Act [AktG]) in exchange for non-cash contributions; further, it resolved to do so in the form of interests in six property management companies and two management companies and in the form of two properties. Therefore, the total issue amount for all new shares stood at EUR 4,872,761.00. The shareholders' subscription right was excluded pursuant to Sect. 4 (9), paragraph 3, 2nd bullet point of the articles of association on account of the acquisition of interests in companies and of properties. The new shares are entitled to dividends from the fiscal year commencing on January 1, 2022.

The background to the capital increase was the offer of the DIC Asset Group, which is the majority shareholder in the company, to acquire a package of property companies, properties and management companies through the company by means of a non-cash capital increase in order to further expand the company's strategic core area in respect of its operations in the property sector, i.e. the logistics and light industry segments. The aim of the capital increase was to enable the company to purchase a respective interest of 89.9% in six property management companies, two properties and two management companies, which handle management agreements in this area.

The following subscribers (subsidiaries of DIC Asset AG) were each approved, in return for non-cash contributions, to subscribe to and acquire the new shares; these subscribers each subscribed to the following new shares by contributing, i.e. transferring, the following considerations:

a) DIC HI Portfolio GmbH & Co. KG, with registered office in Frankfurt am Main, listed in the commercial register of Frankfurt am Main District Court under HRA 51788, was approved to subscribe to and acquire 247,164 new shares in exchange for:

- 22,475 shares with a nominal value of EUR 1.00 per share, with serial numbers 2,527 to 25,001, in DIC HI Objekt 1 GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 80185 and
- 22,475 shares with a nominal value of EUR 1.00 per share, with serial numbers 2,527 to 25,001, in DIC HI Objekt Ratingen GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 80188;

b) DIC Asset Portfolio GmbH & Co. KG, with registered office in Frankfurt am Main, listed in the commercial register of Frankfurt am Main District Court under HRA 51522, was approved to subscribe to and acquire 2,863,007 new shares in exchange for:

- 22,475 shares with a nominal value of EUR 1.00 per share, with serial numbers 2,526 to 25,000, in DIC Objekt Nürnberg GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 124109,
- 22,475 shares with a nominal value of EUR 1.00 per share, with serial numbers 2,528 to 25,002, in DIC Objekt Halle Weststraße GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 125400 and
- 25,000 shares with a nominal value of EUR 1.00 per share, with serial numbers 1 to 25,000, in DIC Fund Management GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 124254.

c) DIC AP Portfolio GmbH, with registered office in Frankfurt am Main, listed in the commercial register of Frankfurt am Main District Court under HRB 77828, was approved to subscribe to and acquire 182,932 new shares in exchange for 22,475 shares with a nominal value of EUR 1.00 per share, with serial numbers 2,527 to 25,001, in DIC AP Objekt 5 GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 77837;

d) DIC DP Portfolio GmbH, with registered office in Frankfurt am Main, listed in the commercial register of Frankfurt am Main District Court under HRB 81310, was approved to subscribe to and acquire 348,347 new shares in exchange for 22,475 shares with a nominal value of EUR 1.00 per share, with serial numbers 2,527 to 25,001, in DIC DP Langenselbold Am Weiher GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 81327;

e) GEG Portfolio Advisory GmbH, with registered office in Frankfurt am Main, listed in the commercial register of Frankfurt am Main District Court under HRB 115750, was approved to subscribe to and acquire 759,785 new shares in exchange for 25,000 shares with a nominal value of EUR 1.00 per share, with serial numbers 1 to 25,000, in DIC Fund Balance II GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 124242;

f) DIC AP Objekt 2 GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 77834, was approved to subscribe to and acquire 117,143 new shares in exchange for the obligation to transfer ownership of the plot of land with the address Eisenbahnstrasse 14, 68199 Mannheim, Germany, entered on page 16974, serial no. 5, plot 16549/59 in the land register of Mannheim District Court, including buildings, essential parts within the meaning of Sect. 94 of the German Civil Code (BGB) and accessories within the meaning of Sect. 97 and 926 BGB, but without any existing operating equipment, and including any encumbrances entered in the land register, but free from any encumbrances in Part III of the land register; and

g) DIC OP Objekt 3 GmbH, with registered office in Frankfurt am Main and listed in the commercial register of Frankfurt am Main District Court under HRB 79591, business address: Neue Mainzer Strasse 20 MainTor 60311 Frankfurt am Main, was approved to subscribe to and acquire 354,383 new shares in exchange for the obligation to transfer ownership of the plot of land with the address Kränkelsweg 2–16, 41748 Viersen, Germany, entered on page 6194A, serial no. 2, plot 445 in the land register of Viersen District Court, including buildings, essential parts within the meaning of Sect. 94 of the German Civil Code (BGB) and accessories within the meaning of Sect. 97 and 926 BGB, but without any existing operating equipment, and including any encumbrances entered in the land register, but free from any encumbrances in Part III of the land register.

### III.

Contribution of the considerations followed the conclusion of a Consideration Agreement dated 24/11/2022 with the notarial certificate of notary Dr Oliver Habighorst, Frankfurt am Main, certificate registration no.: 750/2022. Contribution of the considerations was based upon a (rounded) issue price of EUR 20.32 per new share, i.e. an issue amount of EUR 1.00 per new share plus a (rounded) debt premium of EUR 19.32 per new share. Therefore, the total issue price of the new shares came to a rounded amount of EUR 99 million. The financial appropriateness of this issue amount per new share as consideration for the non-cash contributions was confirmed by means of a fairness opinion issued by the official expert instructed, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt. Valuation of the considerations in connection with the non-cash contribution was performed by the official expert instructed to do so, Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, in the form of an indicative opinion. The considerations were transferred to the company. Performance of the capital increase, together with the corresponding changes to the articles of association, was entered into the commercial register applicable to the company at Ingolstadt District Court. Following the entry of performance of the capital increase in the commercial register, the registered share capital of the company has increased by EUR 4,872,761.00 to a total of EUR 33,054,587.00. The Authorised Capital 2022 in place until performance of the capital increase was reduced accordingly to EUR 8,982,243.00. No further use has been made of Authorised Capital 2022 to date. The capital increase served to enable completion of the acquisition of the considerations concerned.

### IV.

The shareholders' subscription right was excluded pursuant to Sect. 4 (9), paragraph 3, 2nd bullet point of the articles of association in respect of acquisition of the considerations. Exclusion of the shareholders' subscription right in connection with the capital increase is appropriate and legitimate in the interests of the company for the following reasons.

For the company, acquisition of the considerations and non-cash contributions remains of considerable strategic importance; taken collectively, these considerations sustainably expand the company's operations in the core segments of logistics and light industry on account of the resulting significant increase in the logistics portfolio and the company's increase in operations in this area. The acquisition also serves to strengthen the capital and shareholder base of the company and is therefore can be properly understood to be in the company's interest:

Acquisition of the considerations – shares in the six property management companies and the two logistics and light industry properties (“the logistics portfolio”), as well as the two management companies that handle management agreements in this area (collectively also known as “the logistics package”) – enabled the company to quickly and substantially further expand its logistics portfolio in accordance with its growth strategy and without impairing its liquidity and to expand and diversify the business model of the VIB Group in the logistics and

light industry segment in a way that would not otherwise have been possible on the market by offering management services to third parties. The logistics portfolio represents a crucial addition to the company's property portfolio in line with its focus on logistics and light industry properties. Acquisition of the two management companies – and, consequently, the takeover of its management agreements with funds – significantly boosts the expertise and ongoing strategic development of the VIB Group in the logistics and light industry segment. As such, the strategic development of the company/the VIB Group is advanced to a significant degree. Acquisition of the considerations thus enables the company to take a considerable step forward on its corporate development to a leading provider in the logistics and light industry segment. Acquisition of the considerations/the issue of new shares as part of the non-cash capital increase also has a high strategic value for the company in the sense that the shareholder basis is strengthened/enlarged through the expansion of the interest of, and partnership opportunities with, the DIC Asset Group in its capacity as the (indirect) majority shareholder in the company; this serves to strengthen the opportunities for further operational development. The company's clear focus on the logistics and light industry segment within the DIC Asset Group also provides it with sustainable strategic and reputational advantages for continued sustainable growth, as DIC Asset AG – as the parent company of the DIC Asset Group – has, with the transaction, demonstrated its support for a focus on, and expansion of, the logistics and light industry segment within VIB Vermögen AG. The strengthening of the company's equity basis by virtue of the transaction also allows the company to take advantage of new debt financing opportunities in connection with the acquisition of properties, without sacrificing a sensible balance between equity and debt capital. Moreover, the liquidity of the company/the VIB Group will be bolstered by future income from the logistics portfolio and from the management services offered to third parties.

(Partial) use of Authorised Capital 2022 to the exclusion of the shareholders' subscription right thereby serves the company's interest of furthering its development into a leading property company in the logistics and light industry segment and enables the acquisition of the considerations, which, in turn, represents a prerequisite for the achievement of this (strategic) corporate goal. Exclusion of the shareholders' rights was necessary, as the transfer to the company could only take place with the subscribers as the sole parties approved to subscribe to and acquire the new shares. Only by excluding the shareholders' statutory subscription right was the company able to acquire the considerations required to achieve the aforementioned strategic objectives.

Without excluding the shareholders' subscription right, the company would not have been able to acquire the considerations in such an effective manner and therefore broaden and operationally strengthen its business activities. The company reviewed whether sufficient funds could have been procured in another way, particularly by means of issuing bonds or carrying out a cash capital increase; however, it did not regard these options as satisfactory to the same degree on account of the strategic objectives above and beyond the financing (especially the opportunity to rapidly expand the logistics portfolio and the significant expansion of operational activities in the logistics segment by means of the package



acquisition). Moreover, the Group's financing structure is only marginally impacted by the acquisition structure pursued. Additionally, the company's liquidity is preserved. Other financing options for the full acquisition (without the non-cash capital increase) were not available to the same extent. The financing advantages to the company are in line with the company's interests. Possible alternatives in respect of the performance of the planned transaction were reviewed by the Managing Board; however, the Managing Board took the view that these alternatives were not feasible and/or suitable in terms of achieving the objectives in the company's interests. This applies, on the one hand, to the performance of alternative transactions such as a cash capital increase. The opportunity of acquiring the specific non-cash contribution represented, as outlined, a specific opportunity that corresponded with the company's strategic direction and that strengthened its strategy. Based on the Managing Board's knowledge of the market and following inquiries made, there are no comparable acquisition targets on the market – or no such targets with this composition and no targets that offer the liquidity-saving acquisition opportunity of the considerations. Therefore, the Managing Board saw no suitable alternative in terms of the concrete structuring of the acquisition. Acquisition of the considerations by the company was therefore only possible in the first place by means of a non-cash capital increase to the exclusion of the subscription right.

Exclusion of the subscription right is also commensurate with potential disadvantages for the company's shareholders. The acquisition of the considerations as non-cash contributions and the exclusion of the subscription right required to do so are, as described, in the overwhelming interest of the company and, by the same token, the legitimate interests of the (existing) shareholders are not significantly harmed by performance of the capital increase. Any potential disadvantages to the shareholders are outweighed by the interests of acquiring the considerations as a package, which represents a significant step forward in the company's development. The shareholders do not experience any significant economic dilution as a result of the transaction. Following a meticulous review by the Managing Board, particularly taking into account a fairness opinion issued by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, in accordance with IDW Standard S 8 "Principles for the Preparation of Fairness Opinions" and its own analysis on the basis of a value indication issued by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, in respect of the considerations (based on current valuations of the properties included in the consideration and a discounted cash flow valuation of the management companies included in the consideration), the Managing Board arrived at the conclusion that the issue price for the new shares was not inappropriately low. In respect of the properties/property companies, Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft considered existing reports on land value calculations. In this regard, the indicative market value of the property management companies was determined on the basis of a net asset value approach, paying due regard to current property valuations and the companies' existing assets and liabilities. The indicative market value of the properties contributed to VIB Vermögen AG in the form of an asset deal was also calculated on the basis of current property valuations. In respect of

the indicative company valuation of two management companies contributed, Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft was guided by the fundamental principles of IDW S1 “Principles for the Performance of Business Valuations” (2008 version), determining the indicative market value of the companies’ equity using the discounted cash flow method. Here, the cash flows from the management agreements were calculated using the direct cash flow forecast.

The Managing Board regards the consideration granted to the subscribers for the contributions tendered as appropriate within the meaning of Sect. 255 (2) of the German Stock Corporation Act (AktG). It is the commercial judgement of the Managing Board that the total (rounded) consideration of EUR 99 million for the contributions included in the package acquisition is fair and appropriately considers the actual value of the individual contribution items. The (rounded) issue price of EUR 20.32 per new share falls within the valuation range determined by the independent experts in respect of the value of the company. Pursuant to the fairness opinion issued by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, the consideration of 4,872,761 new shares in the company is appropriate from a financial perspective, within the meaning of IDW S 8, for the contribution items forming part of the non-cash capital increase. To this end and paying due regard to IDW S 8, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft determined the company value on the basis of capital value-based (discounted cash flow method) and market price-based valuation methods. The discounted cash flow method applied to measure the comparative prices represents an approved valuation method, as outlined in IDW S. As part of the market price-based assessment, the audit company focused chiefly on the share price of VIB Vermögen AG as significant capital market-related information. When analysing the share price of VIB Vermögen AG, the audit firm professionally assessed various periods in advance of the decision-making process for the non-cash capital increase.

The value of the new shares of EUR 20.32 per new share used by the Managing Board to determine the number of new shares issued represents the (rounded) volume-weighted three-month average share price (VWAP) of the company’s share calculated from the close of trading on the day of the resolution on the capital increase being passed to the trading day immediately before the capital increase. It falls within the valuation corridor calculated by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, i.e. the number of new shares in the company issued on the basis of this calculated share value of the company was within the range regarded as relevant for assessing the appropriateness of the exchange ratio. The company value range calculated by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft using the DCF method was within a narrow range around the applied (and rounded) volume-weighted three-month average share price of the company of EUR 20.32. As a result, the basic scenario (DCF method) underpinning the company value calculation was extremely close to the applied volume-weighted three-month average share price of the company of EUR 20.32. Deviation between the two was less than 2%. Following a review of the available assessments and valuations, the Managing Board deemed this market valuation to be plausible. On the basis of the expert assessments, the Managing



Board is working on the premise that the price of the share accurately reflects its market value.

In this regard, the Managing Board also considers the fact that the additional benefits outlined go hand in hand with the acquisition of the contributions from the subscribers; these are support for the long-term growth strategy and business policy of the company, expansion of property investments in the core segment of the company (logistics and light industry), the expansion of operational activities in this segment to include services for third-parties, the enhancement of market reputation, the opportunities to focus and expand operations with the further investment and cooperation of the DIC Asset Management Group as the core shareholder and, therefore, the sustainable and value-increasing strengthening of this segment with corresponding potential synergies. As a result, it is possible to achieve long-term increases in the value of the company and its shares.

The Managing Board therefore takes the view that the value of the contributions is an appropriate reflection of the value of the new shares issued to the subscribers. The intrinsic value of the non-cash contributions within the meaning of capital raising provisions under company law has been confirmed by BDO AG Wirtschaftsprüfungsgesellschaft, Munich, which was instructed to audit the non-cash contributions by Ingolstadt District Court.

Taking into account the aforementioned considerations, exclusion of the shareholders' subscription right in relation to the capital increase was therefore legally permissible, appropriate and in the interests of the company.

Neuburg/Danube, May 2023

VIB Vermögen AG

Managing Board



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Dirk Oehme,  
Managing Board Spokesman



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Rainer Hettmer,  
Managing Board Member



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Nicolai Greiner,  
Managing Board Member