

PRESS RELEASE**Diok RealEstate AG Acquires another Office Building in Neu-Ulm (Bavaria)**

Cologne, 19 December 2018 – Today, Diok RealEstate AG (Diok) signed the sale and purchase agreement for an office building occupied on a long-term lease in Neu-Ulm (Bavaria). It was agreed not to disclose the purchase price. The property is let for another 11 years to a market-leading company in the pharmaceuticals industry. It provides more than 12,000 square metres of occupied usable area and sits on a plot of 21,600 square metres. The plot also includes a land reserve of several thousand square metres and thus offers additional development potential. The building has been let to its current occupier since its completion in 1992, and serves as the occupier's principal place of business with several hundred workplaces. The property's fair market value equals EUR 23.5 million, based on a passing net rent of EUR 1.47 million annually.

Although the transaction is subject to a condition precedent, the two parties assume that this condition precedent will be rescinded during the first quarter of 2019. Legal counsel to Diok was provided by the law firm of Raschke, von Knobelsdorff, Heiser while the deal was brokered by the estate agency Cubion Immobilien AG, a partner of the NAI Apollo Group.

The acquisition of the property in Neu-Ulm brings Diok's total portfolio up to a total floor area of around 53,000 square metres and an annual net rent total of more than EUR 5.4 million. The portfolio as a whole has a current fair market value of c. EUR 87 million and generates an unleveraged rate of return of 6.22% even today. The weighted average lease term (WALT) of the portfolio is 5.94 years while the average rent amounts to merely EUR 8.93 per square metre. Accordingly, the portfolio offers considerable development potential.

Markus Drews, Member of the Board of Diok, said: "We are pleased to have been able to demonstrate our purchasing competence once more. Our potent network identifies interesting opportunities with highly attractive risk-return profiles for us on a regular basis. This latest acquisition also helps us expand in the prospering region of Ulm and Neu-Ulm where we already own two other assets. We were thrilled by this property at first sight, not least because it comes with a land reserve and thus additional value-added potential. The property would therefore qualify for both our core portfolio and our value-add portfolio. We intend to continue, and indeed accelerate, our expansion in 2019. Other interesting and highly profitable assets are already going through their pre-acquisition audits."

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About Diok RealEstate AG

Diok RealEstate AG (DIOK) is a property company based in Cologne that specialises in German office real estate. The company's business focuses on setting up an attractive portfolio of office properties in good to excellent micro-environments of tier two cities. Labour-intensive activities have been outsourced in their entirety to third parties while remaining subject to DIOK's supervision and control. As an active portfolio and asset manager, DIOK thus achieves a steady capital growth and a positive cash flow from day one. In the medium term, DIOK intends to use its well-filled acquisition pipeline to build up a real estate portfolio worth EUR 1 billion.