

Diok RealEstate AG Expands its Portfolio and Acquires Two Office Buildings in North Rhine-Westphalia

- Both properties are fully occupied
- Portfolio volume increases to EUR 114 million
- New financial year off to successful start, with all growth targets achieved in 2018

Cologne, 28 March 2019 – Diok RealEstate AG (“DIOK”) just acquired two fully-occupied office buildings in Aachen and Würselen, respectively. The office scheme purchased in Aachen is the “Engineering Park Aachen” (EPA) which extends over 10,833 square metres of lettable area and includes around 200 parking spots. Anchor tenant is a subsidiary of the utility company STEAG. The building is located in the vicinity of the Melaten campus of the RWTH Aachen University of Technology and is characterised, in addition to its superb location, by its high-end building fit-out and equipment. The current annual net rent amounts to just over EUR 1.1 million and shows further rent potential.

The office scheme in Würselen is located directly in the tristate area where the borders of Belgium, Germany and the Netherlands meet and the A4 and A44 motorways intersect, so that it is very easily accessible. It provides more than 6,212 sqm of lettable area plus nearly 100 parking spots. The entire building is let to TravelTainment, a subsidiary of Amadeus IT Group SA. The current annual net rent equals over EUR 416,000.

Both properties were acquired through off-market transactions. Together with the property bought in Neu-Ulm (Bavaria) in December 2018, the fair market values of DIOK’s three latest acquisitions add up to EUR 50.2 million, their initial yield equals nearly 6%. The weighted average unexpired lease terms (WALT) of the three properties equals seven years overall, whereas the average rent rate is only EUR 8.43 per square metre and month.

With the acquisition of the two properties in North Rhine-Westphalia, 2019 was off to a successful start for DIOK. The most recent transactions bring the overall portfolio up to a total of around 70,000 square metres of lettable area. Considering that the annual net rent adds up to c. EUR 6.8 million and the fair market values of the overall portfolio approximate EUR 114 million, the yield before leverage is around six percent. The

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average WALT of the portfolio amounts to around 5.4 years while the average rent is only EUR 8.04 per square metre and month.

Markus Drews, Member of the Board of DIOK, said: "We demonstrated impressively that we were able to achieve our growth targets as planned. In the ongoing financial year of 2019, we will consistently keep pursuing our strategy of investing in premium office properties in second-tier cities in Germany that promise above-average returns. Our qualified network enables us to identify interesting investment opportunities with highly attractive risk-return profiles on a regular basis. With our latest acquisitions, we are moreover expanding in the prospering region of Aachen, and the acquisition of two buildings located in relatively close proximity of each other will let us exploit synergy effects. Our deal pipeline is auspicious, and a growing number of transactions is bound to make us yet more visible for multipliers and investors. With this in mind, we are confident of our ability to not just continue, but accelerate, our growth in 2019."

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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.