

PRESS RELEASE**DIOK RealEstate AG Demonstrates Crisis Resilience in 2020**

- Portfolio value rises to c. 206.3 million euros
- Earnings from the management of the proprietary portfolio rise by 78 percent
- Successfully negotiated new debt rollovers significantly reduce interest expense

Cologne, 24 March 2021 – DIOK RealEstate AG, a company specialising in office real estate in secondary locations in Germany, demonstrated its crisis-resilience during 2020, a financial year overshadowed by the coronavirus pandemic, as it managed to increase its earnings from property management by about 78 percent, from 5.4 to 9.6 million euros. The total value of the investment properties approximated 206.3 million euros as of 31 December 2020. As a result of the property acquisitions in 2019, the financial expenses went up to 8.5 million euros despite the successful optimisation of the funding structure (year-end 2019: 5.7 million euros). The total assets of DIOK increased to c. 226.1 million euros by 31 December 2020 (year-end 2019: c. 214.9 million euros).

The value of the properties held by DIOK RealEstate AG grew by a modest 690,000 euros after a net valuation gain of 38.2 million euros during the pre-crisis year of 2019. The earnings before taxes and interest (EBIT) added up to c. 6.8 million euros (previous year: c. 40.7 million euros). The profit for the period equalled minus 1.9 million euros, after a prior-year result of c. 29.9 million euros. Having integrated the properties purchased the previous year, the company saw its cash flow from operations significantly boosted by the added rental income as it rose to c. 6.3 million euros (2019: 2.7 million euros).

Daniel L. Grosch, Member of the Management Board of Diok: "Following the brisk growth of our portfolio in 2019, the 2020 financial year was dominated by consolidation and the integration of the recently acquired assets. Particularly reassuring for us was the fact that none of our office units suffered collection losses as a result of COVID-19. Even and especially in times of crisis, our portfolio has proven resilient, once again vindicating our strategic focus on the office markets of auspicious second-tier cities that are dominated by occupiers from forward-looking industries in the areas of digitisation, communication, automation and pharmaceutical technologies, among others. In addition, we were able to close two refinancing transactions within less than twelve months, one in 2020 and the other in early 2021. This means we replaced short-term loans with long-term debts at lower interest rates, thereby reducing our annual interest expense by more than 19 percent.

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As a result, 2021 will be the first year for us to benefit from the interest savings, which we expect to amount to 1.33 million euros.”

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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 concentrates on setting up an attractive portfolio of office properties in good to excellent micro-environments of secondary 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 1 billion euros. As at the balance sheet date of 31 December 2020, the value of the real estate portfolio totalled c. 206.3 million euros. The 2018/2023 corporate bond with the ISIN DE000A2NBY22 that DIOK RealEstate AG issued in September 2018 is traded on the regulated unofficial market (Open Market) of the Frankfurt Stock Exchange.