

# Conference Call Q1 2021

27 April 2021



## Continued solid operational business development in 1<sup>st</sup> quarter of 2021

- Stable development of business in Q1 2021 despite ongoing challenging market environment
- HAMBORNER continues to benefit from risk-diversified portfolio as well as high proportion of tenants with strong financial profile
- Rental income of €21.8m at the previous year's level (Q1 2020: €21.8m), mainly pandemic-related decrease in FFO to €12.7 million (Q1 2020: €13.3m)
- As a result of successful letting activities, both WALT (6.4 years) and occupancy rate (98.3% according to EPRA) remain at consistently high levels

## Portfolio development in line with adjusted strategy

- Fair value of property portfolio as of 31 March 2021 amounts to €1,621.4m
- Successful continuation of capital recycling with acquisition of two properties in line with portfolio strategy
- Disposal of high-street retail portfolio well on track; transfer of six further properties Q1 2021
- Sale of five additional properties (incl. two high-street retail assets) at attractive terms with expected transfer in Q2 2021

## Solid financial profile

- EPRA NAV per share increased by 1.8% to €11.26 compared to year end 2020
- Financing structure remains solid with REIT equity ratio at 55.6% and LTV at 44.0% as of 31 March 2021

# Key Figures Q1 2021

Key figures	Q1 2021	Q1 2020	Change
<b>Profit and loss statement</b>			
Income from rents and leases	€21.8m	€21.8m	+0.0 %
Operating result	€7.3m	€7.1m	+3.3 %
Profit for the period	€10.4m	€3.3m	n/a
<b>Key KPIs</b>			
Funds from Operations (FFO)	€12.7m	€13.3m	-4.6 %
Funds from Operations (FFO) per share	€0.16	€0.17	-5.9 %
Key figures	31 March 2021	31 December 2020	Change
<b>Financial KPIs</b>			
REIT equity ratio	55.6 %	54.5 %	+1.1 %-points
Loan to Value (LTV)	44.0 %	44.5 %	-0.5 %-points
<b>EPRA metrics</b>			
EPRA Net Asset Value (NAV) per share	€11.26	€11.05	+1.9 %
EPRA Net Tangible Assets (NTA) per share	€11.25	€11.05	+1.8 %

# Portfolio Key Metrics as of 31 March 2021

	Retail	Office	Total Portfolio <sup>(1)</sup>	Portfolio share High-Street
Fair value	€913.1m	€708.3m	€1,621.4m	€145.2m
Number of properties	47	28	75	12
Leased area	414,791 m <sup>2</sup>	222,026 m <sup>2</sup>	636,817 m <sup>2</sup>	57,463 m <sup>2</sup>
Annualized rent	€53.3m	€34.6m	€87.9m	€9.4m
Annualized rental yield	5.8%	4.9%	5.4%	6.5%
EPRA vacancy rate	2.1%	1.0%	1.7%	6.6%
WALT	7.1 years	5.3 years	6.4 years	4.8 years
<b>Like for like development 31 March 2021 to 31 March 2020<sup>(2)</sup></b>				
Rents	-1.2%-points	+1.0%-points	-0.4%-points	-4.0%-points
EPRA vacancy rate	+0.5%-points	-0.4%-points	+0.2%-points	+1.8%-points
WALT	-0.5 years	+0.1 years	-0.3 years	+0.1 years

(1) Including four sold High-Street properties (fair value: €39.9m) and two retail properties (fair value: €36.5m) with expected/carried out transfer of ownership in Q2 2021

(2) Excluding acquisitions/disposals in 2020 and 2021



## Mainz

<b>Asset type</b>	Office
<b>Investment approach</b>	'Manage-to-core'
<b>Leased area</b>	7,700 m <sup>2</sup>
<b>Gross initial yield</b>	7.0 %
<b>WALT<sup>(1)</sup></b>	2.9 years
<b>Occupancy rate<sup>(1)</sup></b>	100 %

(1) As of 31 March 2021

(2) As of 31 December 2021

(3) Including rent guarantees

## Münster

<b>Asset type</b>	Office
<b>Investment approach</b>	'Core'
<b>Leased area</b>	6,300 m <sup>2</sup>
<b>Purchase price</b>	€23.9m
<b>Rental income</b>	€1.1m
<b>Gross initial yield</b>	4.5 %
<b>WALT<sup>(2)</sup></b>	7.5 years
<b>Occupancy rate<sup>(2)(3)</sup></b>	100 %

# Disposals 2021



**Bad Homburg  
Louisenstr. 66**



**Bad Homburg  
Louisenstr. 53-57**

<b>Selling price</b>	€11.2m	€15.9m
<b>Annual rental income</b>	€0.67m	€0.82m
<b>WALT<sup>(1)</sup></b>	6.6 years	4.3 years
<b>Transfer of possession</b>	1 April 2021	Q2 2021e



**Hamburg**



**Fürth**



**Villingen-Schwenningen<sup>(2)</sup>**

<b>Selling price</b>	€10.9m	€27.4m	€3.1m
<b>Annual rental income</b>	€0.43m	€1.72m	€0.25m
<b>WALT<sup>(1)</sup></b>	5.9 years	7.5 years	4.8 years
<b>Transfer of possession</b>	Q2 2021e	Q2 2021e	Q2 2021e

(1) As of 31 March 2021

(2) Signed in Q2 2021

# Funds from Operations (FFO)

	in k€	Q1 2021	Q1 2020	Change
①	<b>Income from rents and leases</b>	<b>21,810</b>	21,807	+0.0 %
	Income from passed on costs	3,707	3,443	+7.7 %
	Operating expenses	-5,674	-5,441	+4.3 %
	Maintenance expenses	-983	-1,150	-14.5 %
	<b>Net rental income</b>	<b>18,860</b>	<b>18,659</b>	<b>+1.1 %</b>
	Administrative expenses	-379	-383	-1.0 %
②	Personnel expenses	-1,412	-1,232	+14.6 %
	Other operating income	503	605	-16.9 %
③	Other operating expenses	-1,249	-485	n/a
	Interest expenses	-3,621	-3,846	-5.9 %
	<b>FFO</b>	<b>12,702</b>	<b>13,318</b>	<b>-4.6 %</b>
	- Capex	-297	-296	+0.3 %
	<b>AFFO</b>	<b>12,405</b>	<b>13,022</b>	<b>-4.7 %</b>
	<i>FFO per share in €<sup>(1)</sup></i>	<i>0.16</i>	<i>0.17</i>	<i>-5.9 %</i>
	<i>AFFO per share in €<sup>(1)</sup></i>	<i>0.15</i>	<i>0.16</i>	<i>-6.3 %</i>

Comments	
①	Decline in rental income due to property disposals (-€0.51m) and pandemic-related risk provisioning (-€0.44m); in turn, rental income increases by €0.97m due to property additions
②	Increase in personnel expenses mainly due to hiring of additional employees and additions to provisions for management board compensation (mainly LTI)
③	Includes pandemic-related impairment of receivables in the amount of €0.9m

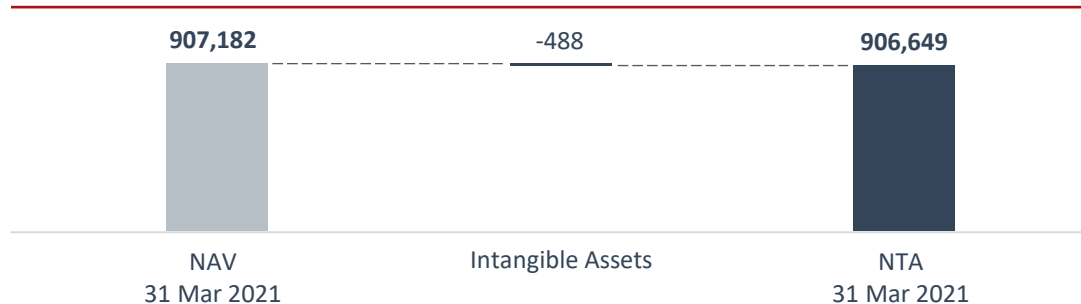
(1) Based on number of shares at the end of the respective reporting period

# EPRA Net Asset Value (NAV) & Net Tangible Assets (NTA)

in k€	31 Mar 2021	31 Dec 2020
1 Long-term assets	1,160,523	1,200,826
2 Short-term assets	152,542	64,958
3 Non-current liabilities and provisions	-727,718	-685,431
Current liabilities	-99,938	-105,598
<b>Balance sheet NAV</b>	<b>485,409</b>	<b>474,755</b>
1 + Hidden reserves investment property	395,878	397,114
+ Hidden reserves assets held for sale	25,895	18,852
<b>Net Asset Value (NAV)</b>	<b>907,182</b>	<b>890,721</b>
<b>NAV per share in €</b>	<b>11.26</b>	<b>11.05</b>
Intangible Assets	-488	-499
4 <b>Net Tangible Assets (NTA)</b>	<b>906,649</b>	<b>890,222</b>
<b>NTA per share in €</b>	<b>11.25</b>	<b>11.05</b>

Comments
1 Decrease in long-term assets (incl. hidden reserves) mainly related to property disposals
2 Increase in short-term assets mainly related to higher liquidity position and reclassification of properties as held for sale
3 Non-current liabilities and provisions increase due to additional financing related to newly acquired assets
4 EPRA Net Tangible Assets ('NTA') <ul style="list-style-type: none"> <li>▪ Focused on the value of the tangible assets</li> <li>▪ Assumption that real estate companies buy and sell properties</li> <li>▪ Intangible assets and fair value of derivatives to be adjusted</li> </ul>

## NAV to NTA reconciliation (k€)





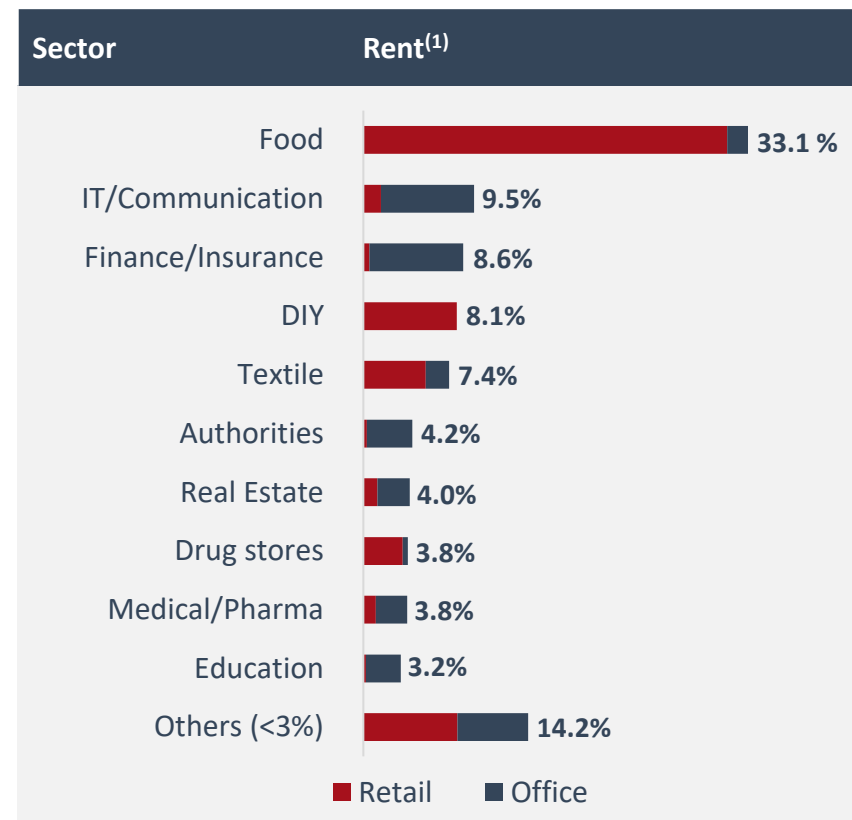
# Tenant base

## Top-10 tenants (as of 31 March 2021)

Tenant	Sector	Rent <sup>(1)</sup>
EDEKA	Food retail	11.7 %
Kaufland	Food retail	5.5 %
REWE	Food retail	5.3 %
Real	Food retail	5.3 %
OBI	DIY	4.9 %
Jobcenter	Agency of unemployment	3.2 %
Barmer	Insurance	2.3 %
NetCologne	IT/Communication	2.1 %
Globus	DIY	1.9 %
ALDI	Food retail	1.6 %
<b>Total</b>		<b>43.8 %</b>

(1) % of annualized rents (including rent guarantees)

## Sector distribution (as of 31 March 2021)



**HAMBORNER continues to benefit from high share of tenants with strong financial profiles and operations largely unaffected by Covid-19 related restrictions (especially food-anchored retail with approx. 33%)**

# Lease Contracts

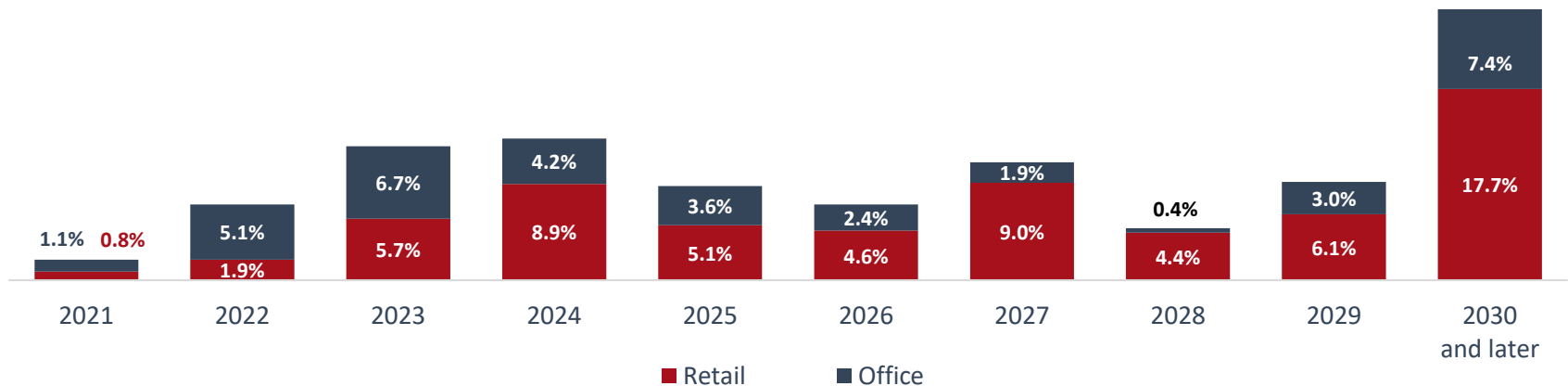
**Weighted average lease expiry** (as of 31 March 2021)



**Letting result** (Q1 2021; in m<sup>2</sup>)



**Lease expiry schedule** (as of 31 March 2021; % of annual rents)

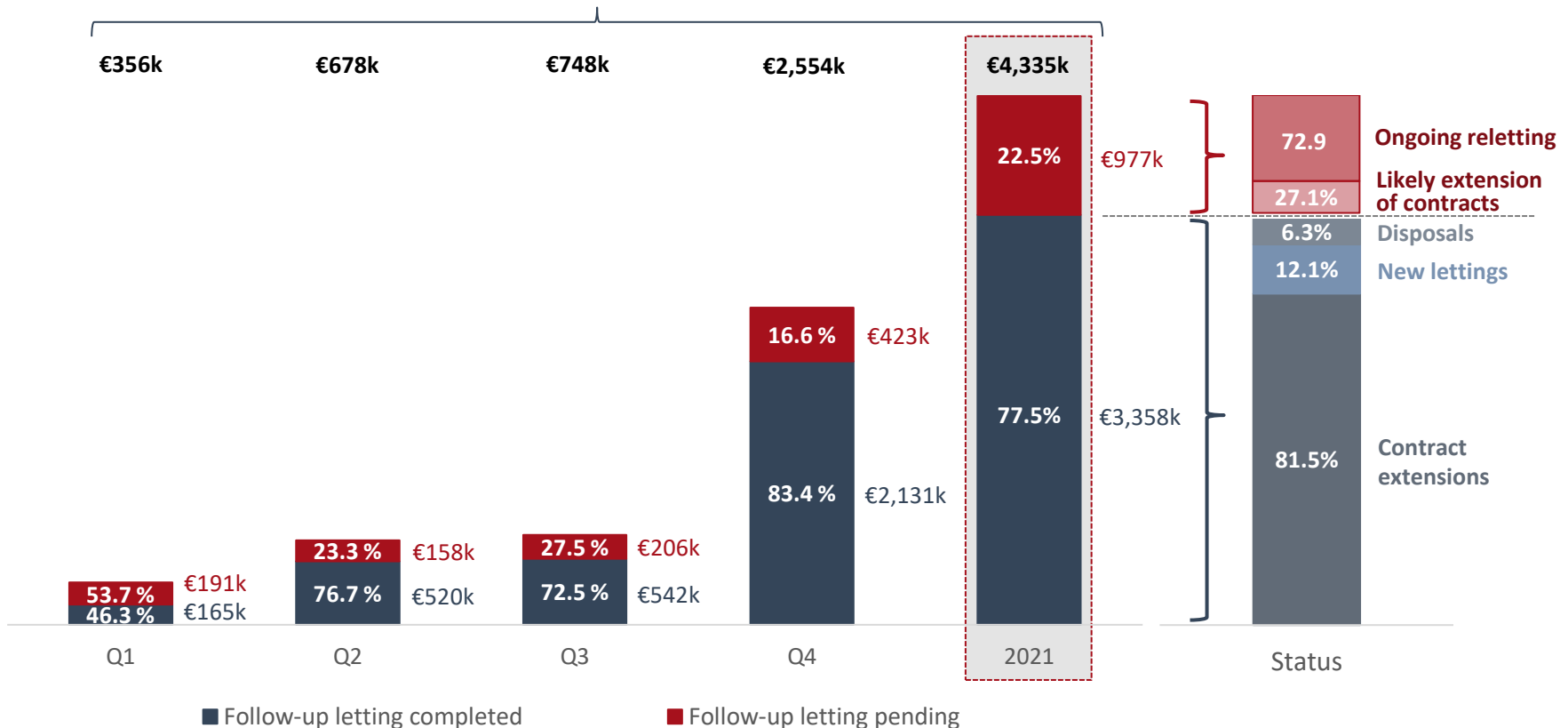


**Total WALT remains at comfortable level of 6.4 years. Strong letting management of HAMBORNER addressing upcoming lease expiries at early stage.**

# Letting Activities Q1 2021

## Letting schedule 2021: Overview of expiring rental volume and follow-up lettings (as of 31 March 2021)

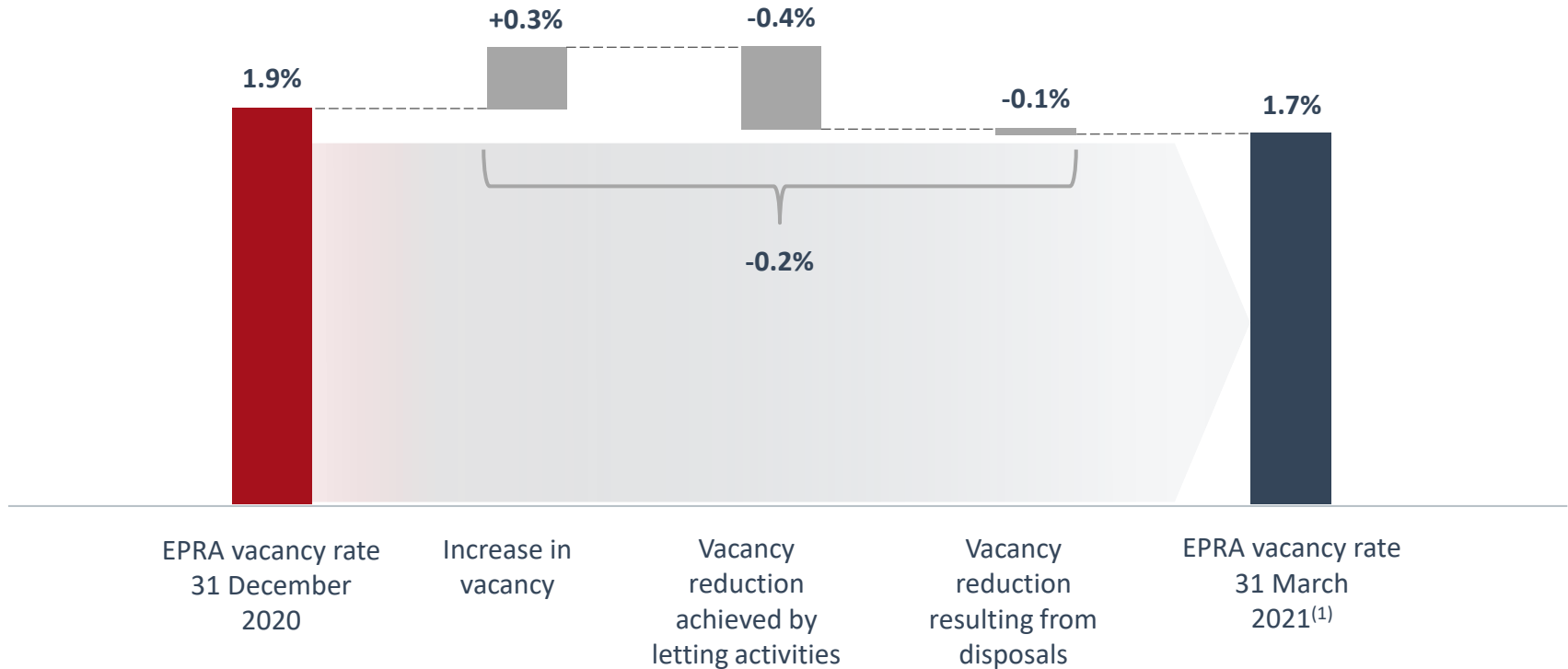
### Expiring rental volume



- A rental volume of €4.3m expiring in 2021 is offset by new leases and lease extensions already concluded with a total volume of €3.4m – this corresponds to a strong follow-up letting completion of 77.5%
- At 81.5%, the tenant retention rate remains at a consistently high level

# EPRA vacancy rate Q1 2021

## Reconciliation of EPRA vacancy rate development (as of 31 March 2021)

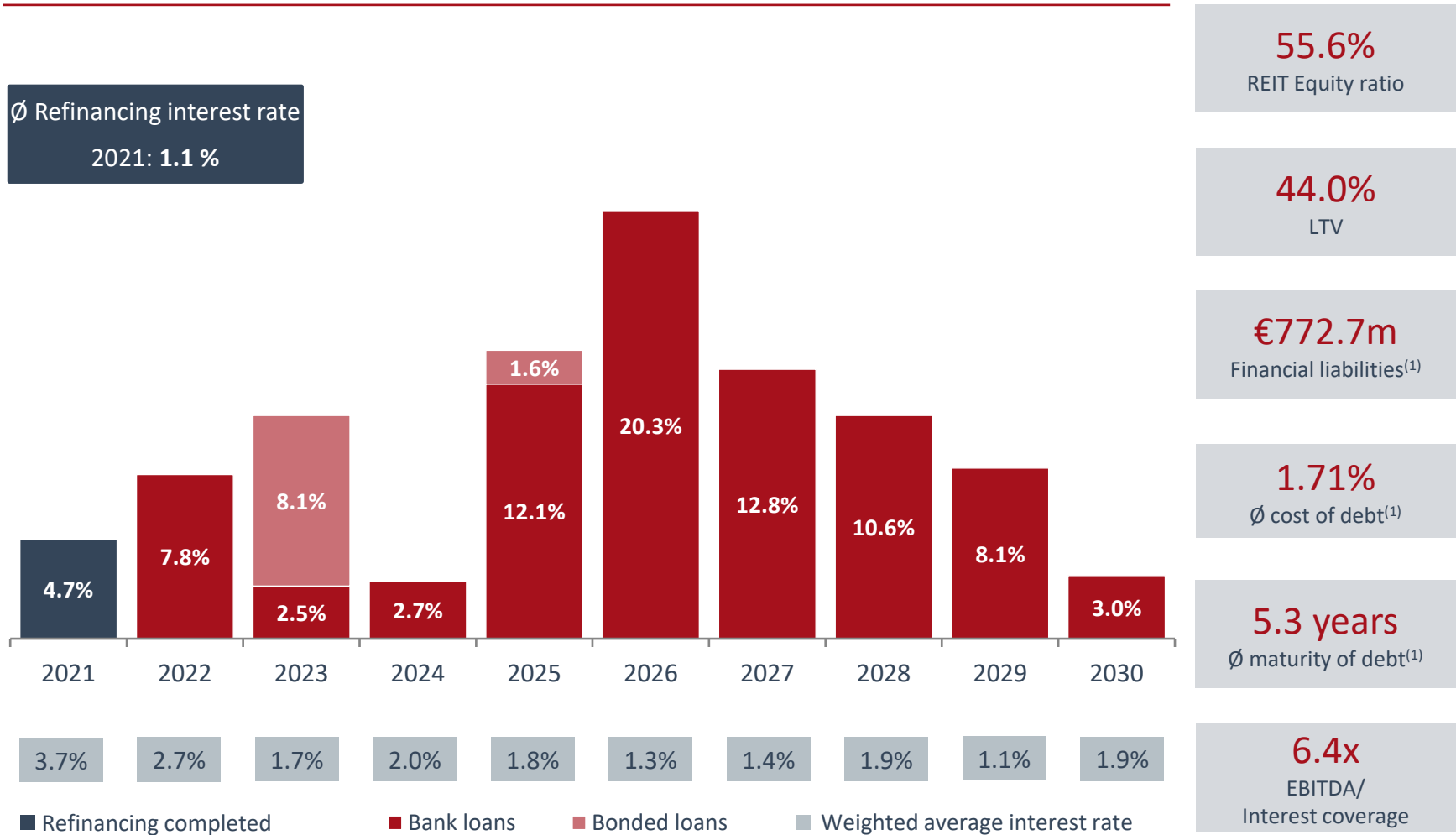


**Further vacancy reduction to 1.7% as of 31 March 2021 mainly driven by strong letting management**

(1) Based on Estimated Market Rental Value (ERV) as of 31 March 2021

# Financial situation

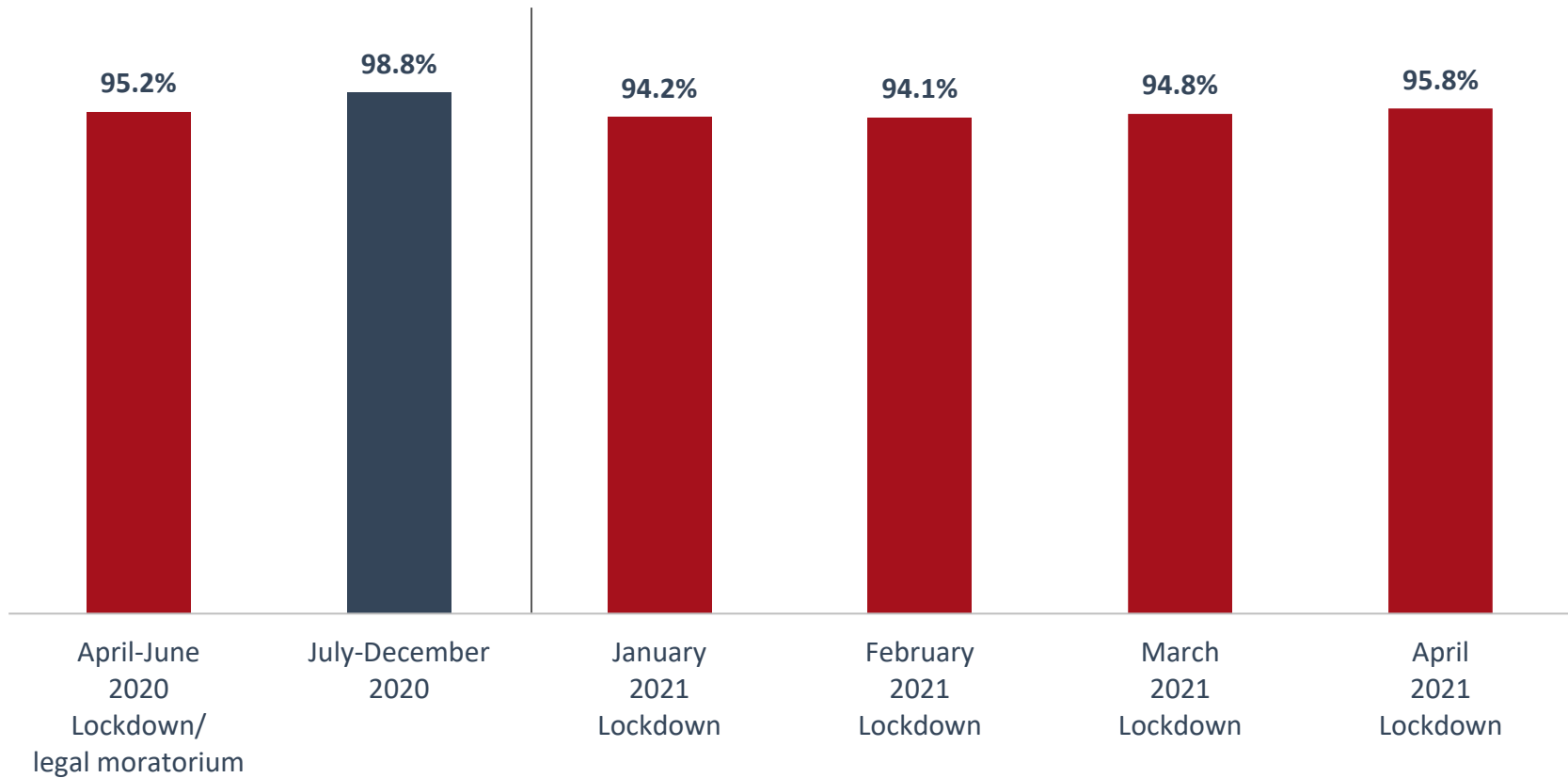
## Expiration of financial liabilities (as of 31 March 2021)



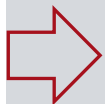
(1) As of 31 March 2020 (incl. loans concluded but not yet utilized)

# Corona Update

## Rent collection rates<sup>(1)</sup> (as of 22 April 2021)



(1) Incl. incidental rental costs and VAT



- **Despite challenging market conditions, high rent collection rates in H2 2020**
- **Moderate decline during current lockdown with average collection rate of 94.7%**

# Guidance and outlook

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## Dividend

- Maintaining reliable and attractive dividend policy
- Dividend proposal for FY 2020 of €0.47 per share
- Intended offer of scrip dividend

## Guidance 2021

- Rental income: **€82 - 86m**
- FFO: **€45 - 50m**
- NAV expected to reach previous year's level
- Forecast allows for uncertainties essentially stemming from special effects anticipated in 2021
  - Potential Covid-19 implications on revenue and earnings
  - Temporary declines in rental income as a result of ongoing portfolio optimization combined with possible earnings effects due to non-recurring expenses to pay-off loans
  - Potential one-off cost effects in connection with expected re-letting of retail space currently used by the tenant Real

## Operational outlook

- Based on the existing portfolio and tenant structure, HAMBORNER expects a stable business development for 2021
- Further extension and optimization of retail and office portfolio

## HAMBORNER REIT AG – Financial Calendar 2021/2022

<b>Annual General Meeting 2021</b>	29 April 2021
<b>Half-year financial report H1 2021</b>	29 July 2021
<b>Interim statement Q3 2021</b>	9 November 2021
<b>Preliminary figures 2021</b>	8 February 2022
<b>Annual report 2021</b>	17 March 2022
<b>Quarterly financial statement Q1 2022</b>	26 April 2022
<b>Annual General Meeting 2022</b>	28 April 2022





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