

Conference Call Annual results 2020

22 March 2021

Solid operational business development

- High stability of business model setting the stage for further growth in revenues and earnings
- Despite a challenging economic environment, targets for revenue (+3.6%) and FFO (+2.4%) achieved or even outperformed
- Execution of value enhancing investments with total volume of approx. €101m
- Portfolio optimization ongoing; disposal of high-street assets well on track
- Strong letting result of 102,000m² with retention rate of 84%

Update on Covid-19 pandemic

- Persistently high and stable cash collection rates despite global Covid-19 impacts – HAMBORNER benefitting from risk-diversified portfolio and strong tenant base
- EPRA vacancy rate consistently low 1.9% in 2020
- Rent waivers and deferrals on comparably low levels

Outlook 2021

- Resilient asset and tenant structure allows HAMBORNER to remain well positioned irrespective of difficult market conditions
- Portfolio optimization to be further executed
- Forecast 2021: rental income €82-86m | FFO €45-50m
- Dividend proposal of €0.47 per share

Key Figures as of 31 December 2020

Key figures	2020	2019	Change
Profit and loss statement			
Income from rents and leases	€88.2m	€85.2m	+3.6%
<i>Change of rents (like for like)</i>	-0.6%	-0.1%	
Operating result	€-0.9m	€33.3m	n/a
Profit for the period	€-9.3m	€17.9m	n/a
Key KPIs			
Funds from Operations (FFO)	€55.6m	€54.3m	+2.4%
Funds from Operations (FFO) per share	€0.69	€0.68	+1.5%
Financial KPIs			
REIT equity ratio	54.5%	57.3%	-2.8%-points
Loan to Value (LTV)	44.5%	42.4%	+2.1%-points
EPRA metrics			
EPRA Net Asset Value (NAV) per share	€11.05	€11.59	-4.7%
EPRA Net Tangible Assets (NTA) per share	€11.05	€11.59	-4.7%

Portfolio key metrics as of 31 December 2020

	Retail	Office	Total Portfolio	Portfolio share High-Street
Fair value	€939.8m	€685.0m	€1,624.8m	€170.8m
Number of properties	54	26	80	18 ⁽¹⁾
Leased area	433,400m ²	207,800m ²	641,200m²	69,500m ²
Annualized rent	€55.8m	€32.9m	€88.7m	€11.8m
Annualized rental yield	5.9%	4.8%	5.5%	6.9%
EPRA vacancy rate	2.2%	1.3%	1.9%	6.1%
WALT	7.1 years	5.0 years	6.3 years	4.5 years
Like for like development from 31 December 2020 to 31 December 2019⁽²⁾				
Rents	-1.4%-points	+0.9%-points	-0.6%-points	-0.9%-points
EPRA vacancy rate	+0.6%-points	+0.8%-points	+0.6%-points	+2.3%-points
WALT	-0.4 years	-0.3 years	-0.4 years	+0.3 years

(1) Including signed purchase agreements for 10 properties with transfer of ownership in Q1/Q2 2021. Further details please refer to page 6

(2) Excluding acquisitions/disposals in 2019 and 2020



**Neu-Isenburg
Siemensstraße**



**Bonn
Soenneckenstraße**



**Aachen
Gut-Dämme-Straße**



**Dietzenbach
Masayaplatz**

Asset type	Office	Office	Office	Retail
Year of construction	2019	2019/2020	2019/2020	2011
Main tenants	UBL, Köster	Barmer, Bonnfinanz	Barmer, AOK	tegut, LIDL, dm
Leased area	4,500 m ²	6,200 m ²	8,200 m ²	4,800 m ²
Remaining lease term⁽¹⁾	9.0 years	11.3 years	10.5 years	5.9 years
Annual rental income	€0.9m	€1.4m	€2.0m	€0.8m
Purchase price	€16.3m	€27.0m	€37.4m	€13.7m
Gross initial yield	5.5%	5.3%	5.3%	5.6%
Total acquisition costs⁽²⁾	€17.9m	€28.8m	€39.9m	€14.9m
Net initial yield	5.0%	4.9%	4.9%	5.1%
Transfer of possession	1 January 2020	14 February 2020	1 June 2020	22 December 2020

(1) as of 31 December 2020
(2) incl. incidental acquisition costs

Disposals 2020 & Q1 2021

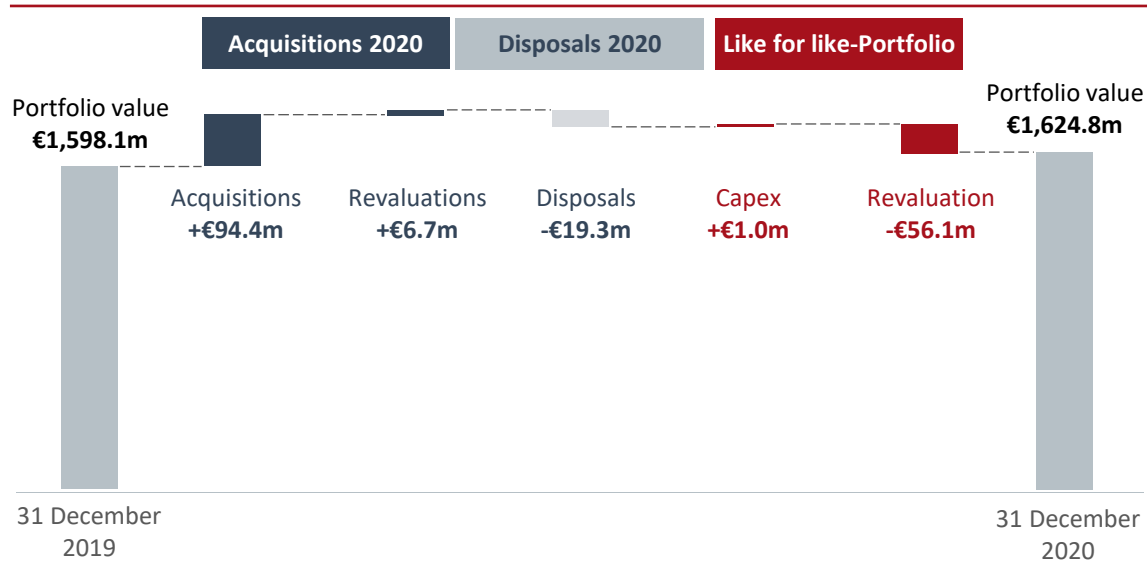


	2020	Q1 2021
Number of properties	11	2
Asset type	High-Street	High-Street
Selling price	€59.1m	€27.1m
Contribution to earnings	€23.8m	€7.4m
Annual rental income	€3.9m	€1.4m
Ø Remaining lease term ⁽¹⁾	2.6 years	5.2 years
Transfer of possession	Q3 2020 – Q1 2021	Q2 2021

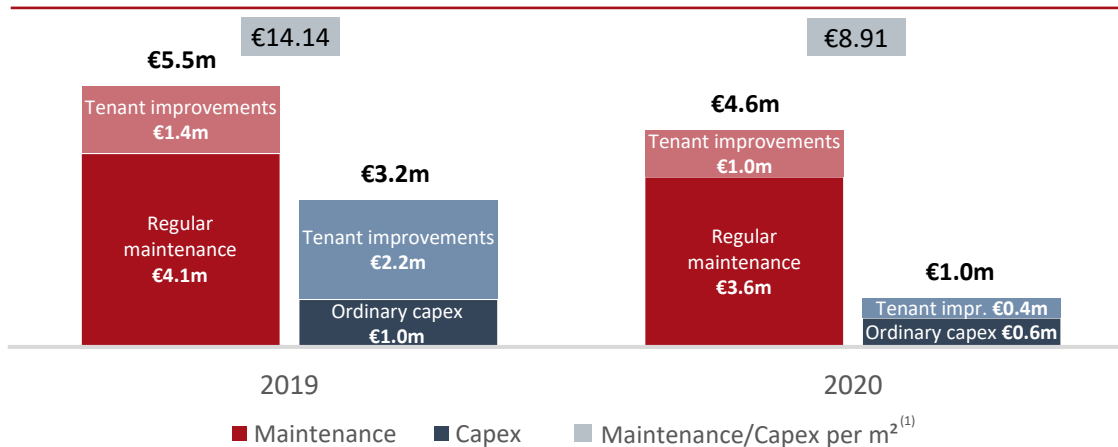
(1) As of 31 December 2020

Portfolio development

Portfolio development 2020 (€m)



Maintenance & Capex



Comments

- Main driver for growth in property value is the acquisition of four properties with a total net purchase price of €94.4m
- Negative revaluation mainly resulting from Covid-19 impacts; especially related to high-street retail portfolio as well as selected retail centers
- Decrease in maintenance expenses and capex due to Covid-19-related postponement of selected measures – catch-up effects expected for 2021

(1) Based on total average portfolio area

Lease Contracts

Weighted average lease expiry

(as of 31 December 2020; in years)

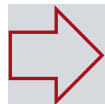
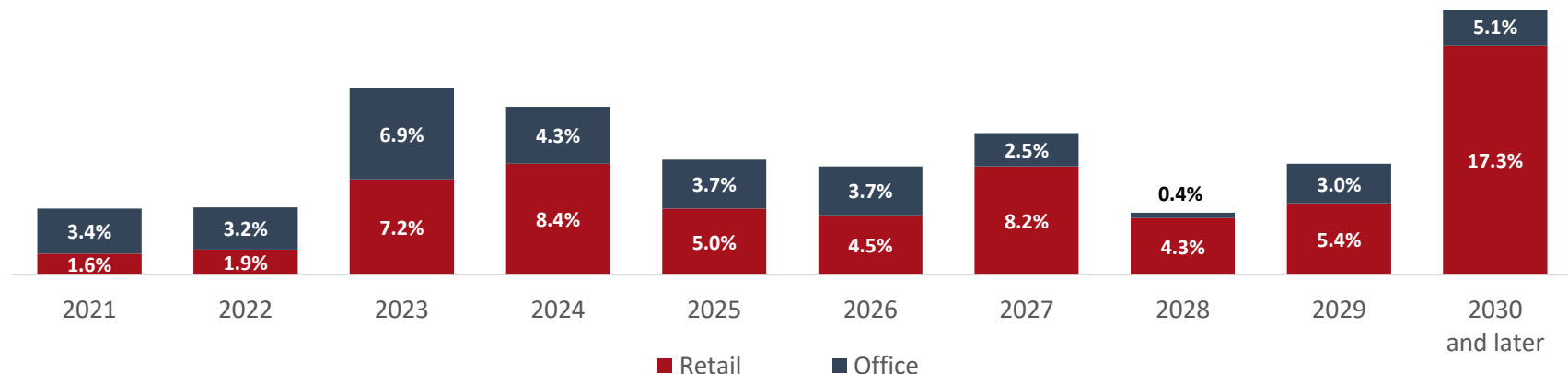


Letting result

(Financial year 2020; in m²)



Lease expiry schedule (as of 31 December 2020; % of annual rents)



Total WALT remains at comfortable level of 6.3 years. Limited amount of upcoming lease expiries will be covered by HAMBORNER's strong letting management.

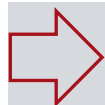
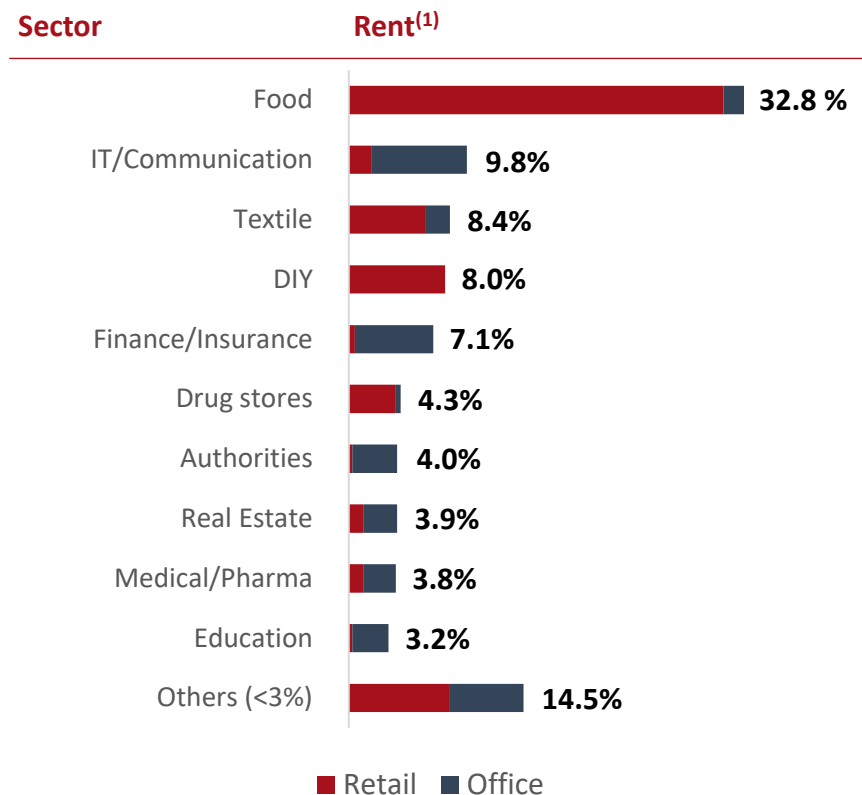
Tenant base

Top-10 tenants (as of 31 December 2020)

Tenant	Sector	Rent ⁽¹⁾
EDEKA	Food retail	11.6%
Kaufland	Food retail	5.4%
REWE	Food retail	5.3%
Real	Food retail	5.2%
OBI	DIY store	4.9%
Jobcenter	Agency of unemployment	3.1%
Barmer	Insurance	2.3%
NetCologne	IT/Communication	2.0%
Globus	DIY store	1.9%
ALDI	Food retail	1.5%
Summe		43.2%

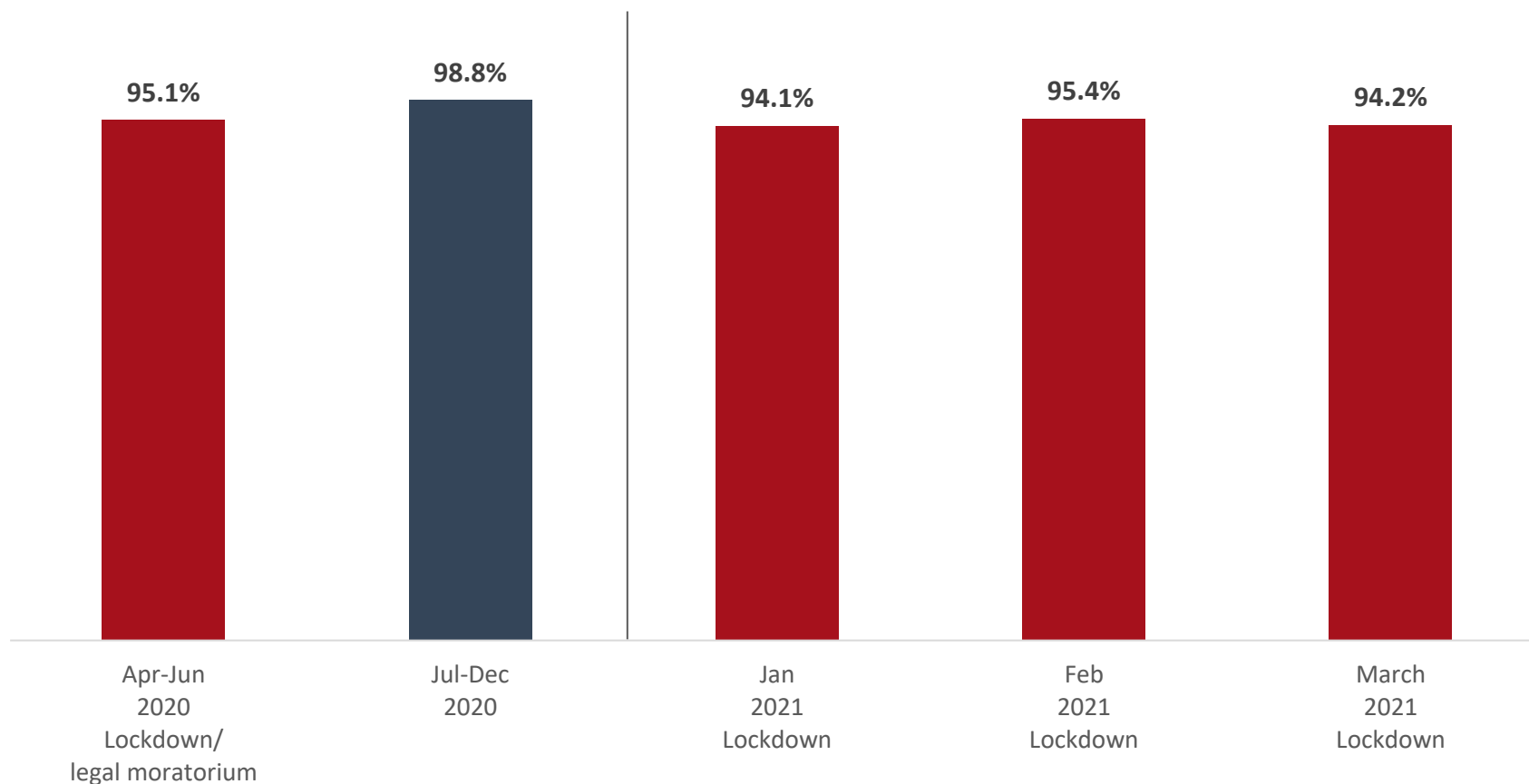
(1) % of annualized rents (incl. rent guarantees)

Sector distribution (as of 31 December 2020)

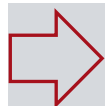


HAMBORNER continues to benefit from high share of tenants with strong financial profiles and operations unaffected by Covid-19 related restrictions (especially food-anchored retail/approx. 33%)

Rent collection rates⁽¹⁾ (as of 19 March 2021)



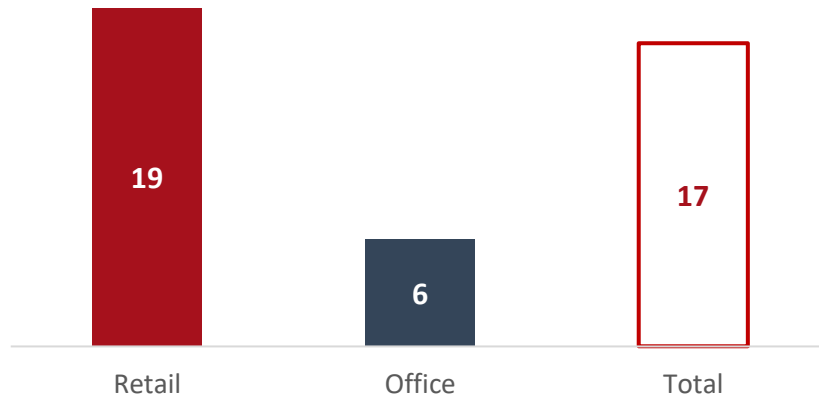
(1) Incl. incidental rental costs and VAT



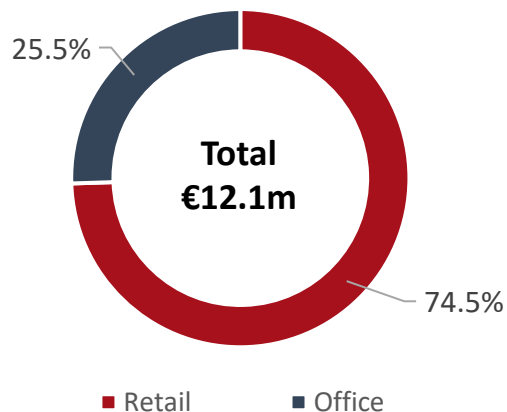
- **Despite challenging market conditions, high rent collection rates in H2 2020**
- **Moderate decline during current lockdown with collection rates constantly remaining >90%**

Corona Update

Average lease extension (in months)⁽¹⁾⁽²⁾



Additional rental income from contract extensions⁽¹⁾⁽²⁾



Comments

- Limited rent deferrals of **€0.4m⁽¹⁾** (**0.4%** of annualized rents) and reductions/waivers of **€0.7m⁽¹⁾** (**0.8%** of annualized rents)
- HAMBORNER's active asset management resulting in successful extensions of lease agreements
- Early prolongation of rental contracts (Ø lease prolongation: **17 months**)
- Corresponding to **€12.1m** of additional rental income from contract extensions

(1) Resulting from negotiations of rent deferrals and reductions (waivers)

(2) Weighted on rental income

Funds from Operations (FFO)

In T€	2020	2019	Change
① Income from rents and leases	88,193	85,165	+3.6%
Income from passed on costs	14,145	14,140	+0.0%
Operating expenses	-18,605	-17,419	+6.8%
④ Maintenance expenses	-4,636	-5,531	-16.2%
Net rental income	79,097	76,355	+3.6%
Administrative expenses	-1,477	-1,408	-4.9%
② Personnel expenses	-5,417	-4,968	+9.0%
Other operating income	1,742	1,374	+26.8%
③ Other operating expenses	-2,893	-1,503	+92.5%
Interest expenses	-15,443	-15,542	-0.6%
FFO	55,609	54,308	+2.4%
④ - Capex	-982	-3,225	-69.6%
AFFO	54,627	51,083	+6.9%
FFO per share in €⁽¹⁾	0.69	0.68	+1.5%
AFFO per share in €⁽¹⁾	0.68	0.64	+6.3%

Comments
① Increase primarily attributable to new acquisitions and rent increases
② Personnel expenses up 9.0% compared to 2019; primarily related to management changes and additional employees
③ Mainly includes impairments of accounts receivables (€1.6m), of which €1.3m due to Covid-19 effects
④ Decline in capex and maintenance due to Covid-19-related postponement of selected measures

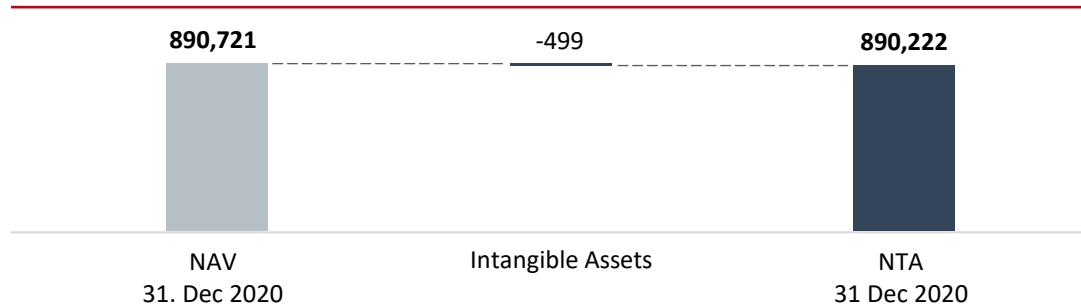
(1) Based on the number of shares at the end of the respective reporting period

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

In T€	31.12.2020	31.12.2019
1 Long-term assets	1,200,826	1,223,990
2 Short-term assets	+64,958	+10,687
3 Non-current liabilities and provisions	-685,431	-638,662
Current liabilities	-105,598	-81,343
Balance sheet NAV	474,755	514,672
1 + Hidden reserves investment property	397,114	409,628
+ Hidden reserves assets held for sale	18,852	0
Net Asset Value (NAV)	890,721	924,300
NAV per share in €	11.05	11.59
Intangible Assets	-499	-574
4 Net Tangible Assets (NTA)	890,222	923,726
NTA per share in €	11.05	11.59

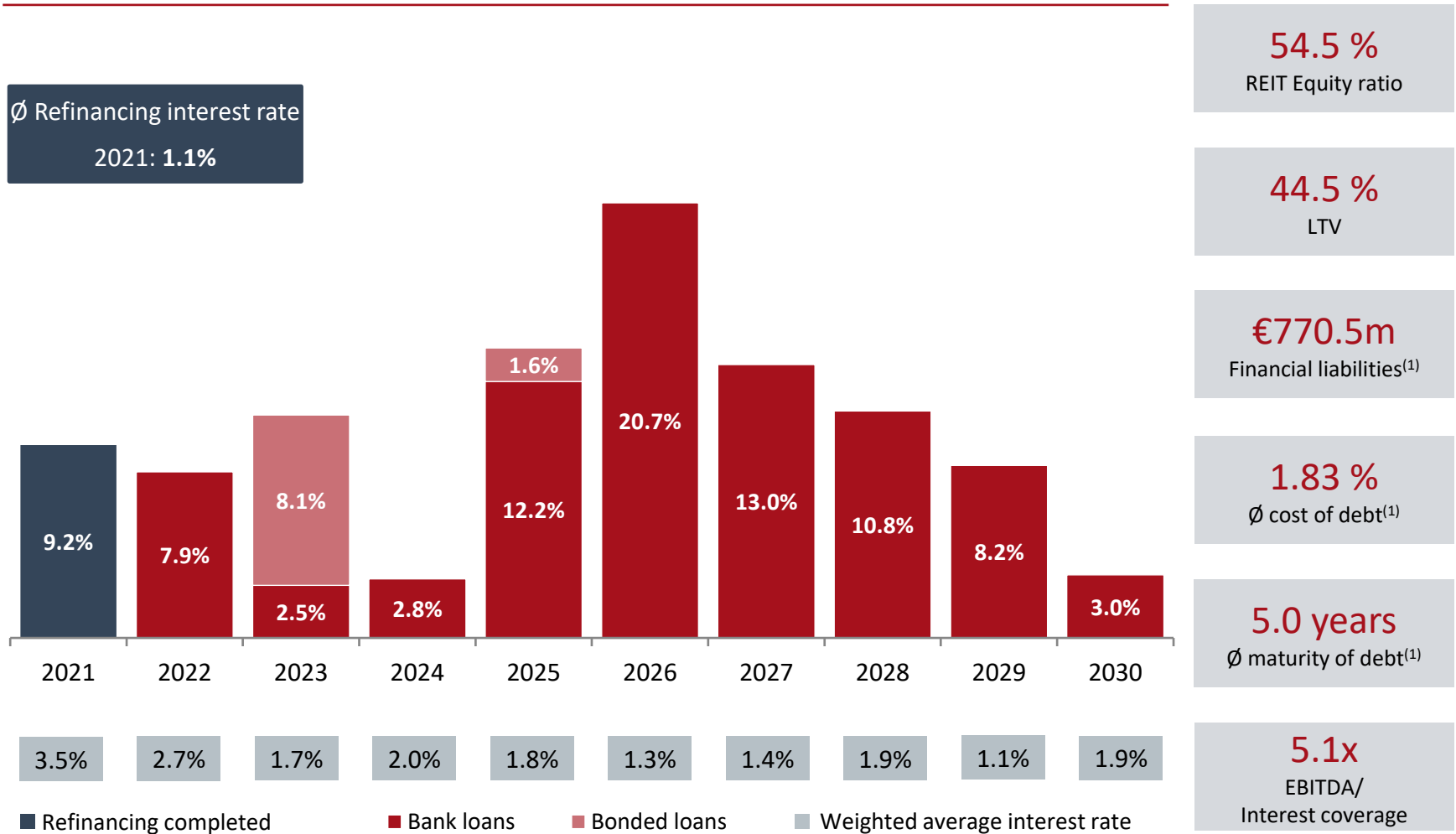
Comments
1 Decrease in long-term assets (incl. hidden reserves) mainly related to – like for like – negative revaluation adjustments of €55.1m (3.5%)
2 Increase in short-term assets mainly related to higher liquidity position and reclassification of properties held for sale
3 Non-current liabilities and provisions increase due to additional financing related to newly acquired assets
4 EPRA Net Tangible Assets ('NTA') <ul style="list-style-type: none"> ▪ Focused on the value of the tangible assets ▪ Assumption that real estate companies buy and sell properties ▪ Intangible assets and fair value of derivatives to be adjusted

NAV to NTA reconciliation (T€)



Financial situation

Expiration of financial liabilities (as of 31 December 2020)



(1) as of 31 December 2020 (incl. loans concluded but not yet utilized)

Guidance and outlook

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

Annual report 2020	22 March 2021
Interim statement Q1 2021	27 April 2021
Annual General Meeting 2021	29 April 2021
Half-year financial report H1 2021	29 July 2021
Interim statement Q3 2021	9 November 2021



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