

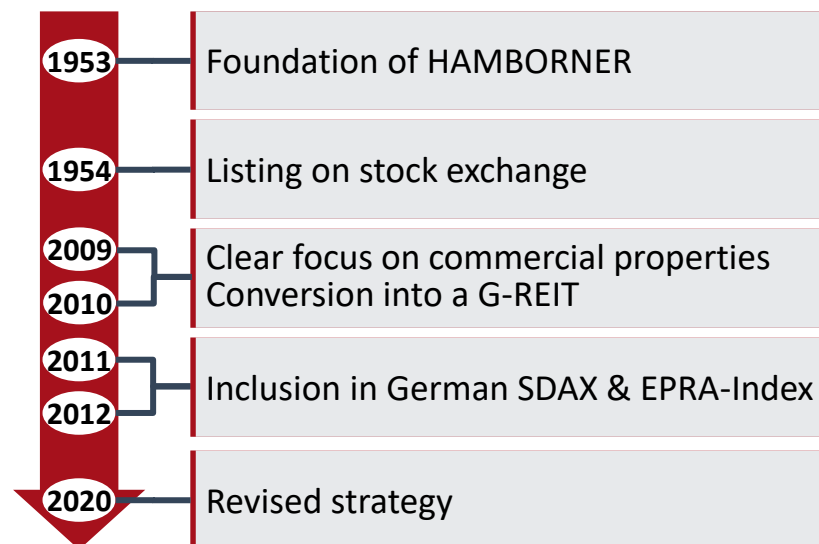
Company presentation

August 2020

- 1. HAMBORNER at a glance**
- 2. Portfolio overview**
- 3. Asset Management**
- 4. Financials**
- 5. Strategy update**
- 6. Appendix**

History and company profile

History



Company profile

- Public commercial property company
- Profitable and diversified German-wide property portfolio
- “Two-pillar” portfolio structure with focus on retail and office properties
- Sustainable operative profitability with stable and predictable cash flow
- Lean and efficient corporate structure
- Strong internal asset and property management
- Sustainable and attractive dividend policy

Portfolio data (as of 30 June 2020)

Portfolio volume	€ 1,631m
Number of assets	82
WALT	6.4 years
Occupancy rate	98.2%

Key financials (as of 30 June 2020)

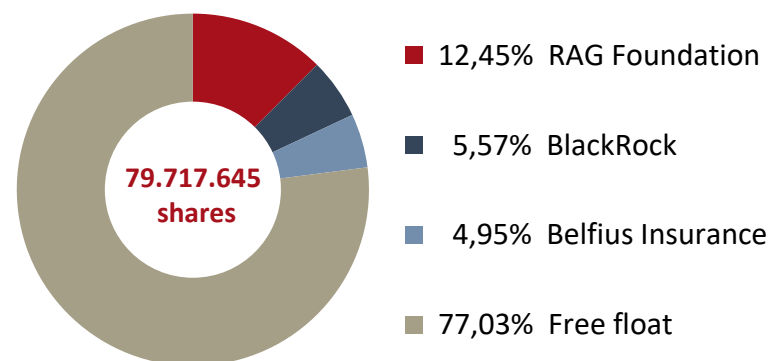
REIT equity ratio	54.7%
LTV	43.1%
NAY per share	€ 11.27
FFO yield	7.8%

The HAMBORNER share

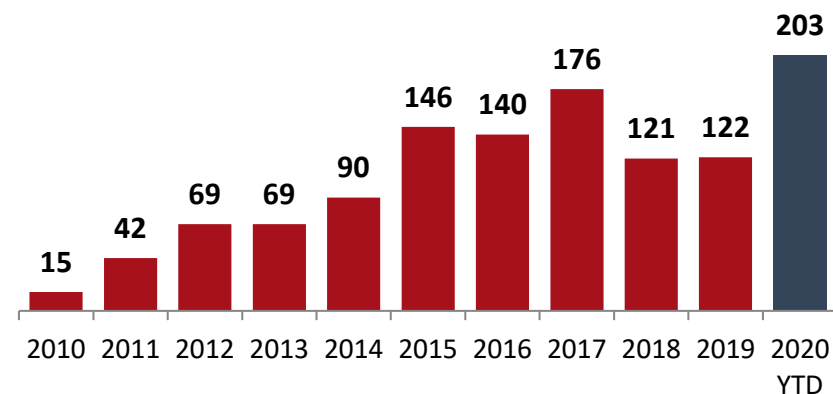
The HAMBORNER share

Current share price	€ 8.69 as of 05/08/2020
Market capitalization	€ 693m
WKN / ISIN	601300 / DE0006013006
Ticker symbol	HAB
Class of shares	Bearer shares
Exchange segment	Prime Standard
Indices	SDAX, EPRA, RX REIT

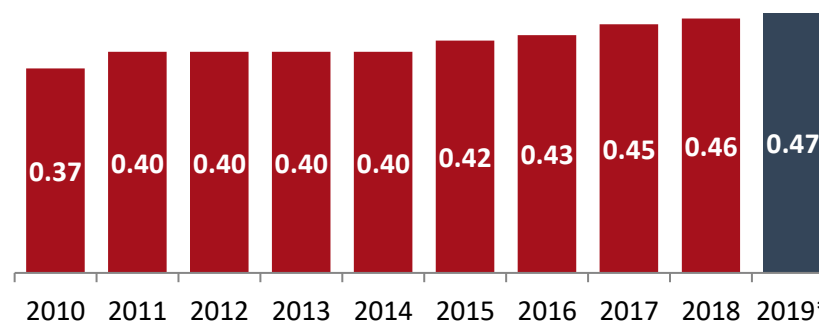
Shareholder structure



Trading volume (Ø number of shares per day in thousand)

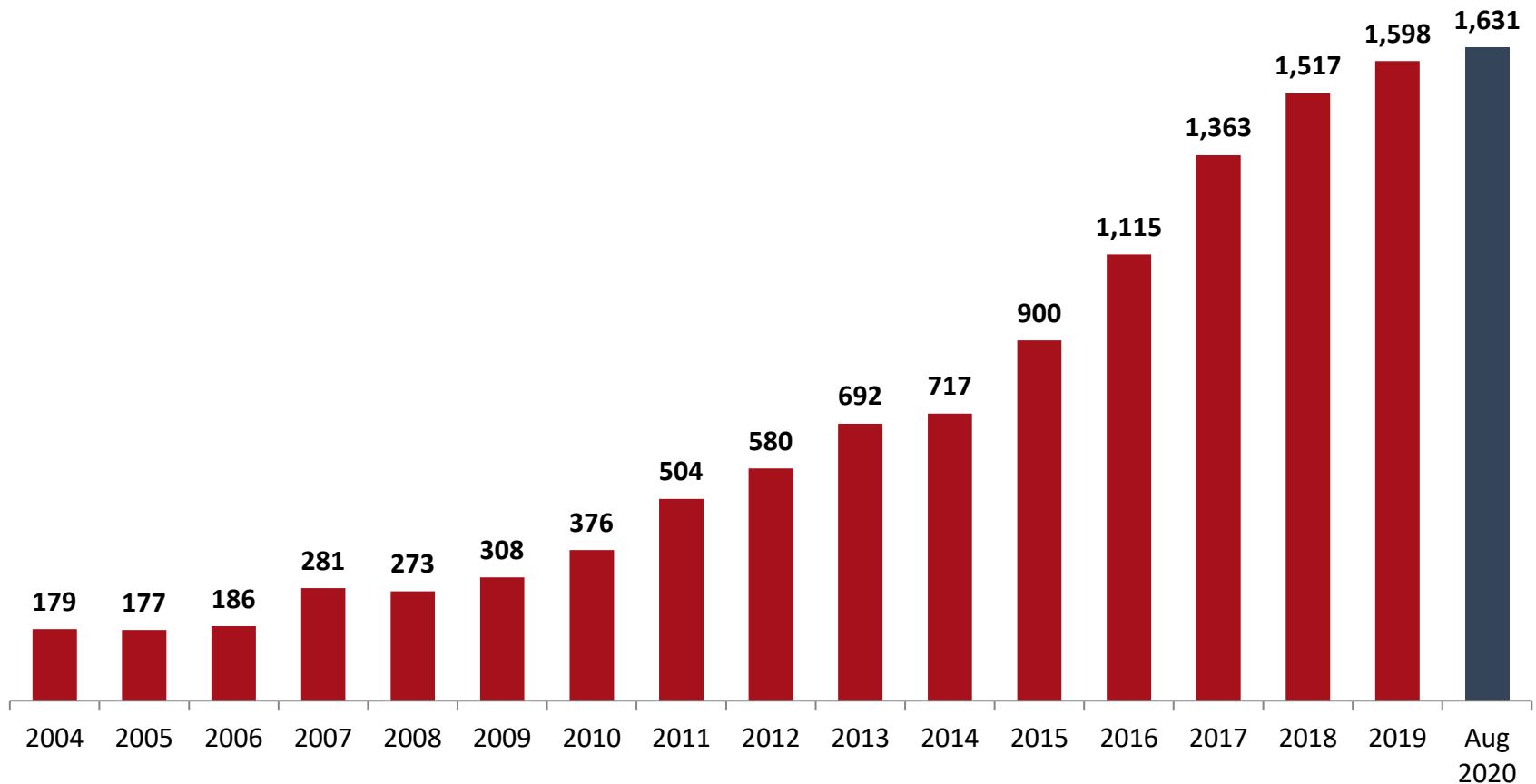


Dividend per share (€)



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Development of the HAMBORNER portfolio value (€ million)



HAMBORNER with steady growth track record



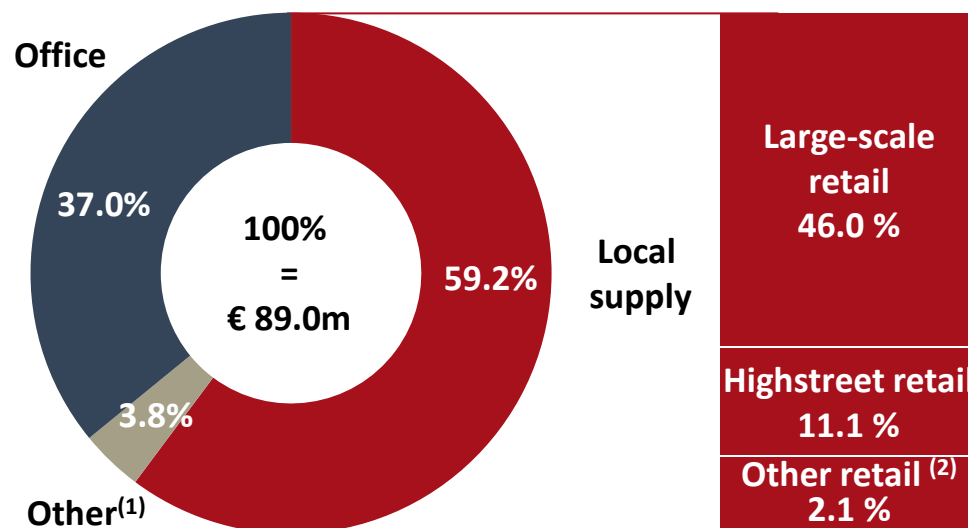
82 Properties

60 Cities

€ 1,631m

Portfolio value

Annualised rental income



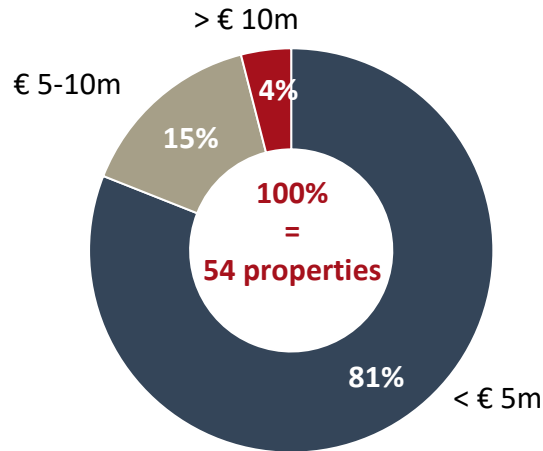
(1) Residential units, restaurants/catering, fitness, storage spaces, parking spaces, short-term leases

(2) Smaller retail spaces < 1,200 m² in mixed-used assets

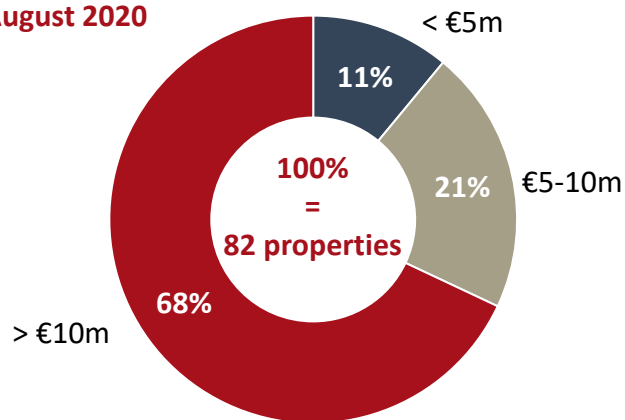
Portfolio structure

Portfolio split by property value

31 December 2006

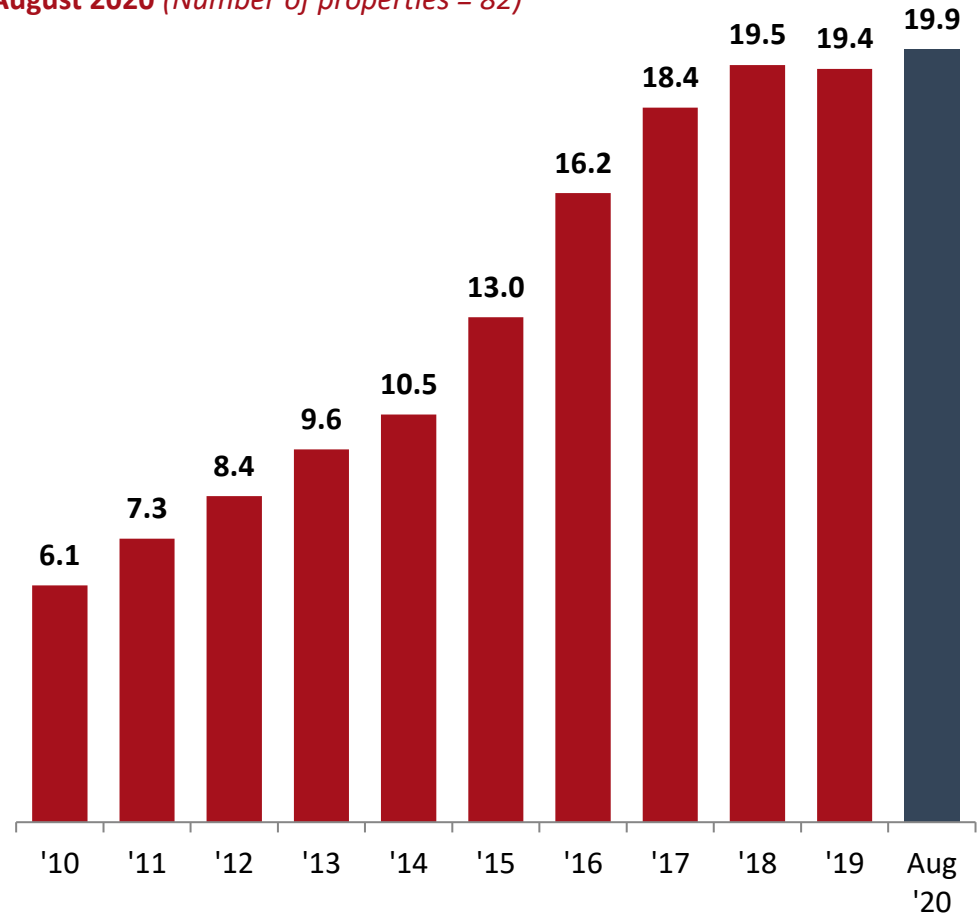


August 2020



Average value per asset (€ million)

August 2020 (Number of properties = 82)



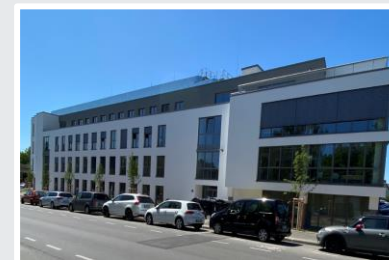
HAMBORNER portfolio with average property value of approx. €20m enabling a cost-efficient (overhead cost margin: approx. 7%) portfolio- and object management



Neu-Isenburg
Siemensstrasse



Bonn
Soenneckenstrasse



Aachen
Gut-Dämme-Strasse

Asset type	Office	Office	Office
Year of construction	2019	2019/2020	2019/2020
Main tenants	UBL, Köster	Barmer, Bonnfinanz	Barmer
Leased area	4,500 m ²	6,200 m ²	8,200 m ²
Remaining lease term	5.8 years ⁽¹⁾	11.8 years ⁽¹⁾	11.2 years ⁽¹⁾
Annual rental income	€ 0.9m	€ 1.4m	€ 1.9m
Gross initial yield	5.5%	5.3%	5.1%
Total acquisition costs	€ 16.5m ⁽²⁾	€ 27.6m ⁽²⁾	€ 39.9m
Yield on cost	5.4%	5.0%	4.8%
Transfer of possession	1 January 2020	14 February 2020	1 June 2020

(1) As of March 2020 (2) incl. incidental acquisition costs



Osnabrück

Asset type:	High Street Retail
Selling price:	€5.9 million
WALT:	1.8 years
Annual rental income:	€0.3 million
Book value ⁽¹⁾ :	€3.1 million
Transfer of possession:	Q3/Q4 2020e

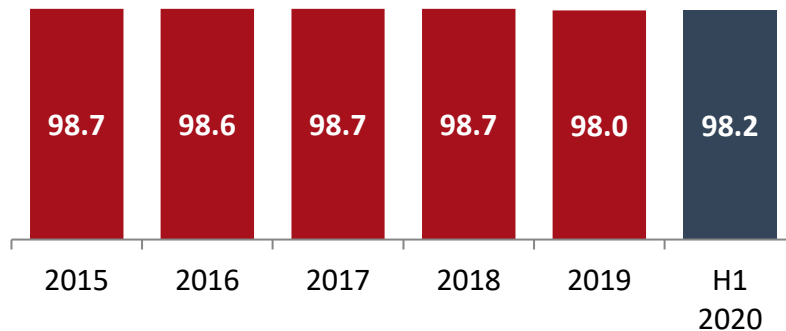


Disposal of High Street Retail asset in line with HAMBORNER portfolio strategy

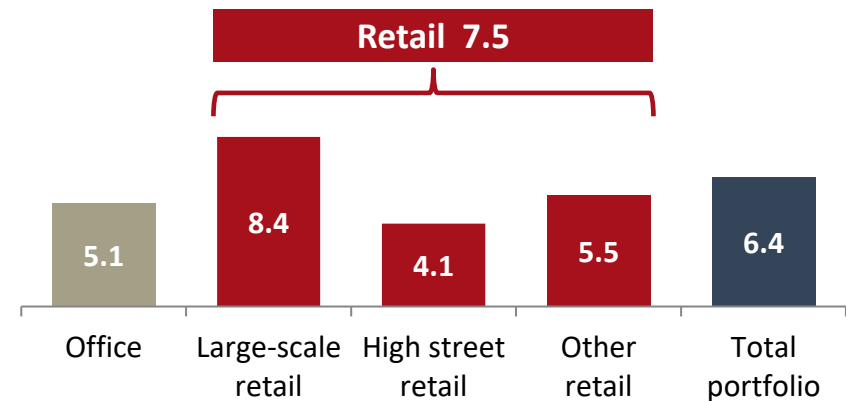
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Rental situation and lease contracts

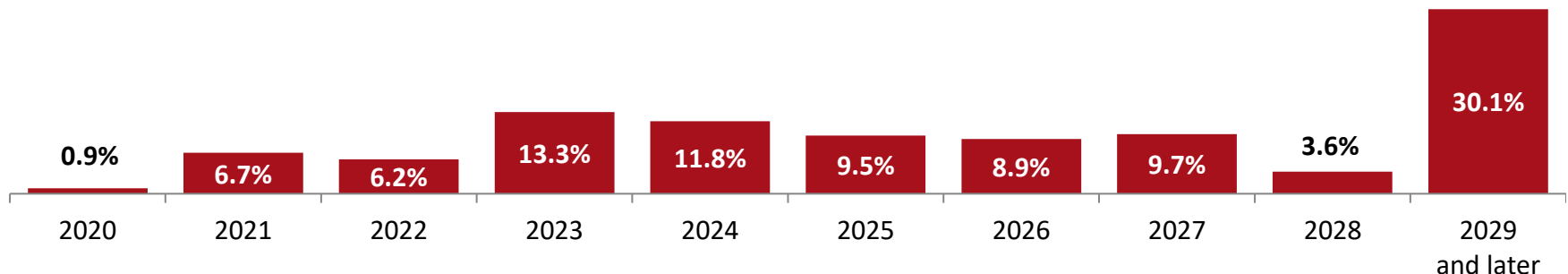
Occupancy rates (in %)



Weighted average lease expiry (as of 30 June 2020; in years)



Lease expiry schedule (as of 30 June 2020; % of annual rents)

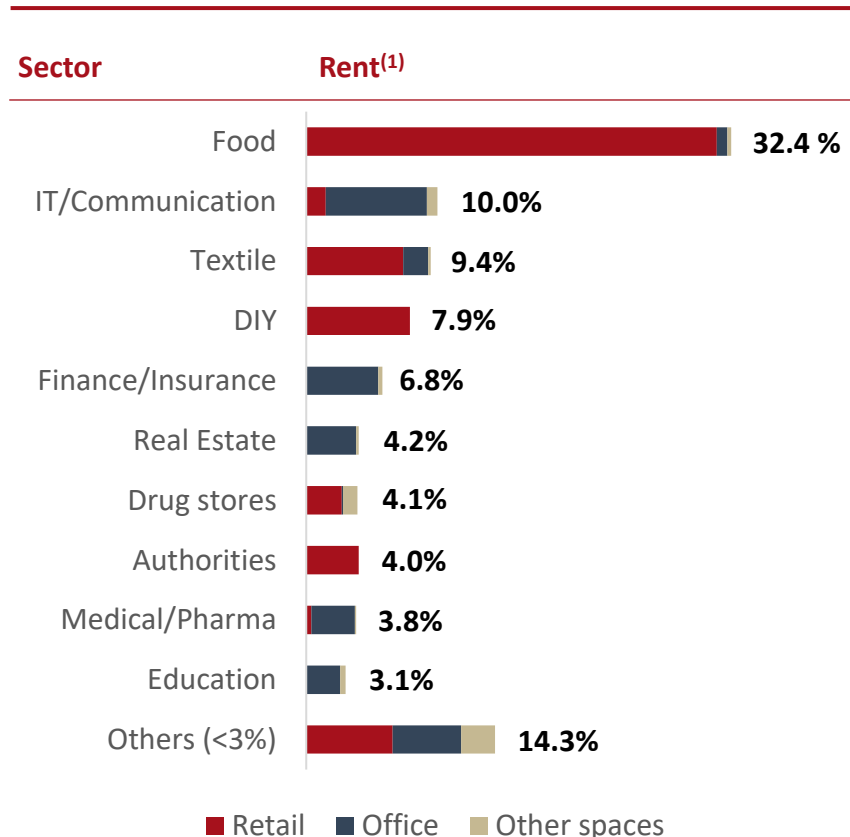


- HAMBORNER maintains stable rental situation with 1.8% total vacancy rate high WALT level
- Lease expiries evenly distributed throughout the years with comparatively low volume until 2023

Top 10 tenants (as of 30 June 2020)

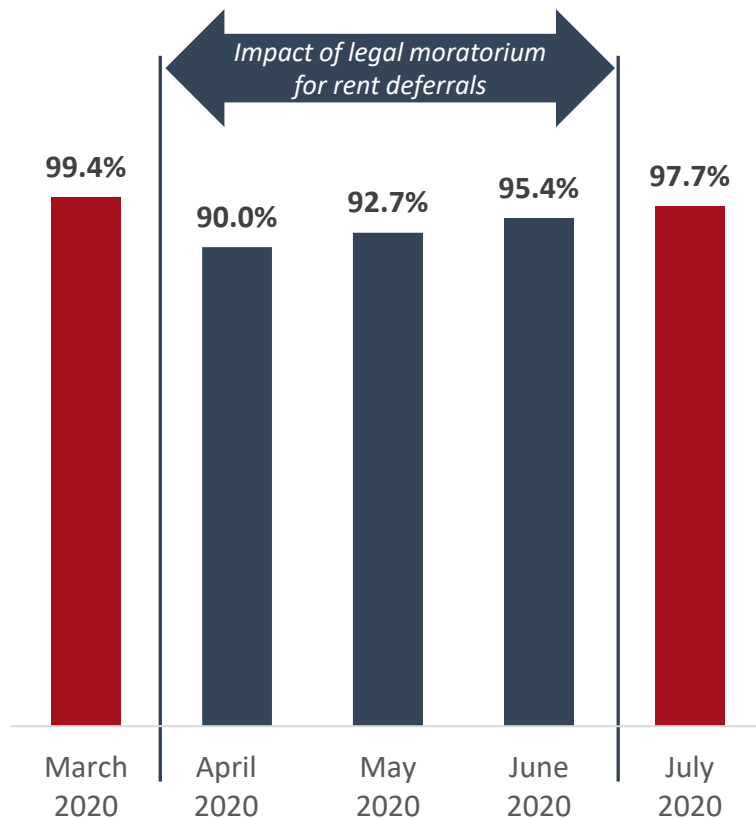
Tenant	Sector	Rent ⁽¹⁾
EDEKA	Food retail	11.5%
Kaufland	Food retail	5.7%
REWE	Food retail	5.3%
Real	Food retail	5.2%
OBI	DIY store	4.8%
Jobcenter	Agency of unemployment	3.1%
Barmer	Insurance	2.2%
NetCologne	IT/Communication	2.0%
Globus	DIY store	1.9%
C&A	Textile retail	1.5%
Total		43.3%

Sector distribution (as of 30 June 2020)

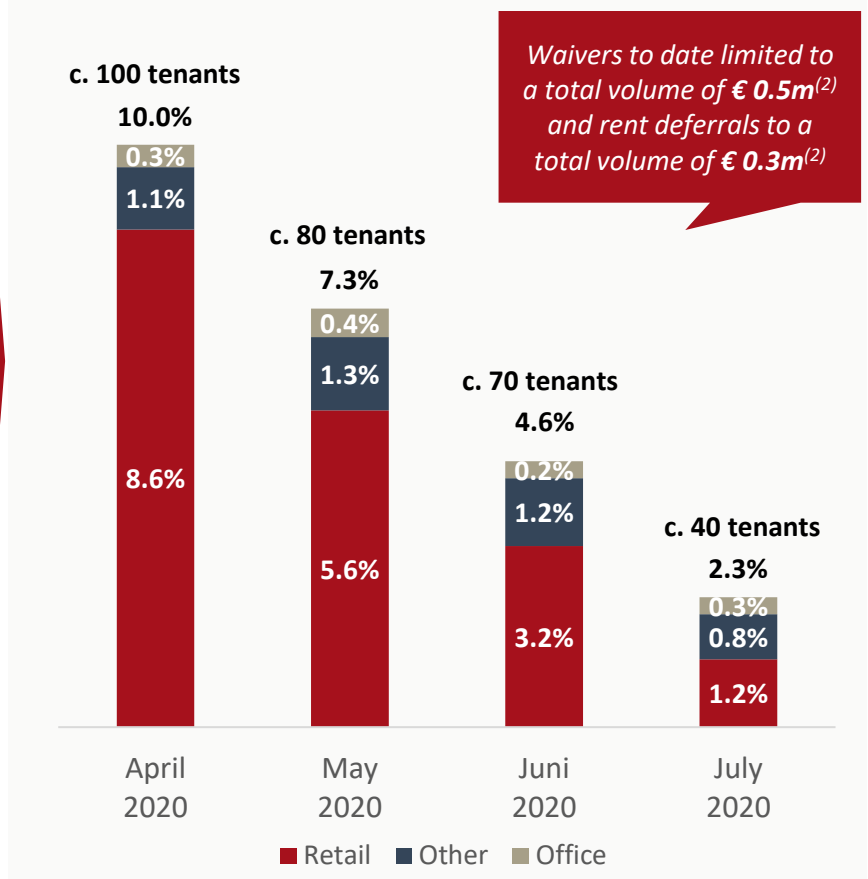


HAMBORNER benefits from high share of tenants (approx. 50% of annualized rents) with strong financial profiles and operations in systemically relevant sectors (especially food retail)

Rent collection rates⁽¹⁾ (as of 31 July 2020)



Rent deferrals/reductions⁽¹⁾ (as of 31 July 2020)

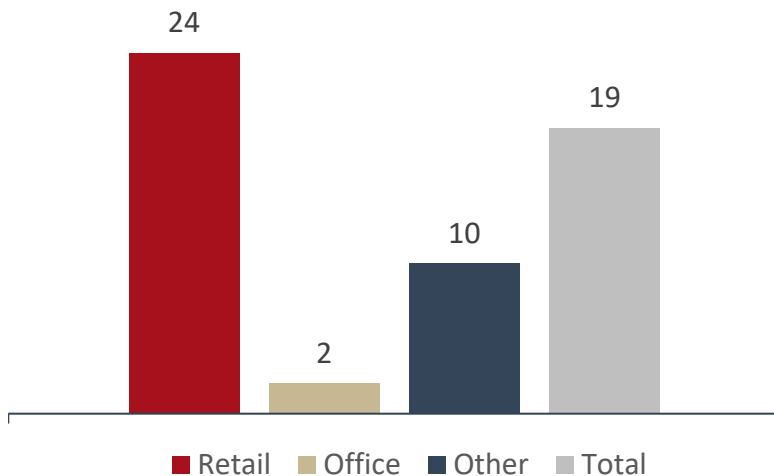


Portfolio has proven high resilience even in very challenging economic environment

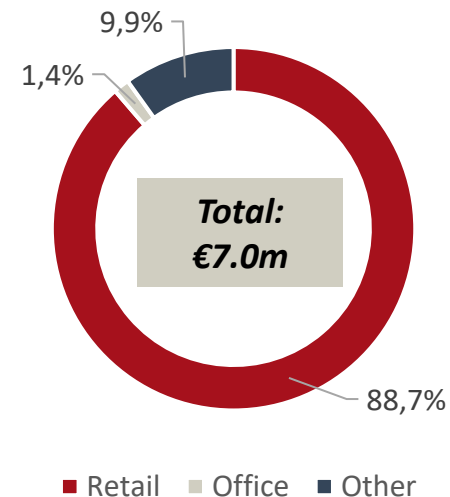
Asset management achievements (as of 31 July 2020)

- Trustworthy cooperation with our tenants to counter adverse impacts from Corona lock-down
- Negotiations of rent deferrals and reductions (waivers) as well as contract prolongations
- Early prolongation of rental contracts (Ø lease prolongation: **19 months**)
- Corresponds to **€ 7.0m** additional rental income from contract extensions

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



Additional rental income from contract extensions⁽¹⁾



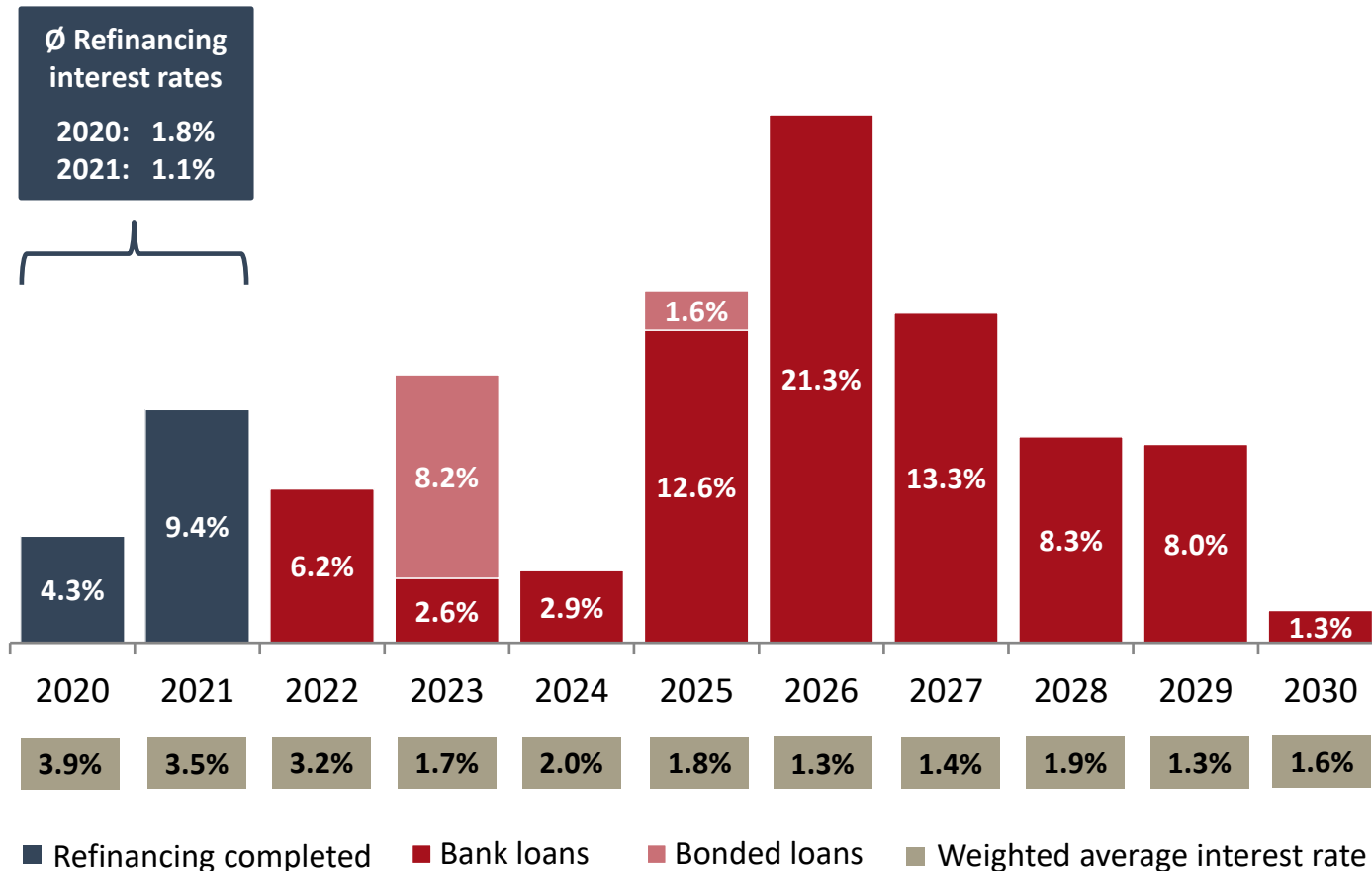
Strong asset management performance based on very solid tenant relationships

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Key figures H1 2020

Key figures	H1 2020	H1 2019	Change
Income from rents and leases	€ 43.9 million	€ 42.3 million	+3.7%
<i>Rents like-for-like</i>	-0.3%	-0.1%	
Operating result	€ -0.8 million	€ 16.9 million	-104.7%
Profit for the period	€ -8.5 million	€ 9.2 million	-192.2%
Funds from operations	€ 27.0 million	€ 26.6 million	+1.5%
Funds from operations per share	€ 0.34	€ 0.33	+1.5%
Vacancy rate	1.8%	2.0%	-0.2%-points
Key figures	30 June 2020	31 December 2019	Change
REIT equity ratio	54.7 %	57.3 %	-2.6%-points
Loan to value (LTV)	43.1 %	42.4 %	+0.7%-points
Net asset value (NAV) per share	€ 11.27	€ 11.59	-2.8%

Expiration of financial liabilities (as of 30 June 2020)



54.7 %
REIT Equity ratio

43.1 %
LTV

€763.1m
Financial liabilities⁽¹⁾

1.93 %
Ø cost of debt ⁽¹⁾

5.2 years
Ø maturity of debt ⁽¹⁾

4.5x
EBITDA/Interest coverage



Asset refinancing of 2020 and 2021 completed at favorable terms

Guidance 2020

- Rental income: **€87-88 million** (previous year: €85.2 million)
- FFO: **€52-54 million** (previous year: €54.3 million)
- Decline in NAV per share in a single-digit percentage range

AGM & Dividend

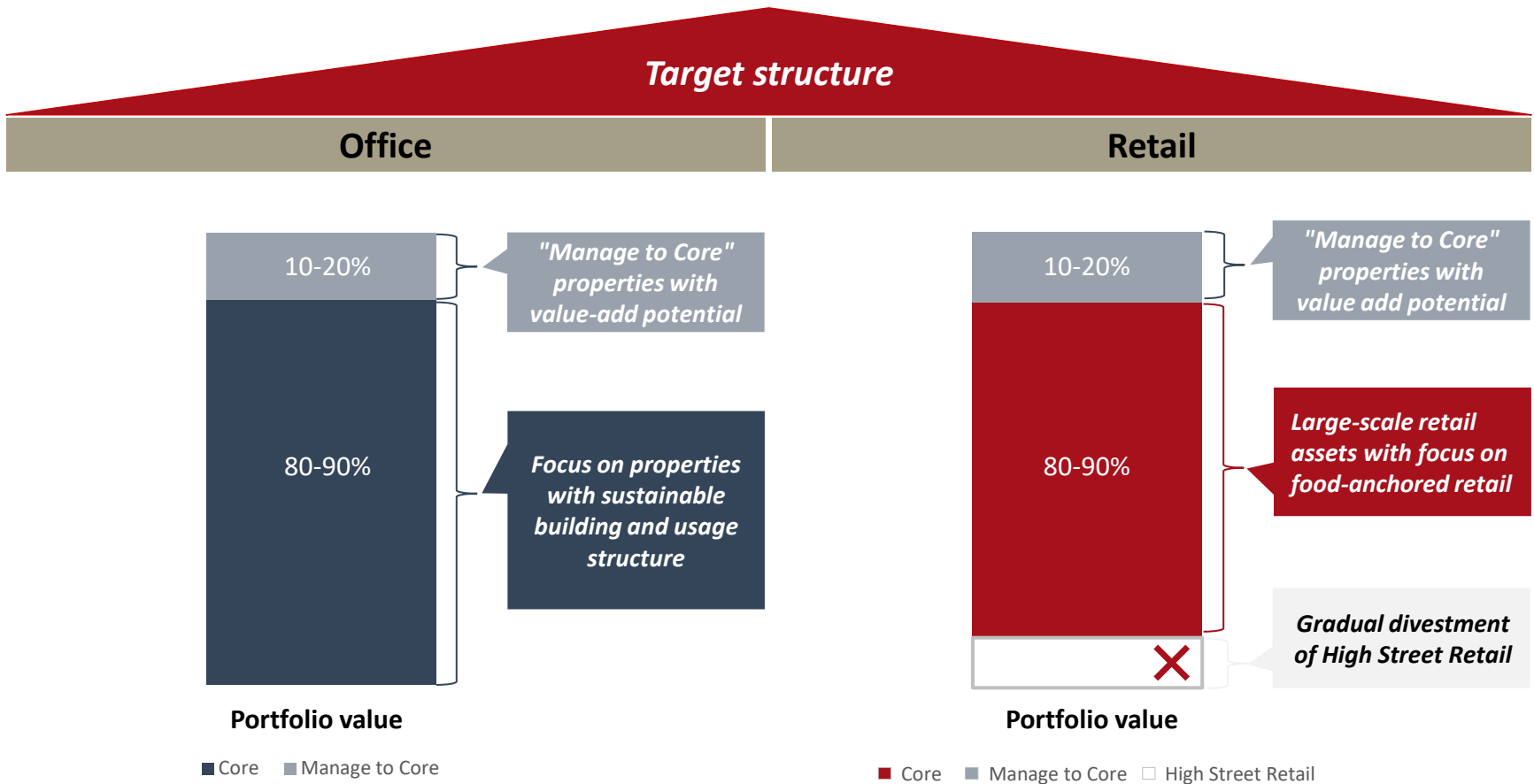
- Virtual AGM to be held on 8 October 2020
- Dividend proposal of **€0.47** per share

Operational outlook

- Continued handling of Corona-related asset management tasks
- Further optimization of financing structure
- Implementation of strategy update

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Portfolio strategy – Target “two-pillar” portfolio structure



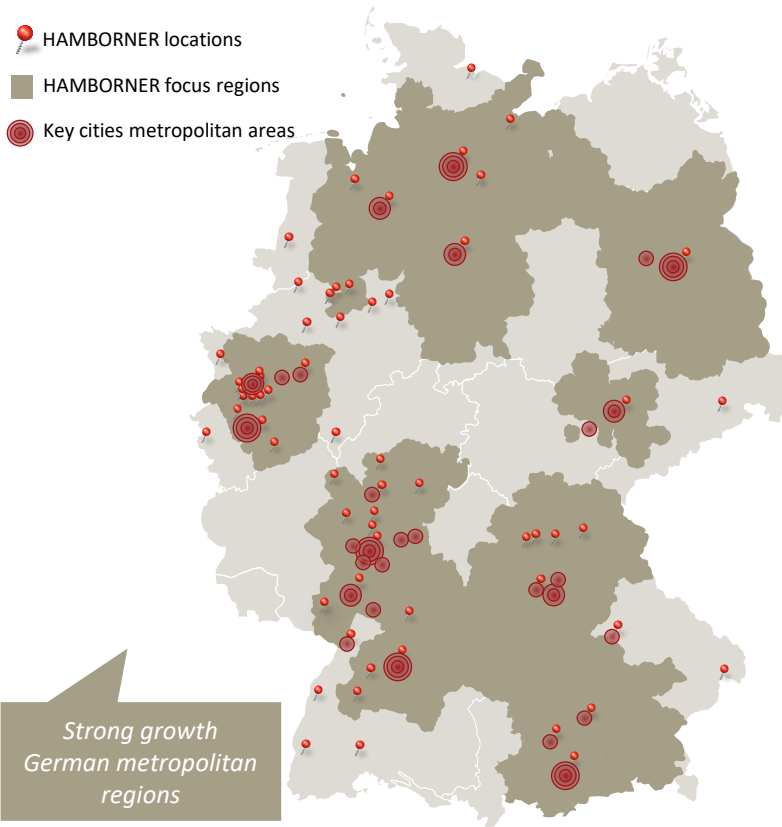
- “Two-pillar” portfolio structure with continued focus on asset classes office and retail
- Pro-rata portfolio weighting in accordance with market development (growth opportunities, value-creation capability, potential COVID-19 pandemic effects)

Portfolio strategy – Updated investment approach

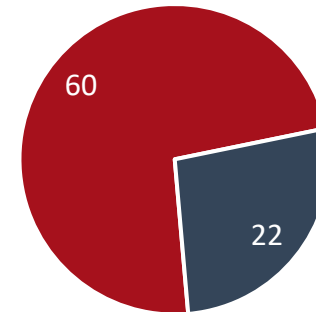
	Solid basis (to date)	Broadening of solid basis (prospective)
Asset classes	Office, Retail	Office, Retail
Risk profile	Core	Core, Manage to Core
Lot size	<ul style="list-style-type: none"> ▪ >€ 10 m (retail) and >€ 20 m (office) 	<ul style="list-style-type: none"> ▪ >€ 10 m (retail) and >€ 20 m (office)
	<ul style="list-style-type: none"> ▪ Investment focus: Core ▪ Forward deals to secure quality properties in early stage (higher yield) ▪ Acquisition of Core+ properties only in particular cases ▪ High-quality “nucleus” portfolio 	<ul style="list-style-type: none"> ▪ Maintain focus on Core investments ▪ Addition of “Manage to Core” properties with larger asset management needs (refurbishment, letting etc.) ▪ Realization of value potential within existing portfolio (incl. selective development activity) ▪ If applicable, participation in investment partnerships (co-investments, joint ventures)
Portfolio management approach	<ul style="list-style-type: none"> ▪ Predominantly buy and hold ▪ Acquisition focus on gross target yield, occupancy rate, WALT and selective financing features 	<ul style="list-style-type: none"> ▪ Active “buy-hold-sell” portfolio management ▪ Constant portfolio streamlining in line with strategic parameters ▪ Interlocking of performance indicators from capital market and property perspective ▪ Investments following defined sustainability strategy



More active portfolio management approach: Ensuring flexible adjustment to market changes and enabling further valuable growth



Split of HAMBORNER portfolio by no. of assets (as of 30 June 2020)



■ Within metropolitan region⁽¹⁾ ■ Outside metropolitan region

- Frequent characteristics of Metropolitan regions:
 - Surpassing macro-economic metrics
 - Strongly prospering key cities and regional areas
 - Superior quality of (public and private) infrastructure
- **More than 70% of HAMBORNER properties located in metropolitan regions**
- **Office focus** on properties in relevant **key cities**
- **Retail focus** on **strong micro-locations** within the regions

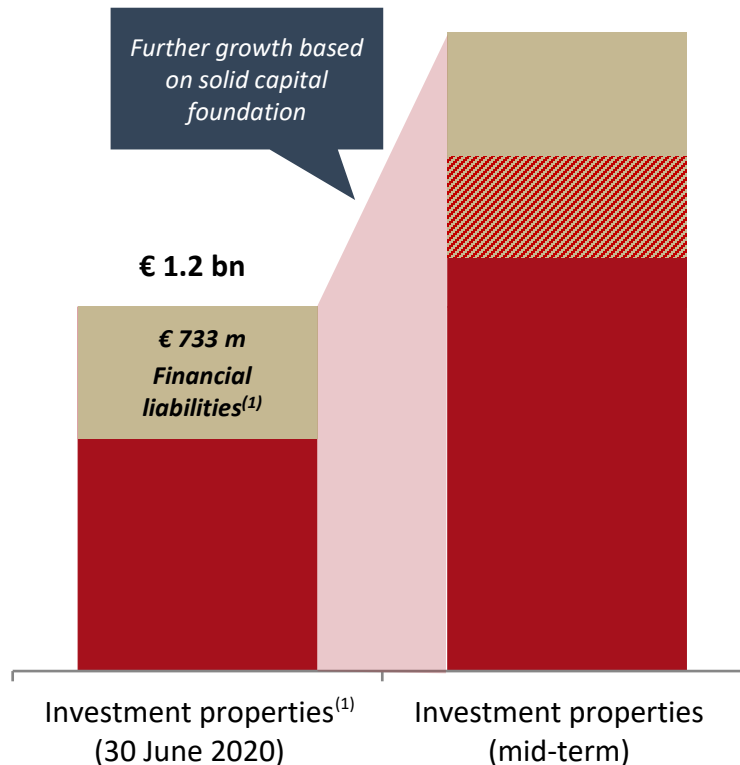
Metropolitan regions	Population	Area	Share of GDP Germany ⁽²⁾
Total share Germany	65.74%	56.11%	72%



Focus on metropolitan regions incorporates specific investment profile for both asset classes and enables greater flexibility in exploiting market opportunities

Investment properties and funding split

- Public debt instruments
- Debt financing
- Equity



Diversification of funding sources

- Evaluation with regard to adding public debt instruments, e.g. convertible, bond etc.

Optimisation of existing financing structure

- Enhancement of internal financing capacity
- Optimization of individual topics (e.g. amortization structure, product selection)
- Maintaining solid / conservative LTV-ratio
- Increase unencumbered asset ratio
- Potential credit rating



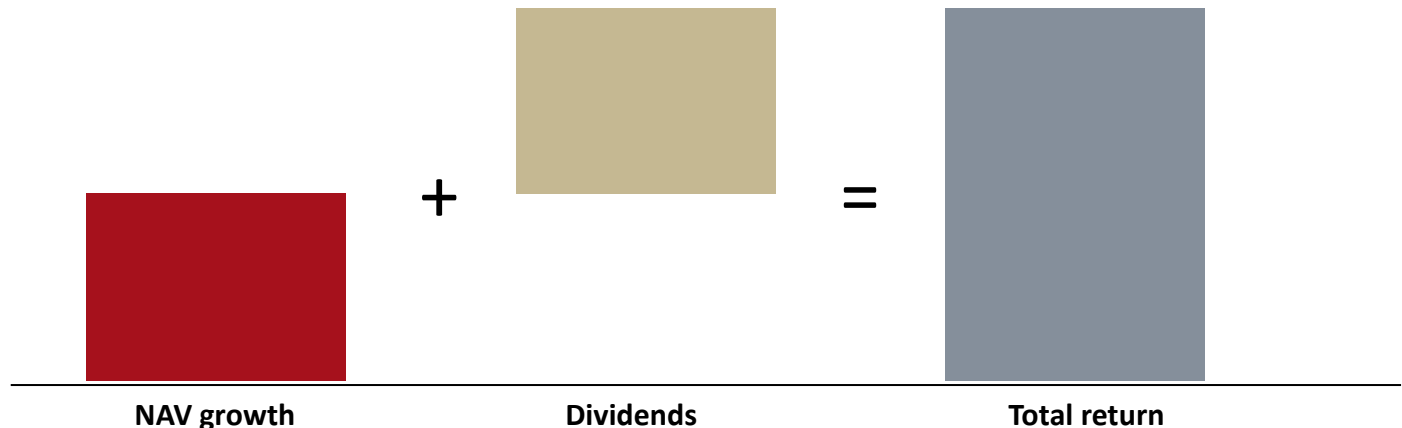
- **HAMBORNER committed to maintain its conservative financing strategy**
- **Focus on diversification of funding sources and optimization of existing financing facilities**

Going forward

Approach

- Increased focus on **total return concept**
- Alignment of dividend amount with corporate strategy and market environment
- Contemplation to offer **scrip dividend** to shareholders in the future
- **Enhancement of internal financing capability** to enable **additional accretive growth**

Total return concept



Commitment

- HAMBORNER committed to pay **attractive and sustainable dividend**



Modified dividend strategy: Linked to the development of total return and aligned with overall strategy as well as prevailing market environment

Portfolio strategy

- **HAMBORNER is committed to continuing its growth strategy** – further development of the business model taking into account market effects from Corona situation
- **Continuation of established “two-pillar business model” (office and retail)**
- Main focus remains on **Core segment**; addition of **assets with additional value potential (“Manage to Core”)**
- **Realization of inherent value potential** within existing property portfolio – including selective project development measures
- Active **“buy-hold-sell”** approach
- Investment focus on properties in strong growth metropolitan areas with institutional lot sizes under consideration of sustainability profile and asset specifics

Financing strategy

- **Further optimization and diversification** of financing structure
- In particular, assessment of future **public debt financing measures**
- Unchanged focus on maintaining solid/conservative balance sheet structure

Dividend strategy

- Continued commitment to **attractive and sustainable dividend**
- Dividend level considering **total return for HAMBORNER shareholders**
- Creating additional flexibility for HAMBORNER to **realize value enhancing business opportunities**
- Contemplation to offer **scrip dividend** to shareholders in the future

HAMBORNER REIT AG - Financial Calendar	
Quarterly financial statement Q3 2020	11 November 2020
Preliminary figures 2020	4 February 2021
Annual report 2020	17 March 2021
Quarterly financial statement Q1 2021	27 April 2021
Annual general meeting 2021	29 April 2021

Many thanks for your attention!

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TOP 10 Properties (1/2)

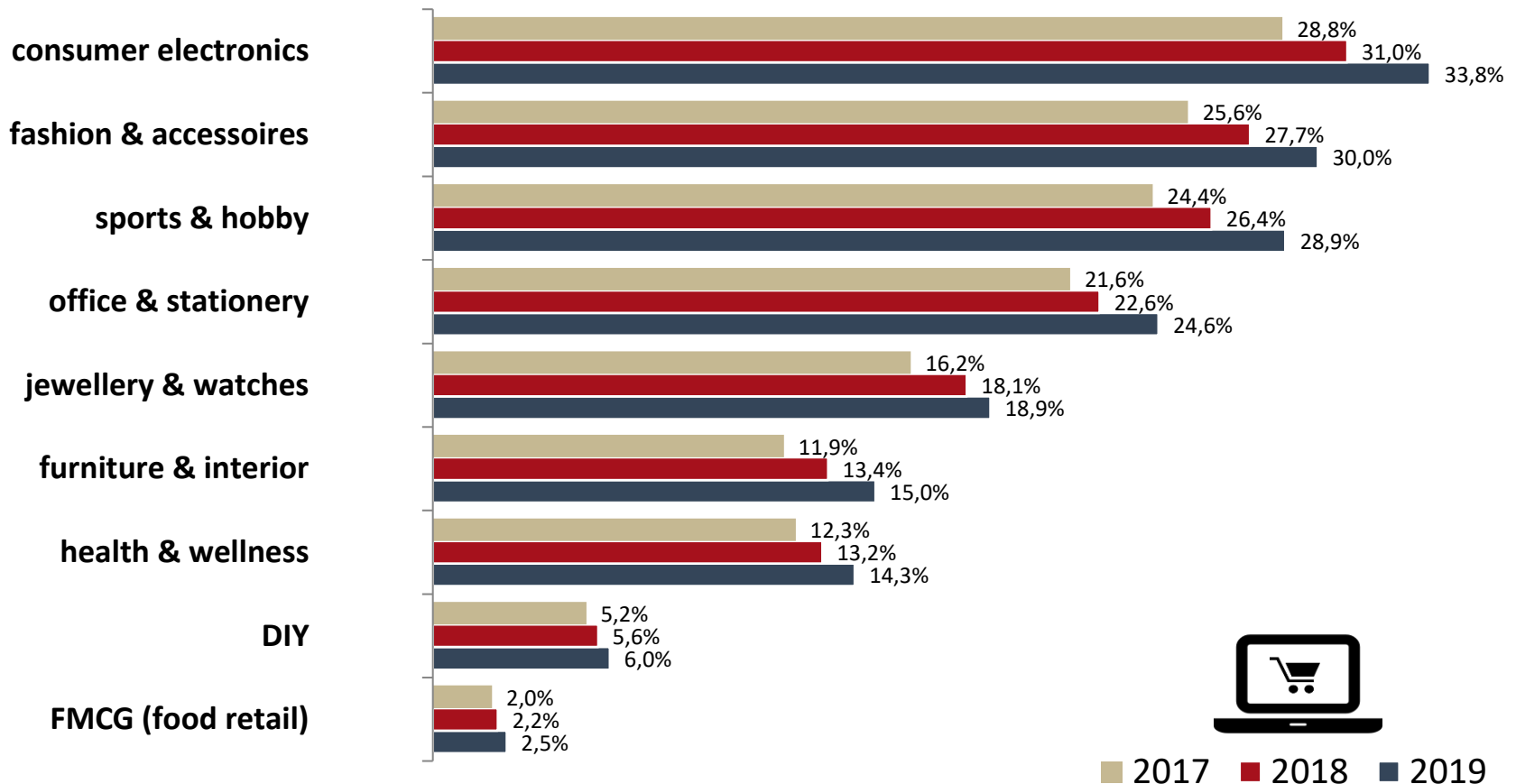
	 Mannheim Kurpfalz Center	 Munich NuOffice	 Berlin EUREF Campus	 Cologne O³	 Lübeck Haerder Center
Asset type	Retail	Office	Office	Office	High Street
Year of acquisition	2016	2013	2013	2017	2016
Purchase price	€ 80.0m	€ 40.1m	€ 33.0m	€ 48.9m	€49.1m
Fair value	€ 82.3m ⁽¹⁾	€ 76.7m ⁽¹⁾	€ 68.8m ⁽¹⁾	€ 58.2m ⁽¹⁾	€ 49.1m ⁽¹⁾
Annual rental income	€ 4.2m	€ 2.5m	€ 2.4m	€ 2.8m	€ 2.4m
Remaining lease term	4.6 years ⁽²⁾	3.2 years ⁽²⁾	3.9 years ⁽²⁾	4.3 years ⁽²⁾	5.6 years ⁽²⁾
Main tenants	Real (<i>food retail</i>) ALDI (<i>food retail</i>) Toys'R'Us (<i>retail</i>) dm (<i>drug store</i>) Adler Mode (<i>textile</i>)	Estée Lauder (<i>textile</i>) Armani (<i>textile</i>) Zielpuls (<i>other</i>)	Deutsche Bahn (<i>infrastructure</i>) Schneider Electric (<i>IT/communication</i>)	NetCologne (<i>IT/communication</i>)	REWE (<i>food retail</i>) mytoys (<i>retail</i>) KIK (<i>textile</i>)

TOP 10 Properties (2/2)

	 Hallstadt Market Oberfranken	 Darmstadt	 Karlsruhe	 Celle	 Hanau Rondo Steinheim
Asset type	Retail	Retail/office	Retail/Office	Retail	Retail
Year of acquisition	2017	2018	2012	2015	2017
Purchase price	€ 41.4m	€ 42.8m	€ 37.0m	€ 35.2m	€ 37.5m
Fair value	€ 47.3m ⁽¹⁾	€ 46.0m ⁽¹⁾	€ 52.2m ⁽¹⁾	€ 44.7m ⁽¹⁾	€ 41.8m ⁽¹⁾
Annual rental income	€ 2.5 million	€ 2.3m	€ 2.6m	€ 2.3m	€ 2.0m
Remaining lease term	5.1 years ⁽²⁾	5.5 years ⁽²⁾	14.4 years ⁽²⁾	8.3 years ⁽²⁾	12.2 years ⁽²⁾
Main tenants	tegut (<i>food retail</i>) ALDI (<i>food retail</i>) Müller (<i>drug store</i>) C&A (<i>textile</i>) Expert (<i>retail</i>)	REWE (<i>food retail</i>) Herbalife (<i>other</i>) Alcan Systems (<i>IT/communication</i>)	EDEKA (<i>food retail</i>) Brandmaker (<i>other</i>)	Real (<i>food retail</i>) ALDI (<i>food retail</i>) Rossmann (<i>drug store</i>) tedox (<i>DIY</i>) Fressnapf (<i>other</i>)	REWE (<i>food retail</i>) ALDI (<i>food retail</i>) dm (<i>drug store</i>) Deichmann (<i>retail</i>)

Consumer purchasing behaviour in Germany

Share of eCommerce in retail sales



**Majority of HAMBORNER's retail exposure related to food retail and DIY;
Highly limited dependence on sectors with high share of eCommerce in retail sales**

Geographic focus on metropolitan areas

Metropolitan areas in Germany			
Metropolitan area	Population	Area	BIP Fraction of Germany ⁽²⁾
Hamburg	5 million	28,529 sqm	6.78%
Northwest	2.7 million	13,771 sqm	3.01%
Hannover-Braunschweig-Göttingen-Wolfsburg	3.8 million	18,529 sqm	4.76%
Berlin-Brandenburg	6 million	30,546 sqm	6.30%
Central German	2.5 million	10,563 sqm	2.52%
Rhine-Ruhr (Rhineland)	11.6 million	15,441 sqm	15.47%
Frankfurt Rhine-Main	5.7 million	14,753 sqm	8.20%
Rhine-Neckar	2.4 million	5,637 sqm	3.04%
Nuremberg	3.5 million	21,781 sqm	4.28
Stuttgart	5.4 million	15,425 sqm	7.83%
Munich	6 million	25,545 sqm	9.81%
Total of Germany	65.74%	56.11%	72%

(1) incl. metropolitan area of Rhineland

(2) Source: Statista (as of 2016)

Appendix

[R]eal [E]state [I]nvestment [T]rust

Requirements for G-REITs

- Listing on the regulated market
- at least 45 % equity-ratio
- > 15% free float
- > 75% of assets must be real estate assets
- > 75% of revenues must stem from real estate assets
- > 90% of net income has to be paid as dividends each year
- < 10% direct holding in shares



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