



hamborner  
**REIT**



ZUKUNFT BRAUCHT SUBSTANZ

Conference Call  
Q3 2020

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## Highlights

### Solid operational business development

- HAMBORNER's business model has continued to prove its high stability, resulting in further growth in revenues and earnings in the first nine months of 2020
- Income from rents and leases up by 3.9% to € 66.2m and FFO up by 2.5% to €42.3m
- Disposal of high street assets on track

### Update on Covid-19 pandemic

- Cash collection rates almost back at pre-Corona levels in the months July to October 2020 – benefitting from solid tenant base with operations in systemically relevant sectors
- Implementation of fair and feasible solutions for those tenants that have been affected by the Covid-19 pandemic to keep the volume of temporary rent reductions as well as deferrals at a very low level

### Solid financial profile

- Solid capital structure with REIT equity ratio of 55.8%
- Financial KPIs further strengthened during Q3 (including LTV and interest coverage ratio)

# Development of key figures

## Q3 2020

Key figures	Q1-Q3 2020	Q1-Q3 2019	Change
Income from rents and leases	€ 66.2 million	€ 63.7 million	+3.9%
<i>Rents like-for-like</i>	-0.6%	-0.3%	
Operating result	€ 9.0 million	€ 26.8 million	-66.5%
Profit for the period	€ 0.1 million	€ 15.3 million	-99.6%
Funds from operations (FFO)	€ 42.3 million	€ 41.3 million	+2.5%
Funds from operations per share	€ 0.53	€ 0.52	+2.5%
Vacancy rate	1.7%	2.0%	-0.3%-points

Key figures	30 September 2020	31 December 2019	Change
REIT equity ratio	55.8 %	57.3 %	-1.5%-points
Loan to value (LTV)	42.5 %	42.4 %	+0.1%-points
Net asset value (NAV) per share	€ 11.45	€ 11.59	-1.2%

## Asset Disposals



### Osnabrück

Asset type:	High Street Retail
Selling price:	€5.9 million
Book value:	€3.1 million
Annual rental income:	€0.3 million
WALT:	1.8 years
Transfer of possession:	1 September 2020



### Oldenburg

Asset type :	High Street Retail
Selling price :	€4.6 million
Book value :	€2.5 million
Annual rental income:	€0.3 million
WALT :	2.5 years
Transfer of possession:	Q4/2020 - Q1/2021e

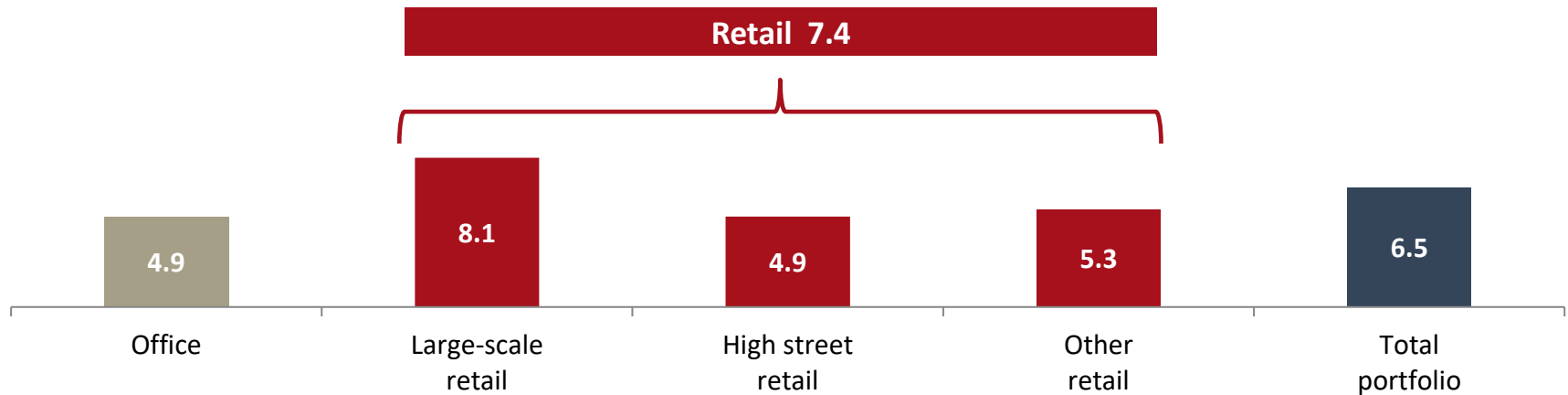


Disposal of two High Street Retail assets as part of portfolio optimization in line with HAMBORNER portfolio strategy

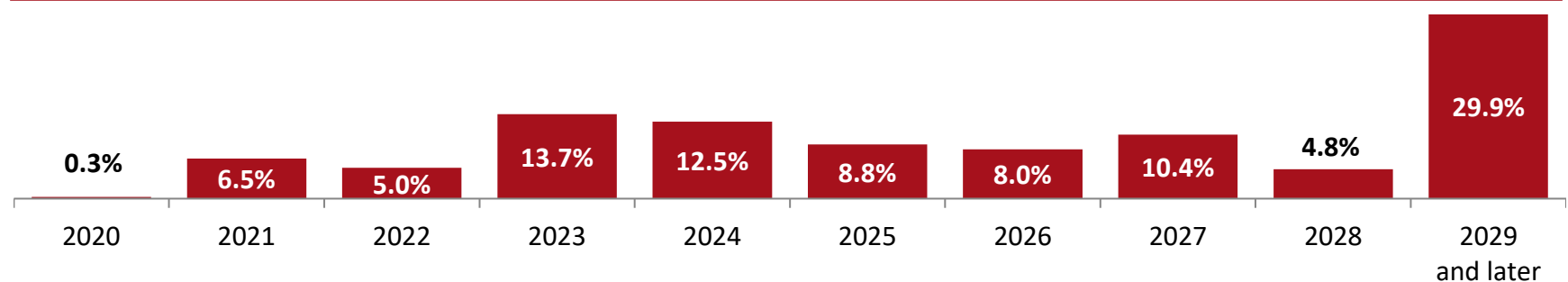
# Asset management

## Lease contracts

Weighted average lease expiry by type (as of 30 September 2020, in years)



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



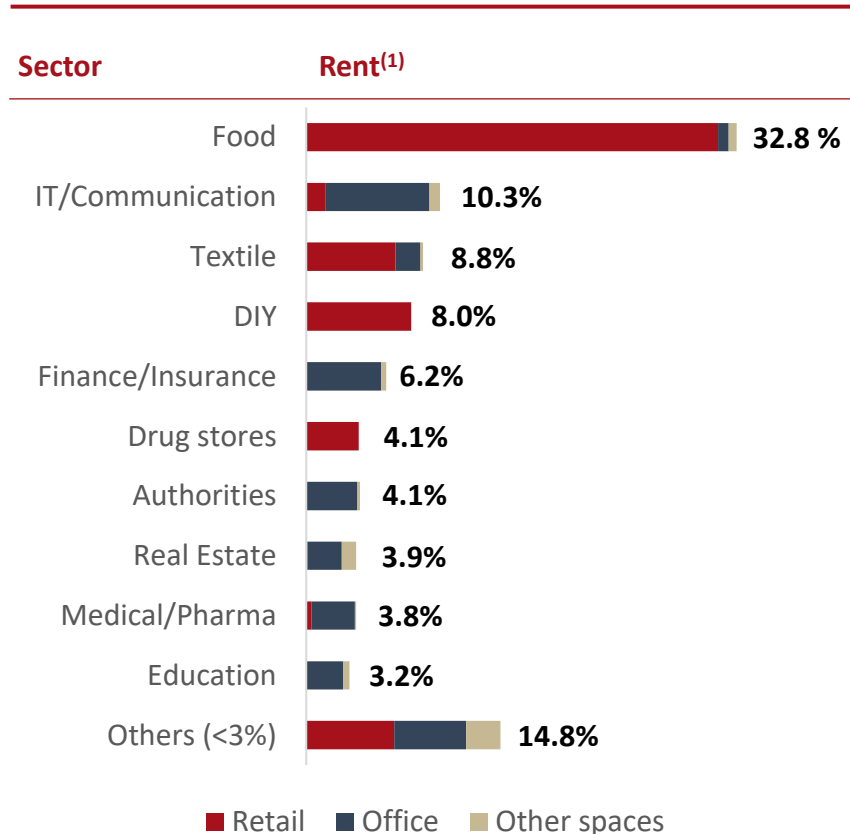
**HAMBORNER successfully maintaining high WALT level coupled with an evenly distributed lease expiry profile**

## Tenant structure

### Top 10 tenants (as of 30 September 2020)

Tenant	Sector	Rent <sup>(1)</sup>
EDEKA	Food retail	11.6%
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	2.3%
NetCologne	IT/Communication	2.0%
Globus	DIY store	1.9%
ALDI	Food retail	1.5%
<b>Total</b>		<b>43.5%</b>

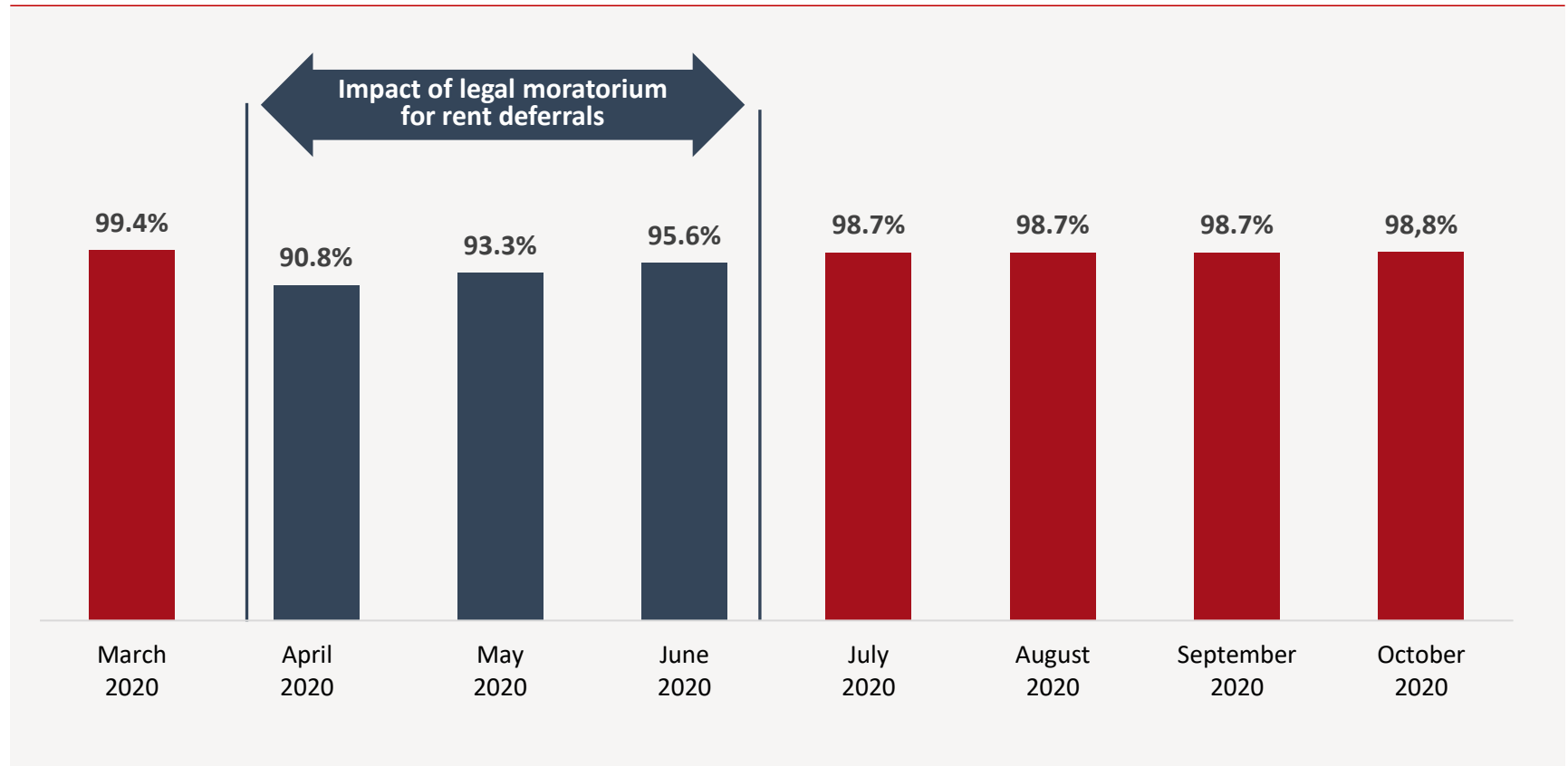
### Sector distribution (as of 30 September 2020)



High share of tenants (>50% of annualized rents) in systemically relevant sectors, in particular food retail

## Rental operations – Corona Update

Rent collection rates<sup>(1)</sup> (as of 31 October 2020)

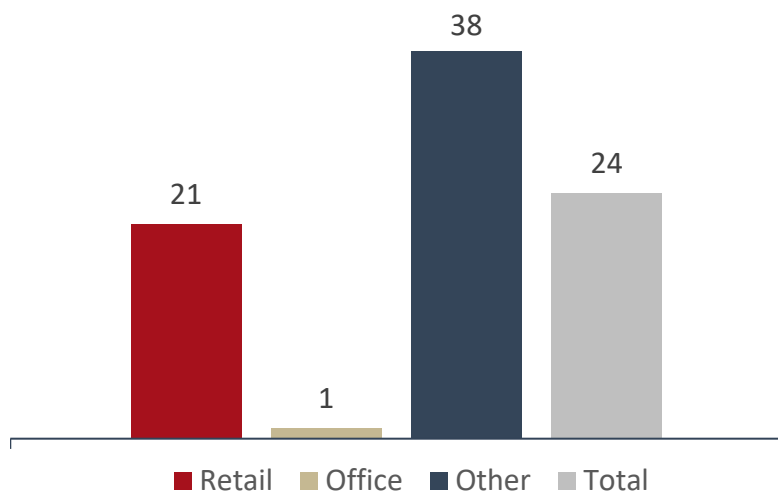


**Diversified and profitable portfolio as well as the high proximity to our tenants has allowed us to keep the volume of both temporary rent reductions and deferrals at a very low level. Cash collection rates almost fully back to pre-Corona levels**

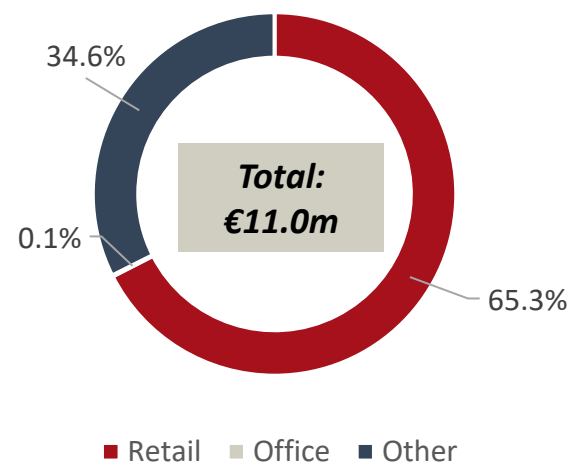
## Asset management achievements (as of 31 October 2020)

- Limited rent deferrals (€ 0.4m<sup>(1)</sup>) and reductions / waivers (€ 0.7m<sup>(1)</sup>)
- Early prolongation of rental contracts (Ø lease prolongation: **24 months**)
- Corresponds to **€ 11m** additional rental income from contract extensions

## Average lease extension (in months)<sup>(1)(2)(3)</sup>



## Additional rental income from contract extensions<sup>(1)(2)</sup>



**Successful asset management performance despite the effects of the coronavirus pandemic**

(1) Finally negotiated and agreed (2) Resulting from negotiations of rent deferrals and reductions (waivers) (3) weighted on rental income



# Funds from Operations (FFO)

## Profit and loss statement

in € thousand	9M 2020	9M 2019	Change
<b>1</b> Income from rents and leases	<b>66,207</b>	<b>63,735</b>	<b>+3.9%</b>
Income from passed-on incidental costs	10,654	10,166	+4.8%
Operating expenses	-13,705	-12,930	+6.0%
Maintenance	-3,421	-3,760	-9.0%
<b>Net rental income</b>	<b>59,735</b>	<b>57,211</b>	<b>+4.4%</b>
<b>2</b> Administrative expenses	<b>-956</b>	<b>-944</b>	<b>+1.3%</b>
<b>2</b> Personnel expenses	<b>-3,882</b>	<b>-3,584</b>	<b>+8.3%</b>
Other operating income	1,232	1,093	+12.7%
<b>3</b> Other operating expenses	<b>-2,154</b>	<b>-908</b>	<b>+137.2%</b>
Financial result	-11,637	-11,564	+0.6%
<b>FFO</b>	<b>42,338</b>	<b>41,304</b>	<b>+2.5%</b>
<b>4</b> Capex	<b>-783</b>	<b>-2,665</b>	<b>-70.62%</b>
<b>AFFO</b>	<b>41,555</b>	<b>38,639</b>	<b>+7.74%</b>
<b>FFO per share in €</b>	<b>0.53</b>	<b>0.52</b>	<b>+2.5%</b>
<b>AFFO per share in €</b>	<b>0.52</b>	<b>0.48</b>	<b>+7.7%</b>

- 1 Increase primarily attributable to new acquisitions; on a l-f-l basis reduction of €0.4m in the first nine months of 2020
- 2 Administrative and personnel expenses totaled €4.8m, up 6.8% compared to 2019 resulting in an operating cost ratio of 7.3% (previous year: 7.1%) ; primarily related to higher personnel expenses in H1 2020
- 3 Mainly includes impairments of accounts receivables (due to Corona related rent collection losses) as well as legal and advisory costs
- 4 Decrease in Capex due to corona-related postponement of selected measures



**Despite difficult market environment FFO up by 2.5% to €42.3m during Q1-Q3 2020 - no Corona-related adjustments to FFO**

# Net Asset Value (NAV)

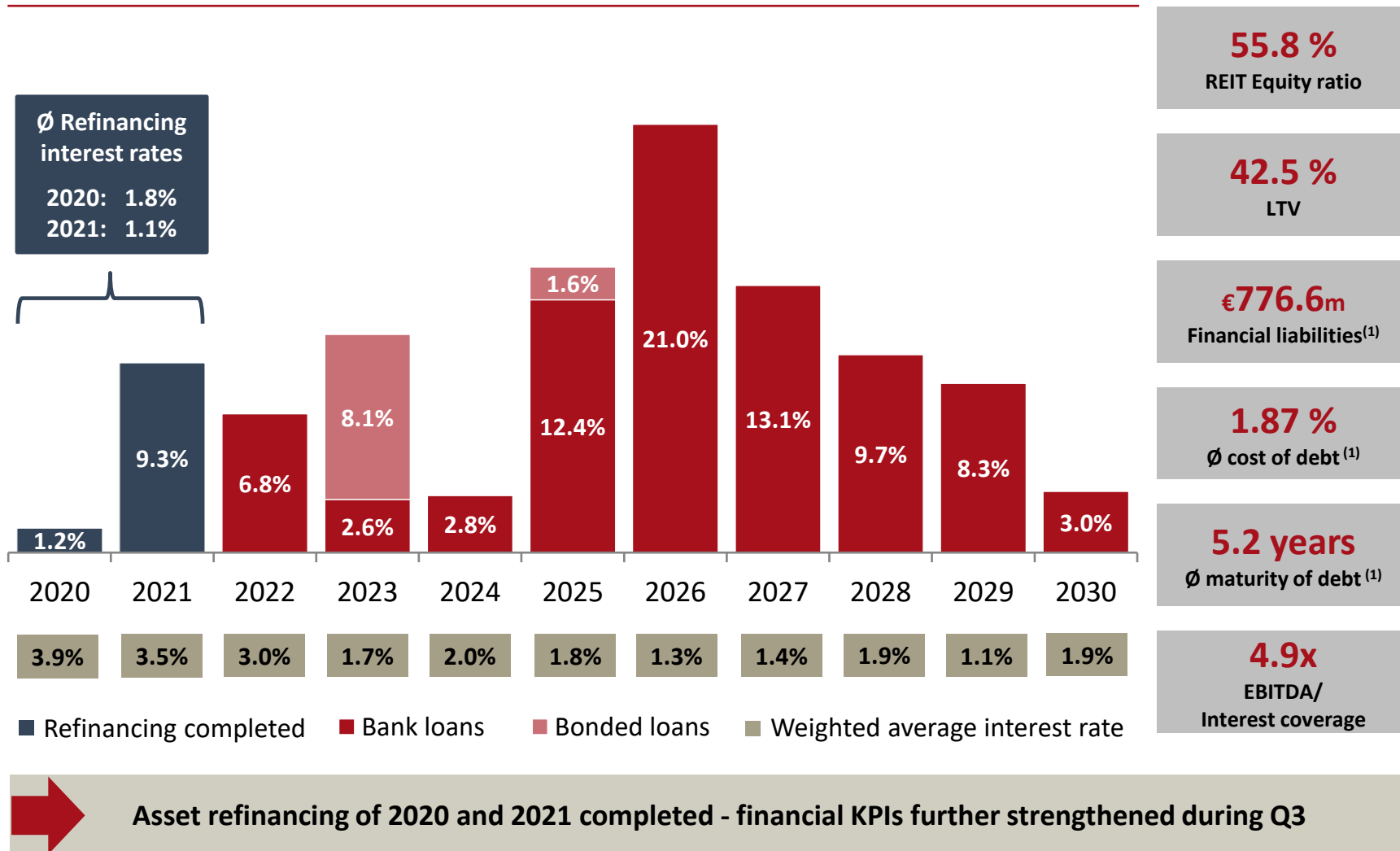
## NAV according to EPRA

in € million	30 Sep 2020	31 Dec 2019
① Balance sheet long-term assets	1,242.2	1,224.0
② + Balance sheet short-term assets	64.3	10.7
③ - Non-current liabilities and provisions	686.5	638.7
- Current liabilities and provisions	104.9	81.3
<b>Balance sheet NAV</b>	<b>515.1</b>	<b>514.7</b>
① + hidden reserves investment property	397.7	409.6
<b>NAV</b>	<b>912.8</b>	<b>924.3</b>
<b>NAV per share in €</b>	<b>11.45</b>	<b>11.59</b>

- ① Increase of long-term assets (incl. hidden reserves) resulting from newly acquired assets, partly offset by negative H1-2020 revaluation adjustments of €51.5m (3.2%) in comparison to 31 December 2019
- ② Increase in short-term assets mainly related to increase in liquidity position
- ③ Non-current liabilities and provisions increase related to additional financing related to newly acquired assets

# Financial situation

## Expiration of financial liabilities (as of 30 September 2020)



# Dividend update, guidance and outlook

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## Dividend (for 2019)

- Dividend of **€0.47** per share (choice of cash or scrip dividend for first time)
- Scrip dividend acceptance rate: **25.73%**
- Issuance of 861,922 new HAMBORNER shares at a subscription price of **€7.854 per share**
- Liquidity advantage of approx. €6.8m (pre transaction cost) leading to further strengthening of HAMBORNER financial position

## Guidance 2020

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

## Operational outlook

- Continued handling of Covid-19 related asset management tasks
- Further optimization of financing structure
- Implementation of strategy update

## Financial Calendar

<b>HAMBORNER REIT AG - Financial Calendar</b>	
<b>Preliminary figures 2020</b>	<b>4 February 2021</b>
<b>Annual report 2020</b>	<b>17 March 2021</b>
<b>Quarterly financial statement Q1 2021</b>	<b>27 April 2021</b>
<b>Annual General Meeting 2021</b>	<b>29 April 2021</b>

**Many thanks for your attention!**

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