

Company Presentation

May 2021

Agenda

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

History



Company Profile

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

Portfolio Data (as of 31 March 2021)

Portfolio volume	€1,621m
Number of assets	75
WALT	6.4 years
Occupancy rate (EPRA)	98.3 %

Key Financials (as of 31 March 2021)

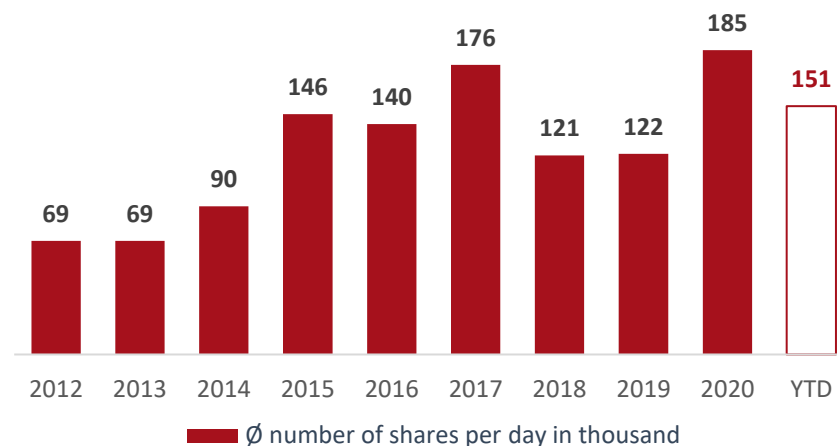
FFO yield	7.6 %
NAV per share	€11.26
REIT equity ratio	55.6 %
LTV	44.0 %

The HAMBORNER Share

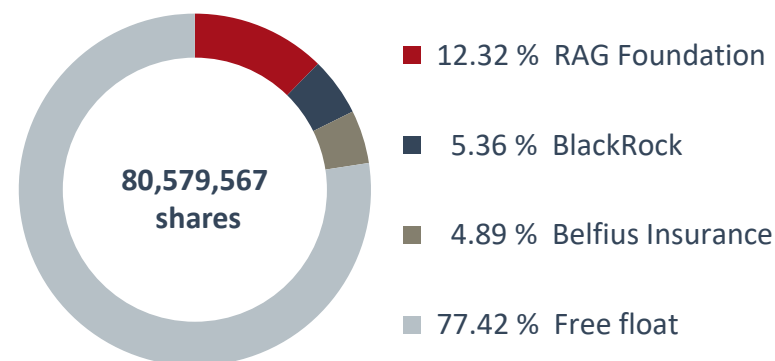
The HAMBORNER Share

Current share price	€9.11 (as of 30 April 2021)
Market capitalisation	€734m (as of 30 April 2021)
WKN/ISIN	A3H2333 / DE000A3H2333
Ticker symbol	HABA
Class of shares	Registered Share
Exchange segment	Prime Standard
Indices	SDAX, EPRA, RX REIT

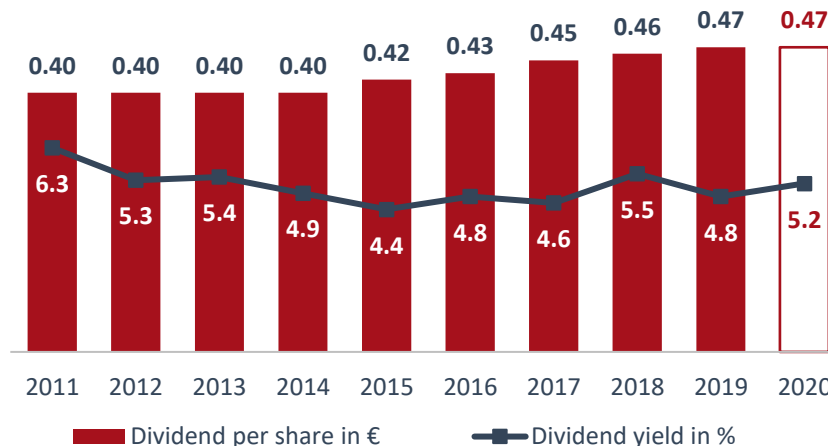
Trading Volume



Shareholder structure



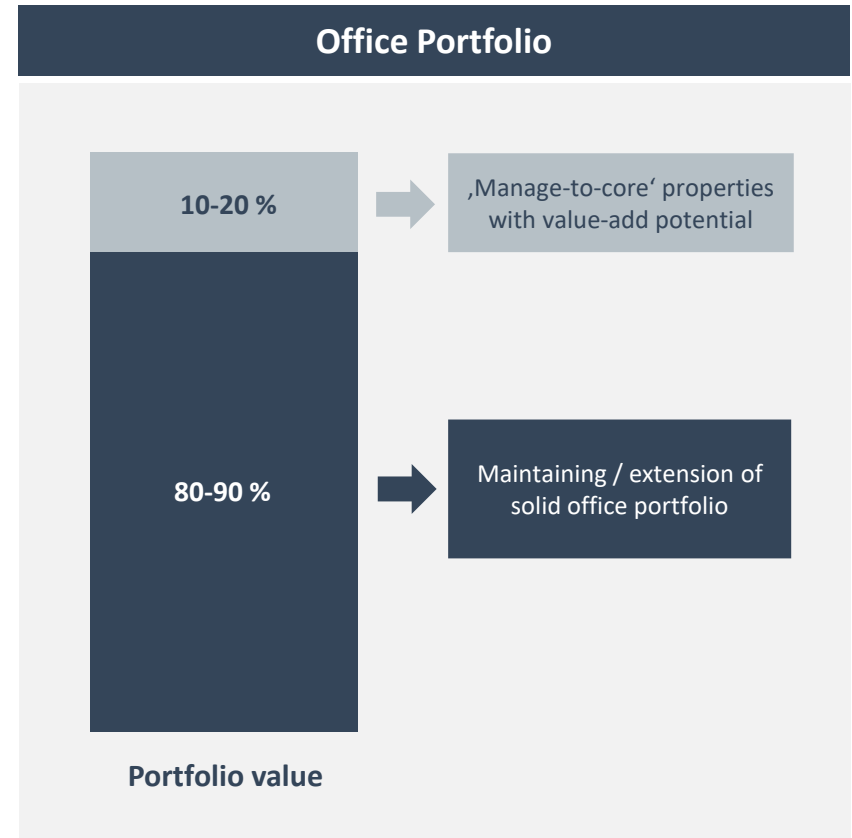
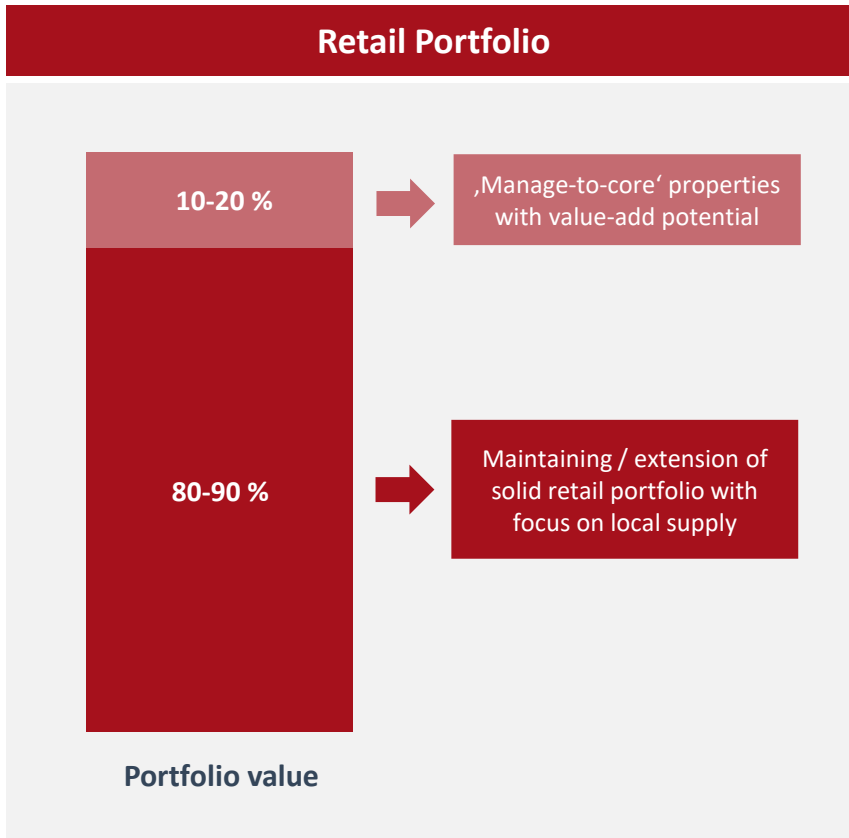
Dividend per Share and Dividend Yield



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Portfolio Strategy – Target Structure



- Two-pillar portfolio structure with focus on food-anchored retail and office assets with ‘core’ characteristics
- Gradual addition of selected ‘Manage-to-core’ properties with value-add potential
- Continuous asset rotation as part of active portfolio management approach

Asset classes	<ul style="list-style-type: none">▪ Retail▪ Office
Risk profile	<ul style="list-style-type: none">▪ Core▪ Manage-to-Core
Lot size	<ul style="list-style-type: none">▪ > €10m (retail)▪ > €20m (office)
	<ul style="list-style-type: none">▪ Focus on core investments▪ Addition of selected “Manage-to-Core“-properties with larger asset management need (refurbishment, reletting, repositioning 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">▪ Active portfolio management approach (“buy-hold-sell”)▪ Constant portfolio streamlining in line with strategic parameters▪ Interlocking of performance indicators from capital market and property perspective▪ Investments following defined sustainability strategy

Key Figures (as of 31 March 2021)

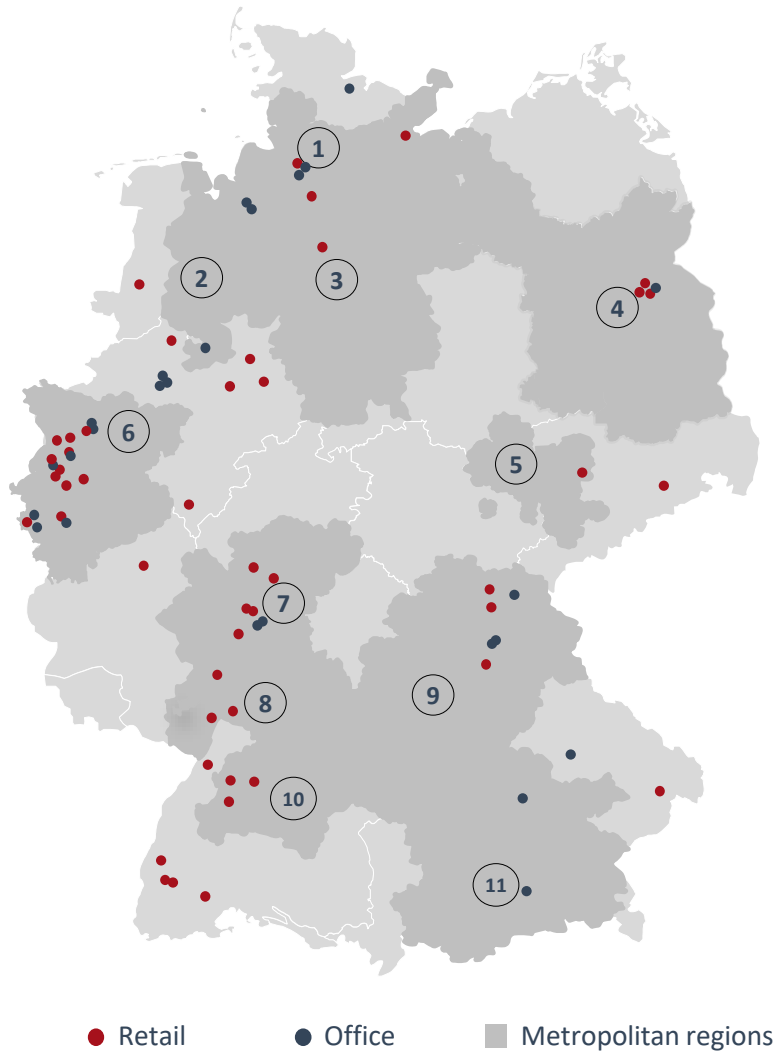
	Retail	Office	Total Portfolio ⁽¹⁾	Portfolio share High-Street
Fair value	€913.1m	€708.3m	€1,621.4m	€145.2m
Number of properties	47	28	75	12
Leased area	414,791 m ²	222,026 m ²	636,817 m ²	57,463 m ²
Annualized rent	€53.3m	€34.6m	€87.9m	€9.4m
Annualized rental yield	5.8%	4.9%	5.4%	6.5%
EPRA vacancy rate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

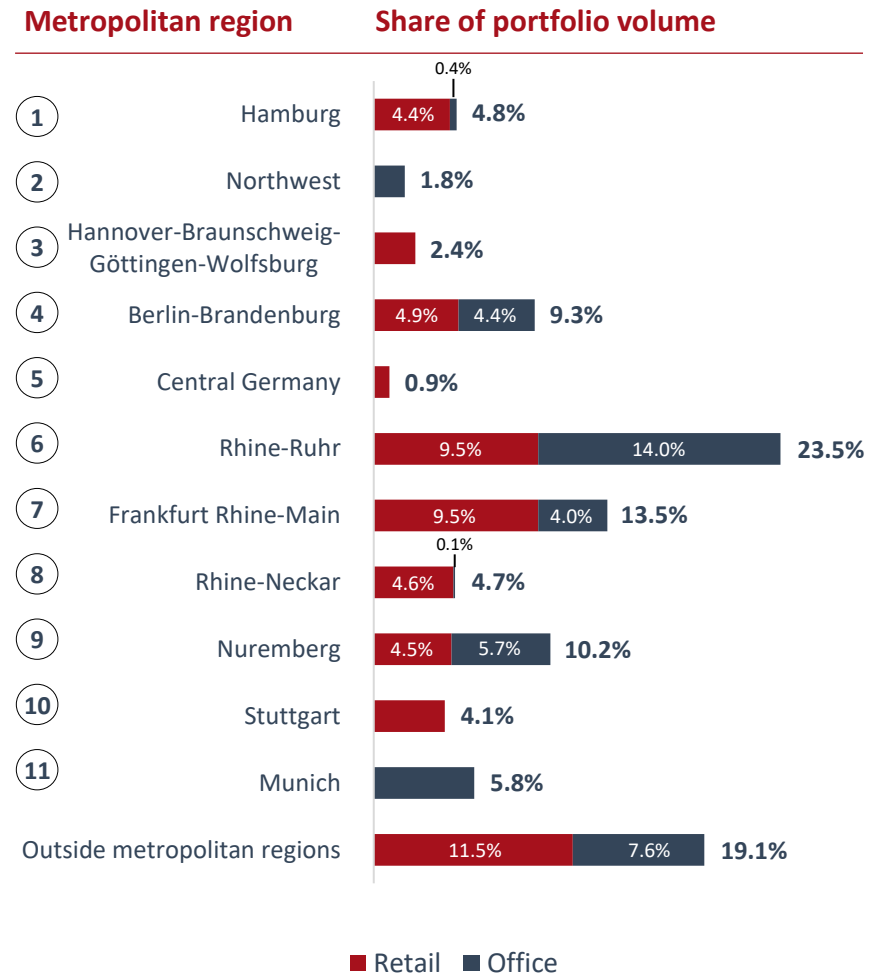
(2) Excluding acquisitions/disposals in 2020 and 2021

Geographical Portfolio Structure

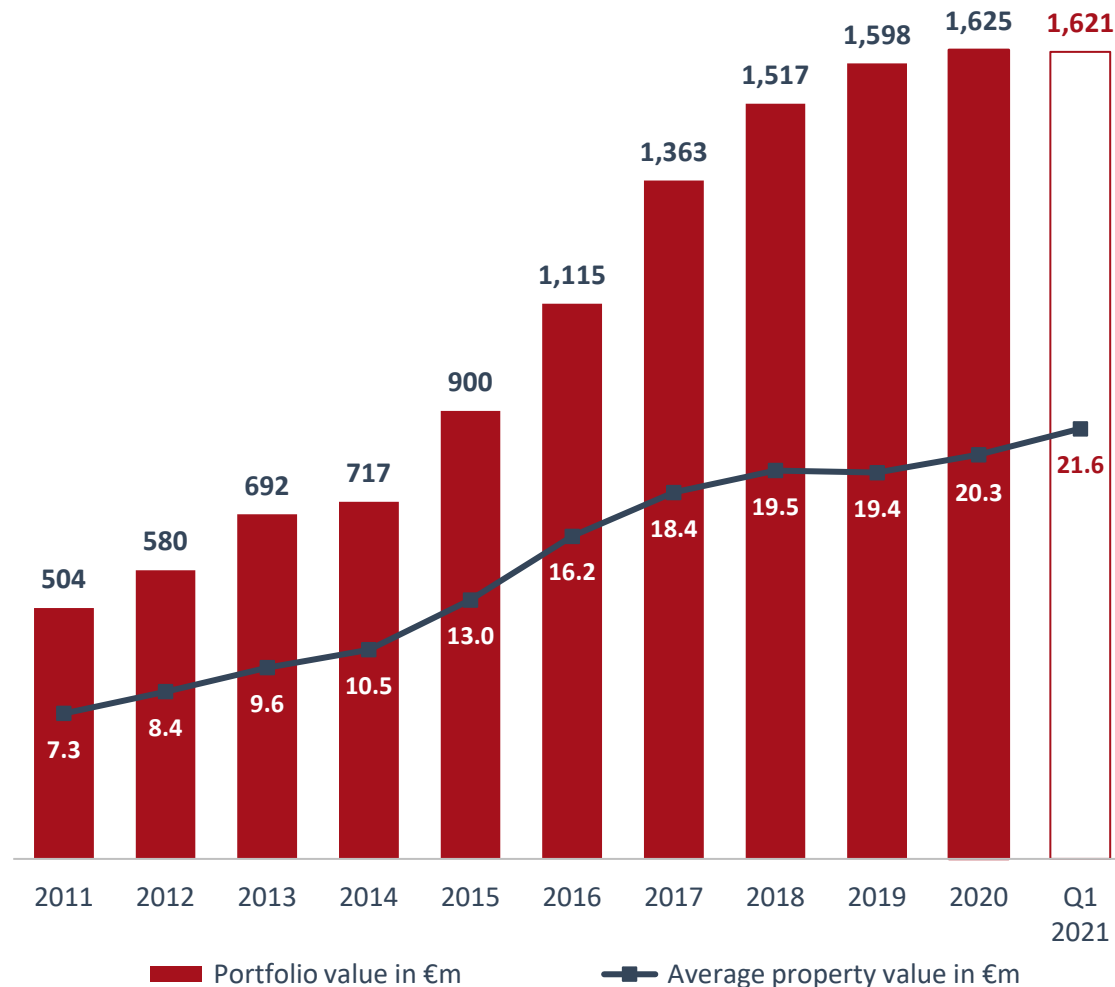
Geographical Focus (Metropolitan Regions)



Portfolio by Metropolitan Regions



Portfolio Value and Average Property Value



Comments

- Continuous value-adding portfolio growth since conversion into a G-REIT in 2010
- Average annual **growth rate** of **12.4%** over the last ten years
- Average property value** of **€21.6m** allows cost-effective portfolio and asset management
- Operating cost ratio** at **8.2%** in Q1 2021
- Expected further increase of average value due to recent disposals of smaller non-strategic assets
- Combination of two-pillar portfolio strategy and investment focus on metropolitan regions forms the basis for future value-adding growth



**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 Dec 2020

(2) Including incidental acquisition costs

Disposals 2020



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

(1) As of 31 Dec 2020



Mainz



Münster

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

(1) As of 31 March 2021

(2) As of 31 December 2021

(3) Including rent guarantees

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

Disposals 2021



**Bad Homburg
Louisenstr. 66**



**Bad Homburg
Louisenstr. 53-57**

Selling price	€11.2m	€15.9m
Annual rental income	€0.67m	€0.82m
WALT⁽¹⁾	6.6 years	4.3 years
Transfer of possession	1 April 2021	1 May 2021



Hamburg



Fürth



Villingen-Schwenningen⁽²⁾

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

(1) As of 31 March 2021

(2) Signed in Q2 2021

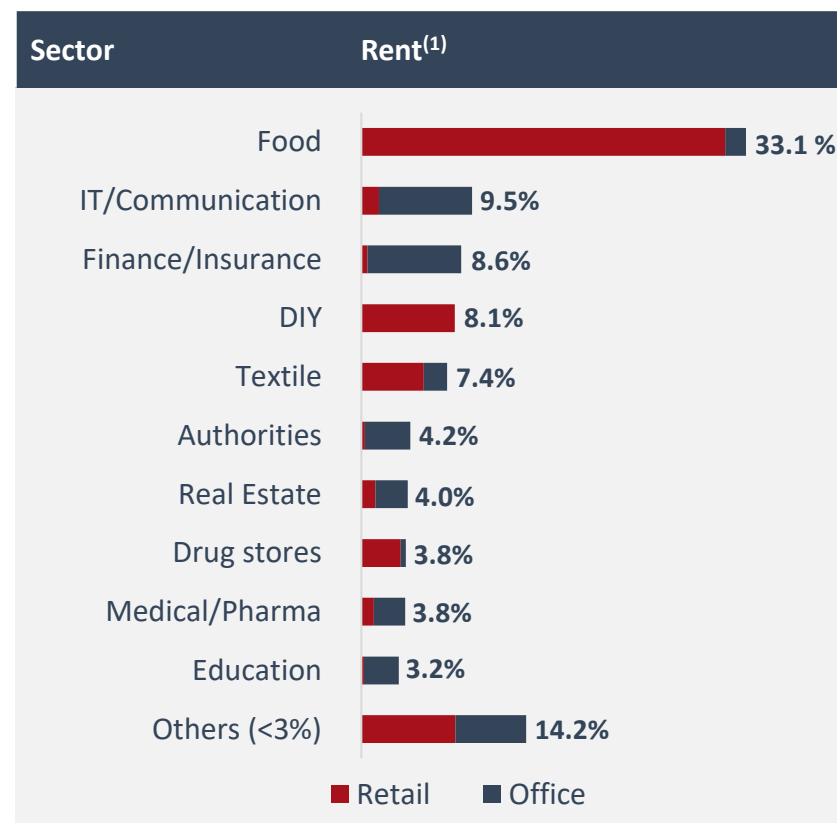
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Top-10 tenants (as of 31 March 2021)

Tenant	Sector	Rent ⁽¹⁾
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 %
Total		43.8 %

Sector distribution (as of 31 March 2021)



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

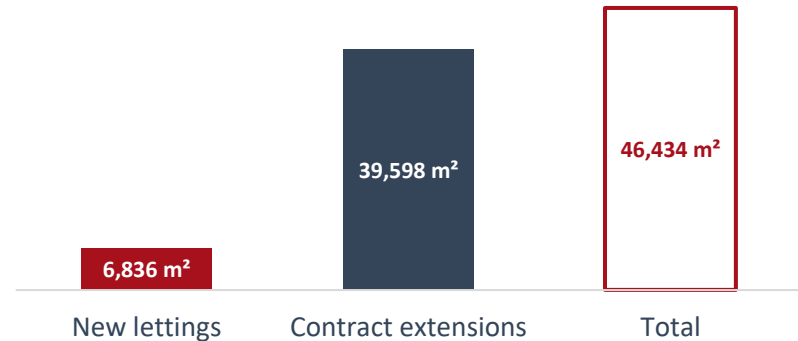
HAMBORNER continues to benefit from high share of tenants with strong financial profiles and operations unaffected by Covid-19 related restrictions (especially food-anchored retail/approx. 33%)

Lease Contracts

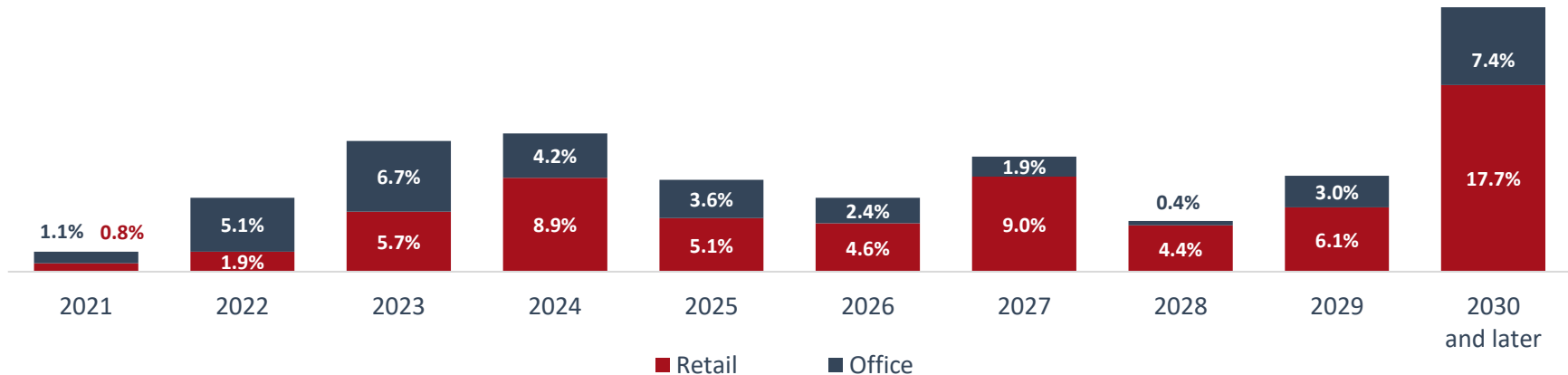
Weighted average lease expiry (as of 31 March 2021)



Letting result (Q1 2021)

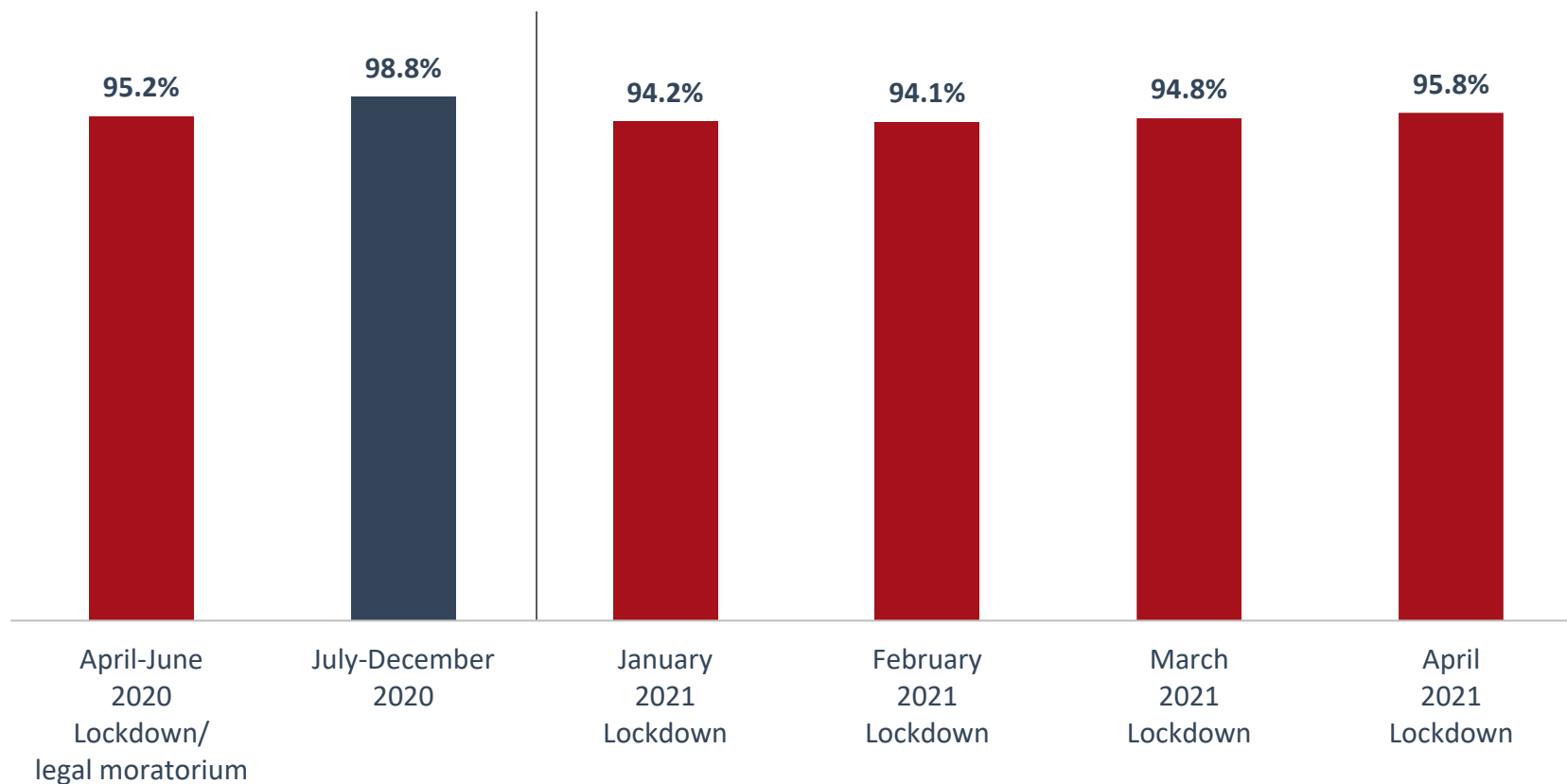


Lease expiry schedule (as of 31 March 2021; % of annual rents)



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

Rent collection rates⁽¹⁾ (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%

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Key Figures Q1 2021

Key figures	Q1 2021	Q1 2020	Change
Profit and loss statement			
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
Key KPIs			
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
Financial KPIs			
REIT equity ratio	55.6 %	54.5 %	+1.1 %-points
Loan to Value (LTV)	44.0 %	44.5 %	-0.5 %-points
EPRA metrics			
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 %

Funds from Operations (FFO)

In k€	Q1 2021	Q1 2020	Change
1 Income from rents and leases	21,810	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 %
Net rental income	18,860	18,659	+1.1 %
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 %
FFO	12,702	13,318	-4.6 %
- Capex	-297	-296	+0.3 %
AFFO	12,405	13,022	-4.7 %
<i>FFO per share in €⁽¹⁾</i>	<i>0.16</i>	<i>0.17</i>	<i>-5.9 %</i>
<i>AFFO per share in €⁽¹⁾</i>	<i>0.15</i>	<i>0.16</i>	<i>-6.3 %</i>

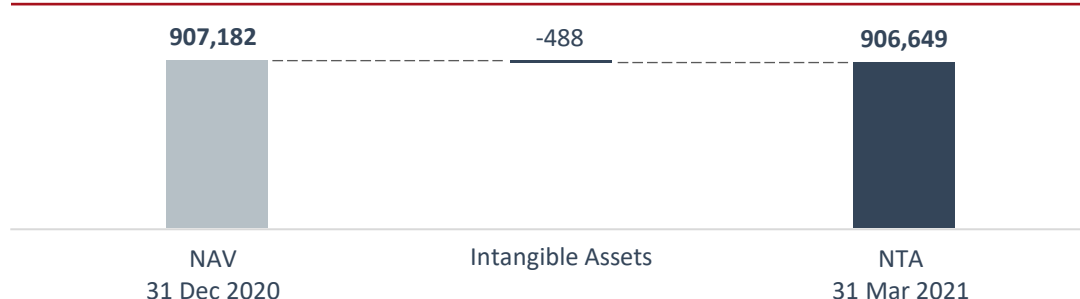
Comments
1 Decline in rental income due to property disposals (-€0.51m) and pandemic-related risk provisioning (-€0.44m); in turn, rental income increases by €0.97m due to property additions
2 Increase in personnel expenses mainly due to hiring of additional employees and additions to provisions for management board compensation (LTI and STI)
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
Balance sheet NAV		
1 + Hidden reserves investment property	395,878	397,114
+ Hidden reserves assets held for sale	397,114	18,852
Net Asset Value (NAV)	907,182	890,721
NAV per share in €	11.26	11.05
Intangible Assets	-488	-499
4 Net Tangible Assets (NTA)	906,649	890,222
NTA per share in €	11.25	11.05

NAV to NTA reconciliation (k€)

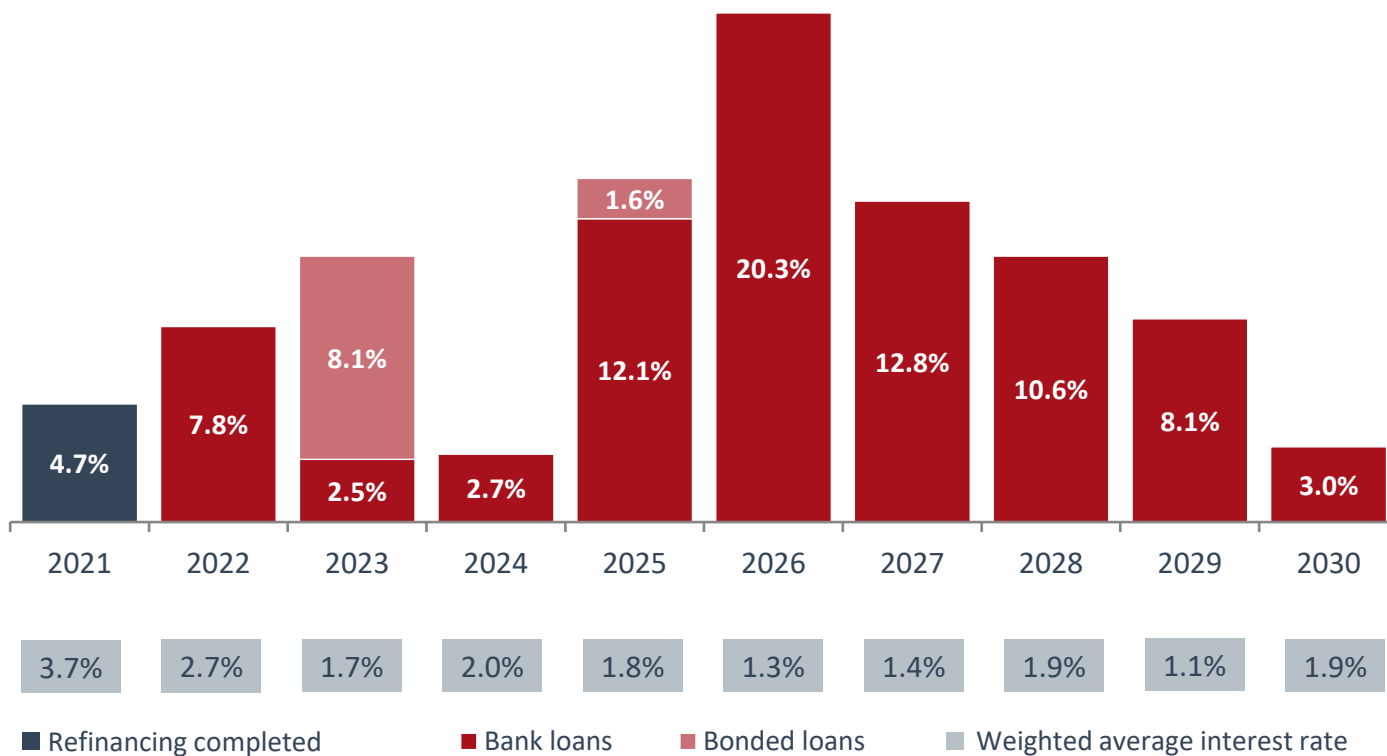


Comments
1 Decrease in long-term assets (incl. hidden reserves) mainly related to property disposals
2 Increase in short-term assets mainly related to higher liquidity position and reclassification of properties as held for sale
3 Non-current liabilities and provisions increase due to additional financing related to newly acquired assets
4 EPRA Net Tangible Assets ('NTA') <ul style="list-style-type: none"> ▪ 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

Expiration of financial liabilities (as of 31 March 2020)

Ø Refinancing interest rate

2021: 1.1 %



55.6%

REIT Equity ratio

44.0%

LTV

€772.7m

Financial liabilities⁽¹⁾

1.71%

Ø cost of debt⁽¹⁾

5.3 years

Ø maturity of debt⁽¹⁾

6.4x

EBITDA/
Interest coverage

(1) As of 31 March 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

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Strategic Development and Guidelines

- Integration of sustainability/ESG criteria into overall strategy
- Definition of achievable goals taking into account feasibility and (cost) efficiency
- Implementation of strategic sustainability programme
- Planning and controlling of sustainability activities by internal sustainability committee
- Continuous expansion of sustainability management
- Intensification of dialogue with relevant stakeholders about key sustainability/ESG topics and integration of lessons learned in the further development of the (sustainability/ESG) strategy
- Continuous performance measurement for sustainability/ESG management activities and permanent reporting

Key Action Areas



Focus on business-relevant topics and selected effective measures to optimize ESG performance

Strategic sustainability programme (excerpt)

Corporate Governance & Dialogue

- Further development of ESG-related governance structures
- Expansion of sustainability management and strategic controlling of sustainability performance
- Systematic stakeholder management and intensification of stakeholder dialogue
- Further development of risk management incl. ESG risks

Portfolio Quality & Optimisation

- Systematic review of ESG criteria as part of acquisitions
- Technical portfolio optimisation
- Conclusion of further green leases

Environmental Management & Climate Protection

- Environmental management and CO₂ accounting at head office
- Environmental accounting and reduction in CO₂ emissions throughout the property portfolio
- Systematic review of environmental standards in upstream and downstream processes

Employee Development

- Development and implementation of training programme
- Expansion of health management & workplace safety measures
- Promotion of diversity and equal opportunity
- Flexibilisation of working models
- Ensuring social standards in upstream & downstream processes

Main topics 2021

- Definition of clear responsibilities in the key action areas
- Intensification of dialogue with tenants (with a focus on recording climate-related and environmental data)
- Optimization of data management
- Revision and active marketing of green leases
- Environmental management and CO₂ accounting (Scope 1-3) at the head office in Duisburg
- Employee advancement through targeted training measures and the introduction of flexible and efficient working models

Medium-Term Goals

Streamlining of environmental footprint and reduction in CO₂ emissions

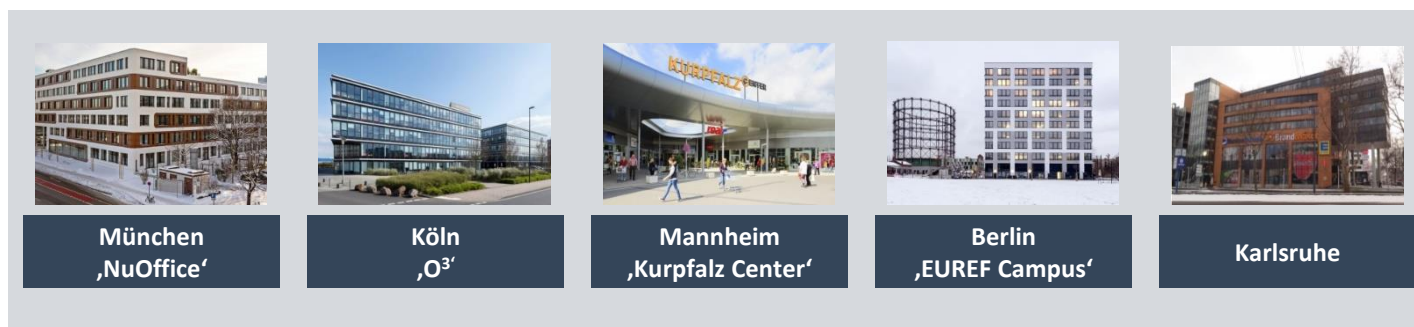
Increased conclusion rate for green leases

Systematic review of ESG criteria within the framework of property acquisitions

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TOP 10 Properties (1/2)

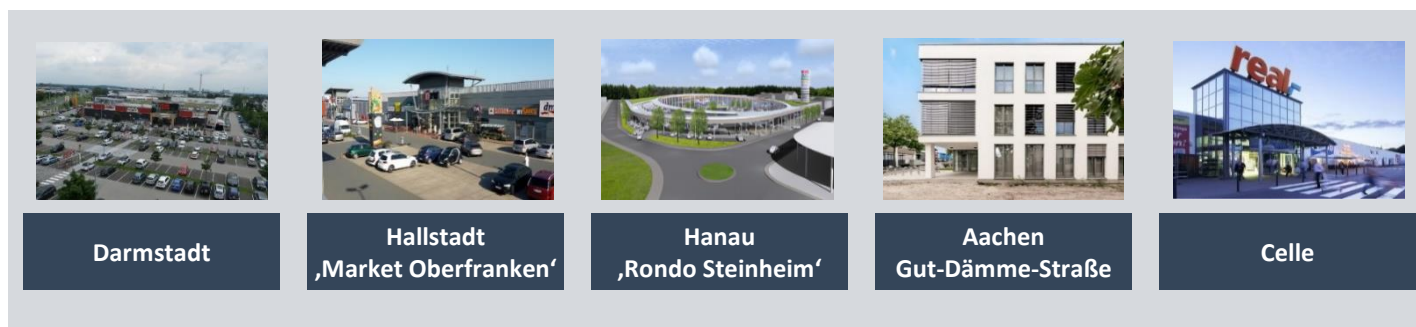


Asset type	Office	Office	Retail	Office	Retail
Year of acquisition	2013	2017	2016	2013	2012
Purchase price	€40.1m	€48.9m	€80.0m	€33.0m	€37.0m
Fair value ⁽¹⁾	€80.0m	€76.5m	€74.6m	€70.8m	€52.8m
Annual rental income	€2.5m	€2.8m	€4.2m	€2.4m	€2.6m
WALT ⁽²⁾	3.6 years	10.0 years	4.4 years	3.3 years	13.7 years
Main tenants	Estée Lauder, Armani	NetCologne	Real, ALDI, dm	Deutsche Bahn, Schneider Electric	EDEKA, Brandmaker

(1) As of 31 December 2020

(2) As of 31 March 2020

TOP 10 Properties (2/2)



	Darmstadt	Hallstadt ,Market Oberfranken'	Hanau ,Rondo Steinheim'	Aachen Gut-Dämme-Straße	Celle
Asset type	Retail	Retail	Retail	Office	Retail
Year of acquisition	2018	2017	2017	2020	2015
Purchase price	€42.8m	€41.4m	€37.5m	€37.4m	€35.2m
Fair value⁽¹⁾	€44.9m	€44.5m	€42.4m	€40.9m	€38.2m
Annual rental income	€2.3m	€2.5m	€2.0m	€2.0m	€2.3m
WALT⁽²⁾	4.6 years	5.7 years	11.5 years	10.1 years	7.6 years
Main tenants	REWE, Herbalife	tegut, ALDI, Müller, C&A	REWE, ALDI, dm	Barmer, AOK	Real, ALDI, Rossmann

(1) As of 31 December 2020

(2) As of 31 March 2020

HAMBORNER REIT AG – Financial Calendar

Half-year financial report H1 2021	29 July 2021
Interim statement Q3 2021	9 November 2021
Preliminary figures 2021	08 February 2022
Annual report 2021	17 March 2022
Quarterly financial statement Q1 2022	26 April 2022
Annual General Meeting 2022	28 April 2022



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