



hamborner  
**REIT**



ZUKUNFT BRAUCHT SUBSTANZ

## Company presentation

Dr. Rüdiger Mrotzek

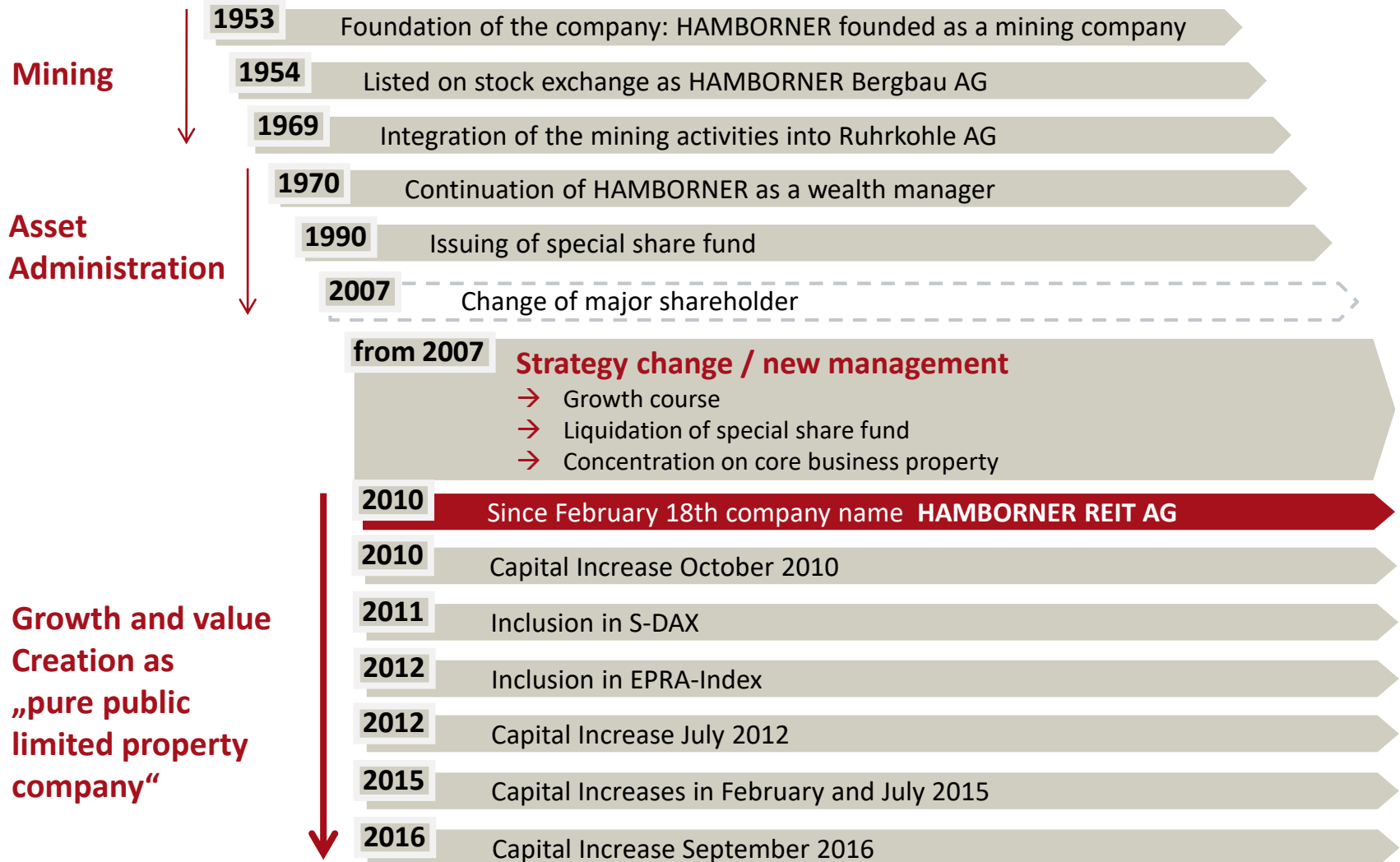
Hans Richard Schmitz

August 2019

<b>1</b>	<b>History / Capital markets track record</b>
<b>2</b>	<b>Portfolio-Management</b>
<b>3</b>	<b>Asset-Management</b>
<b>4</b>	<b>Financial Figures / Financial Position</b>

# History / Capital markets track record

## Historical development of the company



# History / Capital markets track record

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## [R]eal [E]state [I]nvestment [T]rust (REIT)

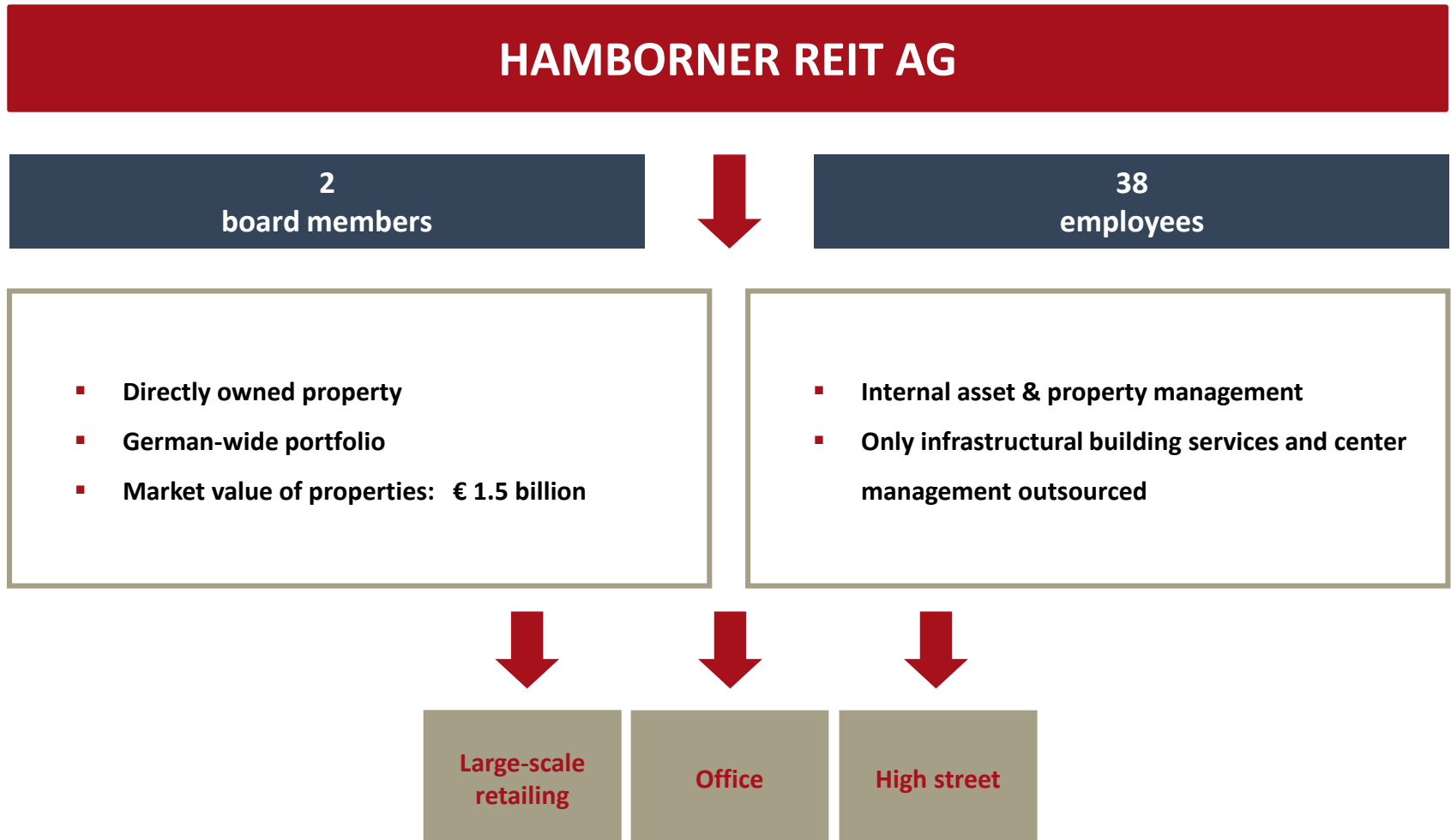
### Requirements for G-REITs

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- 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

# History / Capital markets track record

Lean corporate structure – no holding/parent companies



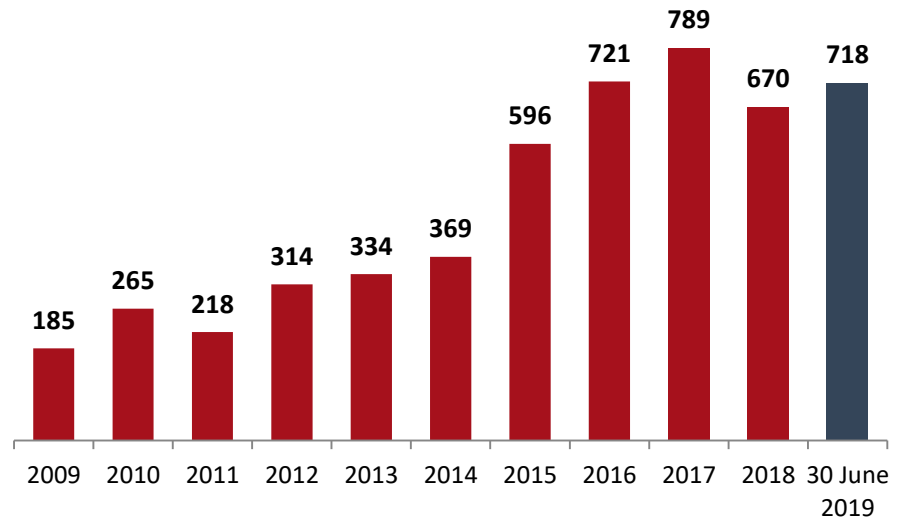
# History / Capital markets track record

## Growing market capitalization and increasing free float

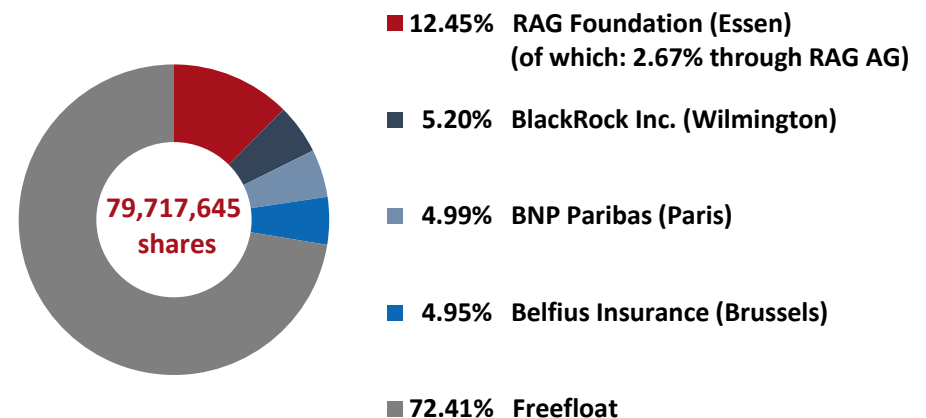
### Milestones

- **2007:** Start of new strategy
- **2010:** Achievement of G-REIT status and change of company name to HAMBORNER REIT AG
- **October 2010:** Capital Increase – net proceeds of approx. € 76m
- **February 2011:** Secondary placement of approx. € 89 million HSH stake
- **March 2011:** SDAX index inclusion
- **March 2012:** EPRA index inclusion
- **July 2012:** Capital Increase – 11,373,333 new shares, net proceeds of approx. € 71.4m
- **Feb 2015:** Capital Increase – 4,549,332 new shares, gross proceeds of approx. € 40.9m – RAG Foundation new shareholder
- **July 2015:** Capital Increase – 11,959,948 new shares, net proceeds of approx. € 101.6m
- **September 2016:** Capital Increase – 17,715,032 new shares, net proceeds of approx. €161.5m
- **May 2018:** New Authorisation to issue option and convertible bonds

### Market cap (€ million)



### Shareholders



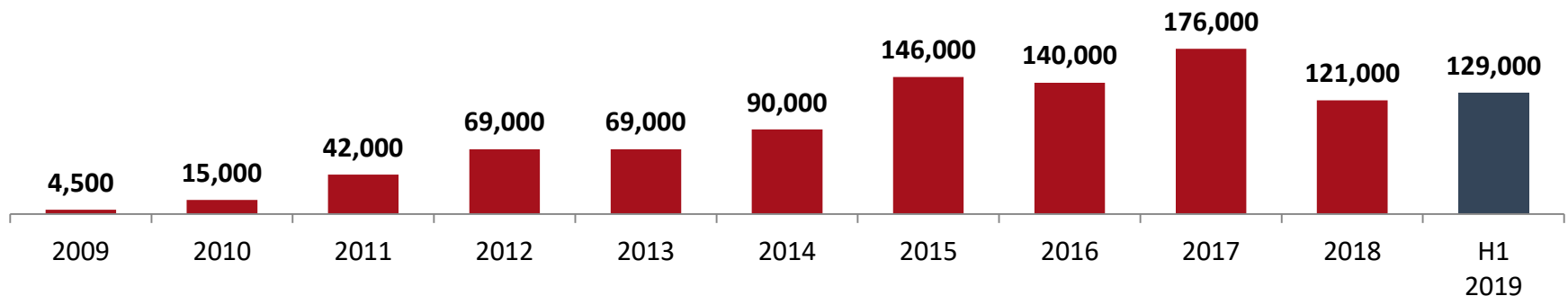
# History / Capital markets track record

## HAMBORNER REIT AG share

### Development of share price and turnover (1 year)



### Average turnover per day (# shares)



<b>1</b>	<b>History / Capital markets track record</b>
<b>2</b>	<b>Portfolio-Management</b>
<b>3</b>	<b>Asset-Management</b>
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## Well defined acquisition strategy

### Acquisition strategy

- Regional diversification in high-growth regions in West, South and South-West Germany
- Focus also on towns and cities outside the main metropolises
- Focus on acquisitions of €10 million - €100 million
- Improving cost/yield structures through acquisition of larger properties and disposal of smaller properties
- Off-market deals preferred

### Asset focus

- Focus on quality properties, location and property strategy determined by asset type:
  - **Large scale retailing** in town centre sites or highly frequented edge-of-town sites, nationally at locations with > 60,000 inhabitants
  - **Modern office buildings** built or redeveloped from the year 2007 onwards in town centre sites of cities with > 100,000 inhabitants
  - **Commercial buildings** used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants

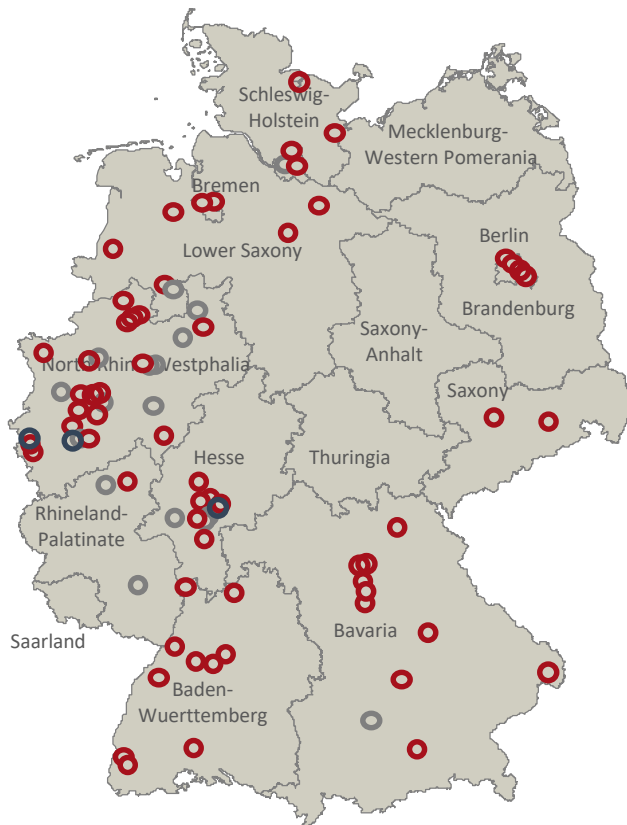
- **Diversified commercial real estate portfolio structure with clear yield-orientation**
- **Creating value through continuous expansion of portfolio/benefit from scale-effects**



# Portfolio-Management

## Balanced portfolio with 100% German focus

### Geographical portfolio spread

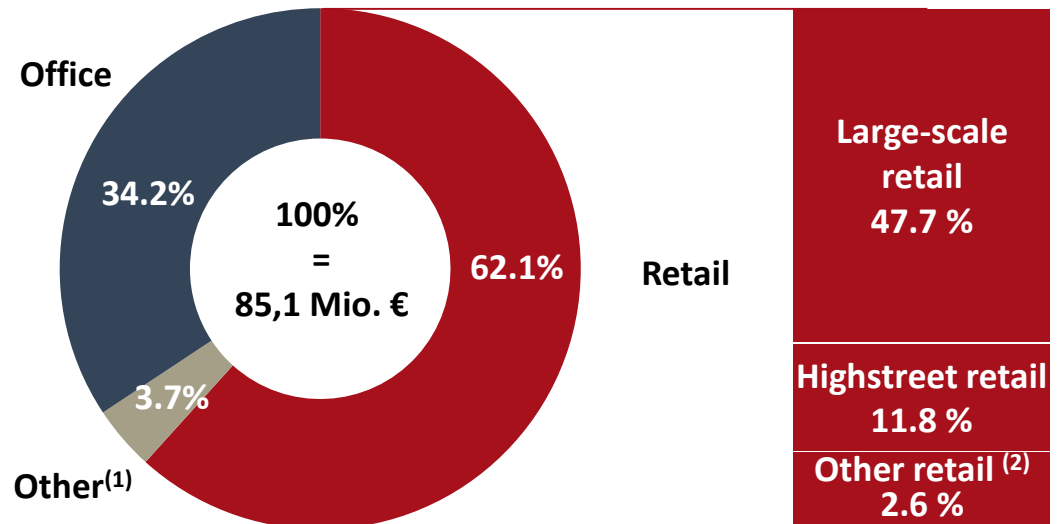


- Acquisitions before 2007
- Acquisitions from 2007
- Purchase contract signed

### Diversification of asset types

- 79 properties in 61 cities in Germany
- Focus on West, South and South-West
- € 1.517 billion portfolio value

### Annualised rental income



- (1) Residential units, restaurants, catering, fitness, storage space, parking spaces, short-term leases  
(2) Smaller retail spaces < 1,200 m<sup>2</sup> in mixed-used assets

# Portfolio-Management

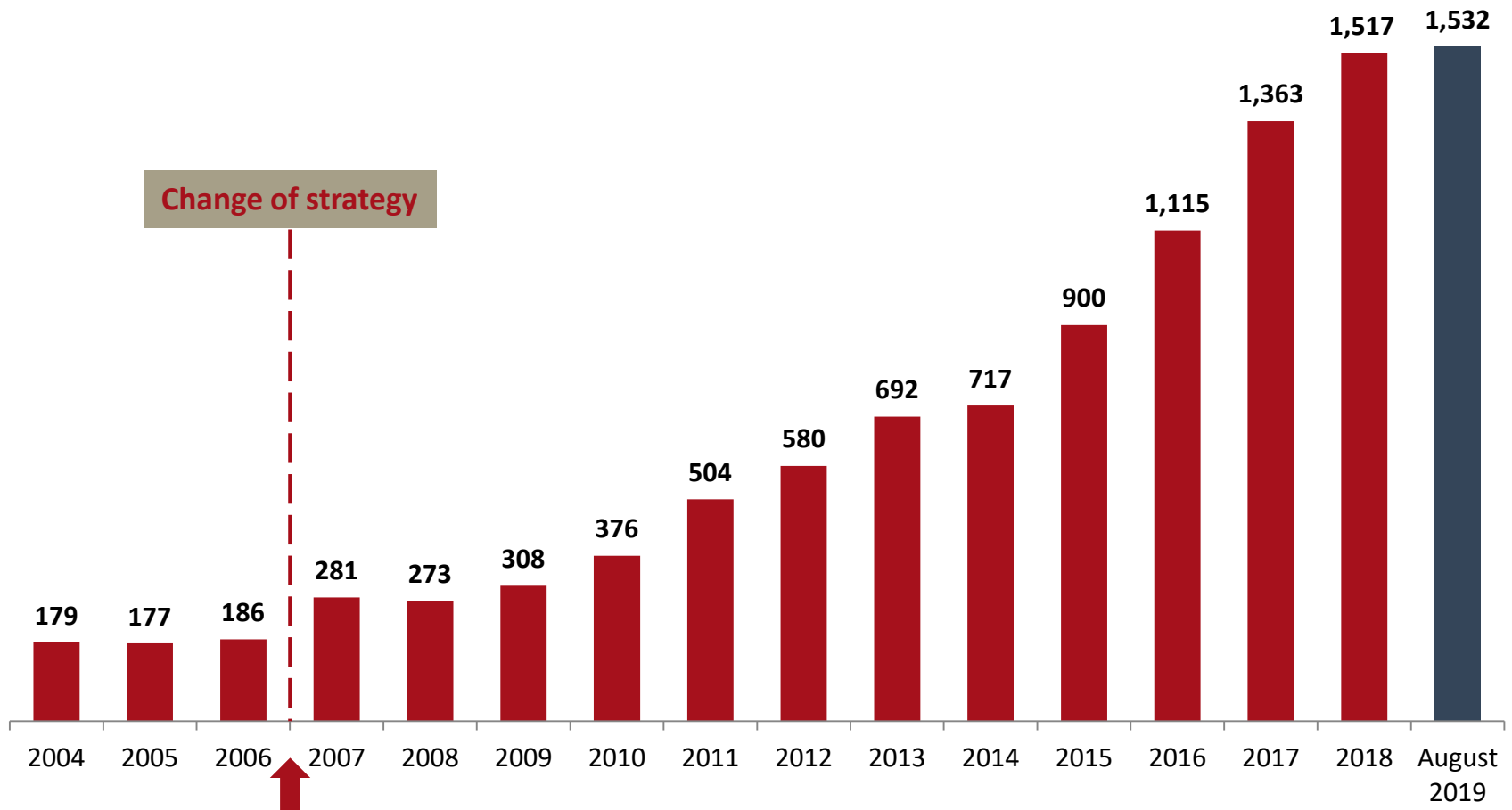
## Regional diversification

<u>Federal State</u>	<u>Number of properties</u>	<u>Share in market value of total portfolio</u>
Northrhine-Westphalia	27	26%
Bavaria	11	19%
Baden-Wurttemberg	10	16%
Hessen	9	12%
Berlin	4	10%
Lower Saxony	6	6%
Schleswig-Holstein	2	5%
Hamburg	3	2%
Bremen	2	2%
Saxony	2	1%
Rhineland-Palatinate	3	1%
<b>Total</b>	<b>79</b>	

# Portfolio-Management

## Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

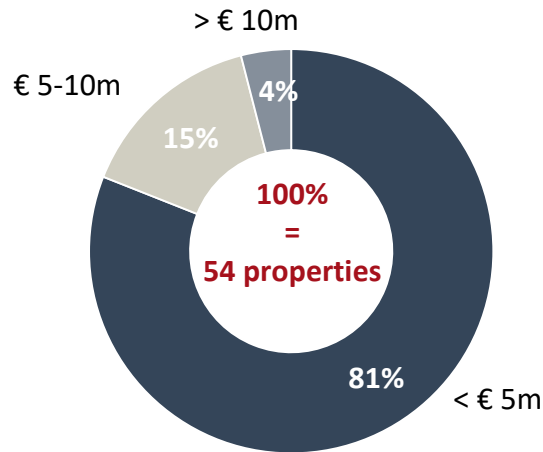


# Portfolio-Management

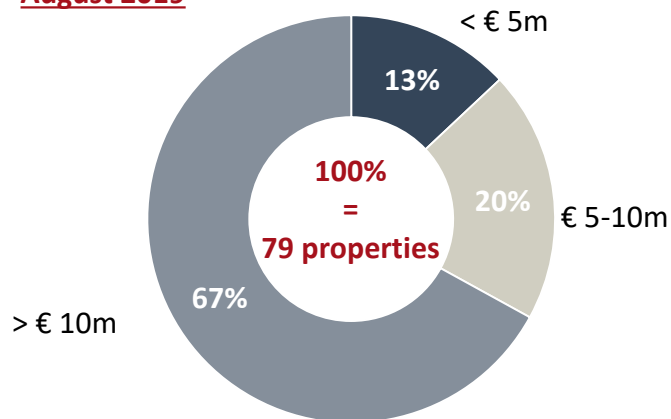
## Portfolio structure

### Portfolio split by property value

**31 December 2006**

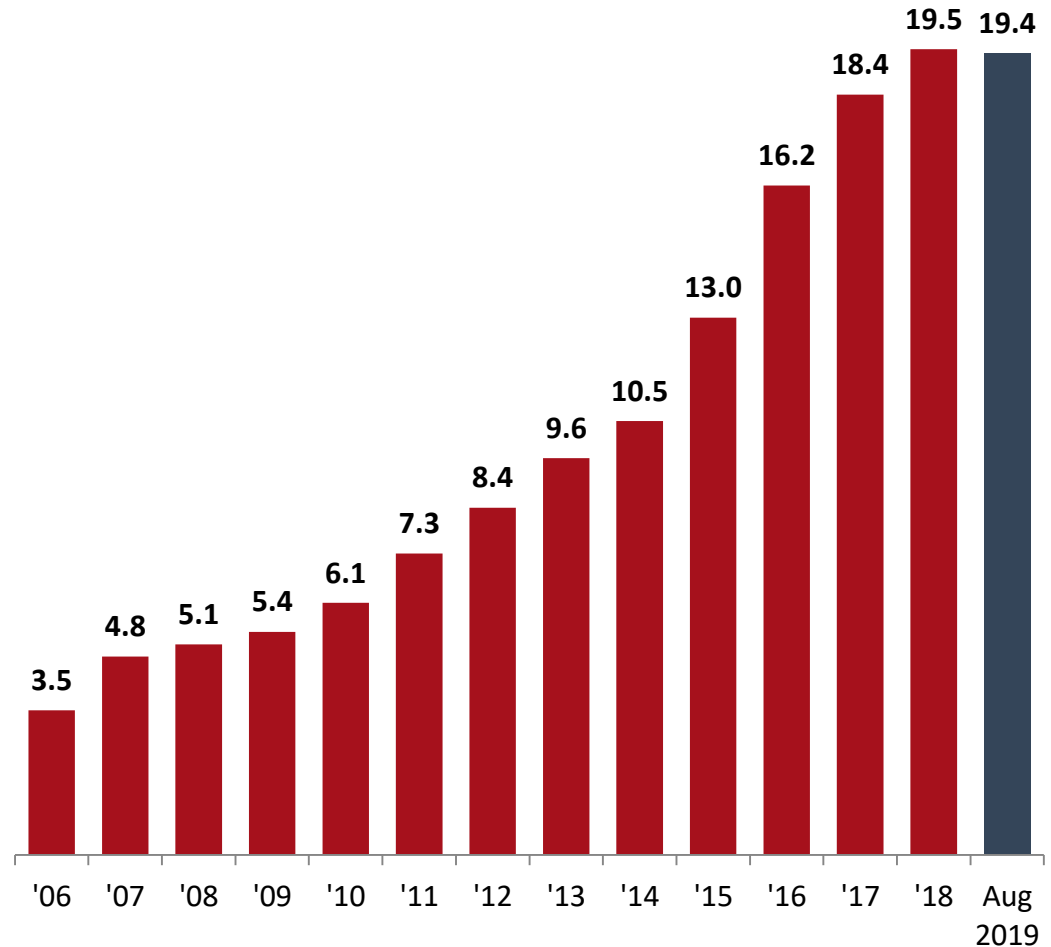


**August 2019**



### Average value per asset (in € million)

**August 2019 (Number of properties = 79)**



## Investments 2018



**Düsseldorf**  
**Harffstraße**



**Cologne**  
**Unter Linden**

<b>Asset type</b>	Large-scale retail	Large-scale retail
<b>Built</b>	1980 (Modernized 2011)	2009
<b>Main tenants</b>	EDEKA	EDEKA, ALDI, dm, Sparkasse
<b>Leased area</b>	5,343 m <sup>2</sup>	6,533 m <sup>2</sup>
<b>Annual rental income</b>	0.6 million	€ 1.0 million
<b>Remaining lease term</b>	10.0 years <sup>(1)</sup>	8.1 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.7 %	5.1 %
<b>Purchase price</b>	€ 9.7 million	€ 20.2 million
<b>Transfer of possession</b>	2 January 2018	2 January 2018

(1) As of date of transfer

## Investments 2018



**Bonn**  
**Basketsring**



**Darmstadt**  
**Leydhecker Strasse**

<b>Asset type</b>	Large-scale retail	Large-scale retail/Office
<b>Built</b>	2008	2000
<b>Main tenants</b>	EDEKA	REWE, Herbalife, Alcan Systems
<b>Leased area</b>	4,934 m <sup>2</sup>	19,400 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.8 million	€ 2.5 million
<b>Remaining lease term</b>	10.0 years <sup>(1)</sup>	5.9 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.5 %	5.6 % <sup>(2)</sup>
<b>Purchase price</b>	€ 13.8 million	€ 42.8 million
<b>Transfer of possession</b>	2 January 2018	20 April 2018

(1) As of date of transfer (2) Calculation incl. € 1.6m maintenance expenses



## Investments 2018



**Berlin**  
**Landsberger Allee**

<b>Asset type</b>	Large-scale retail (DIY store)
<b>Built</b>	1975 (Modernized in 2011)
<b>Main tenants</b>	Globus Baumarkt
<b>Leased area</b>	16,500 m <sup>2</sup>
<b>Annual rental income</b>	€ 1.7 million
<b>Remaining lease term</b>	11.6 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.3 %
<b>Purchase price</b>	€ 32.1 million
<b>Transfer of possession</b>	29 November 2018

(1) As of date of signing

## Investments 2019



**Bamberg**  
**Starkenfeldstrasse**

<b>Asset type</b>	Large-scale retail/office
<b>Built</b>	2013
<b>Main tenants</b>	EDEKA, Perbily, Bosch BKK, IG Metall
<b>Leased area</b>	6,160 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.84 million
<b>Remaining lease term</b>	8.0 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.6 %
<b>Purchase price</b>	€ 14.9 million
<b>Transfer of possession</b>	1 July 2019

(1) As of date of transfer

## Investments 2019

### Transfer of possession 2020



**Bonn**  
**Krähenhorst/Soenneckenstraße**



**Aachen**  
**Gut-Dämme-Straße/Grüner Weg**

<b>Asset type</b>	Office	Office
<b>Built</b>	2019 (under construction)	2019 (under construction)
<b>Main tenants</b>	Barmer, ...	Barmer, ...
<b>Leased area</b>	6,200 m <sup>2</sup>	8,200 m <sup>2</sup>
<b>Annual rental income</b>	€ 1.2 million	€ 1.5 million
<b>Remaining lease term</b>	approx. 10 years <sup>(1)</sup>	approx. 8 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.3 %	5.2 %
<b>Purchase price</b>	€ 22.8 million	€ 28.3 million
<b>Transfer of possession</b>	Q1 2020e	Q1 2020e

(1) As of date of signing

# Portfolio-Management

## Investments 2019

## Transfer of possession 2020



**Neu-Isenburg**  
**Siemensstrasse**

<b>Asset type</b>	Office
<b>Built</b>	2019 (under construction)
<b>Main tenants</b>	UBL, ...
<b>Leased area</b>	4,500 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.9 million
<b>Remaining lease term</b>	approx. 8 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.4 %
<b>Purchase price</b>	€ 16.1 million
<b>Transfer of possession</b>	Q1 2020e

(1) As of date of signing

## Divestment 2019

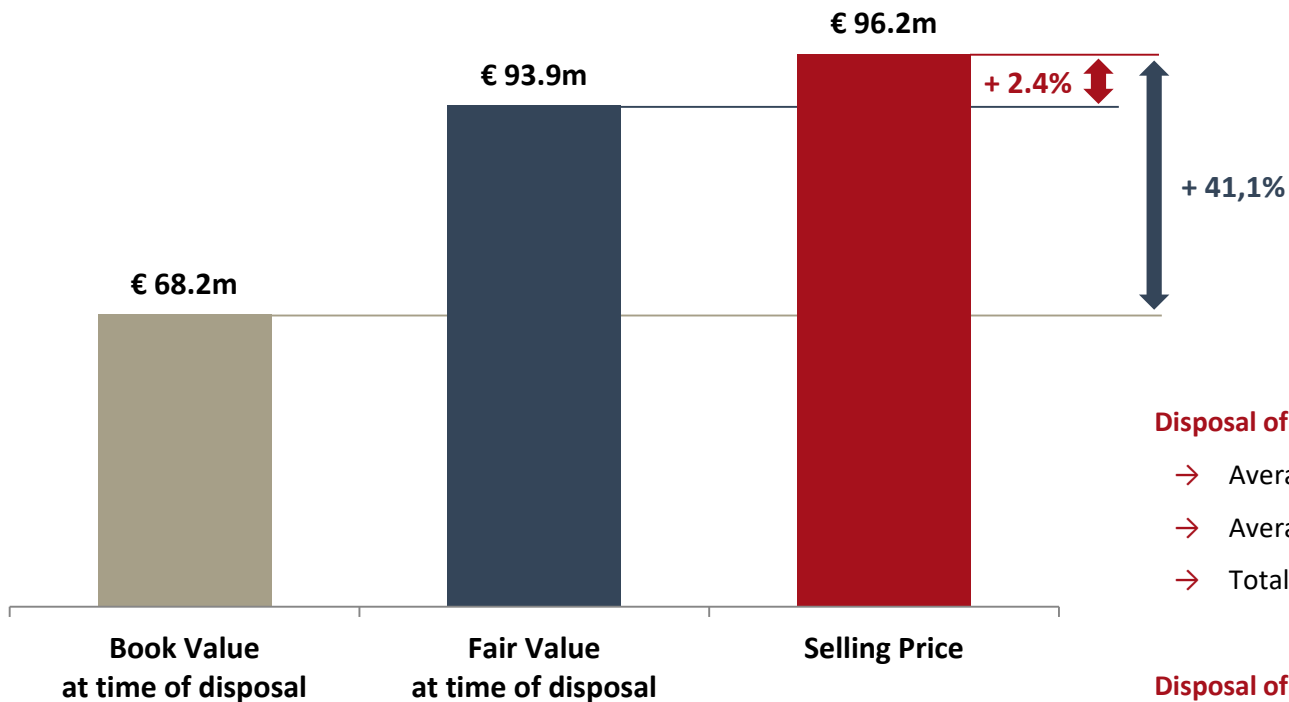


### Leverkusen

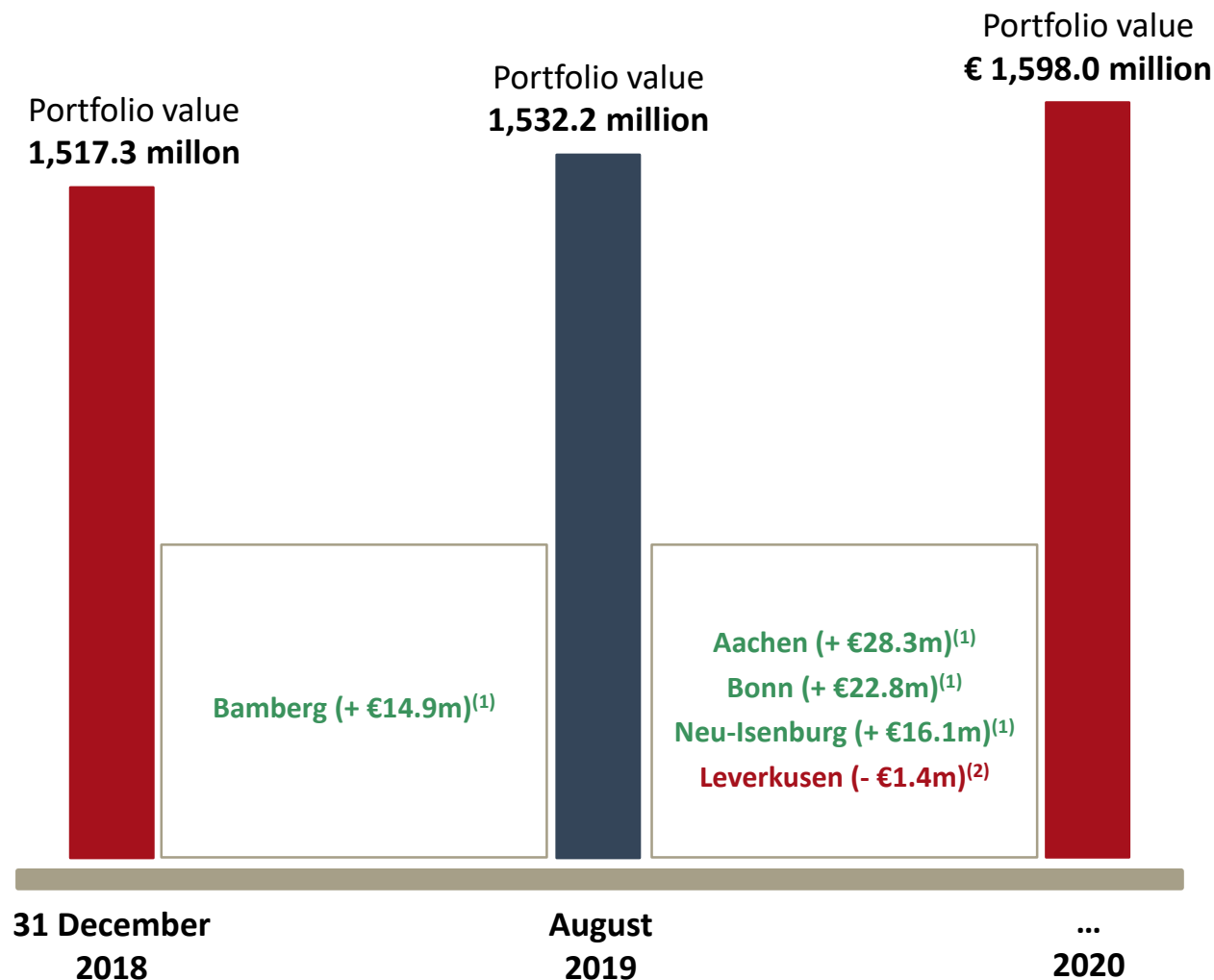
Asset type:	High street retail
Selling price:	€ 1.6 million
Fair value as of 31 December 2018:	€ 1.4 million
Contribution to earnings:	€ 0.1 million
Transfer of possession:	Q3 2019e

# Portfolio-Management

## Divestments since change of strategy in 2007



## Portfolio development

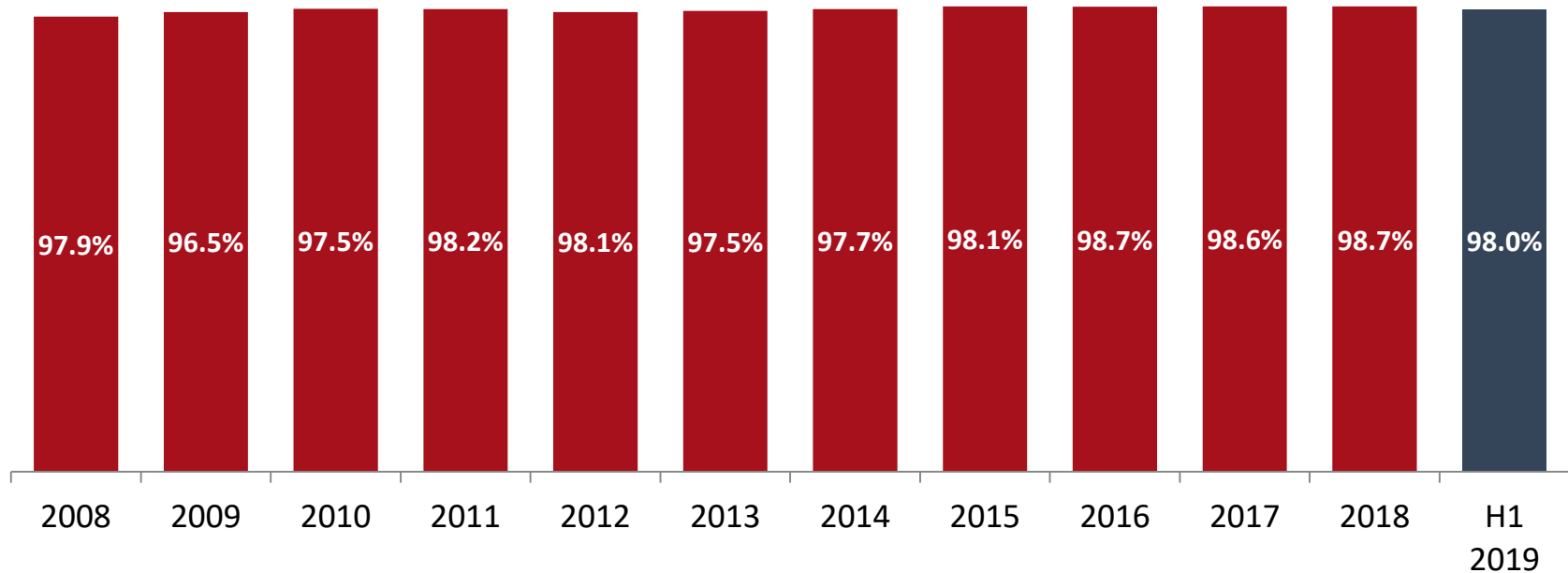


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## High and stable occupancy

### Occupancy rates

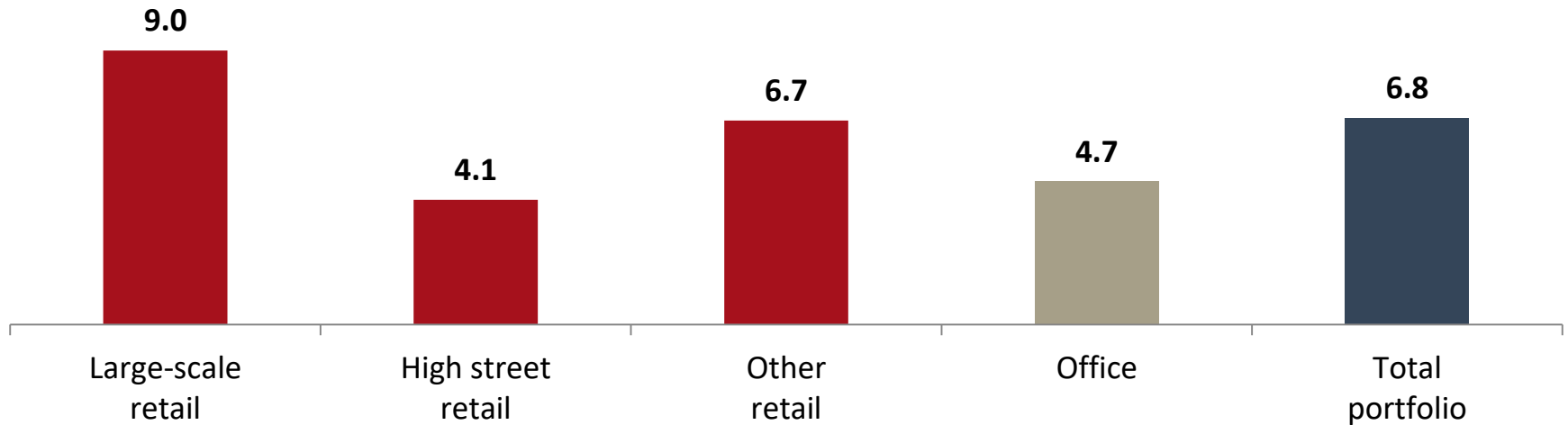


→ Vacancy rate as of 30 June 2019 (incl. rent guarantees): 2.0 %

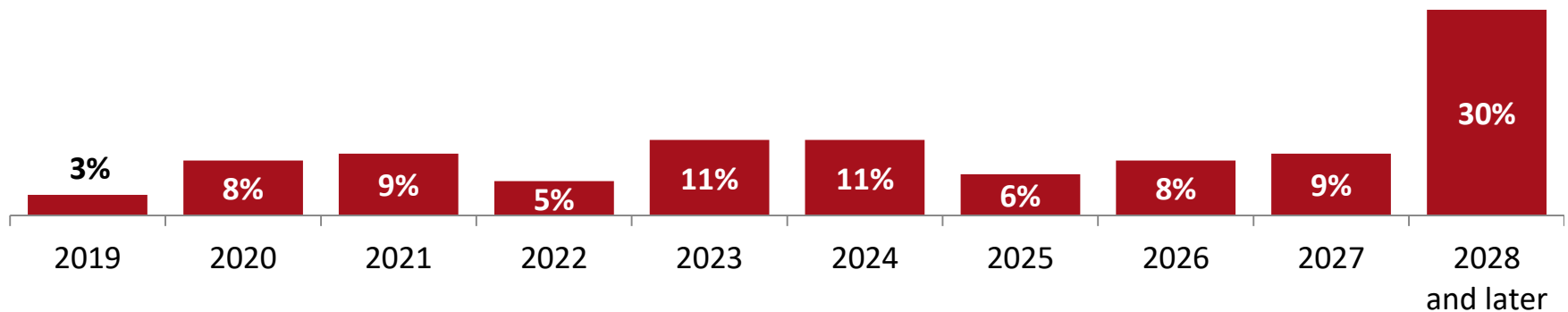
→ Vacancy rate as of 30 June 2019 (excl. rent guarantees): 2.1 %

## Long-term leases

### Weighted average lease expiry by type (30 June 2019, in years)













### Split of lease contracts expiring by year (30 June 2019)



## Solid tenants

### Top 10 tenants (as of 30 June 2019)

	Tenant	Sector	% annual rents*
	EDEKA Group	Food retail	11.7%
	Kaufland Group	Food retail	6.8%
	REWE Group	Food retail	5.6%
	real,-	Food retail	5.5%
	OBI	DIY retail	5.1%
	Jobcenter	Agency of unemployment	3.3%
	NetCologne	Telecommunication	2.1%
	Globus DIY stores	DIY retail	2.0%
	C&A	Textile retail	1.6%
	Telefonica O <sub>2</sub>	Telecommunication	1.6%
	<b>Total</b>		<b><u>45.3%</u></b>

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# Financial Figures / Financial Position

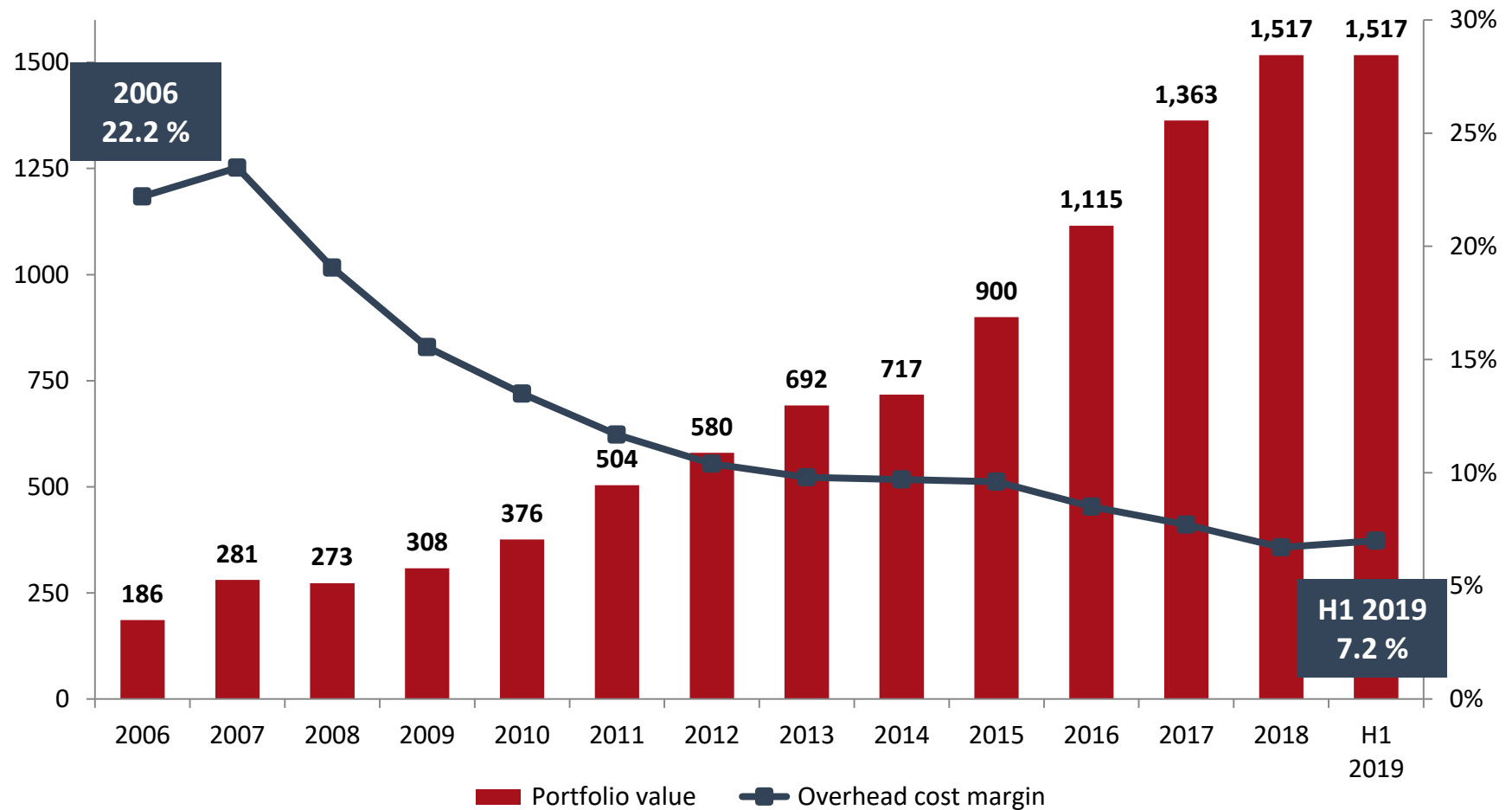
## Significant key figures H1 2019

	<b>H1 2019</b>	<b>H1 2018</b>	<b>Change</b>
<b>Income from rents and leases</b>	<b>€ 42.3 million</b>	€ 41.3 million	+2.3%
<b>Operating result</b>	<b>€ 16.9 million</b>	€ 17.1 million	-1.0%
<b>Profit for the period</b>	<b>€ 9.2 million</b>	€ 9.5 million	-2.8%
<b>Funds from operations (FFO)</b>	<b>€ 26.6 million</b>	€ 26.1 million	+1.9%
<b>Funds from operations (FFO) per share</b>	<b>€ 0.334</b>	€ 0.327	+1.9%
	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>Change</b>
<b>REIT equity ratio</b>	<b>55.2 %</b>	54.5 %	+0.7%-points
<b>Loan to value (LTV)</b>	<b>43.5 %</b>	44.5 %	-1.0%-points
<b>Net asset value (NAV) per share</b>	<b>€ 10.63</b>	€ 10.00	+6.3%

# Financial Figures / Financial Position

## Benefitting from economies of scale

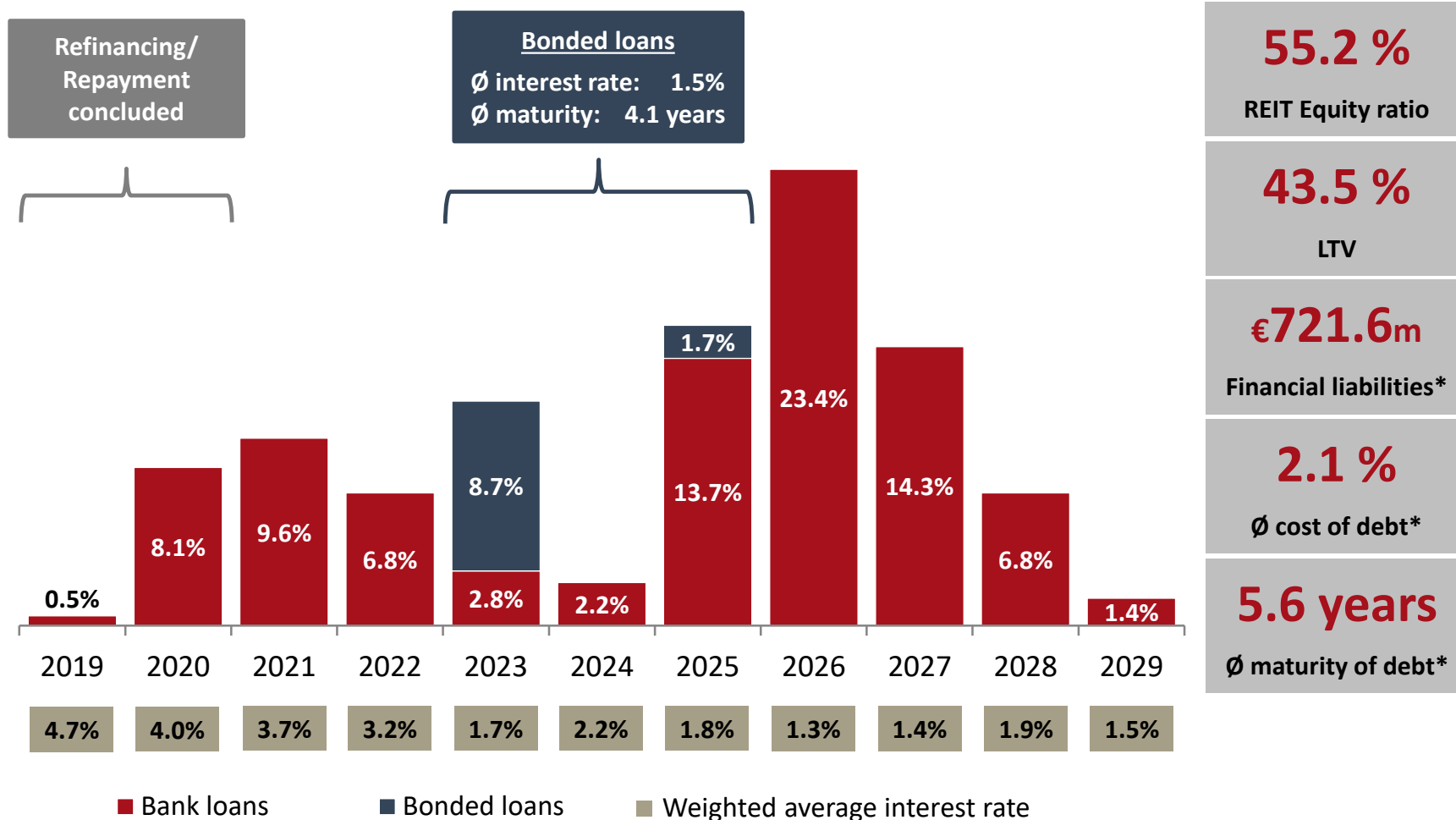
### Portfolio value (€ million) and overhead cost margin\*



# Financial Figures / Financial Position

## Financial liabilities

### Expiration of financial liabilities (as of 30 June 2019)

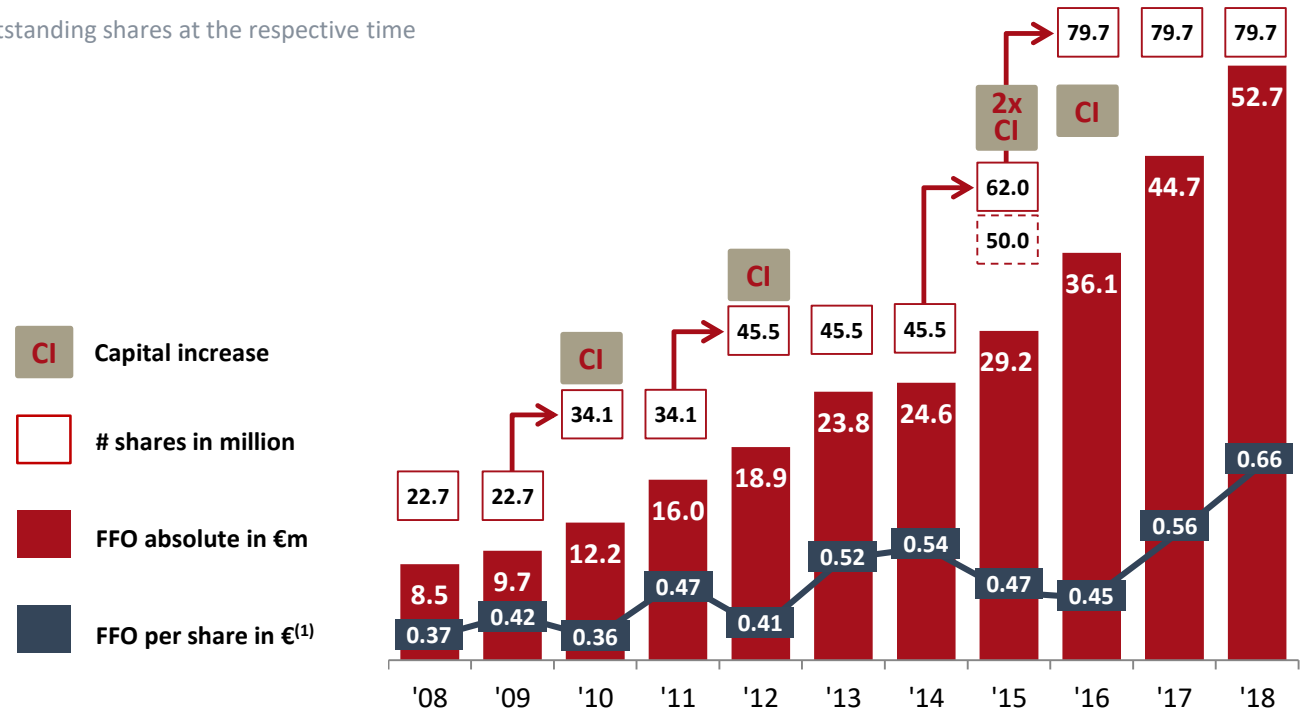


# Financial Figures / Financial Position

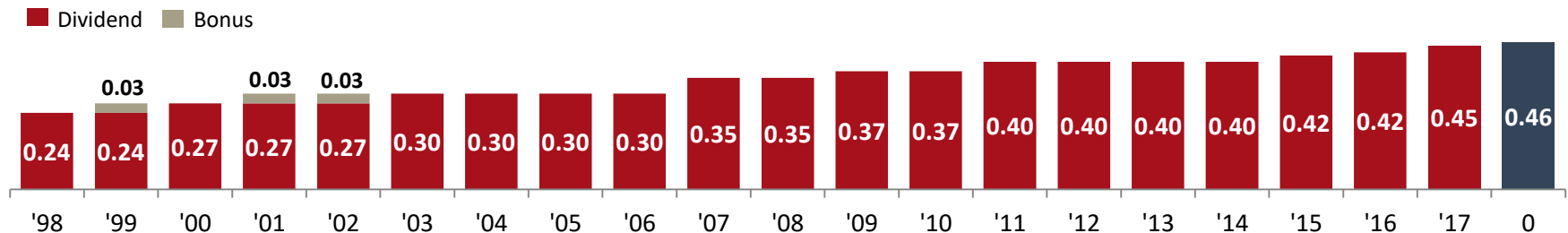
## Increasing FFO and dividend per share

### Funds From Operations (FFO)

(1) Calculation of FFO per share with outstanding shares at the respective time



### Dividend per share (€)





## Forecast

- Rental income 2019: + 1 - 2 %
- FFO 2019 expected on previous year's high level
- Remaining fire power: € 60 – 80 million
- Future growth in rents and FFO secured due to transfer of possession of assets in Aachen, Bonn and Neu-Isenburg in 2020

## Dividend outlook

- Continuation of reliable and sustainable dividend policy
- Further dividend increase of 2.2 % to 47 cents in 2020

<b>HAMBORNER REIT AG - Financial Calendar</b>	
<b>Interim report for 1st half 2019</b>	<b>1 August 2019</b>
<b>Interim report for 3rd quarter 2019</b>	<b>7 November 2019</b>
<b>Preliminary figures 2019</b>	<b>6 February 2020</b>
<b>Annual report 2019</b>	<b>26 March 2020</b>
<b>Interim report for 1st quarter 2020</b>	<b>5 May 2020</b>
<b>AGM 2020</b>	<b>6 May 2020</b>

**Many thanks for your attention!**

## TOP 10 Properties (1/2)



**Mannheim**  
**Kurpfalz Center**



**Munich**  
**NuOffice**



**Berlin**  
**EUREF Campus**



**Cologne**  
**O³**



**Lübeck**  
**Haerder Center**

	Mannheim Kurpfalz Center	Munich NuOffice	Berlin EUREF Campus	Cologne O³	Lübeck Haerder Center
<b>Asset type</b>	Retail	Office	Office	Office	High Street
<b>Year of acquisition</b>	2016	2013	2013	2017	2016
<b>Purchase price</b>	€ 80.0 million	€ 40.1 million	€ 33.0 million	€ 48.9 million	€49.1 million
<b>Fair value</b>	€ 82.9 million <sup>(1)</sup>	€ 63.5 million <sup>(1)</sup>	€ 58.1 million <sup>(1)</sup>	€ 53.4 million <sup>(1)</sup>	€ 53.1 million <sup>(1)</sup>
<b>Annual rental income</b>	€ 4.0 million	€ 2.5 million	€ 2.3 million	€ 2.8 million	€ 2.4 million
<b>Remaining lease term</b>	5.5 years <sup>(1)</sup>	4.1 years <sup>(1)</sup>	4.6 years <sup>(1)</sup>	4.7 years <sup>(1)</sup>	5.5 years <sup>(1)</sup>
<b>Main tenants</b>	Real, Toys'R'Us, ALDI, dm, Adler Mode	Estée Lauder, Armani, Zielpuls	Deutsche Bahn, Schneider Electric	NetCologne	REWE, mytoys, KIK

(1) As of 30 June 2019

## TOP 10 Properties (2/2)



**Hallstadt  
Market Oberfranken**



**Darmstadt**



**Karlsruhe**



**Celle**



**Hanau  
Rondo Steinheim**

	Hallstadt Market Oberfranken	Darmstadt	Karlsruhe	Celle	Hanau Rondo Steinheim
<b>Asset type</b>	Retail	Retail/office	Retail/Office	Retail	Retail
<b>Year of acquisition</b>	2017	2018	2012	2015	2017
<b>Purchase price</b>	€ 41.4 million	€ 42.8 million	€ 37.0 million	€ 35.2 million	€ 37.5 million
<b>Fair value</b>	€ 46.5 million <sup>(1)</sup>	€ 45.6 million <sup>(2)</sup>	€ 45.4 million <sup>(1)</sup>	€ 44.2 million <sup>(1)</sup>	€ 40.5 million <sup>(1)</sup>
<b>Annual rental income</b>	€ 2.5 million	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 2.0 million
<b>Remaining lease term</b>	6.1 years <sup>(1)</sup>	6.3 years <sup>(1)</sup>	14.5 years <sup>(1)</sup>	9.3 years <sup>(1)</sup>	13.0 years <sup>(1)</sup>
<b>Main tenants</b>	Müller, tegut, C&A, Expert, ALDI	REWE, Herbalife, Alcan Systems	EDEKA, Brandmaker	Real, ALDI, Rossmann, tedox, Fressnapf	REWE, ALDI, dm, Deichmann

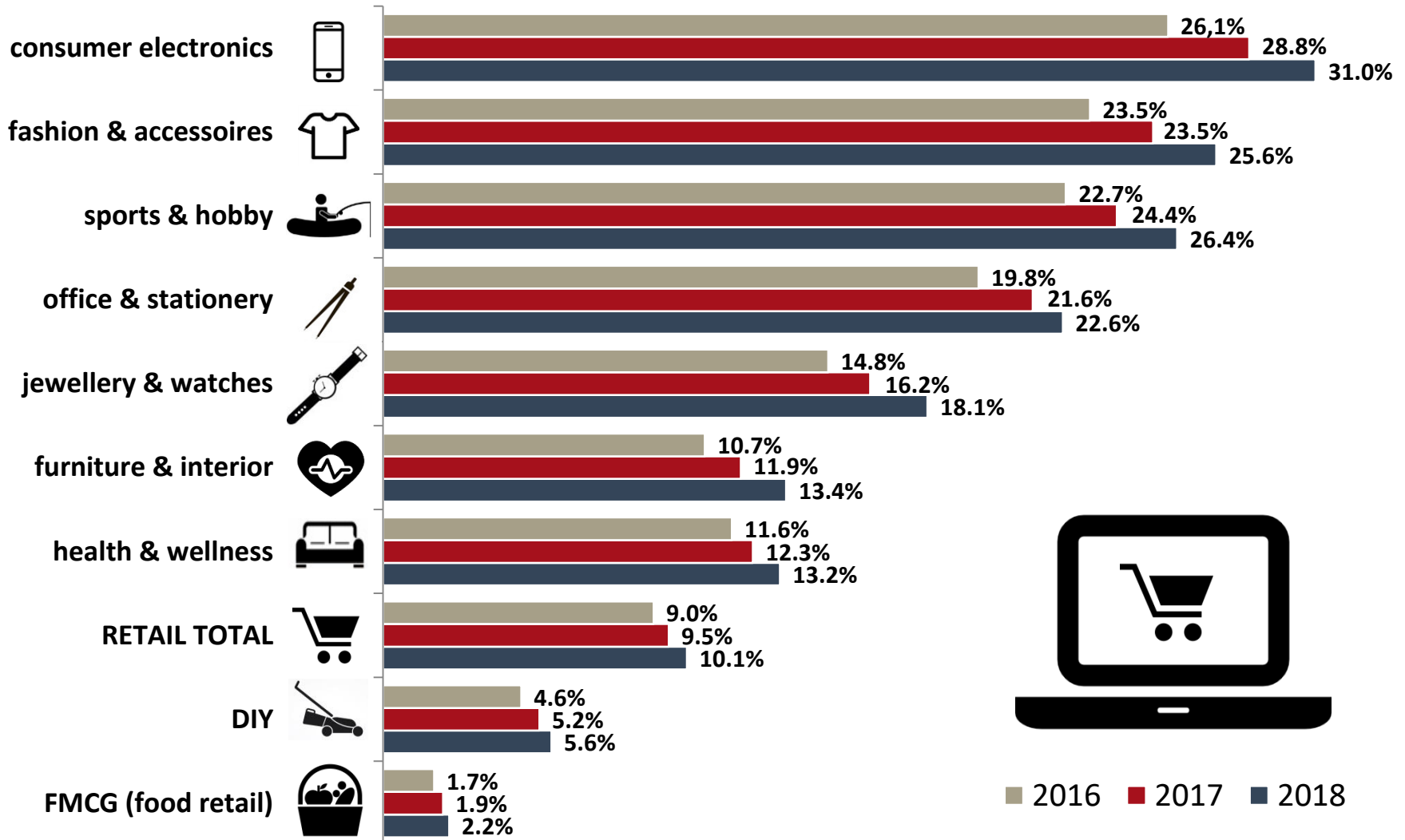
(1) As of 30 June 2019

## Development of key figures since change of strategy

	31 Dec 2008		31 Dec 2018
Rental income	€19.4m	+329 %	€83.4m
Funds from operations (FFO)	€8.5m	+517 %	€52.7m
FFO per share	€0.37	+78 %	€0.66
Dividend per share	€0.35	+31 %	€0.46
Net asset value (NAV) per share	€10.57	+2 %	€10.79
Number of shares	22.7m	+250 %	79.7m
Share price	€ 5.58	+51 %	€ 8.41

## Appendix

### Consumer purchasing behaviour in Germany Share of eCommerce in retail sales





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