



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company presentation

Dr. Rüdiger Mrotzek

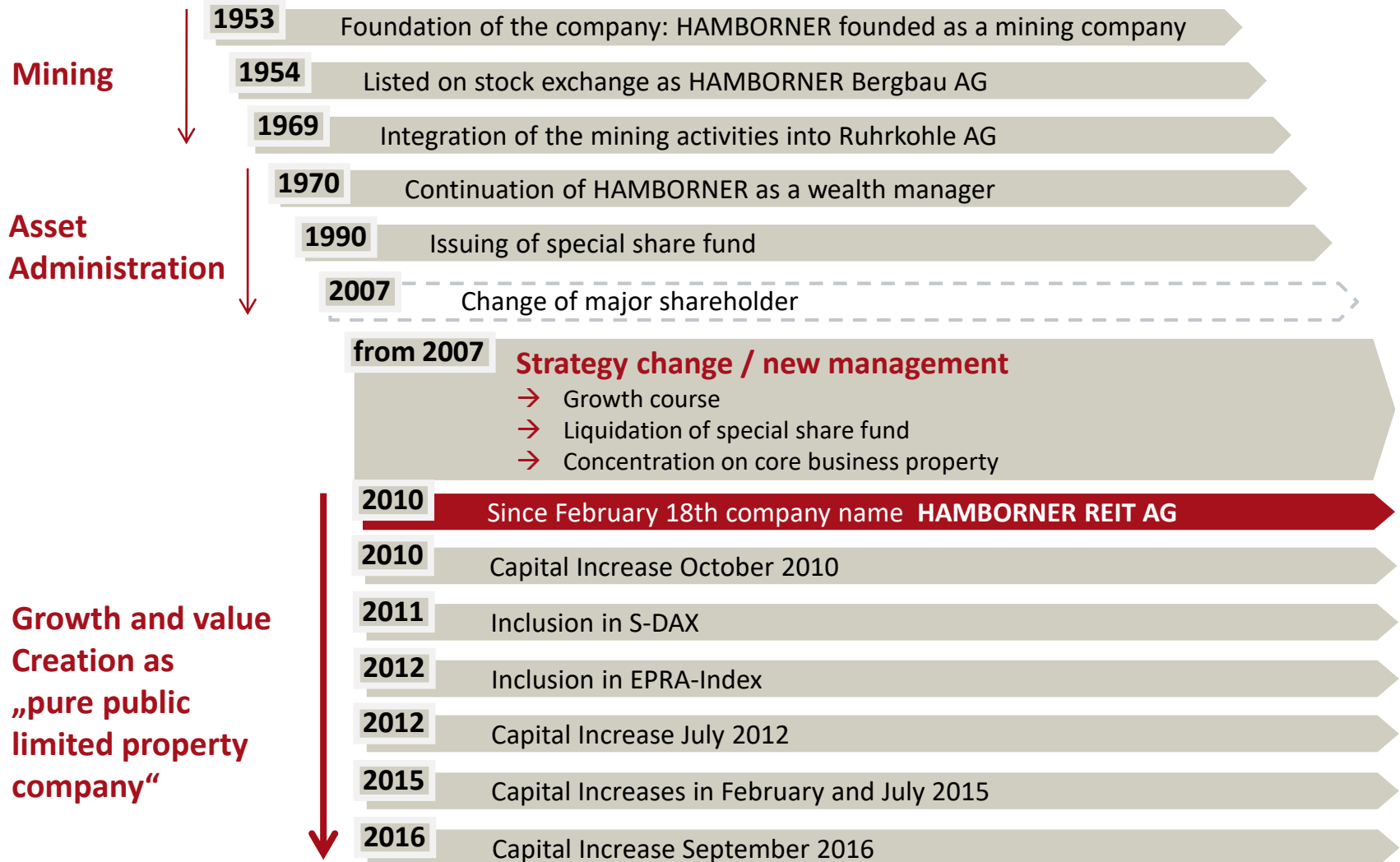
Hans Richard Schmitz

May 2019

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

History / Capital markets track record

Historical development of the company



History / Capital markets track record

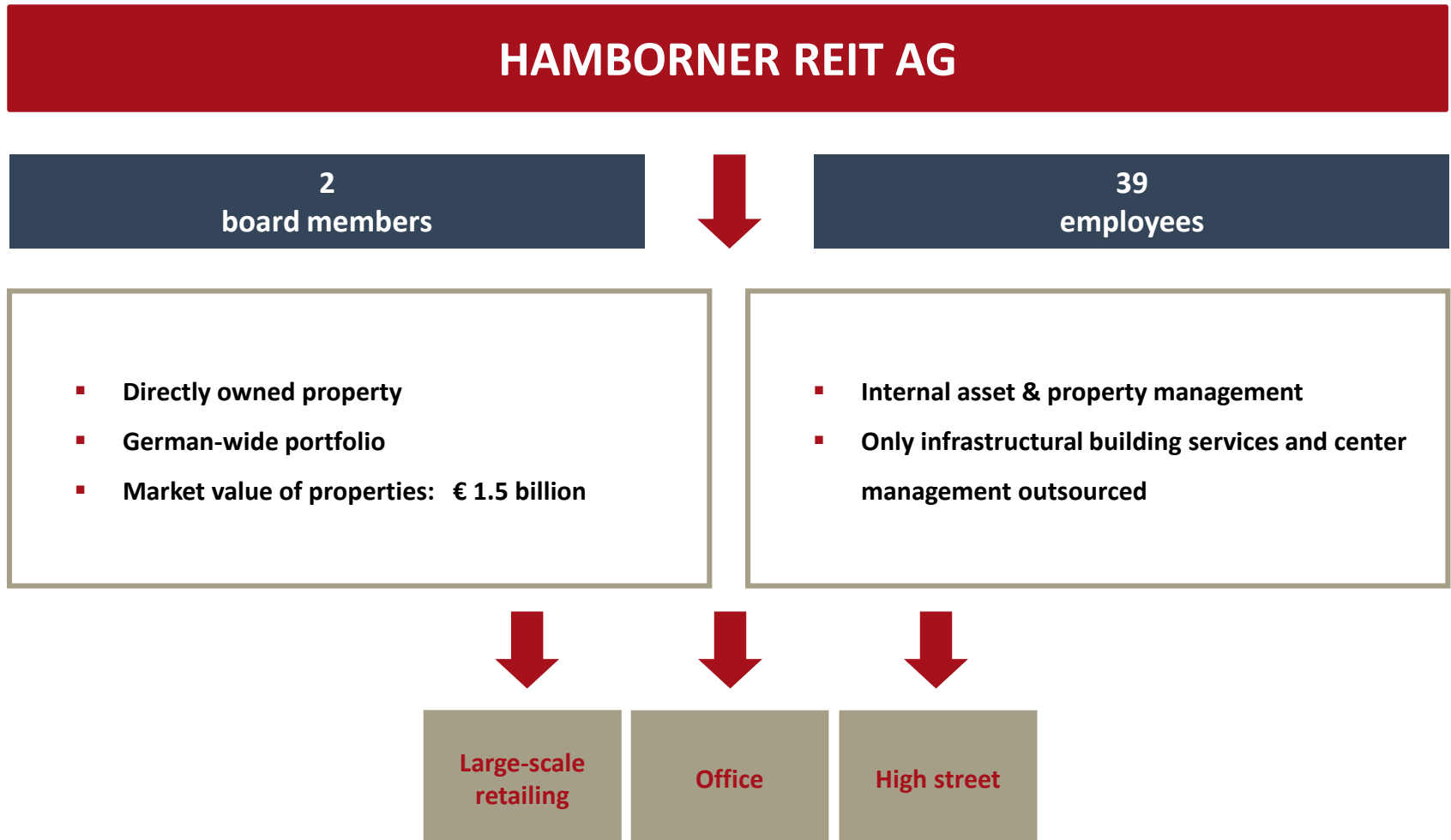
[R]eal [E]state [I]nvestment [T]rust (REIT)

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

History / Capital markets track record

Lean corporate structure – no holding/parent companies



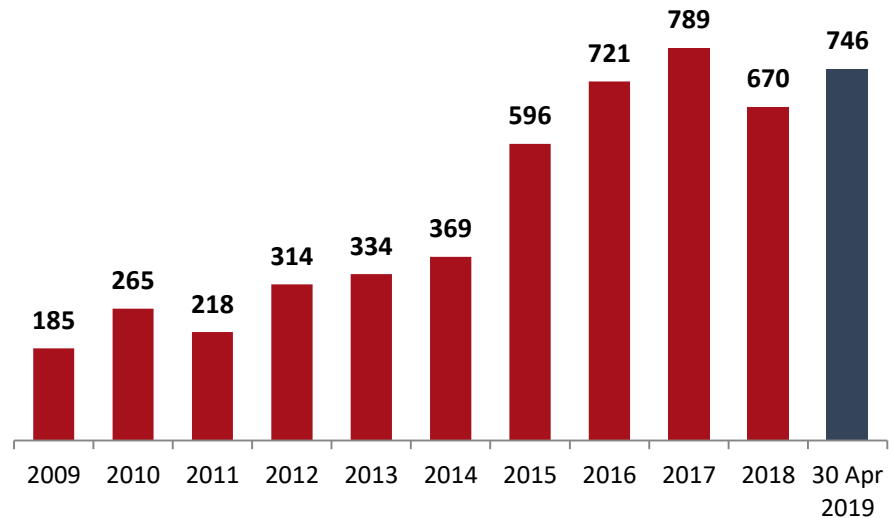
History / Capital markets track record

Growing market capitalization and increasing free float

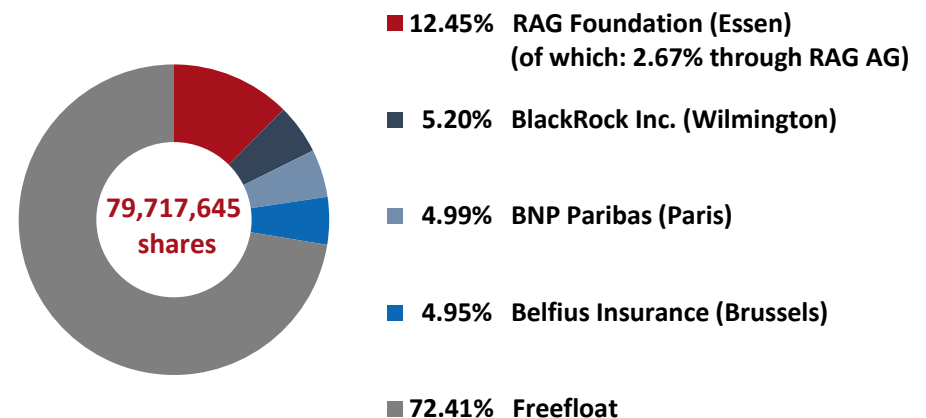
Milestones

- **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)



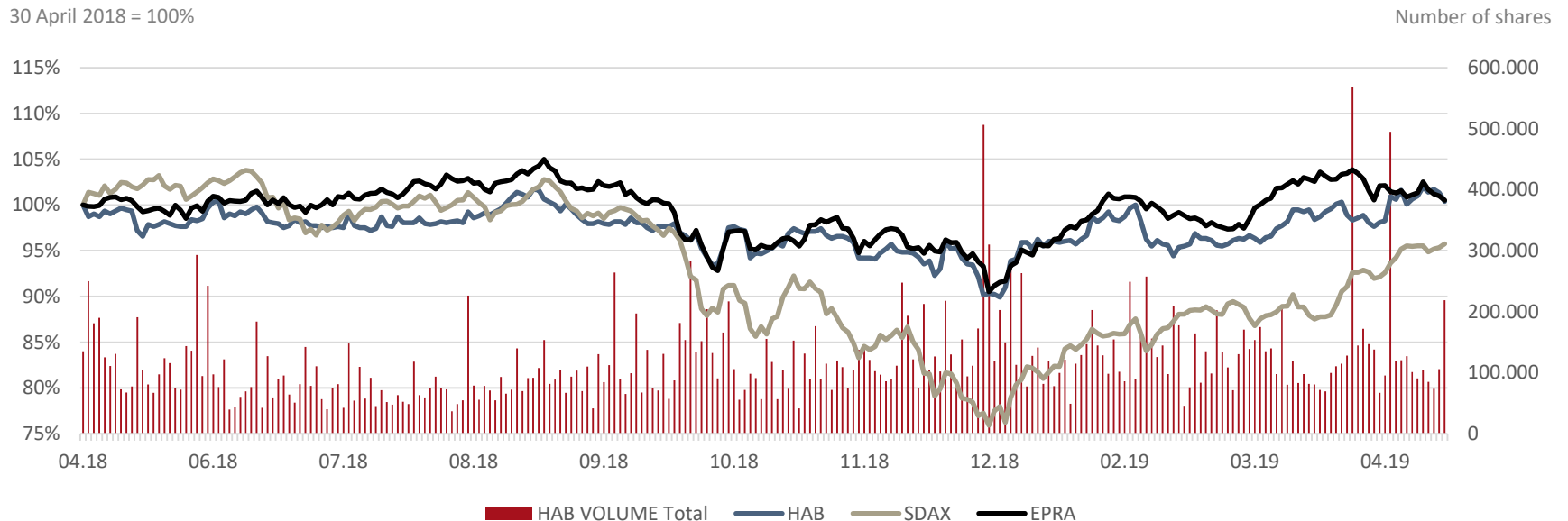
Shareholders



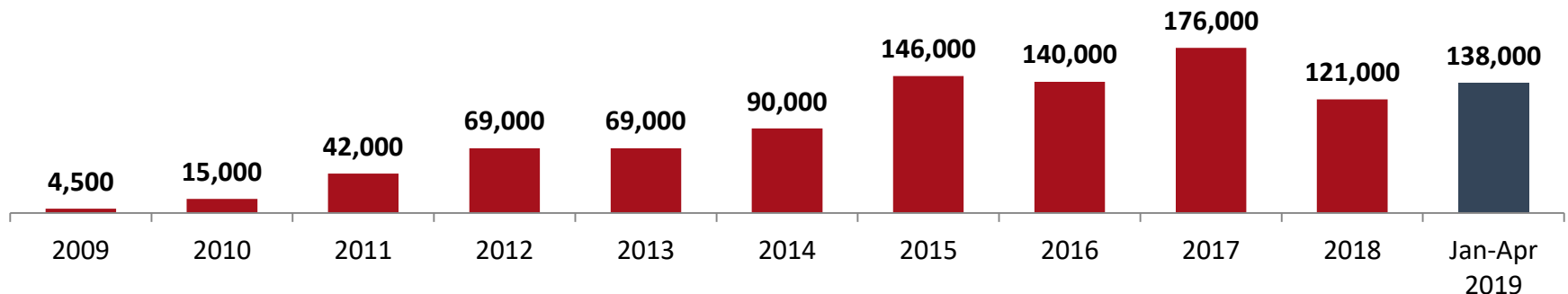
History / Capital markets track record

HAMBORNER REIT AG share

Development of share price and turnover (1 year)



Average turnover per day (# shares)



1	History / Capital markets track record
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Portfolio-Management

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

HAMBORNERs TOP 50 Cities in Germany



High attractiveness in terms of

- Demographic development
- Purchase power
- Centrality
- Future opportunities

Aachen*
Aschaffenburg
Augsburg*
Bad Homburg*
Bamberg*
Bayreuth*
Berlin*
 Böblingen
Bonn*
 Braunschweig
Cologne*
Darmstadt*
Dresden*
Düsseldorf*
Erlangen*
 Esslingen am Neckar
Frankfurt am Main*
Freiburg im Breisgau*
 Friedrichshafen
Fürth*
 Göttingen
Hamburg*
 Hanover
 Heidelberg
 Heilbronn

Ingolstadt*
Karlsruhe*
 Kempten
Koblenz*
 Konstanz
 Landshut
Leipzig*
 Ludwigsburg
 Mainz
Mannheim*
Munich*
Münster*
 Nürnberg
Oldenburg*
Passau*
 Pforzheim
Regensburg*
 Reutlingen
 Sindelfingen
Stuttgart*
Tübingen*
 Ulm
Wiesbaden*
 Wolfsburg
 Würzburg

Portfolio-Management

Balanced portfolio with 100% German focus

Geographical portfolio spread

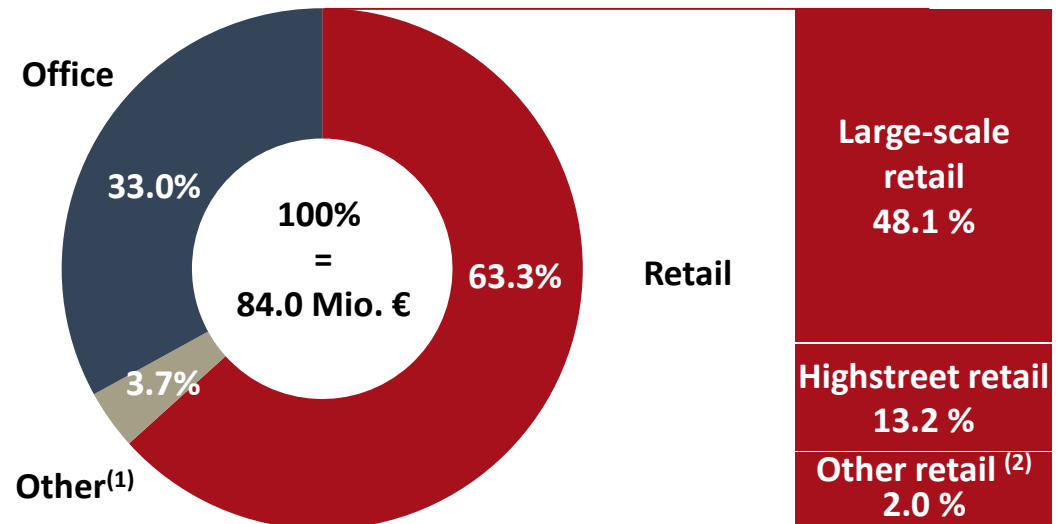


- Acquisitions before 2007
- Acquisitions from 2007
- Purchase contract signed

Diversification of asset types

- 78 properties in 60 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 m² in mixed-used assets

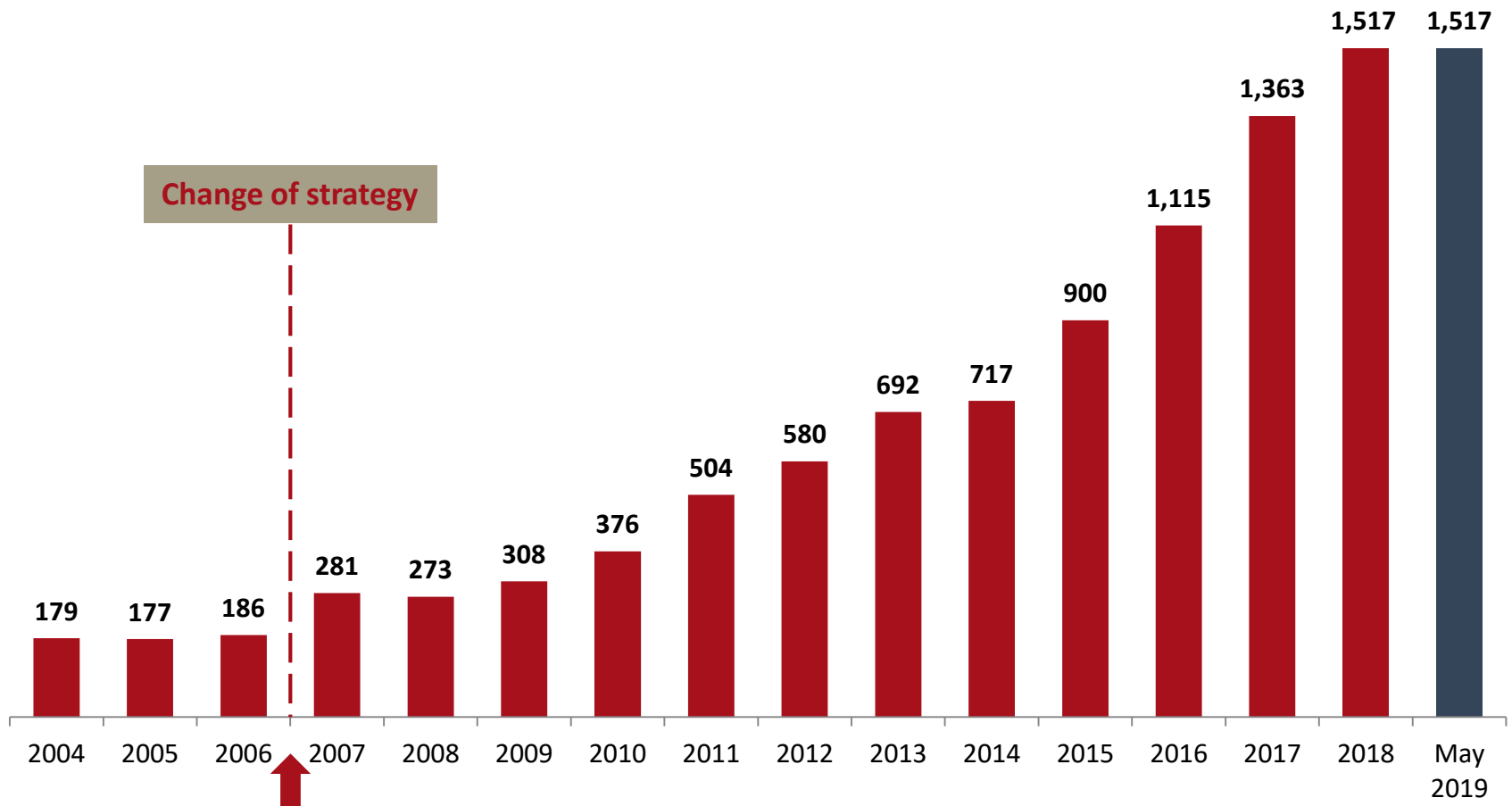
Portfolio-Management

Regional diversification

<u>Federal State</u>	<u>Number of properties</u>	<u>Share in market value of total portfolio (May 2019)</u>
Northrhine-Westphalia	27	 26%
Bavaria	10	 19%
Baden-Wurttemberg	10	 16%
Hessen	9	 12%
Berlin	4	 9%
Lower Saxony	6	 6%
Schleswig-Holstein	2	 5%
Hamburg	3	 2%
Bremen	2	 2%
Saxony	2	 2%
Rhineland-Palatinate	3	 1%
Total	78	

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

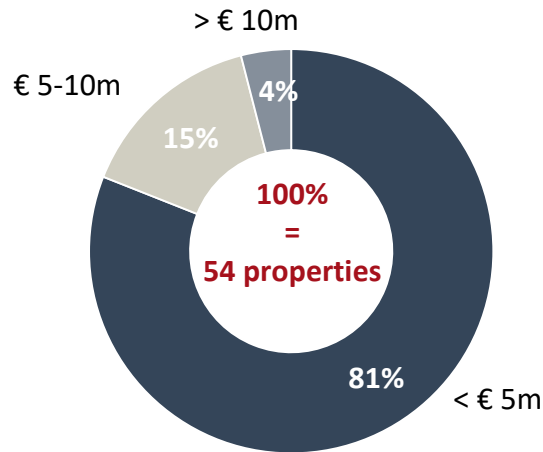


Portfolio-Management

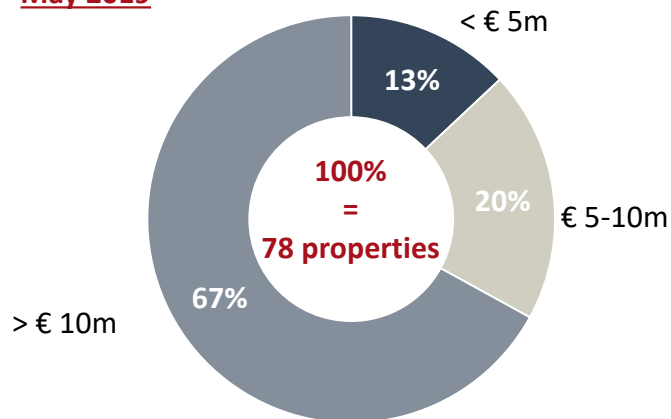
Portfolio structure

Portfolio split by property value

31 December 2006

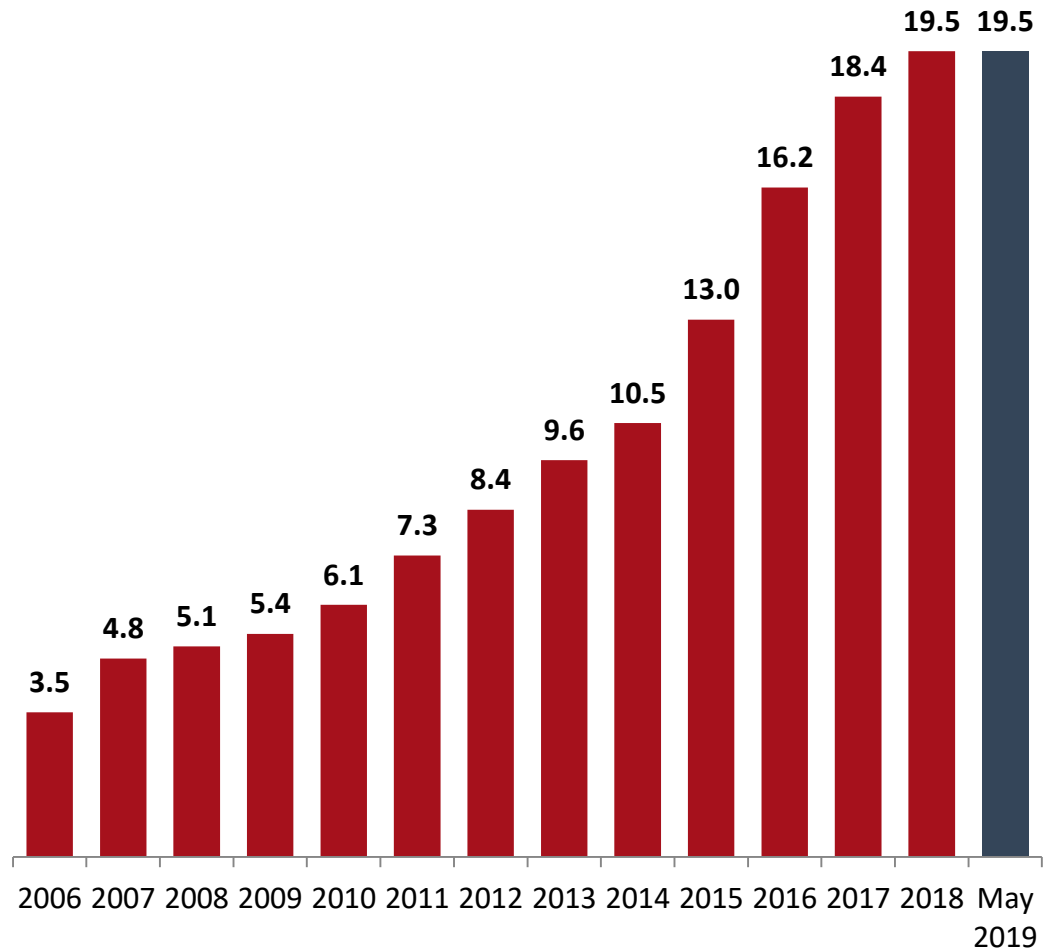


May 2019



Average value per asset (in € million)

May 2019 (Number of properties = 78)



Investments

Transfer of possession 2019/2020



Bamberg
Starkenfeldstrasse



Aachen
Gut-Dämme-Straße/Grüner Weg

Built	2013	2019 (under construction)
Asset type	Large-scale retail/office	Office
Main tenants	EDEKA, Perbility, Bosch BKK, IG Metall	Barmer, ...
Leased area	6,100 m ²	8,200 m ²
Annual rental income	€ 0.83 million	€ 1.5 million
Remaining lease term	8.5 years ⁽¹⁾	approx. 8 years ⁽¹⁾
Gross initial yield	5.5 %	5.2 %
Purchase price	€ 15.0 million	€ 28.3 million
Transfer of possession	July 2019e	Q4 2019/Q1 2020e

(1) As of date of signing

Investments

Transfer of possession 2019/2020



Bonn
Krähenhorst/Soenneckenstraße



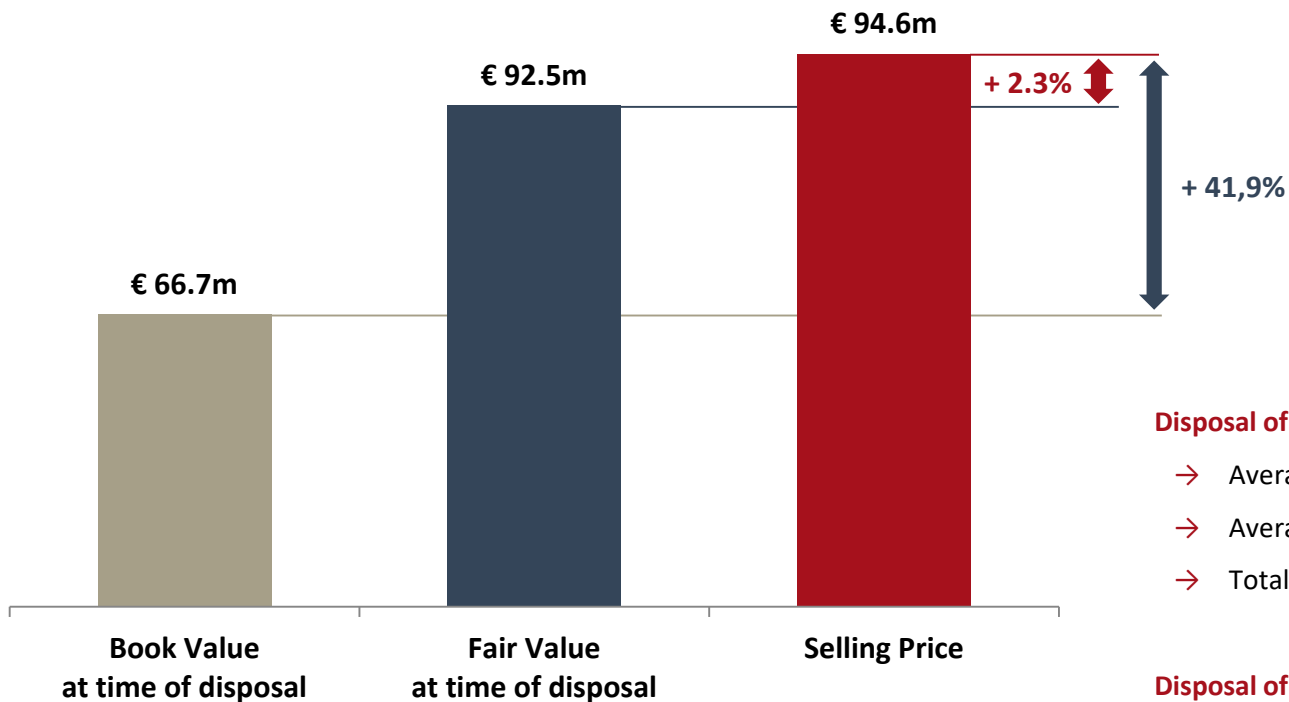
Neu-Isenburg
Siemensstrasse

Built	2019 (under construction)	2019 (under construction)
Asset type	Office	Office
Main tenants	Barmer, ...	UBL, ...
Leased area	6,200 m ²	4,500 m ²
Annual rental income	€ 1.2 million	€ 0.9 million
Remaining lease term	approx. 10 years ⁽¹⁾	approx. 8 years ⁽¹⁾
Gross initial yield	5.3 %	5.4 %
Purchase price	€ 22.8 million	€ 16.1 million
Transfer of possession	Q4 2019/Q1 2020e	Q4 2019/Q1 2020e

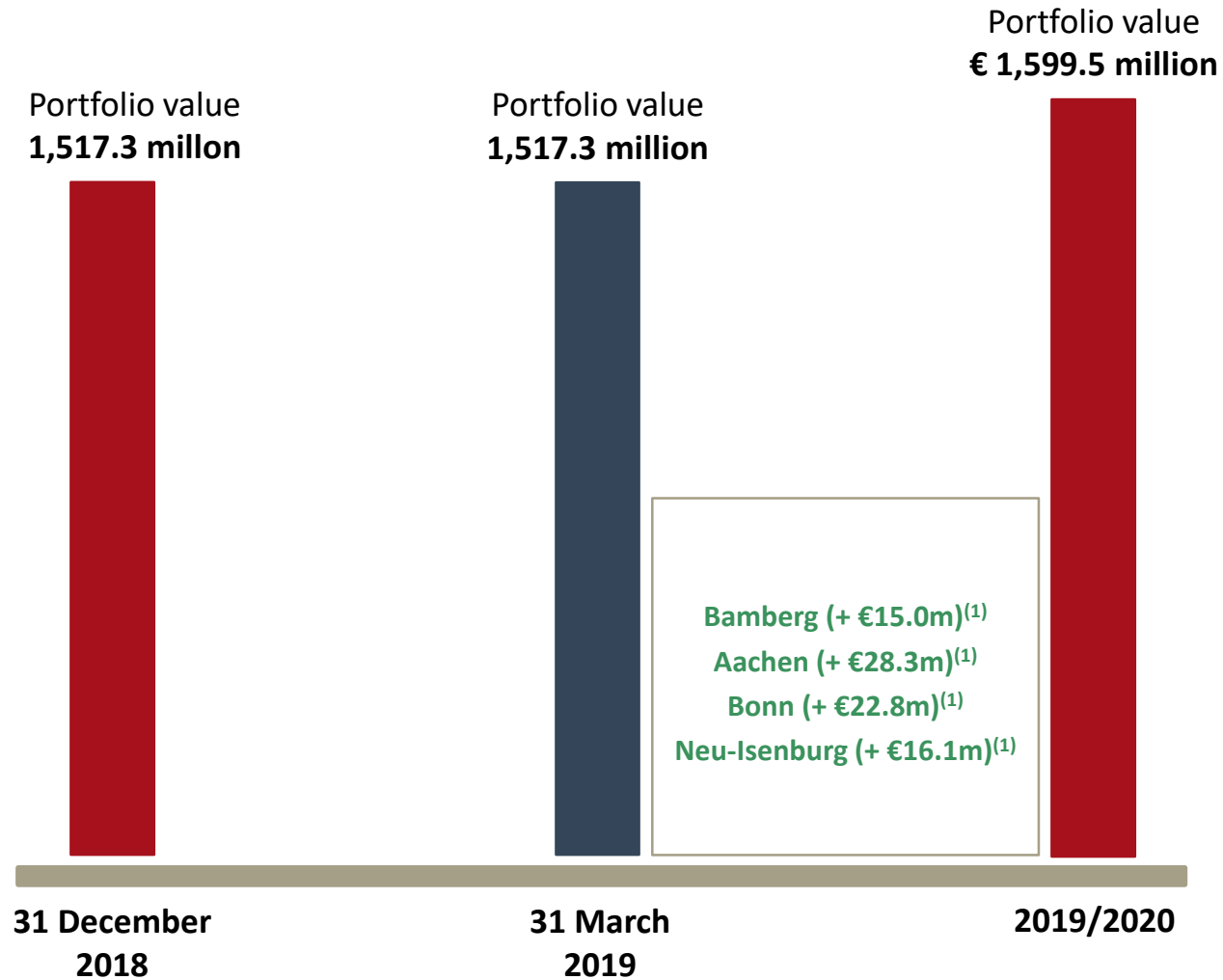
(1) As of date of signing

Portfolio-Management

Divestments since change of strategy in 2007



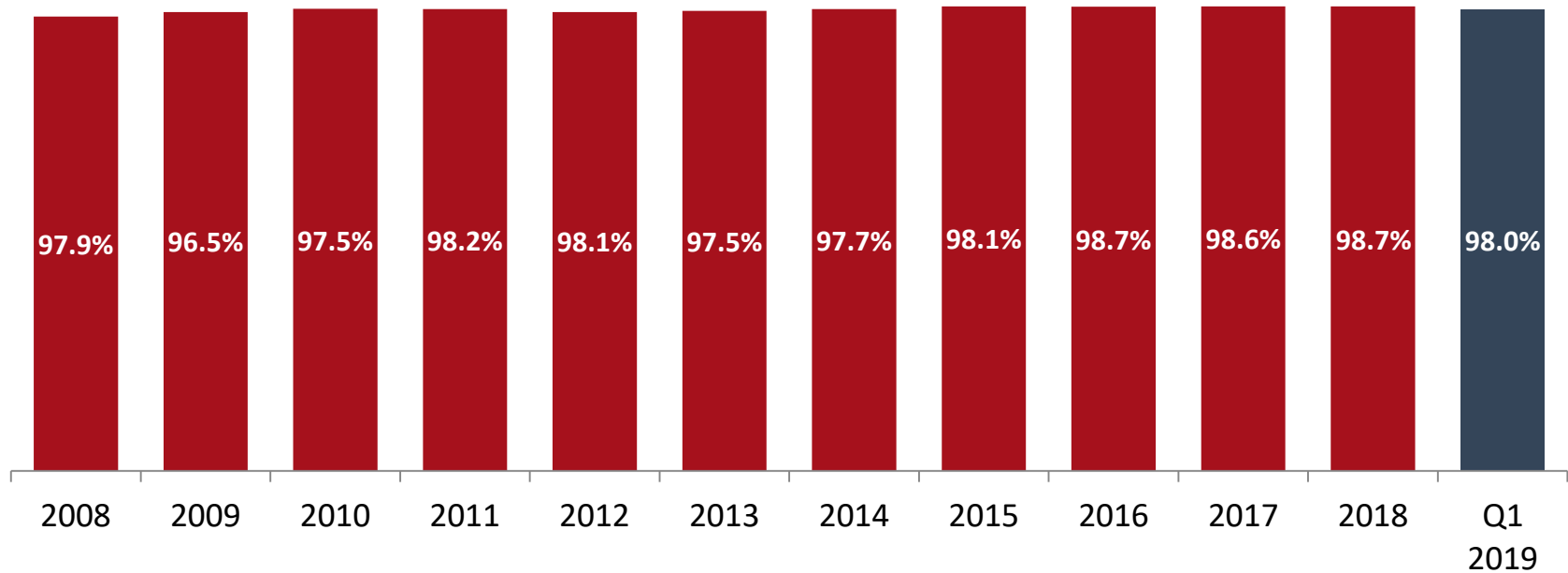
Portfolio development



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High and stable occupancy

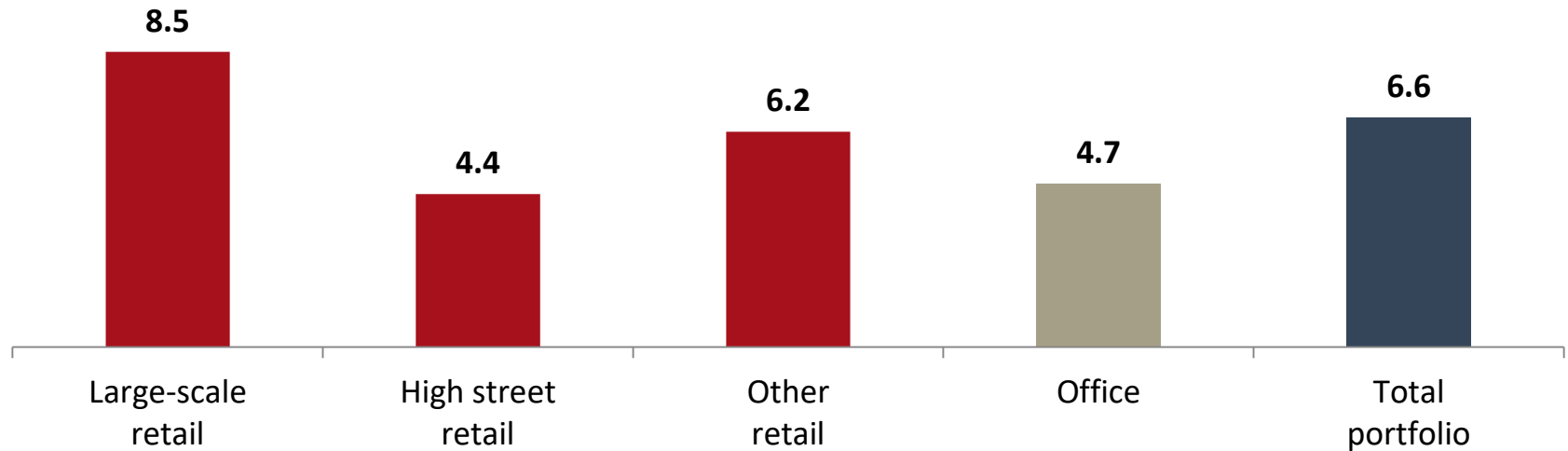
Occupancy rates



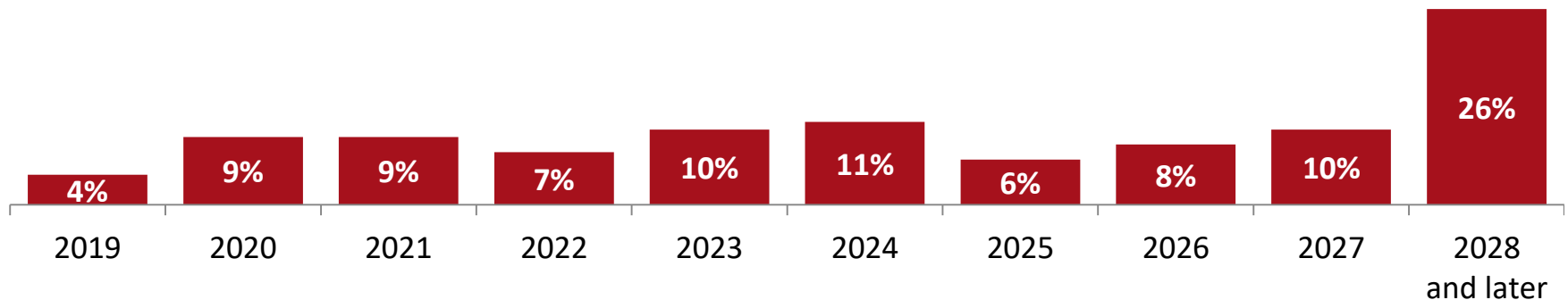
- Vacancy rate as of 31 March 2019 (incl. rent guarantees): 2.0 %
- Vacancy rate as of 31 March 2019 (excl. rent guarantees): 2.2 %

Long-term leases

Weighted average lease expiry by type (31 March 2019, in years)











Split of lease contracts expiring by year (31 March 2019)



Solid tenants

Top 10 tenants (as of 31 March 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%
	Telefonica O ₂	Telecommunication	1.7%
	C&A	Textile retail	1.6%
	Total		45.4%

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Financial Figures / Financial Position

Successful first quarter 2019

Highlights

- Income from rents and leases: **+ 3.6%**
- Funds from operations (FFO): **+ 5.1%**
- Vacancy rate: **2.0 %** (incl. rent guarantees)
- Portfolio value: **€ 1.517 billion**
- NAV per share: **€ 10.92**

Financial Figures / Financial Position

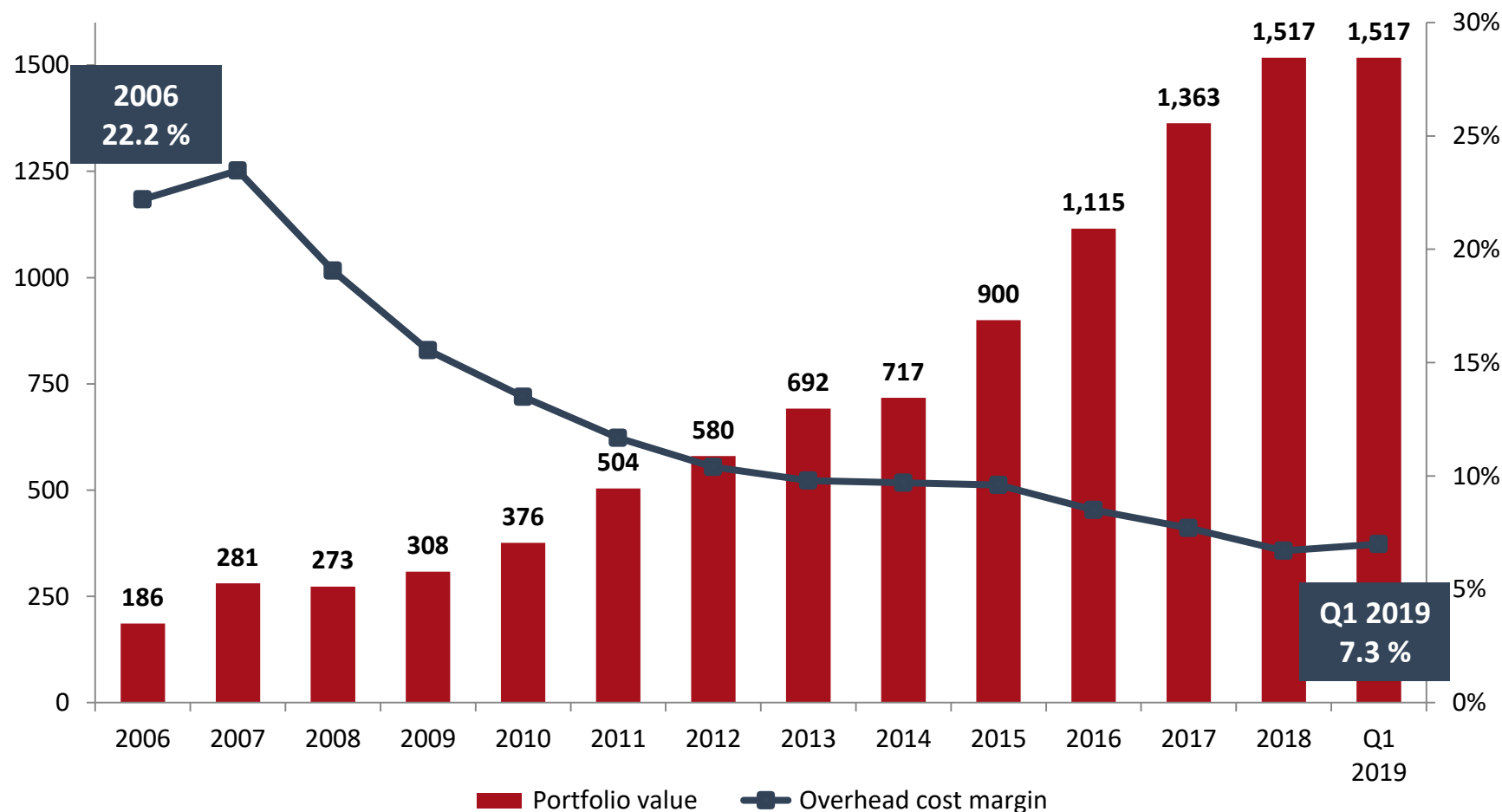
Significant key figures Q1 2019

	Q1 2019	Q1 2018	Change
Income from rents and leases	€ 21,1 million	€ 20.4 million	+3.6%
Operating result	€ 7.4 million	€ 7.2 million	+2.8%
Profit for the period	€ 3.6 million	€ 3.5 million	+3.2%
Funds from operations (FFO)	€ 12.2 million	€ 11.6 million	+5.1%
Funds from operations (FFO) per share	€ 0.15	€ 0.15	
	31 March 2019	31 Dec 2018	Change
REIT equity ratio	56.7 %	56.4 %	+0.3%-points
Loan to value (LTV)	42.0 %	42.5 %	-0.5%-points
Net asset value (NAV) per share	€ 10.92	€ 10.79	+ 1.2 %

Financial Figures / Financial Position

Benefitting from economies of scale

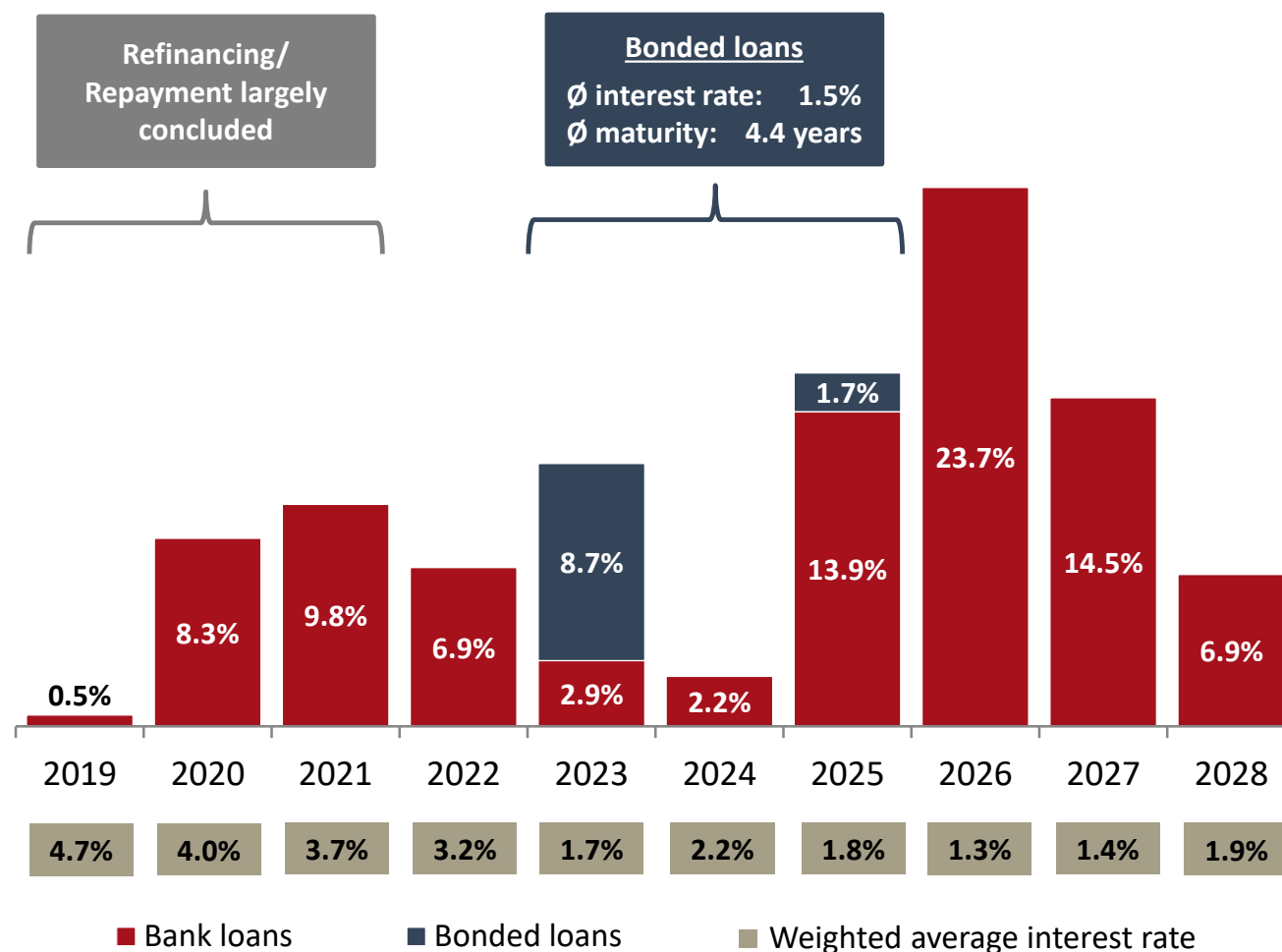
Portfolio value (€ million) and overhead cost margin*



Financial Figures / Financial Position

Financial liabilities

Expiration of financial liabilities (as of 31 March 2018)



56.7 %

REIT Equity ratio

42.0 %

LTV

€716.2m

Financial liabilities*

2.1 %

Ø cost of debt*

5.7 years

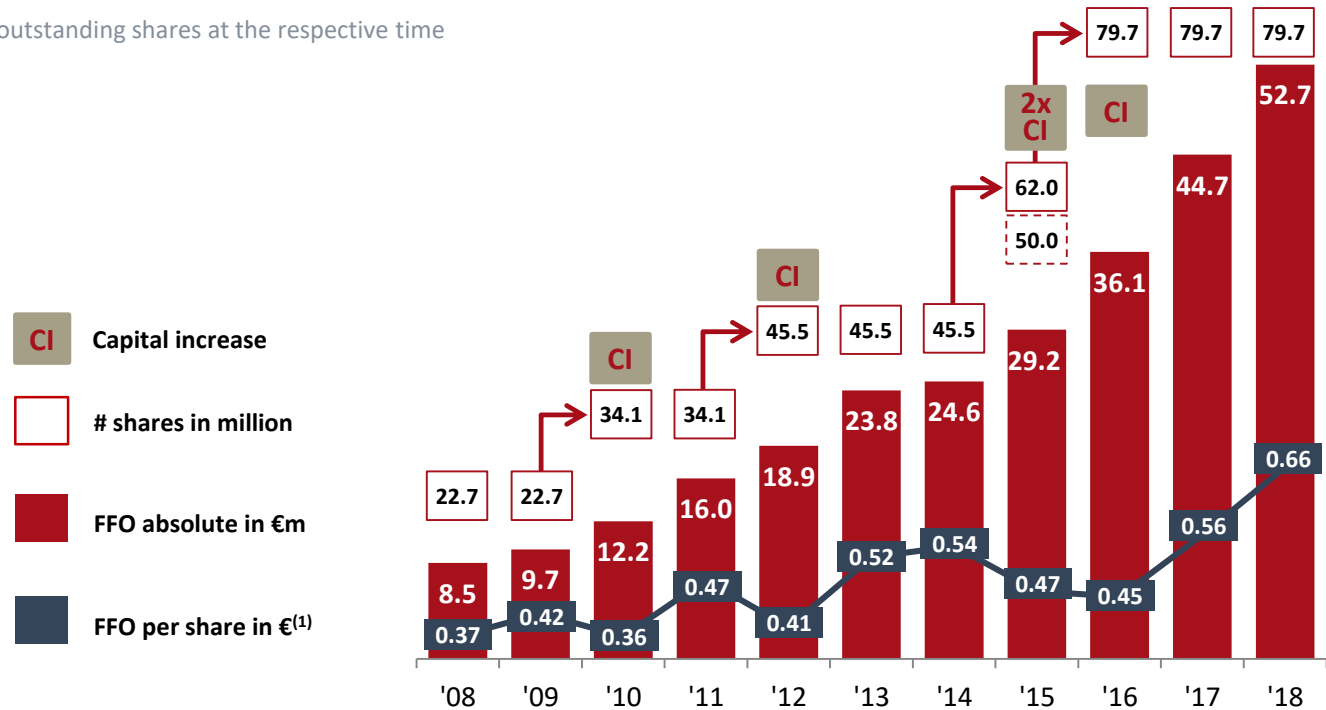
Ø maturity of debt*

Financial Figures / Financial Position

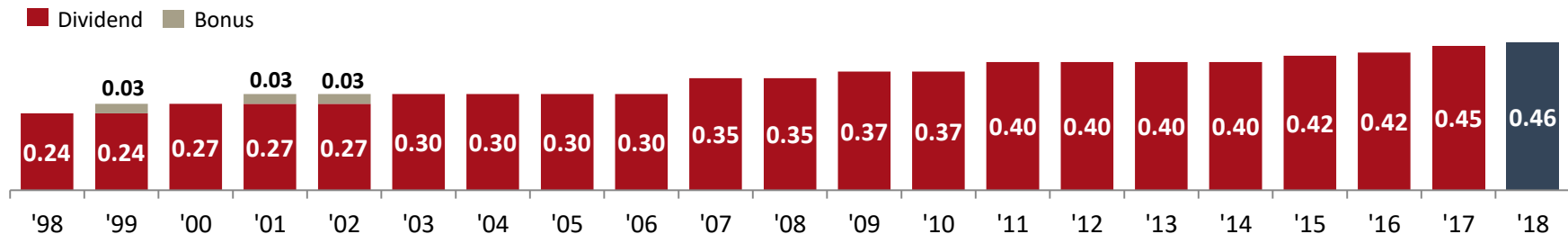
Increasing FFO and dividend per share

Funds From Operations (FFO)

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



Dividend per share (€)



Forecast 2019

- Income from rents and leases: + 1 % – 2 %
- Expected FFO at the previous year's high level
- Forecast does not take into account further acquisitions or disposals
- Additional acquisitions in the course of 2019 would have a further positive effect on rental income and operating result
- Remaining fire power: € 60 – 80 million

Dividend outlook

- Continuation of reliable and sustainable dividend policy
- Further dividend increase of 2.2 % to 47 cents planned for fiscal year 2019

HAMBORNER REIT AG - Financial Calendar	
AGM 2019	7 May 2019
Dividend payment	10 May 2019
Interim Report for 1st half 2019	1 August 2019
Interim Report for 3rd quarter 2019	7 November 2019
Preliminary figures 2019	6 February 2020
Annual report 2019	26 March 2020
Interim report for 1st quarter 2020	5 May 2020
AGM 2020	6 May 2020

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
Asset type	Retail	Office	Office	Office	High Street
Year of acquisition	2016	2013	2013	2017	2016
Purchase price	€ 80.0 million	€ 40.1 million	€ 33.0 million	€ 48.9 million	€49.1 million
Fair value	€ 82.9 million ⁽¹⁾	€ 63.5 million ⁽¹⁾	€ 58.1 million ⁽¹⁾	€ 53.4 million ⁽¹⁾	€ 53.1 million ⁽¹⁾
Annual rental income	€ 4.0 million	€ 2.5 million	€ 2.3 million	€ 2.8 million	€ 2.4 million
Remaining lease term	6.0 years ⁽¹⁾	4.6 years ⁽¹⁾	5.1 years ⁽¹⁾	4.8 years ⁽¹⁾	4.2 years ⁽¹⁾
Main tenants	Real, Toys'R'Us, ALDI, dm, Adler Mode	Estée Lauder, Armani, Zielpuls	Deutsche Bahn, Schneider Electric	NetCologne	REWE, mytoys, KIK

(1) As of 31 December 2018

TOP 10 Properties (2/2)



**Hallstadt
Market Oberfranken**



Darmstadt



Karlsruhe



Celle



**Hanau
Rondo Steinheim**

	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	€ 41.4 million	€ 42.8 million	€ 37.0 million	€ 35.2 million	€ 37.5 million
Fair value	€ 46.5 million ⁽¹⁾	€ 45.6 million ⁽²⁾	€ 45.4 million ⁽¹⁾	€ 44.2 million ⁽¹⁾	€ 40.5 million ⁽¹⁾
Annual rental income	€ 2.5 million	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 2.0 million
Remaining lease term	6.5 years ⁽¹⁾	6.4 years ⁽¹⁾	3.2 years ⁽¹⁾	9.8 years ⁽¹⁾	13.5 years ⁽¹⁾
Main tenants	Müller, tegut, C&A, Expert, ALDI	REWE, Herbalife, Alcan Systems	EDEKA, Brandmaker	Real, ALDI, Rossmann, tedox, Fressnapf	REWE, ALDI, dm, Deichmann

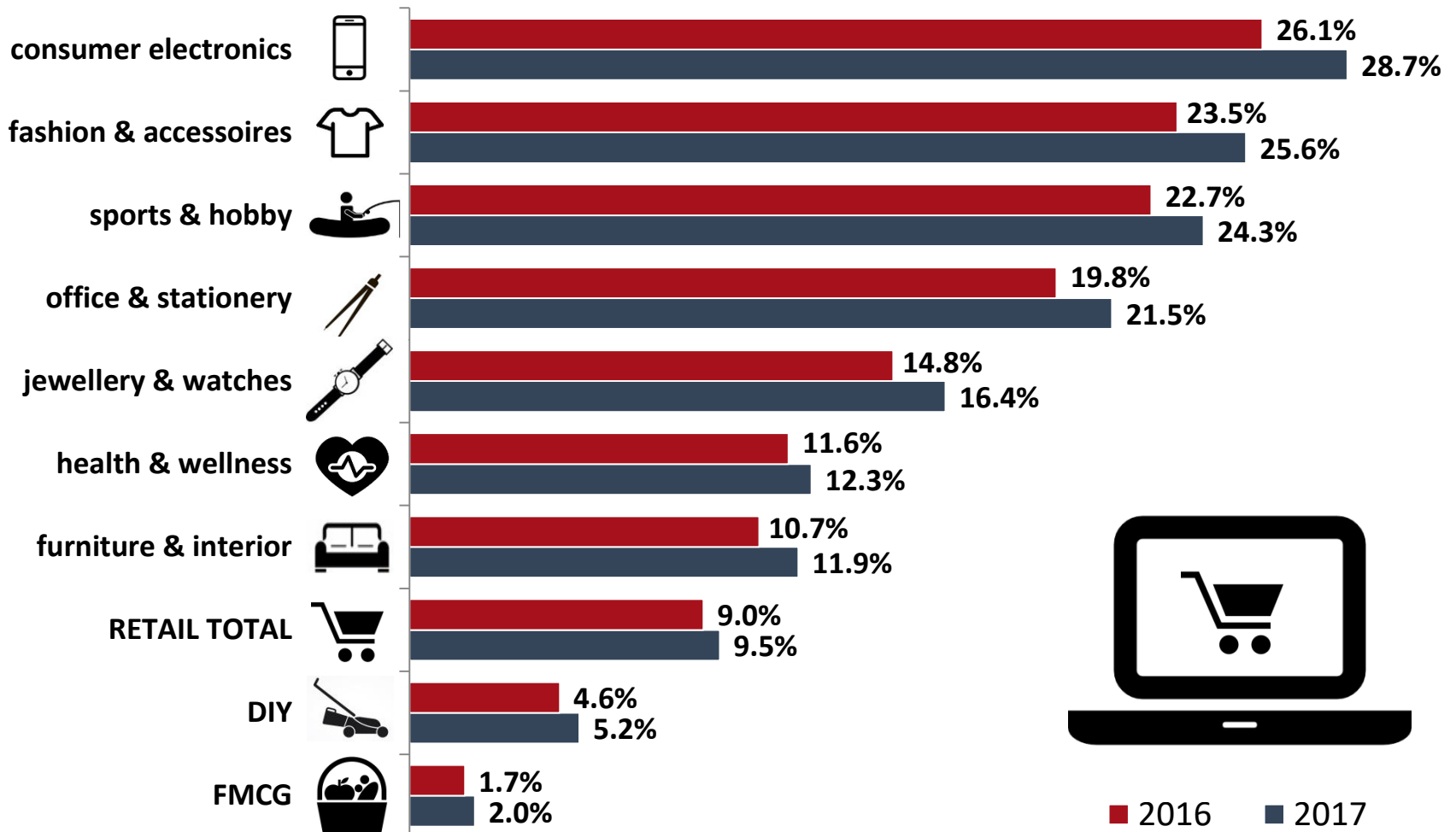
(1) As of 31 December 2018

Development of key figures since change of strategy

	2008		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

Appendix

Consumer purchasing behaviour in Germany Share of eCommerce in retail sales





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