



hamborner  
**REIT**



ZUKUNFT BRAUCHT SUBSTANZ

## Company Presentation

Annual report 2016

Dr. Rüdiger Mrotzek

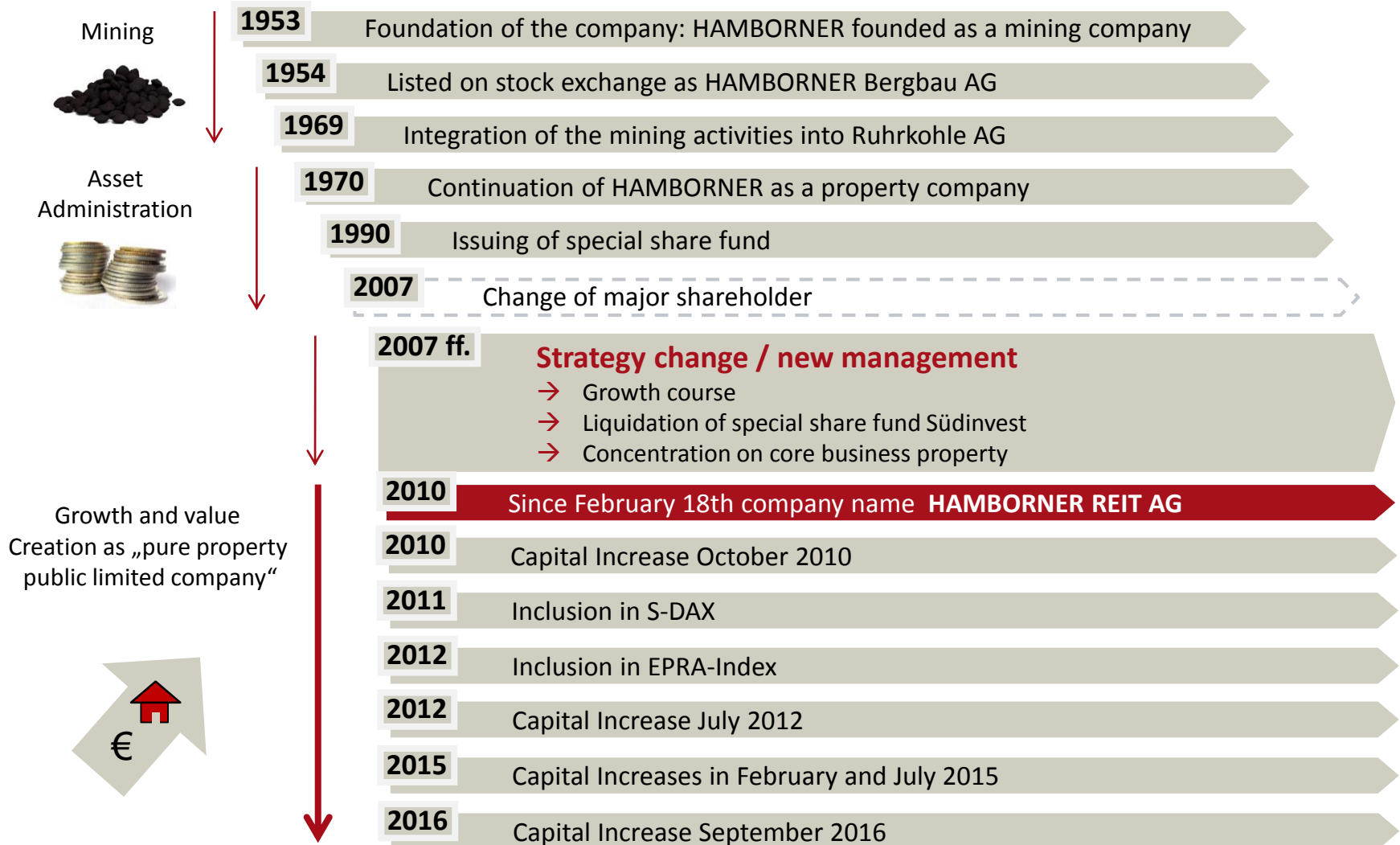
Hans Richard Schmitz

April 2017

<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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# 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

### HAMBORNER REIT AG

2  
board members

33  
employees

- Directly owned property
- German-wide portfolio
- Market value of properties:  
approx. € 1,214 million (as of 1 April 2017)

- Internal management
- Only infrastructural building services externally  
contracted out

Large-scale  
retailing

High street

Office

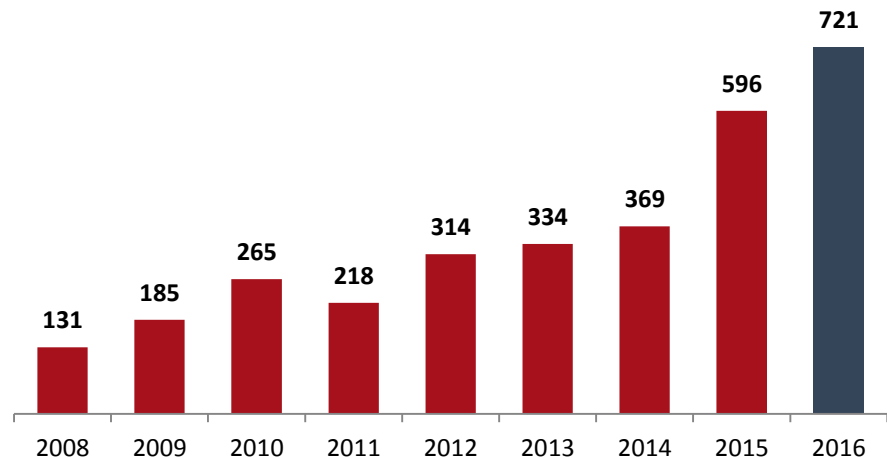
# History / Capital markets track record

## Growing market capitalization and increasing free float

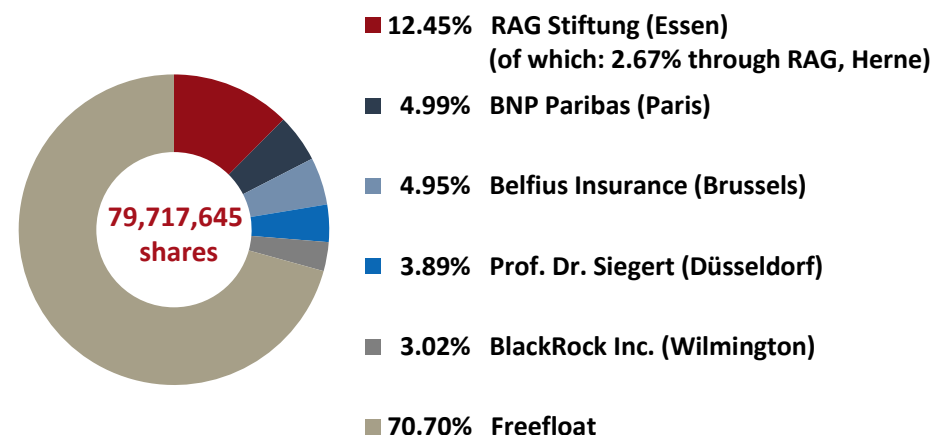
### Overview events

- **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
- **May 2013:** Creation of new Authorised Capital and Authorisation to issue option and convertible bonds
- **Feb 2015:** Capital Increase – 4,549,332 new shares, gross proceeds of approx. € 40.9m – RAG Stiftung new shareholder
- **July 2015:** Capital Increase – 11,959,948 new shares, gross proceeds of approx. € 101.6m
- **September 2016:** Capital Increase – 17,715,032 new shares, gross proceeds of approx. €166.5m

### Historic market cap (€ million)



### Shareholders

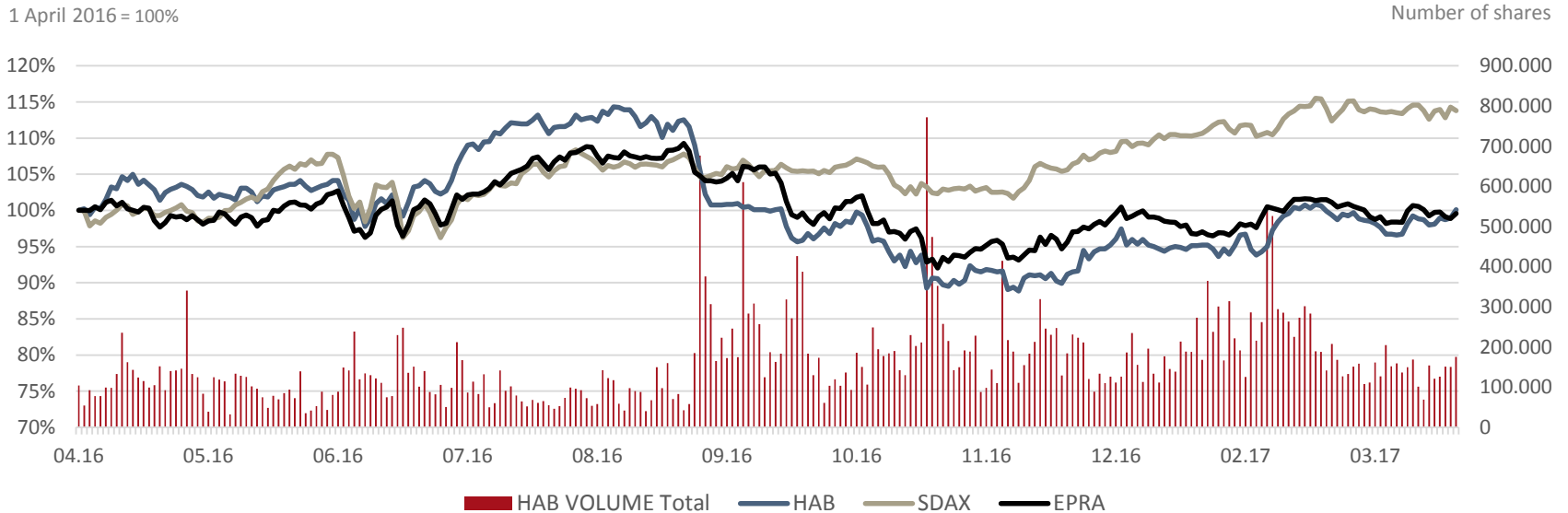


# History / Capital markets track record

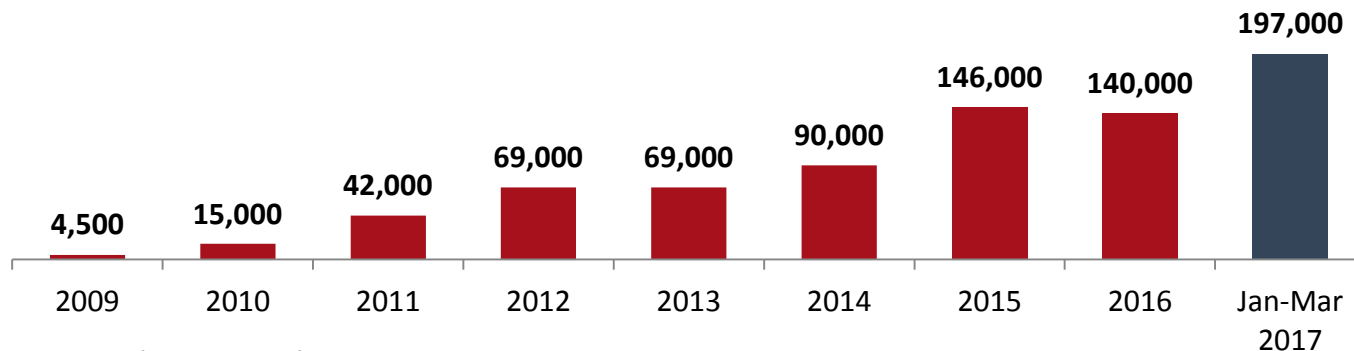
## HAMBORNER REIT AG share

1 Feb 2016 = 2016

### Development of share price and turnover



### 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>
<b>4</b>	<b>Financial Figures / Financial Position</b>



# Portfolio-Management

## Well defined acquisition strategy

### Acquisition strategy

- Regional diversification in high-growth regions in West 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

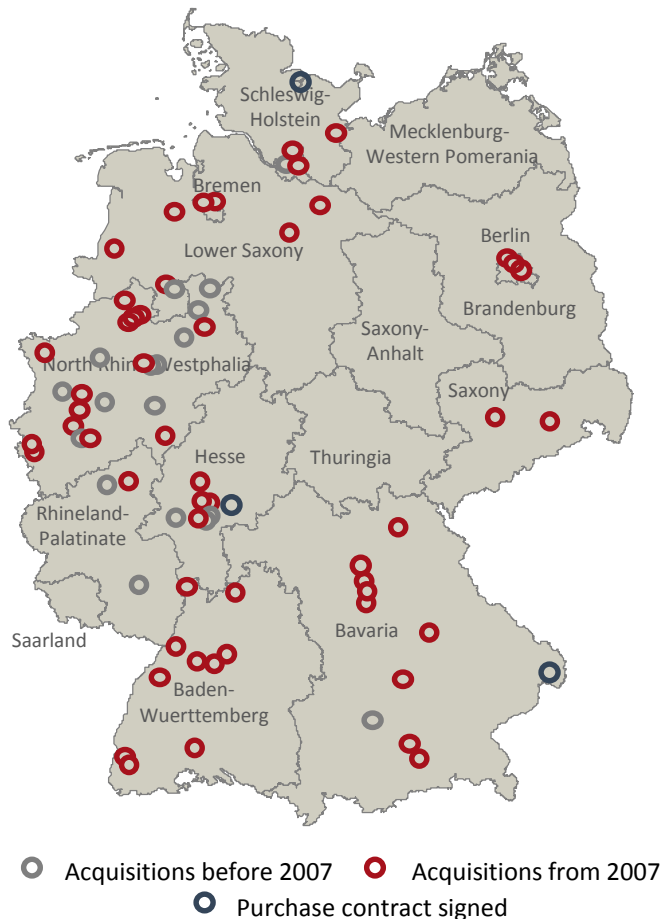
- Focus on quality properties, location and property strategy determined by asset type:
  - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
  - Large scale retailing in town centre sites or highly frequented 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

- **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

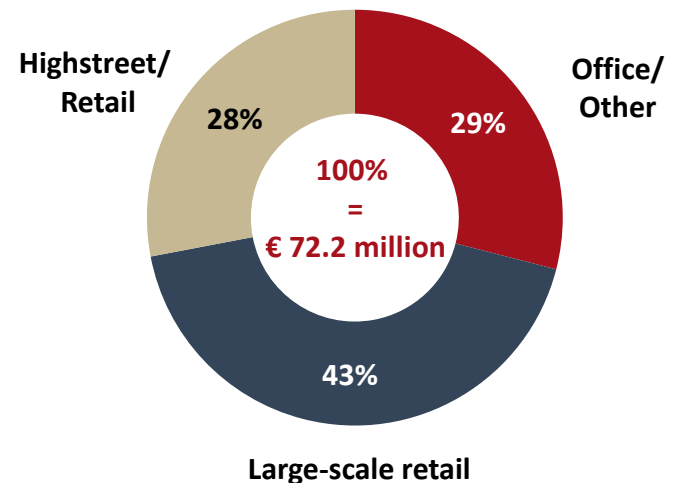
### Geographical portfolio spread (as of 1 April 2017)














### Diversification of asset types (as of 1 April 2017)

- 71 properties in 55 cities in Germany
- Focus on West and South-West
- € 1,214 million portfolio value

### Annualised rental income (as of 1 April 2017)



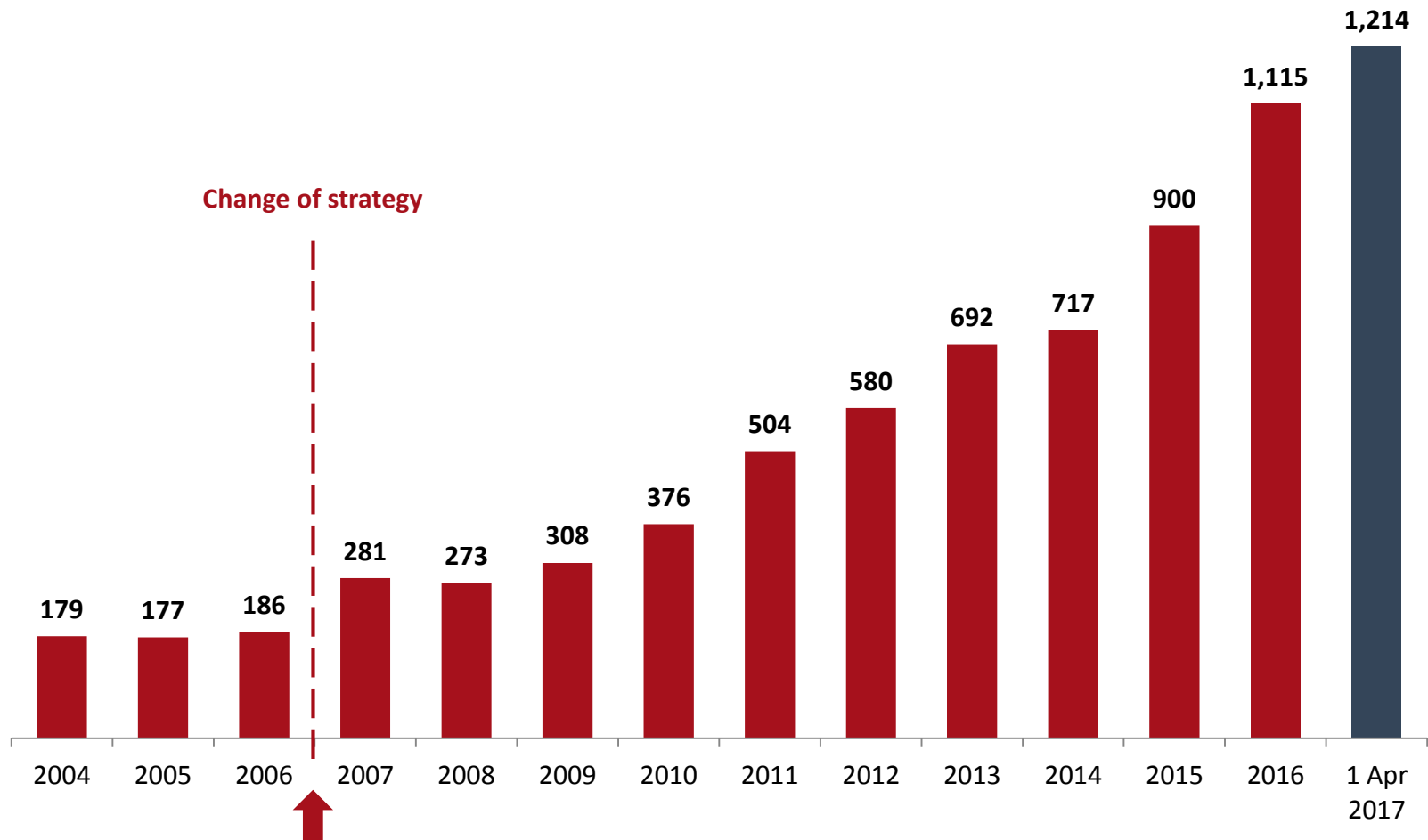
## Regional diversification

<u>Federal State</u>	<u>Number of objects</u>	<u>Share in the market value of total portfolio (1 April 2017)</u>
Northrhine-Westphalia	24	 25%
Bavaria	10	 21%
Baden-Wurttemberg	10	 19%
Hesse	7	 8%
Lower Saxony	6	 7%
Berlin	3	 7%
Schleswig-Holstein	1	 4%
Hamburg	3	 3%
Rhineland-Palatinate	3	 2%
Bremen	2	 2%
Saxony	2	 2%
<b>Total</b>	<b>71</b>	

# Portfolio-Management

## Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

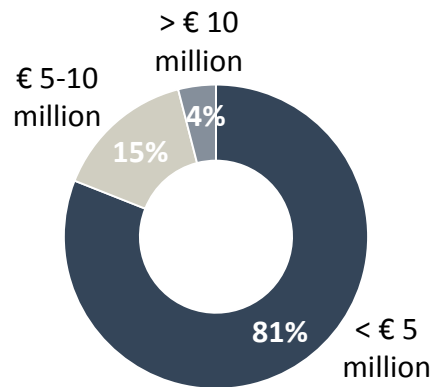


# Portfolio-Management

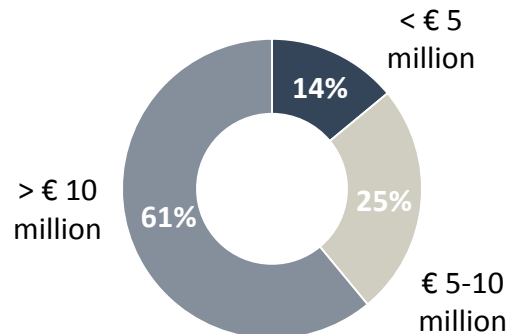
## Increasing value per asset through acquiring larger assets

### Portfolio split by property value

31 December 2006 (100% = 54 properties)

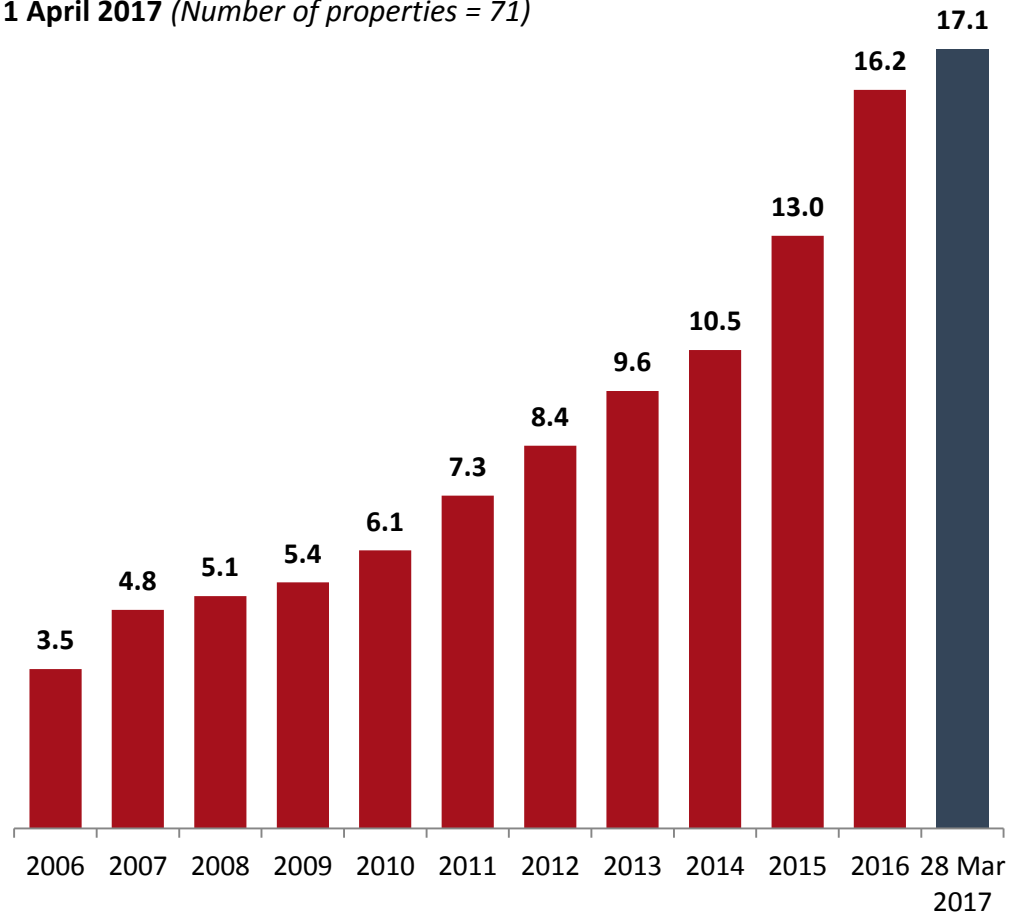


1 April 2017 (100% = 71 properties)



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

1 April 2017 (Number of properties = 71)



# Portfolio-Management

## Investments

### Transfer of possession in 2016



**Lübeck (Haerder-Center)**  
**Sandstrasse**



**Ditzingen**  
**Dieselstrasse**

<b>Built</b>	2008	2016
<b>Main tenant</b>	H&M, New Yorker, REWE, mytoys	hagebaumarkt
<b>Leased area</b>	approx. 13,300 m <sup>2</sup>	approx. 10,000 m <sup>2</sup>
<b>Annual rental income</b>	€ 3.3 million	€ 0.9 - 1.0 million (step rent)
<b>Remaining lease term</b>	3.6 years <sup>(1)</sup>	19.0 years <sup>(1)</sup>
<b>Gross initial yield</b>	6.5 %	7.0 %
<b>Purchase price</b>	€ 49.1 million	€ 13.7 million
<b>Transfer of possession</b>	February 2016	June 2016

(1) As of 31 March 2017

# Portfolio-Management

## Investments

### Transfer of possession in 2016



**Mannheim (Kurpfalz Center)**  
Spreewaldallee



**Münster (Deilmann-Park)**  
Martin-Luther-King-Weg 30/30a

<b>Built</b>	1972 (modernized and expanded in 2012/2013)	2016
<b>Main tenant</b>	Real, Toys'R'Us, ALDI, dm, Adler Mode, Golf House	FOM
<b>Leased area</b>	approx. 28,000 m <sup>2</sup>	approx. 3,300 m <sup>2</sup>
<b>Annual rental income</b>	€ 4.1 million	€ 0.43 million
<b>Remaining lease term</b>	7.5 years <sup>(1)</sup>	6.3 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.1 %	6.8 %
<b>Purchase price</b>	€ 80.0 million	€ 6.1 million
<b>Transfer of possession</b>	October 2016	November 2016

(1) As of 31 March 2017

## Investments

### Transfer of possession in 2016



**Dortmund (DOMI)**  
**Ostenhellweg**

<b>Built</b>	1948 (modernized and expanded in 2003)
<b>Main tenant</b>	TK Maxx, Das Depot, O <sub>2</sub> , Dialysis centre
<b>Leased area</b>	approx. 9,200 m <sup>2</sup>
<b>Annual rental income</b>	€ 1.6 million
<b>Remaining lease term</b>	6.6 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.1 %
<b>Purchase price</b>	€ 30.8 million
<b>Transfer of possession</b>	December 2016

(1) As of 31 March 2017



# Portfolio-Management

## Investments

### Transfer of possession in 2017



**Cologne (O<sup>3</sup>)  
Am Coloneum**



**Hallstadt/Bamberg (Market Oberfranken)  
Michelinstrasse**

<b>Built</b>	2006	1974 (modernized and expanded in 2006)
<b>Main tenant</b>	NetCologne	Müller, tegut, C&A, Expert, ALDI
<b>Leased area</b>	approx. 26,500 m <sup>2</sup>	approx. 21,800m <sup>2</sup>
<b>Annual rental income</b>	€ 2.8 million	€ 2.5 million
<b>Remaining lease term</b>	6.4 years <sup>(1)</sup>	7.2 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.6 %	5.7 %
<b>Purchase price</b>	€ 48.9 million	€ 40.5 million (+ € 3,2m tenant improvements)
<b>Transfer of possession</b>	January 2017	March 2017

(1) As of 31 March 2017

# Portfolio-Management

## Investments

### Transfer of possession in 2017



**Berlin**  
**Märkische Allee**

<b>Built</b>	2006
<b>Main tenant</b>	Kaufland
<b>Leased area</b>	approx. 6,500 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.9 million
<b>Remaining lease term</b>	8.5 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.3 %
<b>Purchase price</b>	€ 16.2 million
<b>Transfer of possession</b>	March 2017

(1) As of 31 March 2017

# Portfolio-Management

## Investments

### Transfer of possession outstanding



**Kiel  
Kaistrasse**



**Hanau (Rondo Steinheim)  
Otto-Hahn-Strasse**

<b>Built</b>	2017 (under construction)	2017 (under construction)
<b>Main tenant</b>	Barmer GEK	REWE, ALDI, dm, Deichmann
<b>Leased area</b>	approx. 6,550 m <sup>2</sup>	approx. 12,800m <sup>2</sup>
<b>Annual rental income</b>	€ 1.16 million	€ 2.0 million
<b>Remaining lease term</b>	9.2 years <sup>(1)</sup>	approx. 15 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.5 %	5.4 %
<b>Purchase price</b>	€ 20.9 million	€ 37.5 million
<b>Transfer of possession</b>	Q3 2017e	Q3 2017e

(1) As of date of completion (subject to minor changes due to further rental agreements)

# Portfolio-Management

## Investments

### Transfer of possession outstanding



**Passau (Neustiftcenter)**  
**Steinbachstrasse/Alte Poststrasse**

<b>Built</b>	2017 (under construction)
<b>Main tenant</b>	REWE
<b>Leased area</b>	approx. 4,300 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.9 million
<b>Remaining lease term</b>	11.5 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.8 %
<b>Purchase price</b>	€ 14.8 million
<b>Transfer of possession</b>	Q4 2017e

(1) As of date of completion (subject to minor changes due to further rental agreements)

## Divestments 2016

### Disposal of properties 2016

<b>Duisburg</b> Selling Price: € 2.64 million 	<b>Dinslaken</b> Selling price: € 1.94 million 	<b>Solingen</b> Selling price: € 3.17 million 	<b>Essen</b> Selling price: € 3.26 million 	<b>Kassel</b> Selling price: € 0.7 million 
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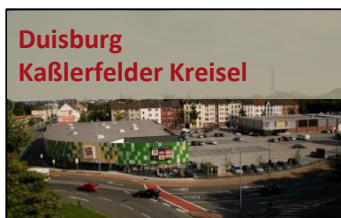
<b>Total # of properties</b>	<b>5</b>
<b>Total selling price</b>	<b>approx. € 11.7 million</b>
<b>Total rental income</b>	<b>approx. € 0.9 million</b>
<b>Rental contracts</b>	<b>36 residential contracts/25 commercial contracts</b>

### Disposal of undeveloped land 2016



<b>Undeveloped land sold</b>	<b>32,000 sqm</b>	(forest and agricultural plots)
<b>Total selling price</b>	<b>€ 0.114 million</b>	(book value € 0.007 million)

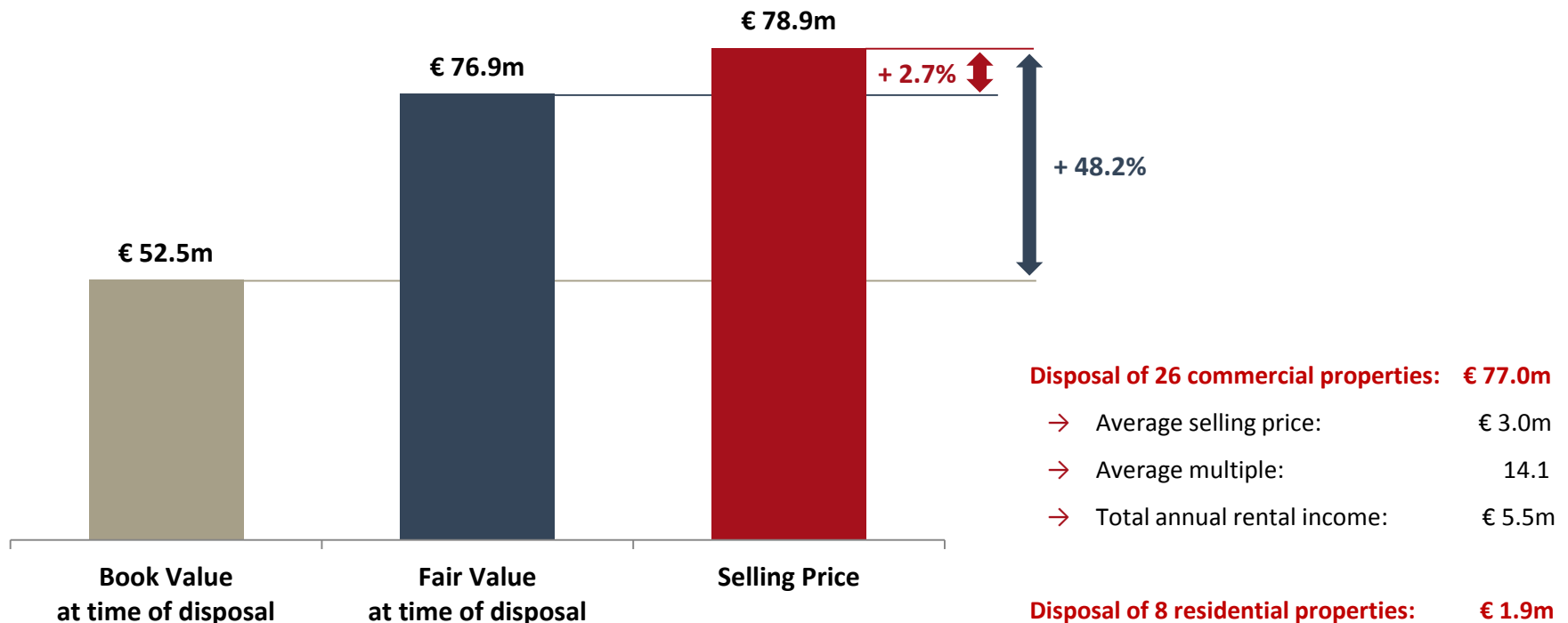
### Recent Divestment/Transfer of possession on 1 April 2017



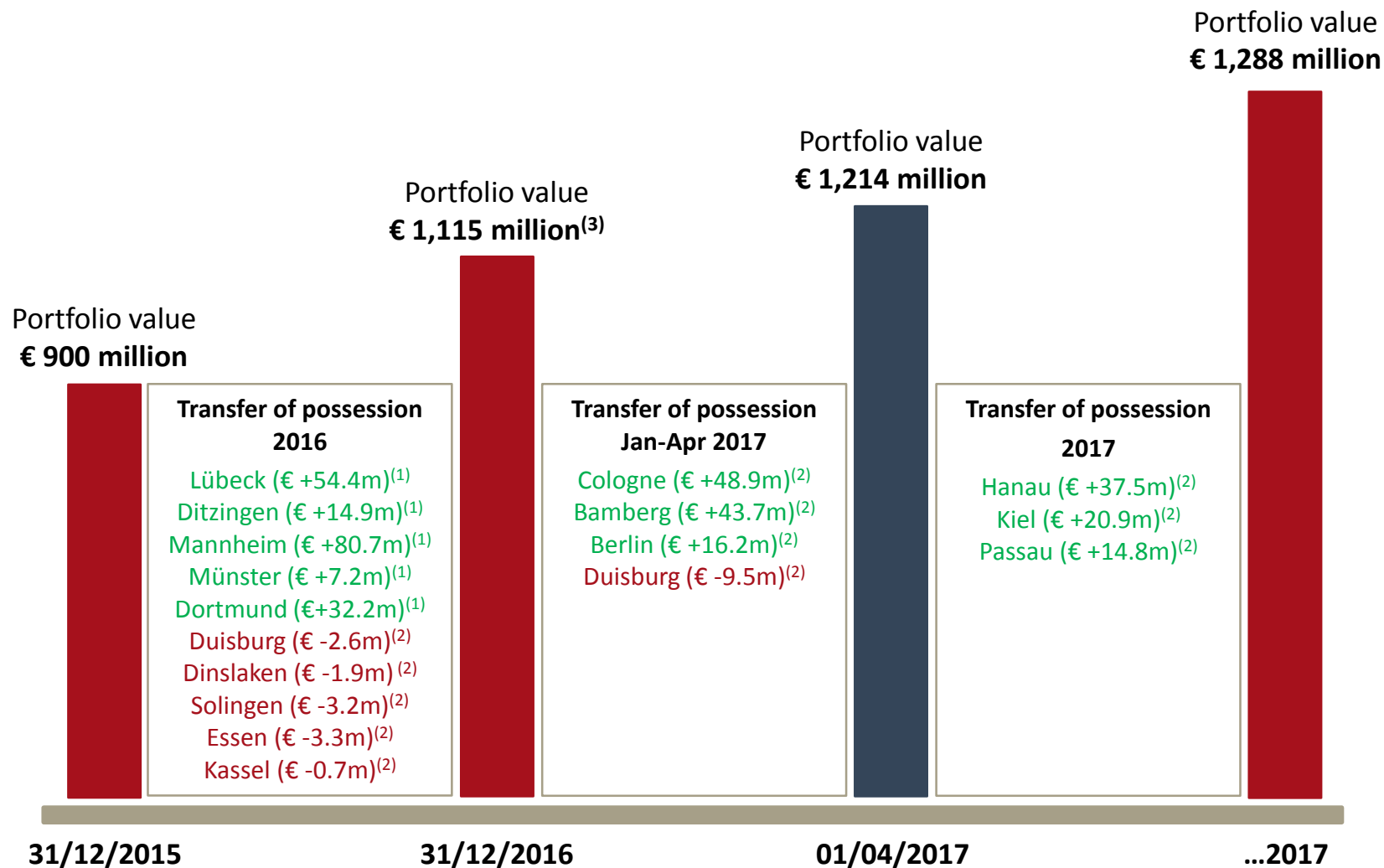
<b>Selling price</b>	<b>€ 9.5 million</b>
<b>Fair value as of 31 Dec 2015</b>	<b>€ 9.2 million</b>
<b>Book value as of 31 Dec 2016</b>	<b>€ 7.2 million</b>

# Portfolio-Management

## Divestments since change of strategy in 2007



## Portfolio development 2016/2017



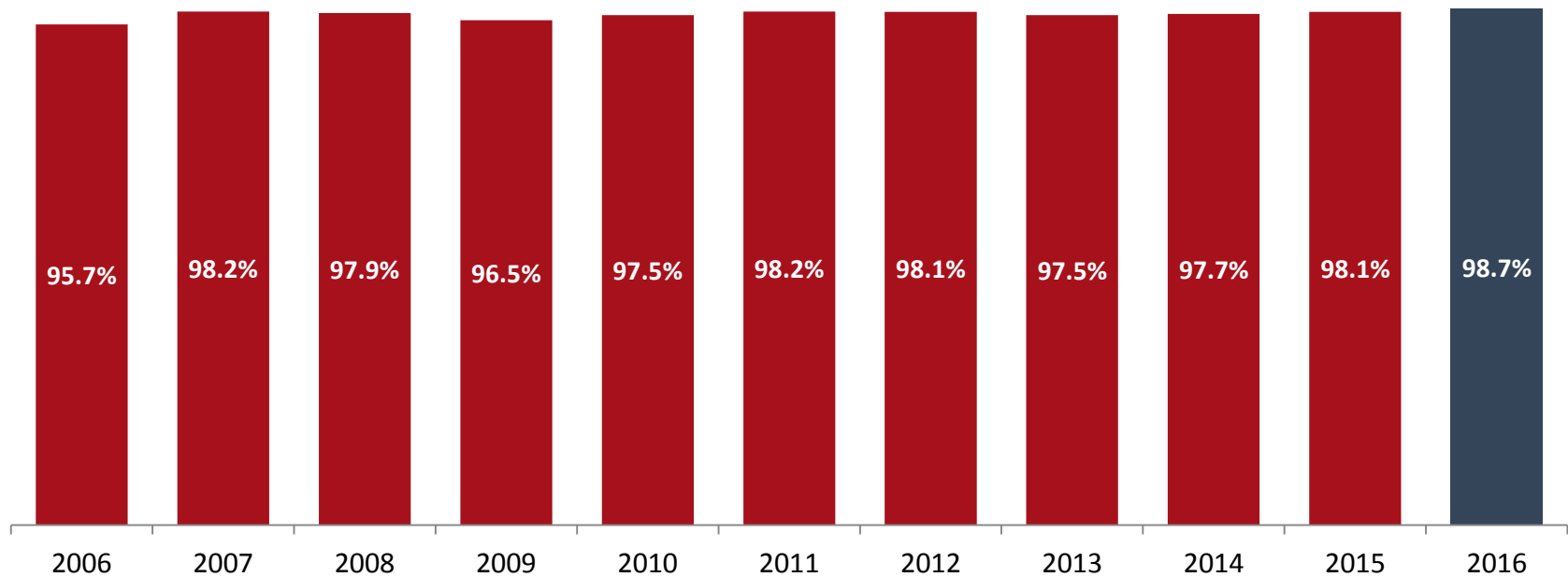
(1) As of 31 December 2016 (2) Contractually agreed purchase/selling price (3) including revaluation gain

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



## High and stable occupancy

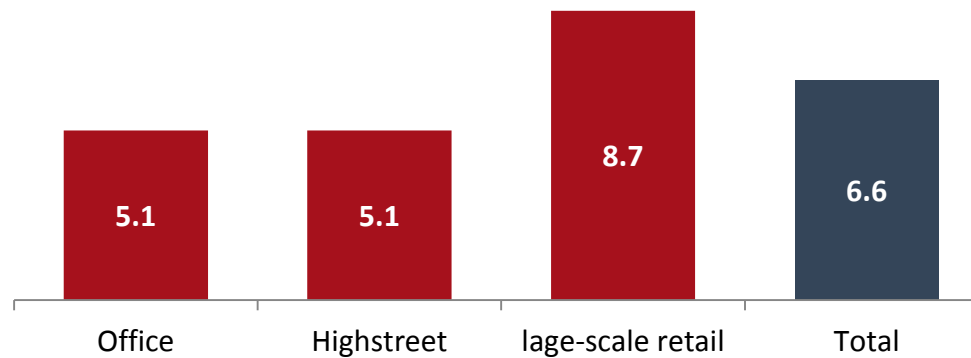
### Occupancy rates



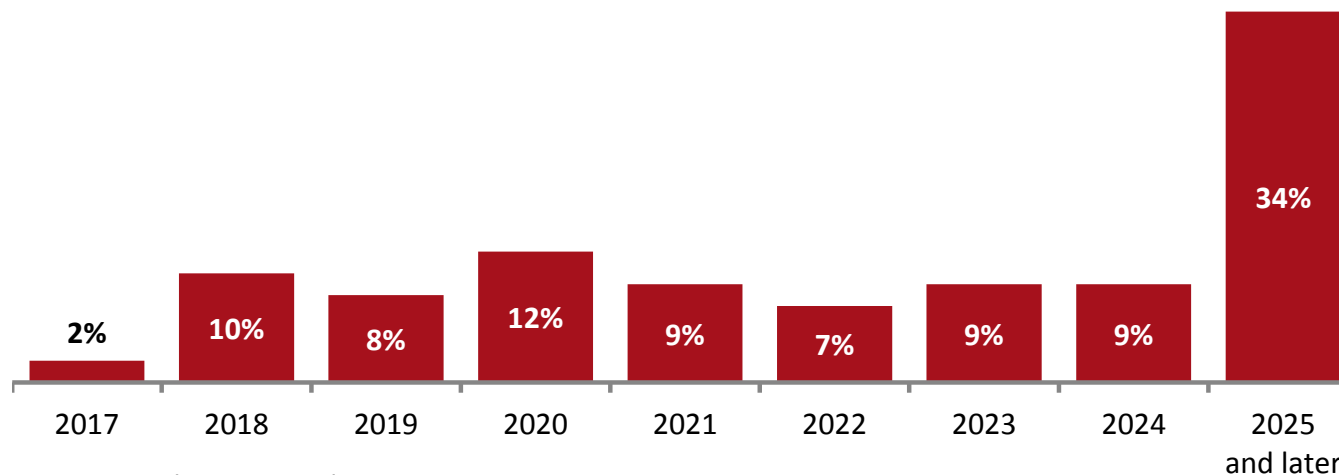
- Vacancy rate as at 31 December 2016 incl. rent guarantees: 1.3 %
- Vacancy rate as at 31 December 2016 excl. rent guarantees: 1.6 %

## Long-term leases

### Weighted average lease expiry by type (as of 31 March 2017, in years)




### Split of lease contracts expiring by year (as of 31 March 2017)



## Solid tenants

### Top 10 tenants (as of 31 March 2017, % of annual rent)

	<u>Tenant</u>	<u>Sector</u>	<u>% of annual rent*</u>
	EDEKA-Group	Discount food retail	10.7%
	Kaufland Group	Discount food retail	7.8%
	real,-	Discount food retail	6.2%
	OBI	Retail (DIY)	5.9%
	Jobcenter	Government Agency	3.8%
	NetCologne	Telecommunication	2.4%
	H&M	Textile retail	2.4%
	REWE-Group	Discount food retail	2.1%
	C&A	Textile retail	1.9%
	Telefonica O <sup>2</sup>	Telecommunication	1.5%
	<b>Total</b>		<b>44.7%</b>

**1** History / Capital markets track record

**2** Portfolio-Management

**3** Asset-Management

**4** Financial Figures/Financial Position

# Financial Figures / Financial Position

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## Strong financial fiscal year 2016

### Highlights

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- Increase in income from rents and leases: + 17.9%
- FFO increase: + 23.5% (FFO per share: € 0.45 )
- Reduction of vacancy rate to 1.3 %
- Capital increase: Net proceeds € 162 million
- Total invested volume: approx. € 180 million (five assets)
- Divestment of five non-strategic assets (Selling price € 11.7 million)
- Total portfolio volume: € 1,115 million (after revaluation)
- NAV per share: € 9.64 (+ 5.8%)

## Financial Figures / Financial Position

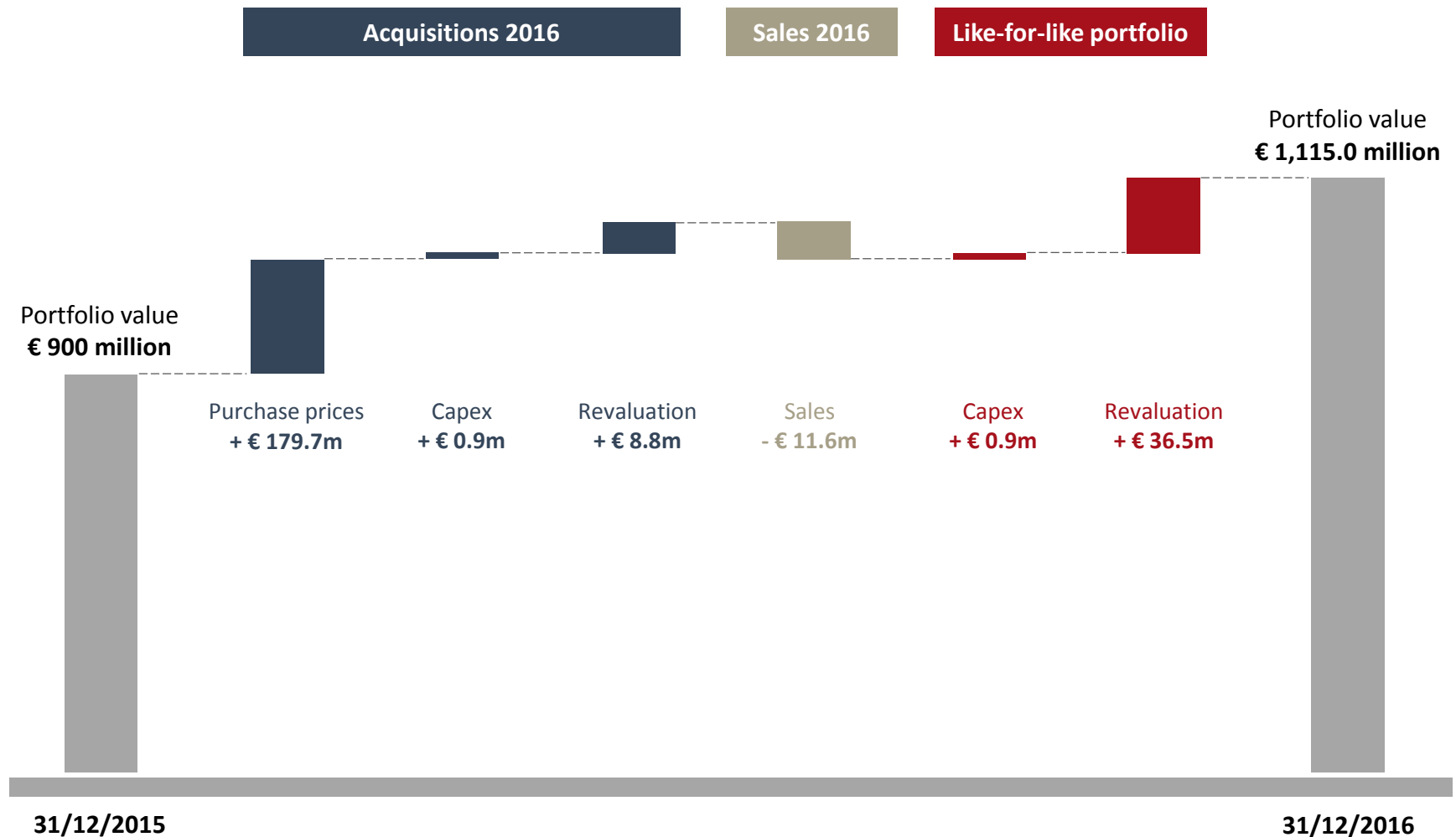
### Significant key figures for 2016

Key figures	2016	2015	Change
Income from rents and leases	€ 61.8 million	€ 52.4 million	+ 17.9 %
EBIT	€ 31.7 million	€ 27.1 million	+ 17.2 %
Profit for the period	€ 17.4 million	€ 13.8 million	+ 26.5 %
Funds from operations	€ 36.1 million	€ 29.2 million	+ 23.5 %
Funds from operations (FFO) per share	€ 0.45	€ 0.47	n/a
Net asset value (NAV)	€ 768.5 million	€ 564.7 million	+ 36.1 %
Net asset value (NAV) per share	€ 9.64	€ 9.11	+ 5.8 %
Number of shares	79,717,645	62,002,613	+17.7 million
REIT equity ratio	67.8 %	61.5%	+ 6.3 %-points
Loan to value (LTV)	30.1 %	35.0 %	- 4.9 %-points
Dividend per share	€ 0.43*	€ 0.42	+ 2.4 %

\*proposal to AGM 2017

# Financial Figures / Financial Position

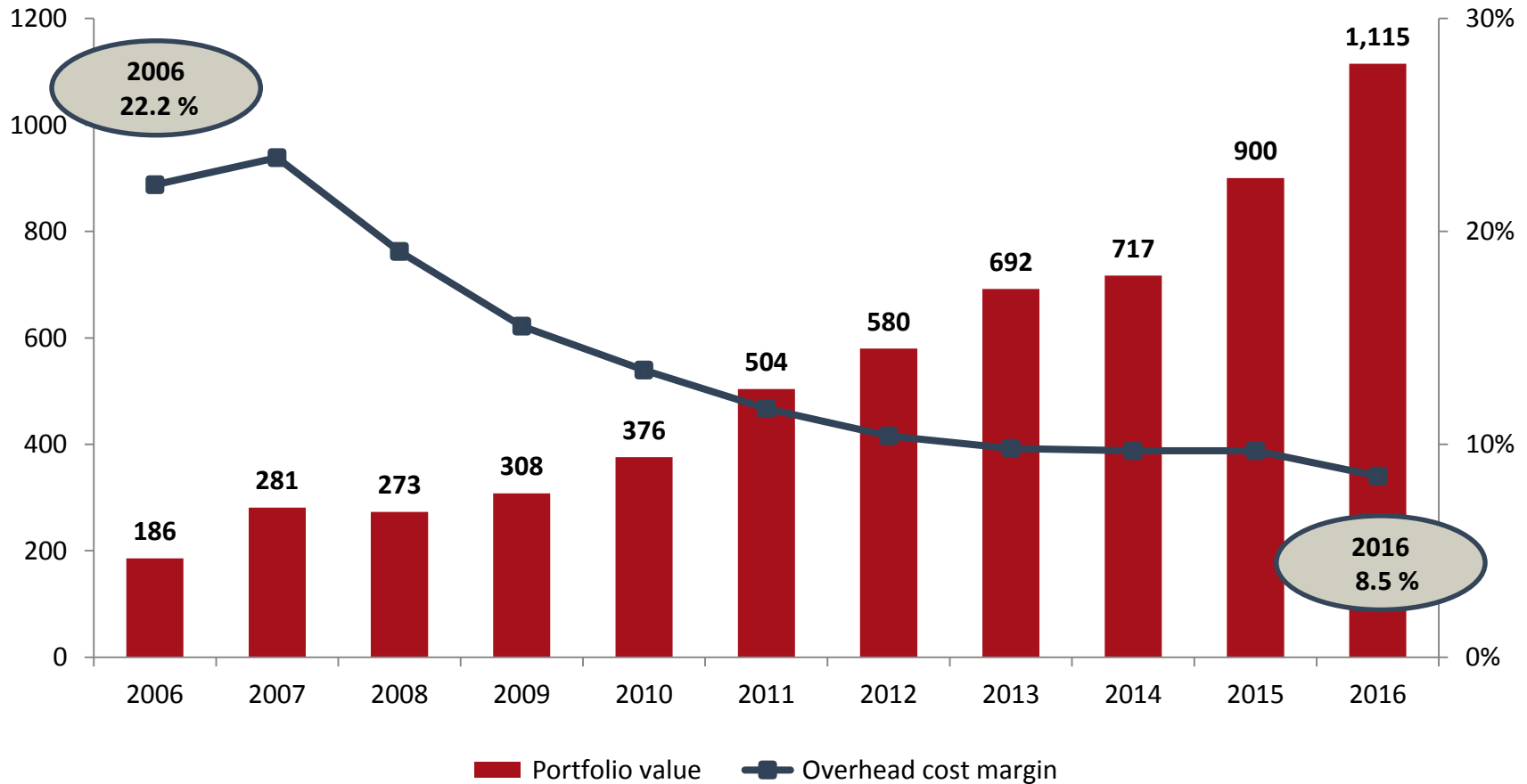
## Portfolio development 2016



# Financial Figures / Financial Position

## Benefitting from economies of scale

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



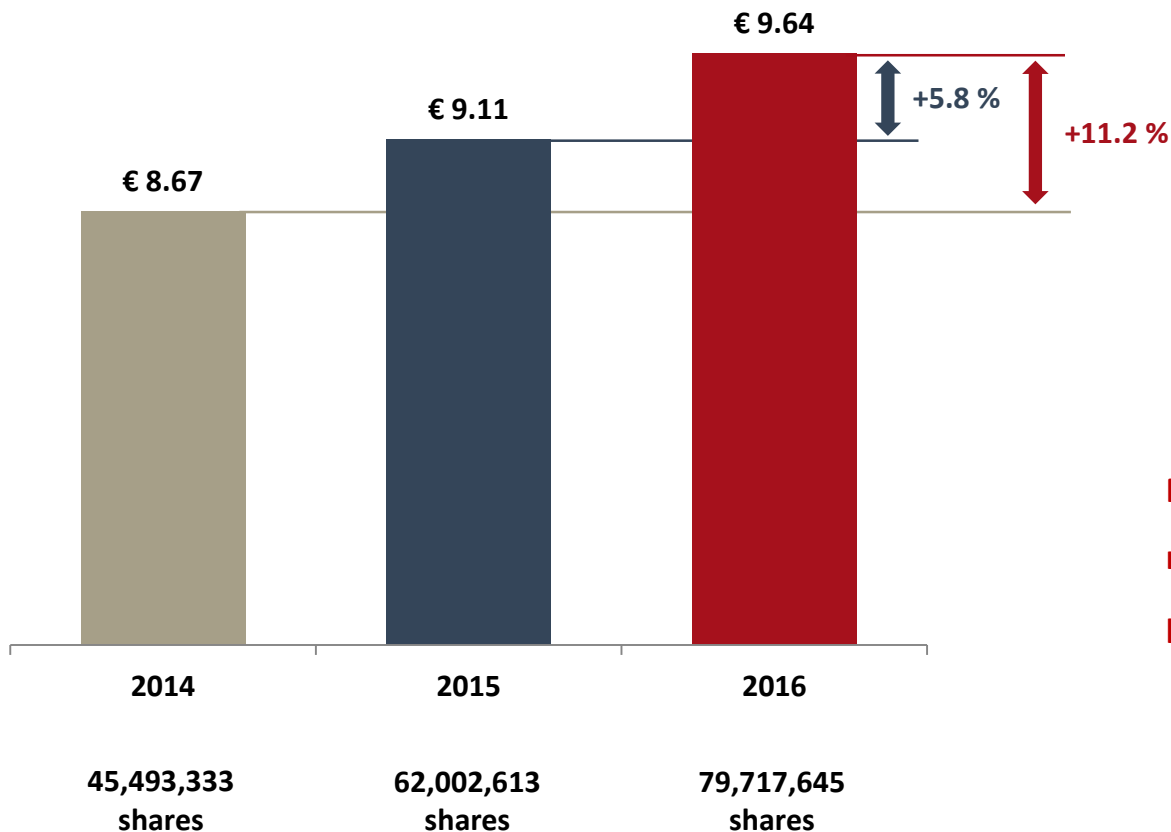
\* Personnel and administrative expenses in relation to income from rents and leases.



# Financial Figures / Financial Position

## NAV per share development

### NAV per share

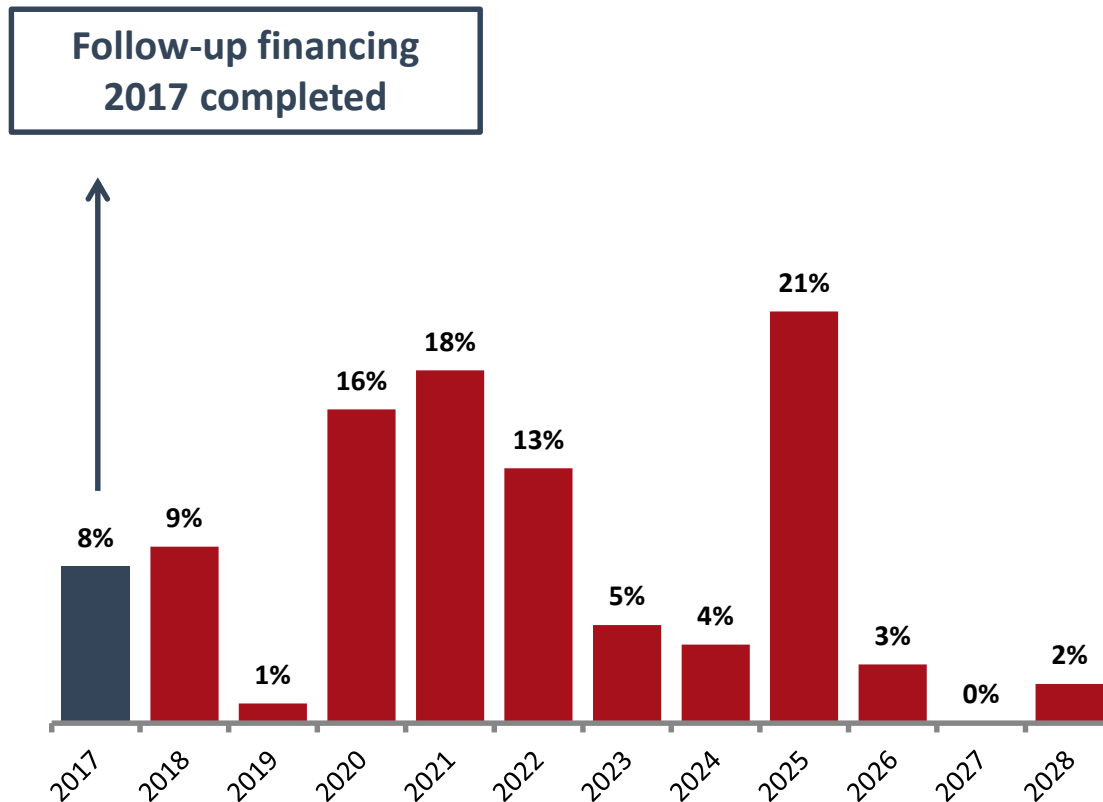


Portfolio growth, FFO growth and revaluation were NAV-accretive on per share basis

# Financial Figures / Financial Position

## Stable and predictable cost of debt

### Expiration of fixed interest rates (31 December 2016; % of total financial debt)



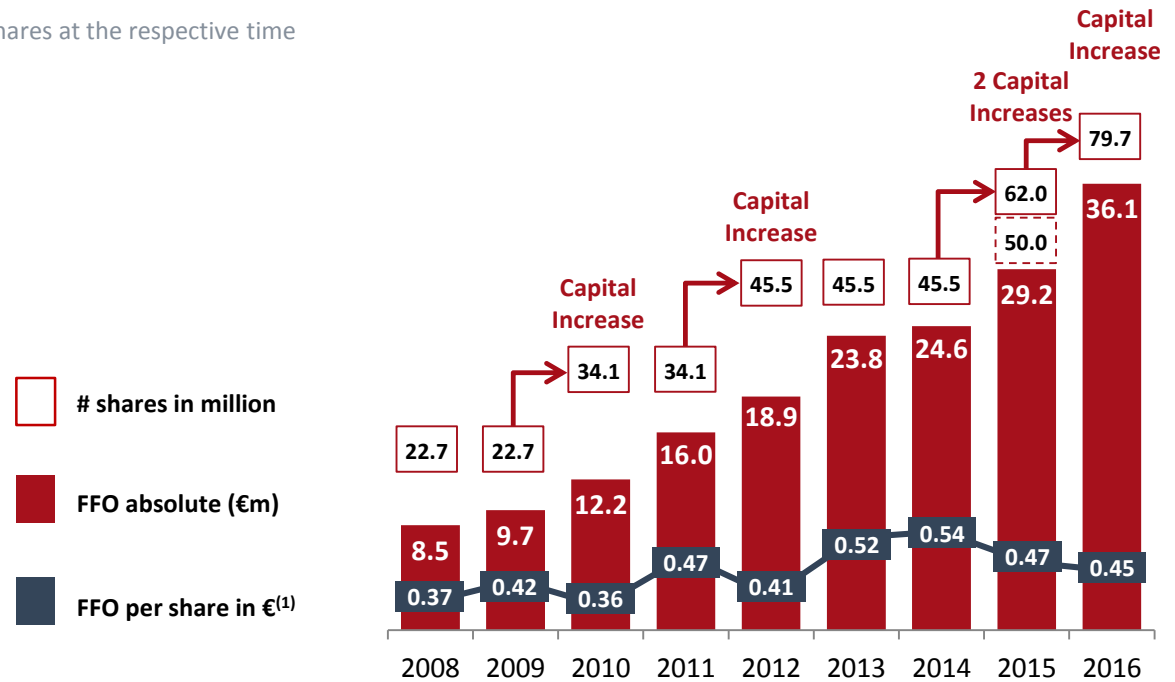
- Financial debt: € 414.5 million
- Liquid funds: € 75.3 million
- REIT equity ratio: 67.8 %
- LTV: 30.1 %
  
- Average maturity of fixed interest rates: 6.4 years
- Average cost of debt: 2.8 %
  
- Refinancing of loans with fixed interest rates expiring in 2017 completed
  
- Financing banks
  - Institutional banks
  - Cooperative banks
  - Saving banks
  - Insurance companies

# Financial Figures / Financial Position

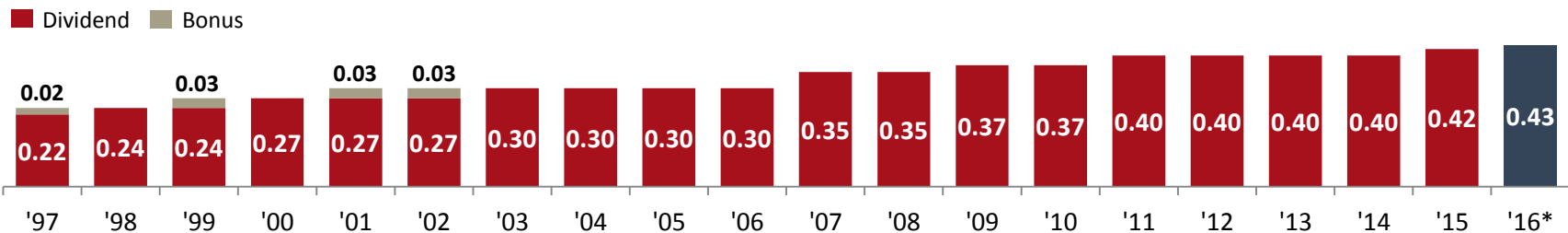
## Increasing FFO and dividend per share

### Funds From Operations (FFO)

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



### Dividend per share (€)



\* Proposal to AGM

# Summary and outlook

## 1. Summary 2016

- Positive development of operational business
- Increasing portfolio value to € 1,115 million
- Vacancy rate 1.3 % (incl. rent guarantees)
- Transfer of possession of properties in Lübeck, Ditzingen, Mannheim, Münster and Dortmund
- Purchase contracts signed for properties in Kiel, Hanau, Passau and Cologne
- Disposal of five non-strategic assets in Duisburg, Dinslaken, Solingen, Essen and Kassel
- Sales contract signed for retail property in Duisburg
- Successful capital increase with net proceeds of € 162 million

## 2. Outlook 2017

- Transfer of possession of office property in Cologne (2 January 2017) as well as retail properties in Hallstadt/Bamberg (23 March 2017) and Berlin-Marzahn (31 March 2017)
- Transfer of possession of sold retail centre in Duisburg on 1 April 2017
- Further outstanding transfers of possession of properties in Kiel, Hanau and Passau
- **Forecast 2017:**
  - **Rents:** + 16-18%
  - **FFO:** € 43-44 million (+ 19-22%)

<b>HAMBORNER REIT AG Financial Calendar 2017</b>	
Preliminary figures 2016	9 February 2017
Annual report 2016	28 March 2017
Interim Report for 1st quarter 2017	9 May 2017
AGM 2017	10 May 2017
Dividend payment	15 May 2017
Interim Report for 1st half 2017	8 August 2017
Interim Report for 3rd quarter 2017	9 November 2017

**Many thanks for your attention!**

## TOP 10 Properties (1/2)



**Mannheim**  
**Kurpfalz Center**



**Lübeck**  
**Haerder-Center**



**Munich**  
**NuOffice**



**Cologne**  
**O<sup>3</sup>**



**Berlin**  
**EUREF-Campus**

<b>Asset type</b>	Retail	High Street	Office	Office	Office
<b>Year of acquisition</b>	2016	2016	2013	2017	2013
<b>Purchase price</b>	€ 80.0 million	€49.1 million	€ 40.1 million	€ 48.9 million	€ 33.0 million
<b>Fair value</b>	€ 80.7 million <sup>(1)</sup>	€ 54.4 million <sup>(1)</sup>	€ 52.7 million <sup>(1)</sup>	€ 48.9 million <sup>(2)</sup>	€ 46.1 million <sup>(1)</sup>
<b>Annual rental income</b>	€ 4.1 million	€ 3.3 million	€ 2.4 million	€ 2.8 million	€ 2.2 million
<b>Remaining lease term</b>	7.5 years <sup>(1)</sup>	3.6 years <sup>(1)</sup>	6.4 years <sup>(1)</sup>	6.4 years <sup>(1)</sup>	4.9 years <sup>(1)</sup>
<b>Main tenants</b>	Real, Toys'R'Us, ALDI, dm, Adler Mode	H&M, New Yorker, REWE, mytoys	Estée Lauder, Armani, Zielpuls	NetCologne	Deutsche Bahn, Schneider Electric

(1) As of 31 March 2017 (2) Contractually agreed purchase price

## TOP 10 Properties (2/2)



**Hallstadt/Bamberg  
Market Oberfranken**



**Karlsruhe**



**Celle**



**Dortmund  
DOMI**



**Gießen  
Westoria Gießen**

<b>Asset type</b>	Retail	Retail/Office	Retail	Retail/Office	Retail
<b>Year of acquisition</b>	2017	2012	2015	2016	2015
<b>Purchase price</b>	€ 43.7 million	€ 37.0 million	€ 35.2 million	€ 30.8 million	€ 31.6 million
<b>Fair value</b>	€ 43.7 million <sup>(2)</sup>	€ 40.7 million <sup>(1)</sup>	€ 39.2 million <sup>(1)</sup>	€ 32.2 million <sup>(1)</sup>	€ 32.0 million <sup>(1)</sup>
<b>Annual rental income</b>	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 1.6 million	€ 2.3 million
<b>Remaining lease term</b>	7.2 years <sup>(1)</sup>	4.8 years <sup>(1)</sup>	11.4 years <sup>(1)</sup>	6.6 years <sup>(1)</sup>	5.5 years <sup>(1)</sup>
<b>Main tenants</b>	Müller, tegut, C&A, Expert, ALDI	EDEKA, Brandmaker	Real, ALDI, Rossmann, tedox, Fressnapf	TK Maxx, Das Depot, O <sup>2</sup>	Real, Saturn, McDonalds

(1) As of 31 March 2017 (2) Contractually agreed purchase price

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