



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company Presentation

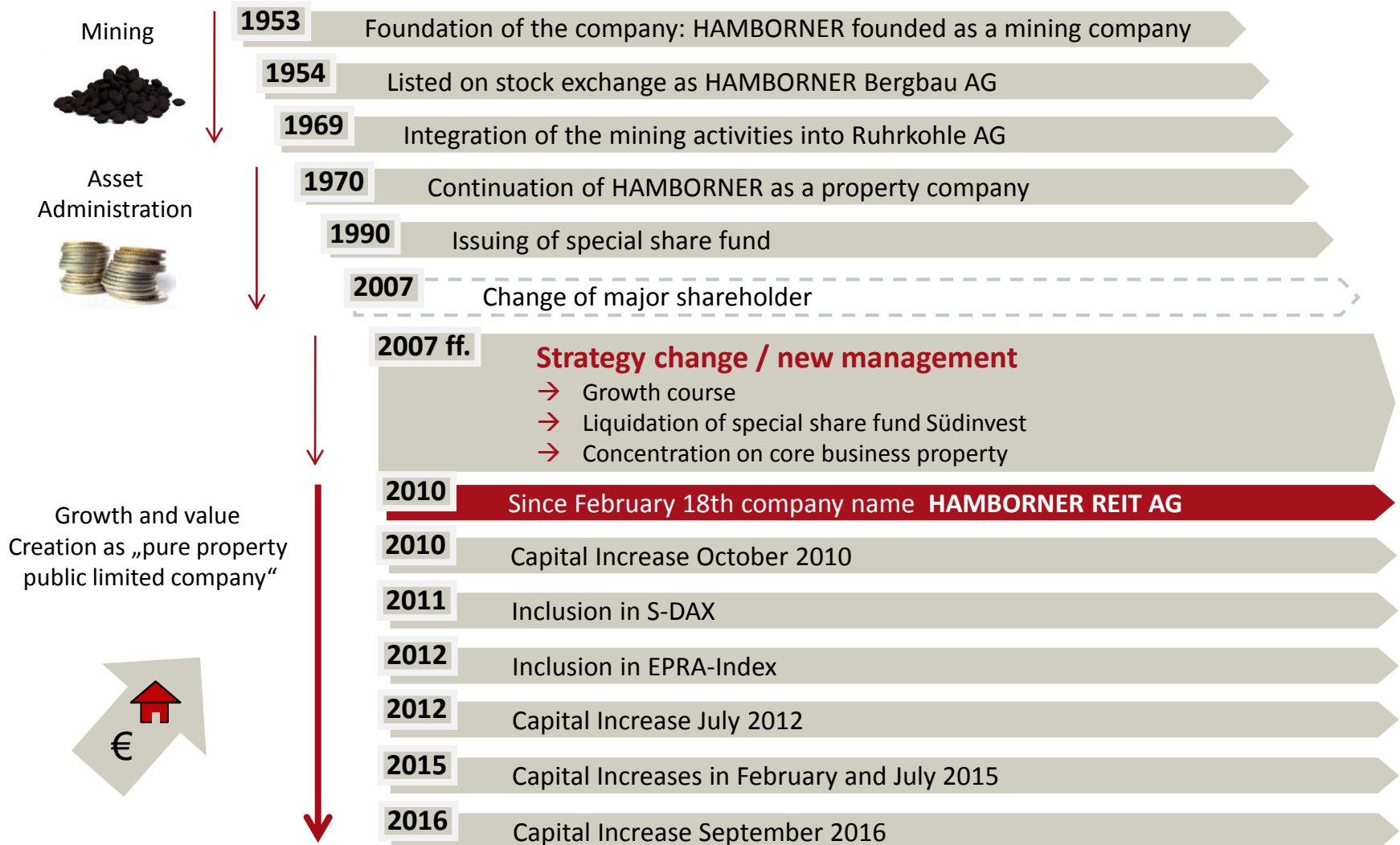
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August 2017

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

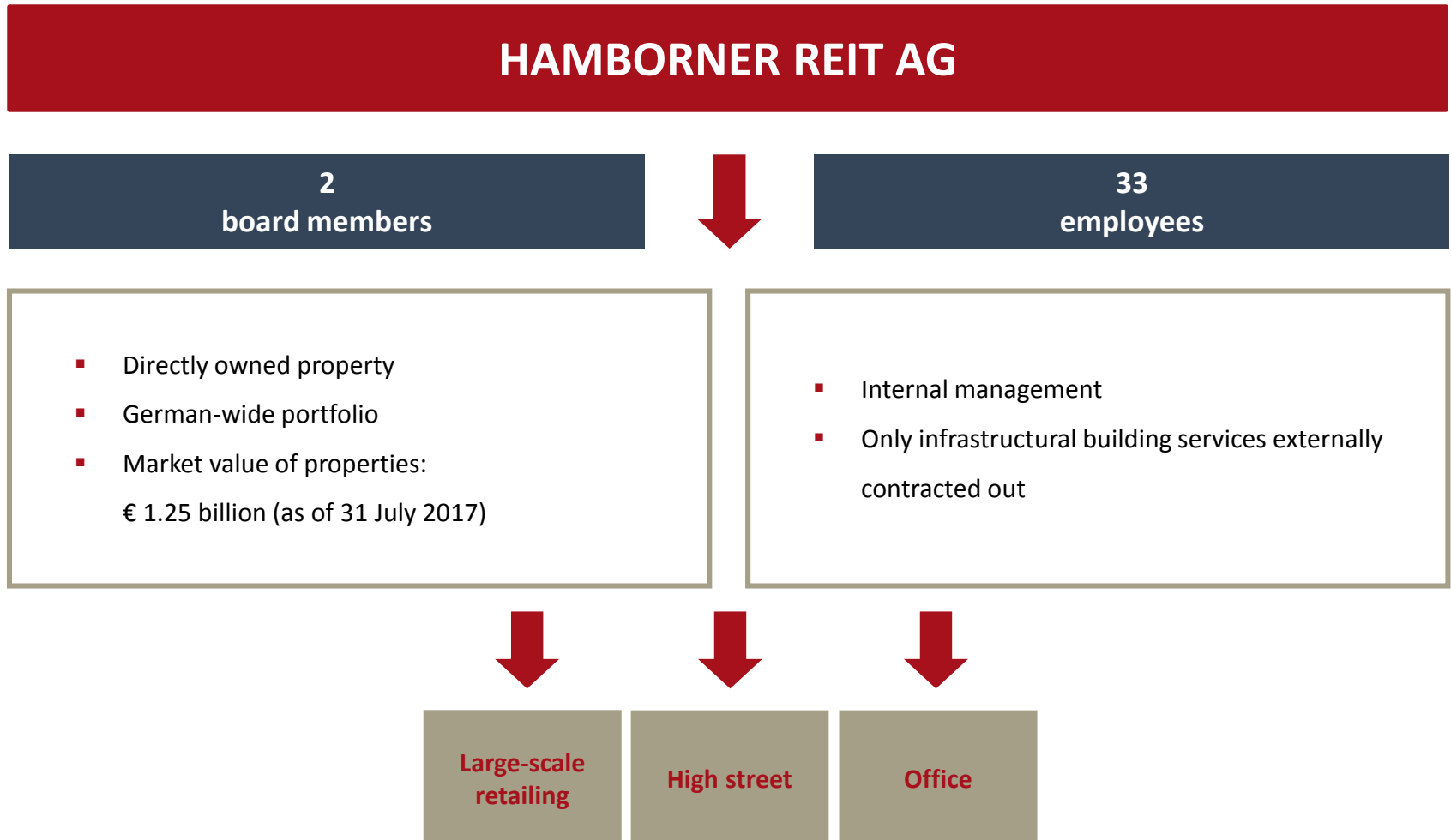
[R]eal [E]state [I]nvestment [T]rust (REIT)

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



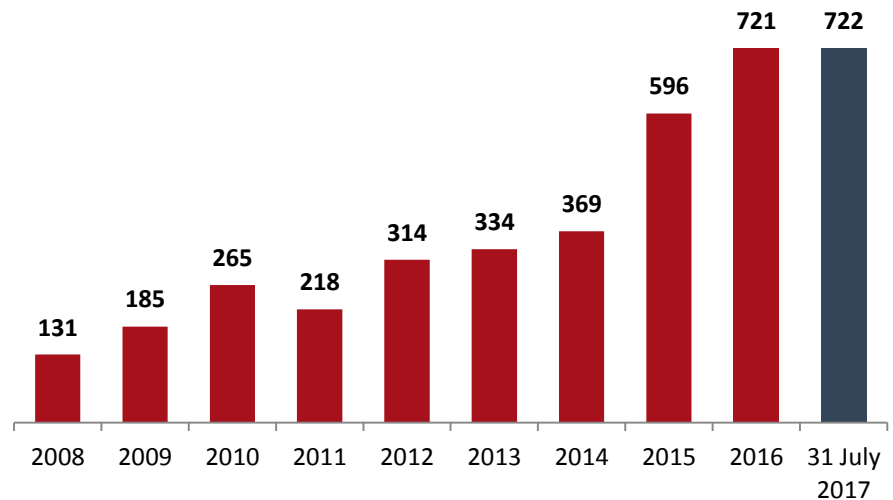
History / Capital markets track record

Growing market capitalization and increasing free float

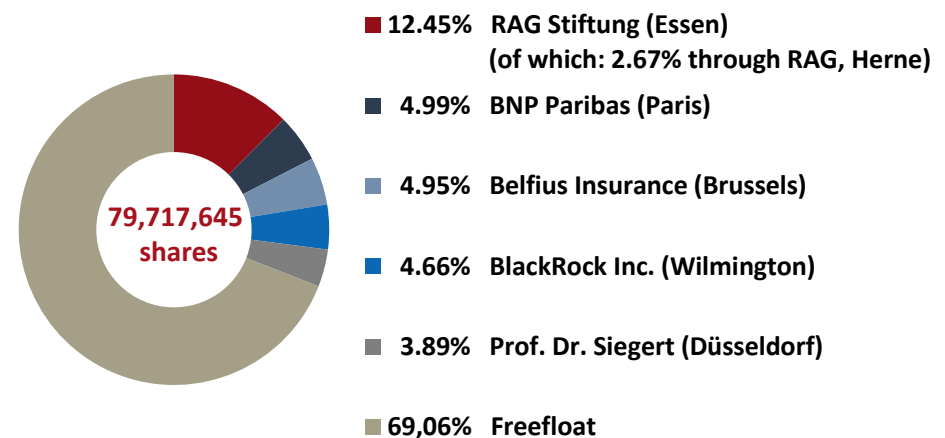
Overview events

- **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)



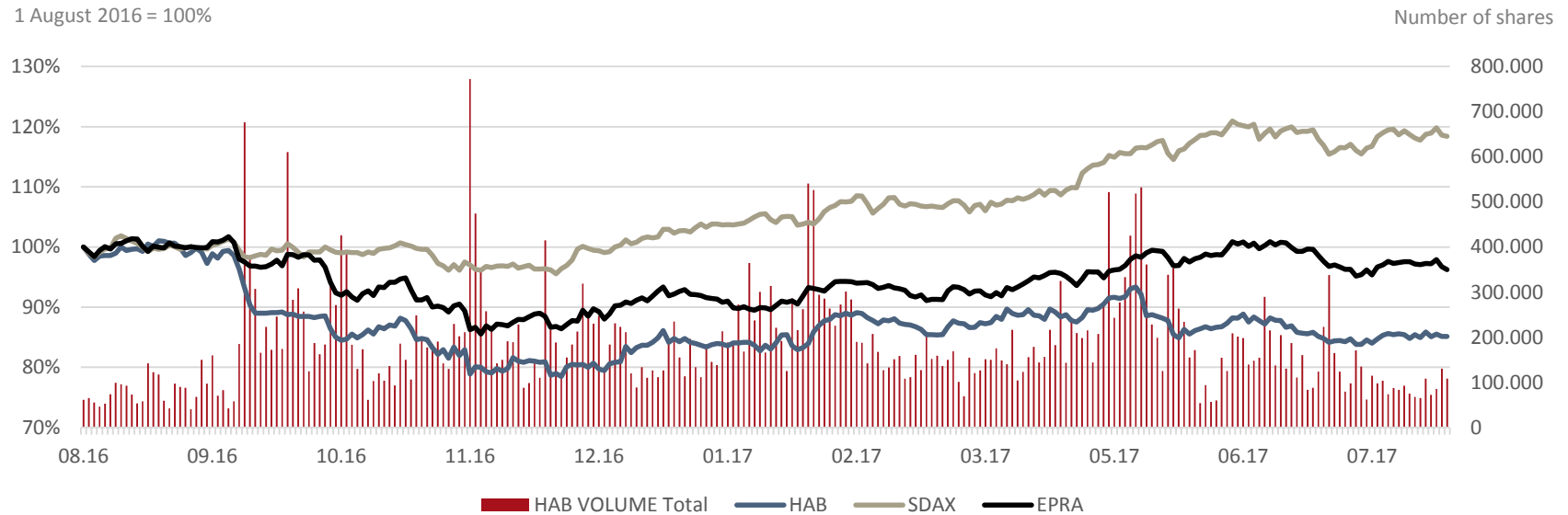
Shareholders



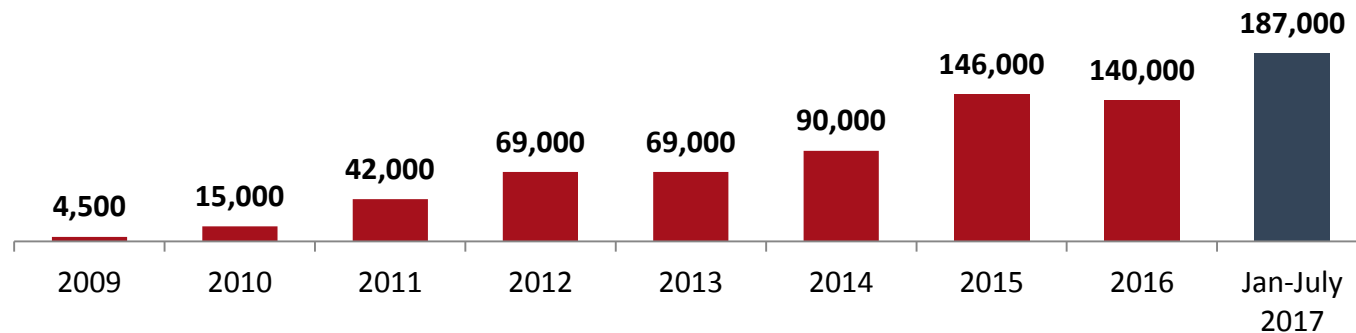
History / Capital markets track record

HAMBORNER REIT AG share

Development of share price and turnover



Average turnover per day (# shares)



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

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

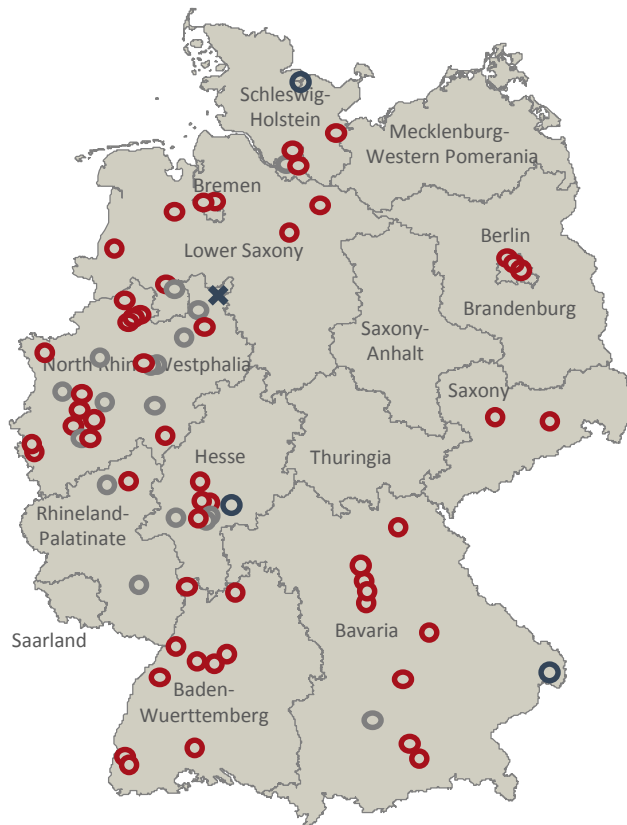
- Focus on quality properties, location and property strategy determined by asset type:
 - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
 - Large scale retailing in town centre sites or highly frequented 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 31 July 2017)

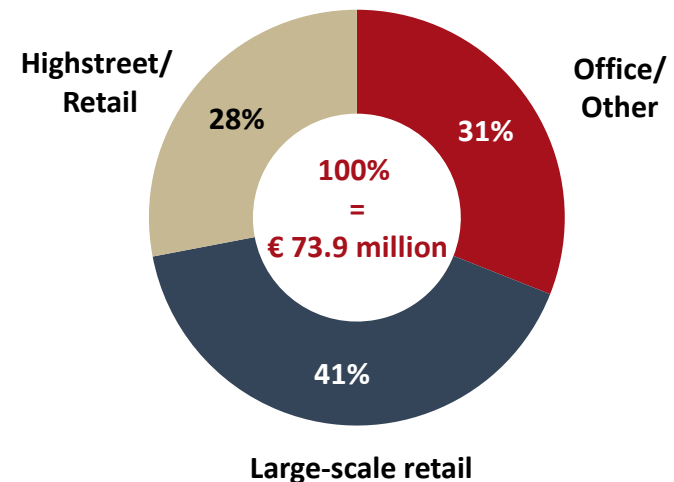


- Acquisitions before 2007
- Acquisitions from 2007
- Purchase contract signed
- ✕ Sales contract signed

Diversification of asset types (as of 31 July 2017)

- 72 properties in 56 cities in Germany
- Focus on West and South-West
- € 1,249 million portfolio value

Annualised rental income (as of 31 July 2017)



Portfolio-Management

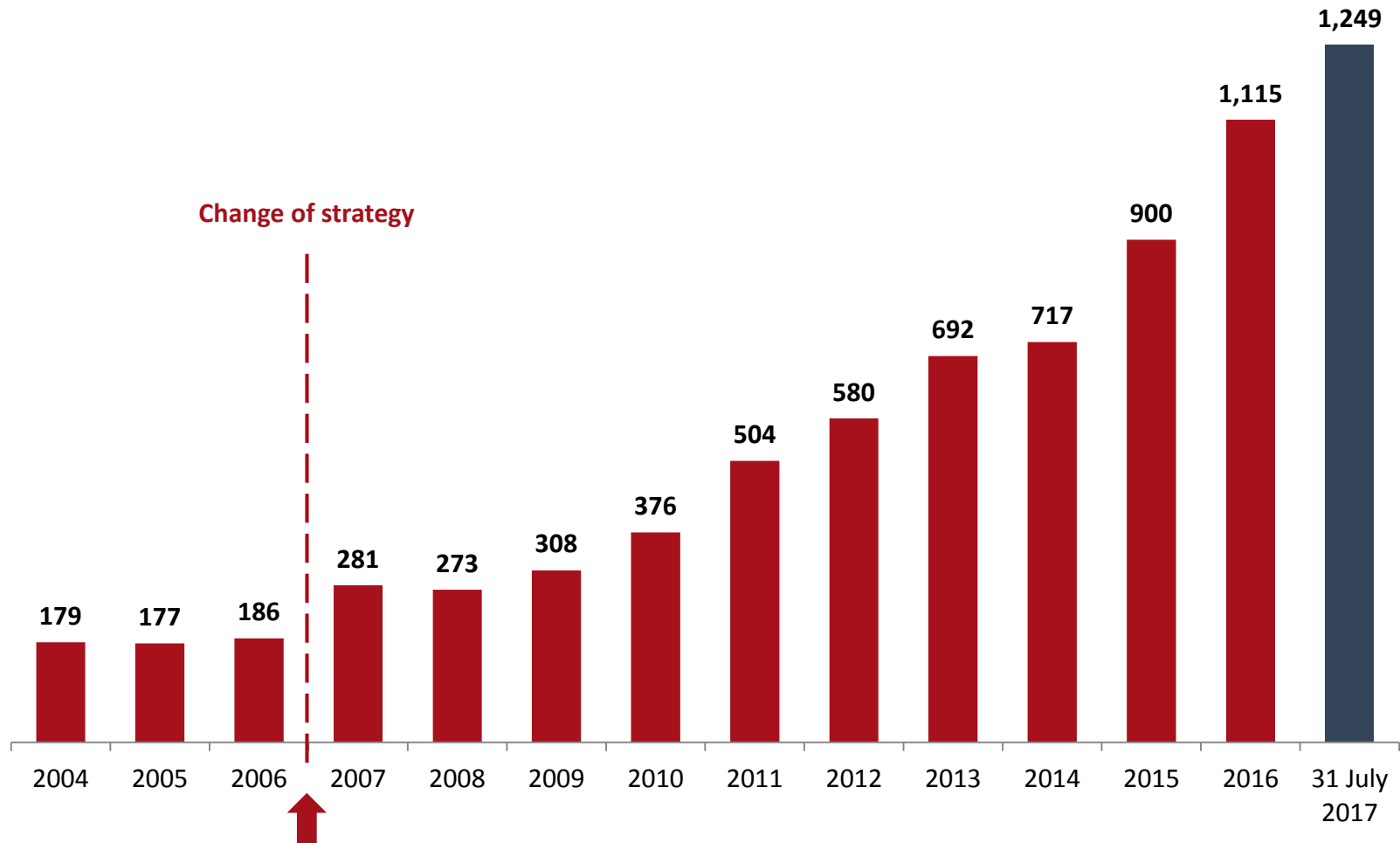
Regional diversification

<u>Federal State</u>	<u>Number of objects</u>	<u>Share in the market value of total portfolio (31 July 2017)</u>
Northrhine-Westphalia	25	27%
Bavaria	10	19%
Baden-Wurttemberg	10	18%
Berlin	4	9%
Hesse	7	8%
Lower Saxony	6	6%
Schleswig-Holstein	1	4%
Hamburg	3	3%
Rhineland-Palatinate	3	2%
Bremen	2	2%
Saxony	2	2%
Total	72	

Portfolio-Management

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

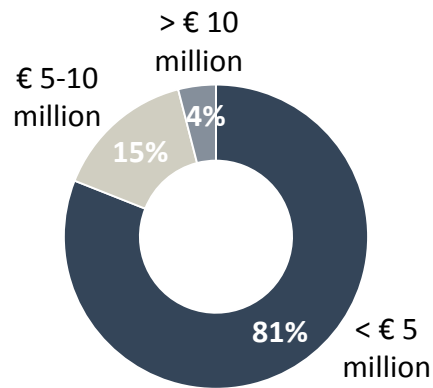


Portfolio-Management

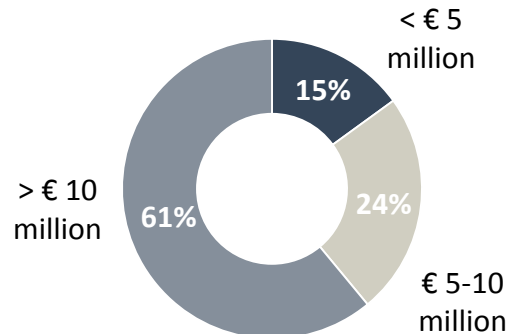
Increasing value per asset through acquiring larger assets

Portfolio split by property value

31 December 2006 (100% = 54 properties)

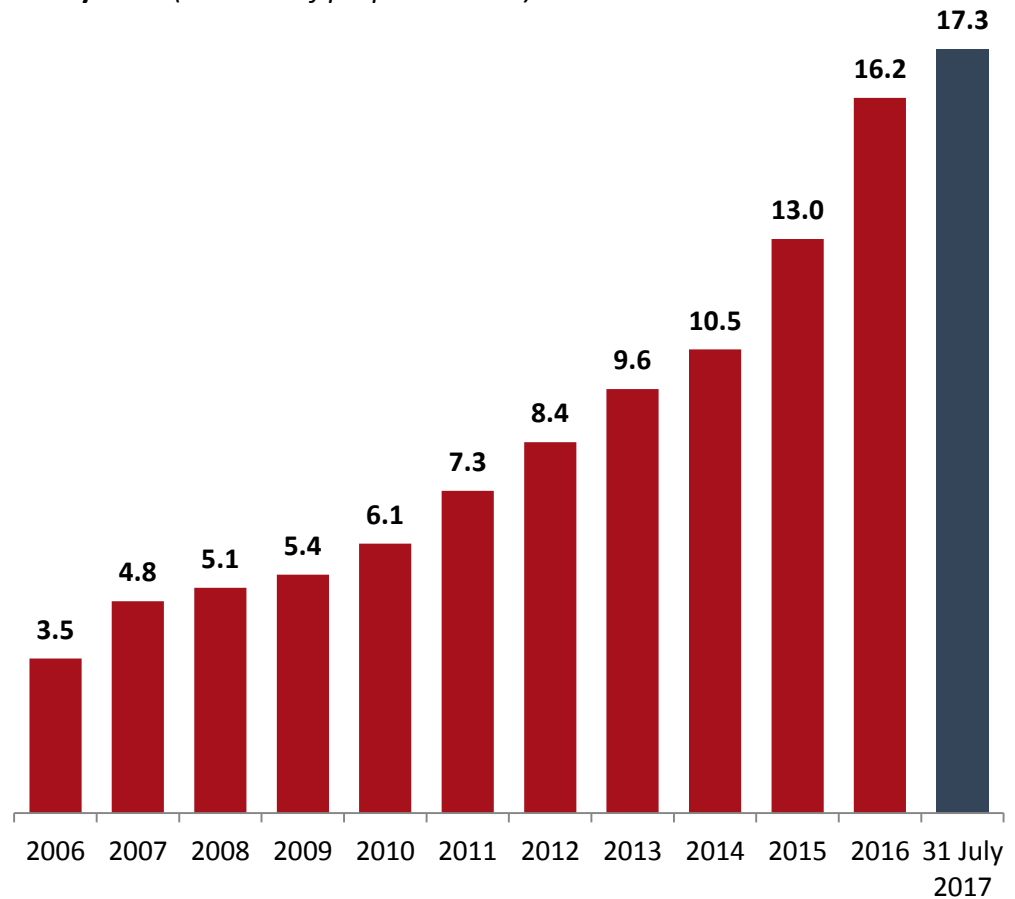


31 July 2017 (100% = 72 properties)



Average value per asset (in € million)

31 July 2017 (Number of properties = 72)



Investments 2017



**Cologne (O³)
Am Coloneum**



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

Built	2006	1974 (modernized and expanded in 2006)
Main tenant	NetCologne	Müller, tegut, C&A, Expert, ALDI
Leased area	approx. 26,500 m ²	approx. 21,800 m ²
Annual rental income	€ 2.8 million	€ 2.5 million
Remaining lease term	6.1 years ⁽¹⁾	7.0 years ⁽¹⁾
Gross initial yield	5.6 %	5.7 %
Purchase price	€ 48.9 million	€ 40.5 million (+ € 3,2m tenant improvements)
Transfer of possession	January 2017	March 2017

(1) As of 30 June 2017

Investments 2017



Berlin
Märkische Allee



Ratingen
Balcke-Dürr-Allee

Built	2006	2017
Main tenant	Kaufland	SPIE, Capgemini
Leased area	approx. 6,500 m ²	approx. 10,400 m ²
Annual rental income	€ 0.9 million	€ 1.9 million
Remaining lease term	8.2 years ⁽¹⁾	8.4 years ⁽¹⁾
Gross initial yield	5.3 %	5.7 %
Purchase price	€ 16.2 million	€ 34.4 million
Transfer of possession	March 2017	July 2017

(1) As of 30 June 2017

Portfolio-Management

Investments 2017

Transfer of possession outstanding



**Kiel
Kaistrasse**



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

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

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

Portfolio-Management

Investments 2017

Transfer of possession outstanding



Passau (Neustiftcenter)
Steinbachstrasse/Alte Poststrasse

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

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

Divestments 2017

Divestments H1 2017



Duisburg „Kasslerfelder Kreisel“

Selling price:	€ 9.5 million
Fair value as of 31 Dec 2015:	€ 9.2 million
Book value as of 31 Dec 2016:	€ 7.2 million
Transfer of possession:	1 April 2017

Undeveloped Land

Plot size:	98,000 m ²
Selling price:	€ 0.347 million
Book value as of 31 Dec 2016:	€ 0.016 million
Transfer of possession:	3 January 2017

Recent Divestment

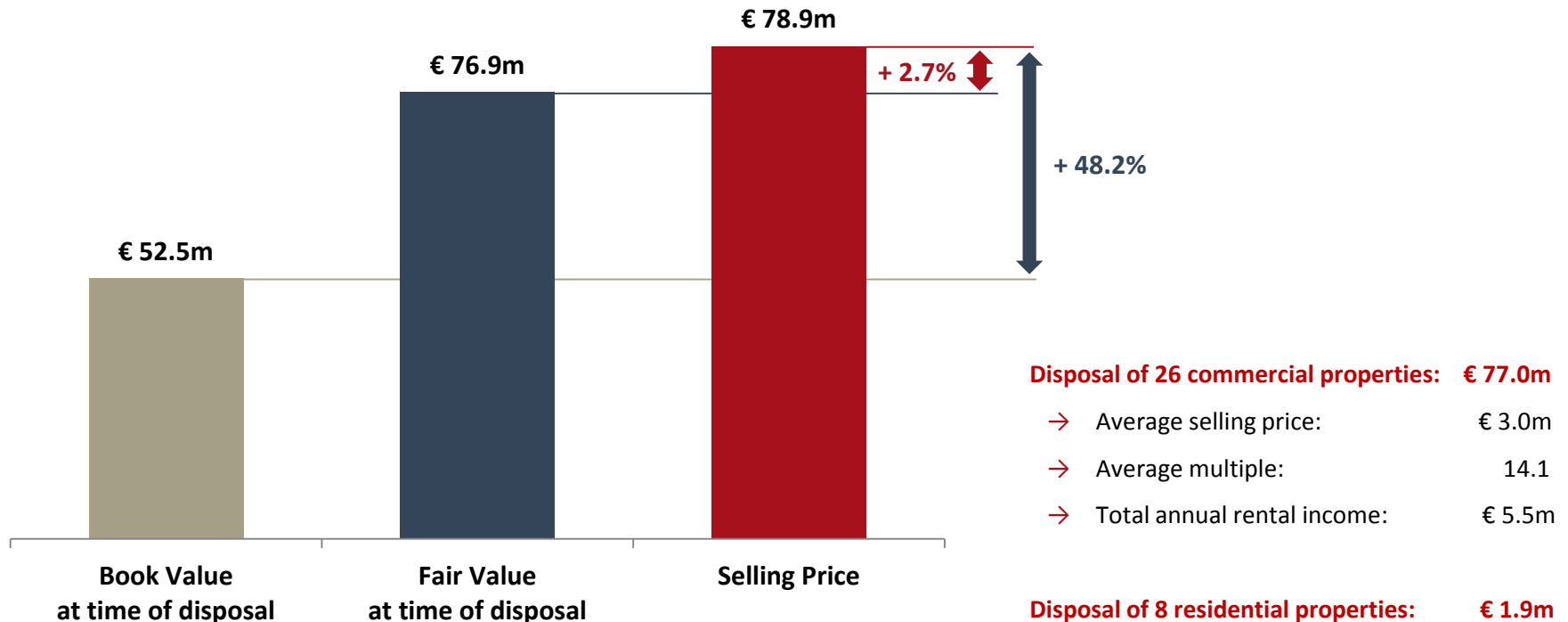


Minden

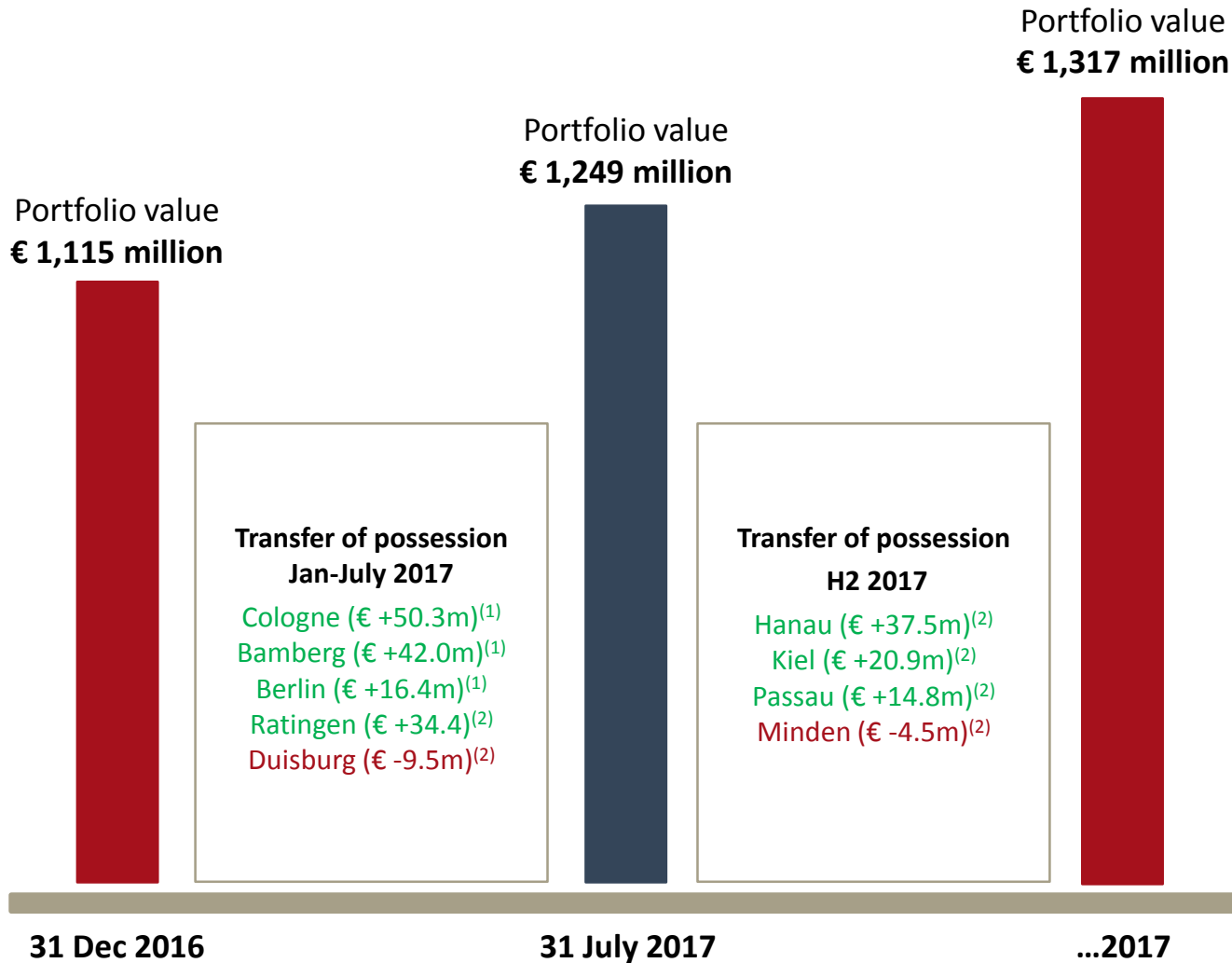
Selling price:	€ 4.5 million
Fair value as of 31 Dec 2016:	€ 4.5 million
Book value as of 31 Dec 2016:	€ 3.9 million
Transfer of possession:	Q3 2017e

Portfolio-Management

Divestments since change of strategy in 2007



Portfolio development 2017



(1) As of 30 June 2017 (2) Contractually agreed purchase/selling price

1 History / Capital markets track record

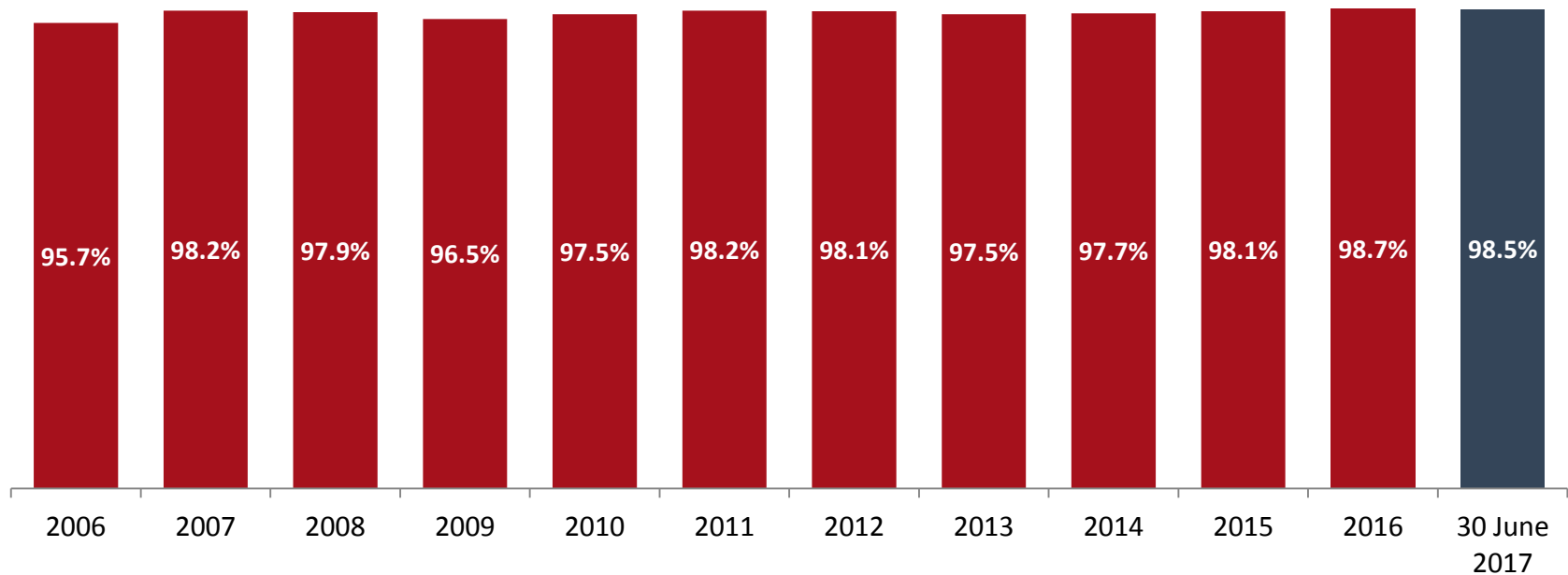
2 Portfolio-Management

3 Asset-Management

4 Financial Figures / Financial Position

High and stable occupancy

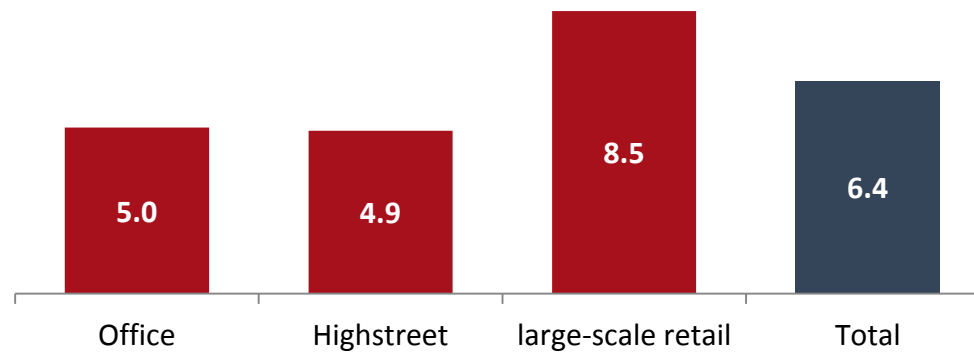
Occupancy rates



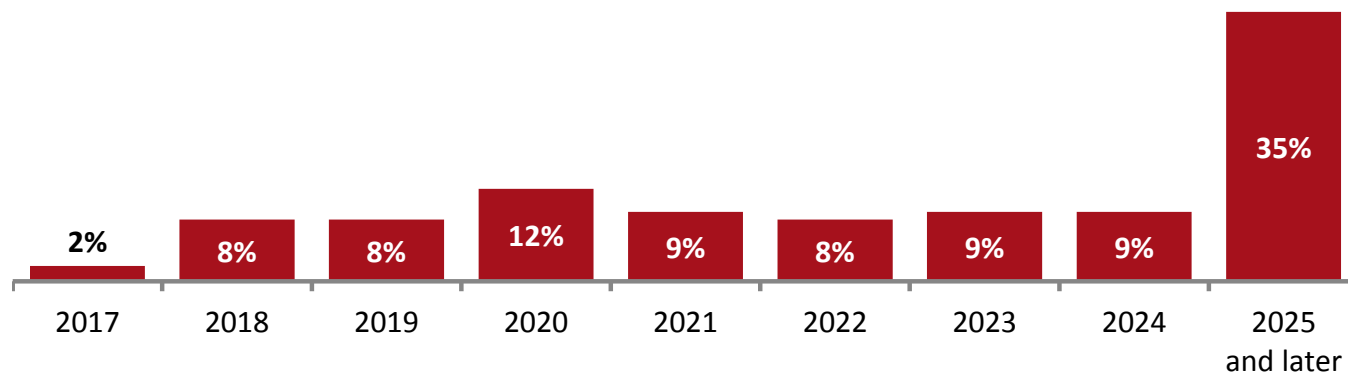
- Vacancy rate as at 30 June 2017 incl. rent guarantees: 1.5 %
- Vacancy rate as at 30 June 2017 excl. rent guarantees: 1.7 %

Long-term leases

Weighted average lease expiry by type (as of 30 June 2017, in years)








Split of lease contracts expiring by year (as of 30 June 2017)



Solid tenants

Top 10 tenants (as of 30 June 2017, % of annual rent)

	<u>Tenant</u>	<u>Sector</u>	<u>% of annual rent*</u>
	EDEKA-Group	Discount food retail	10.8%
	Kaufland Group	Discount food retail	7.8%
	real,-	Discount food retail	6.3%
	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 ²	Telecommunication	1.5%
	Total		44.9%

1 History / Capital markets track record

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4 Financial Figures/Financial Position

Financial Figures / Financial Position

Strong first half year 2017

Highlights

- Increase in income from rents and leases: + 19.7%
- FFO increase: + 28.1%
- Vacancy rate: 1.5 %
- Total invested volume: € 108.9 million (3 assets)
- Total portfolio volume: € 1,214 million as of 30 June 2017
- NAV per share: € 9.42
- Further reduction of average interest rate of loans to 2.6 %

Financial Figures / Financial Position

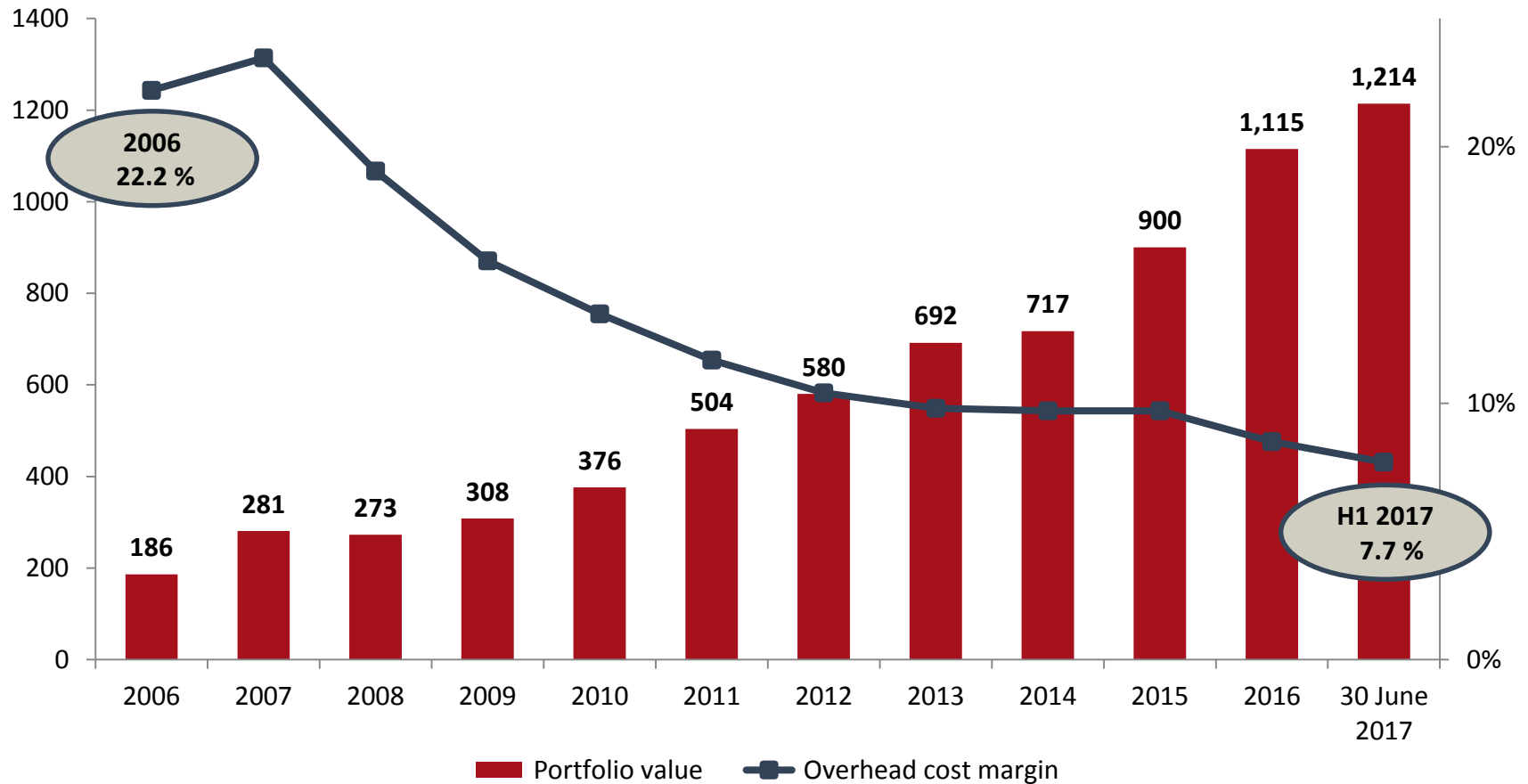
Significant key figures for first half year 2017

Key figures	30 June 2017	30 June 2016	Change
Income from rents and leases	€ 35.8 million	€ 29.9 million	+ 19.7 %
Operating result	€ 15.5 million	€ 13.3 million	+ 16.7 %
Profit for the period	€ 10.9 million	€ 8.8 million	+ 23.2 %
Funds from operations	€ 22.1 million	€ 17.2 million	+ 28.1 %
Funds from operations (FFO) per share	€ 0.28	€ 0.28	
Number of shares	79,717,645	62,002,613	
REIT equity ratio	61.1 %	56.9 %	+ 4.2 %-points
Loan to value (LTV)	37.7 %	40.5 %	- 2.8 %-points
Net asset value (NAV) per share	€ 9.42	€ 8.93	+ 5.5 %

Financial Figures / Financial Position

Benefitting from economies of scale

Portfolio value (€ million) and overhead cost margin*

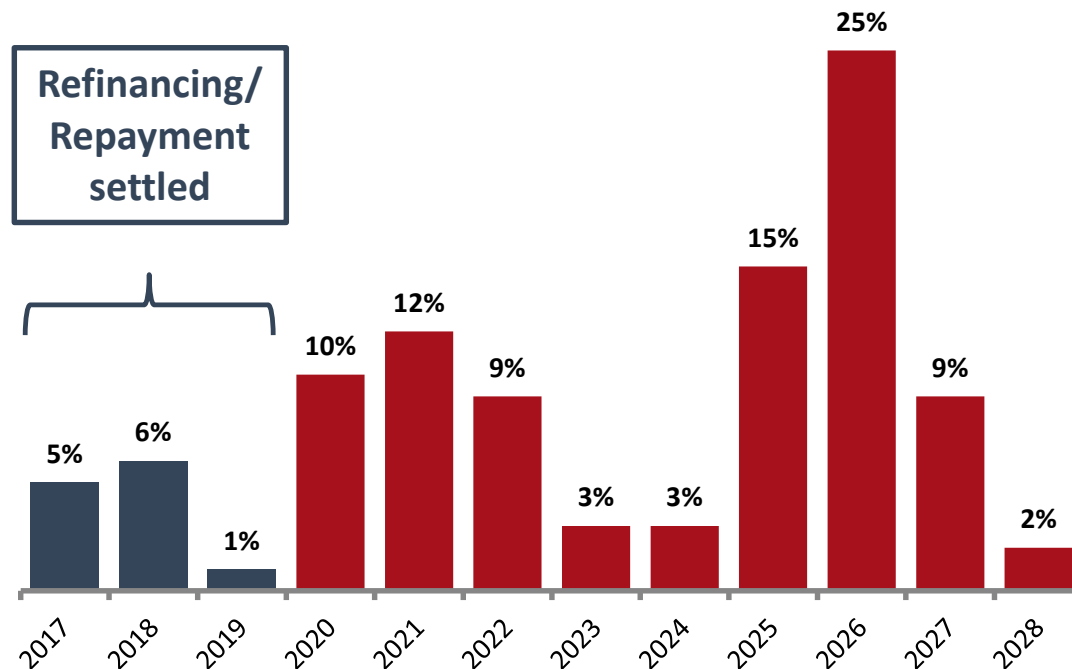


* Personnel and administrative expenses in relation to income from rents and leases.

Financial Figures / Financial Position

Stable and predictable cost of debt

Expiration of fixed interest rates (30 June 2017; % of total financial debt)



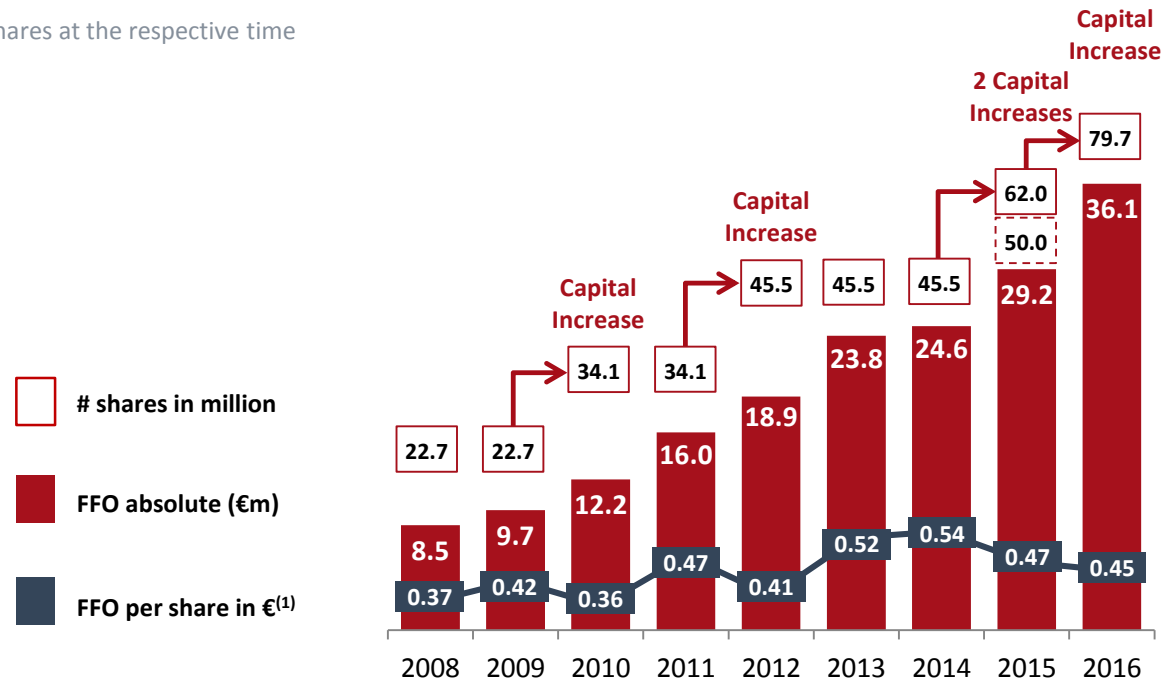
- Financial debt: **€ 486.3 million**
- Liquid funds: **€ 29.1 million**
- REIT equity ratio: **61.1 %**
- LTV: **37.7 %**
- Average maturity of fixed interest rates: **6.4 years**
- Average cost of debt: **2.6 %**
- Financing banks
 - Institutional banks
 - Cooperative banks
 - Saving banks
 - Insurance companies

Financial Figures / Financial Position

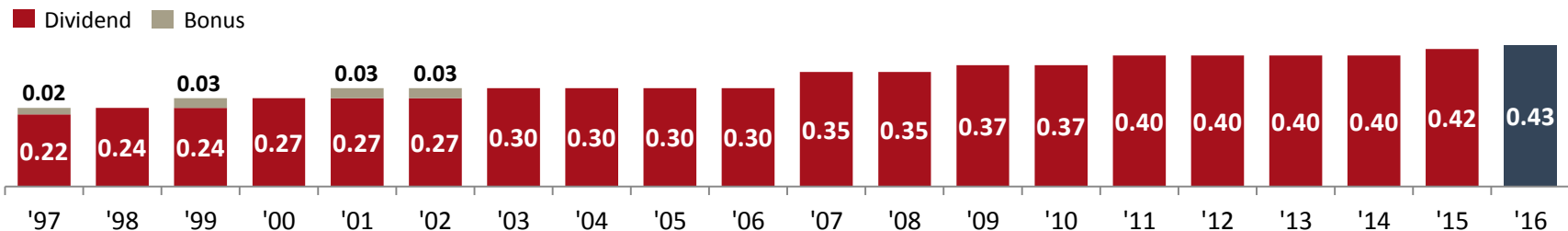
Increasing FFO and dividend per share

Funds From Operations (FFO)

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



Dividend per share (€)



Conclusion/Summary

- Successful first half 2017 with positive development of operational business
- Vacancy rate: 1.5%
- Transfer of possession of three assets in Cologne, Hallstadt/Bamberg and Berlin
- Transfer of possession of further office building in Ratingen on 11 July 2017
- Portfolio value: > € 1.25 billion as of 31 July 2017

Forecast 2017

- Rental income: **+ 18 - 20%**
- FFO: **€ 44 – 45 million**
- FFO per share: **€ 0.55 - € 0.56**
- Remaining fire power: **€ 120 - 150 million**

HAMBORNER REIT AG - Financial Calendar

Interim Report for 3rd quarter 2017	9 November 2017
Preliminary figures 2017	8 February 2018
Annual Report 2017	21 March 2018
Interim Report for 1st quarter 2018	25 April 2018
AGM 2018	26 April 2018

Many thanks for your attention!

TOP 10 Properties (1/2)



Mannheim
Kurpfalz Center



Lübeck
Haerder-Center



Munich
NuOffice



Cologne
O³



Berlin
EUREF-Campus

Asset type	Retail	High Street	Office	Office	Office
Year of acquisition	2016	2016	2013	2017	2013
Purchase price	€ 80.0 million	€49.1 million	€ 40.1 million	€ 48.9 million	€ 33.0 million
Fair value	€ 80.7 million ⁽¹⁾	€ 54.4 million ⁽¹⁾	€ 52.7 million ⁽¹⁾	€ 50,3 million ⁽¹⁾	€ 46.1 million ⁽¹⁾
Annual rental income	€ 4.1 million	€ 3.3 million	€ 2.4 million	€ 2.8 million	€ 2.2 million
Remaining lease term	7.3 years ⁽²⁾	3.2 years ⁽²⁾	6.2 years ⁽²⁾	6.1 years ⁽²⁾	5.5 years ⁽²⁾
Main tenants	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 December 2016 (2) As of 30 June 2017

TOP 10 Properties (2/2)



**Hallstadt/Bamberg
Market Oberfranken**



Karlsruhe



Celle



Ratingen



**Dortmund
DOMI**

Asset type	Retail	Retail/Office	Retail	Office	High-Street/Office
Year of acquisition	2017	2012	2015	2017	2016
Purchase price	€ 43.7 million	€ 37.0 million	€ 35.2 million	€ 34.4 million	€ 30.8 million
Fair value	€ 42.0 million ⁽¹⁾	€ 40.7 million ⁽¹⁾	€ 39.2 million ⁽¹⁾	€ 34.4 million ⁽³⁾	€ 32.2 million ⁽¹⁾
Annual rental income	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 1.9 million	€ 1.6 million
Remaining lease term	7.0 years ⁽²⁾	4.6 years ⁽²⁾	11.2 years ⁽²⁾	8.4 years ⁽²⁾	6.2 years ⁽²⁾
Main tenants	Müller, tegut, C&A, Expert, ALDI	EDEKA, Brandmaker	Real, ALDI, Rossmann, tedox, Fressnapf	SPIE, Capgemini	TK Maxx, Das Depot, O ²

(1) As of 31 December 2016 (2) As of 30 June 2017 (3) Contractually agreed purchase price

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