



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company Presentation

Preliminary figures 2016

Dr. Rüdiger Mrotzek

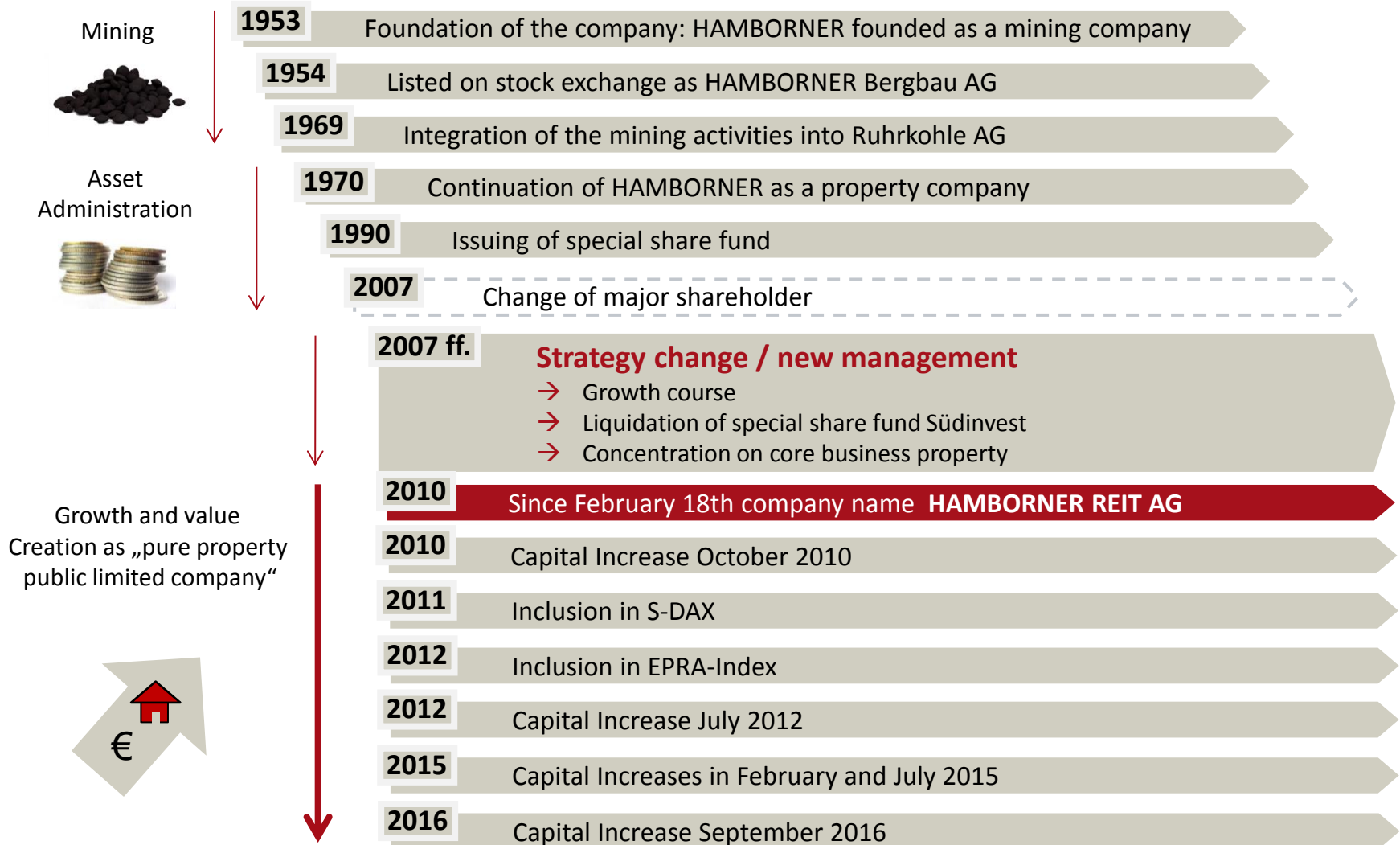
Hans Richard Schmitz

February 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

HAMBORNER REIT AG

2
board members

32
employees

- Directly owned property
- German-wide portfolio
- Market value of properties:
approx. € 1,164 million (as of 31 January 2017)

- Internal management
- Only infrastructural building services externally
contracted out

Large-scale
retailing

High street

Office

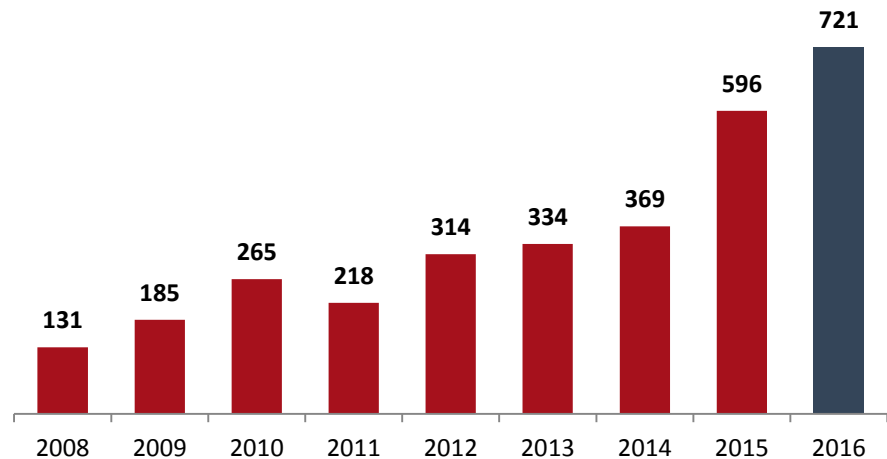
History / Capital markets track record

Growing market capitalization and increasing free float

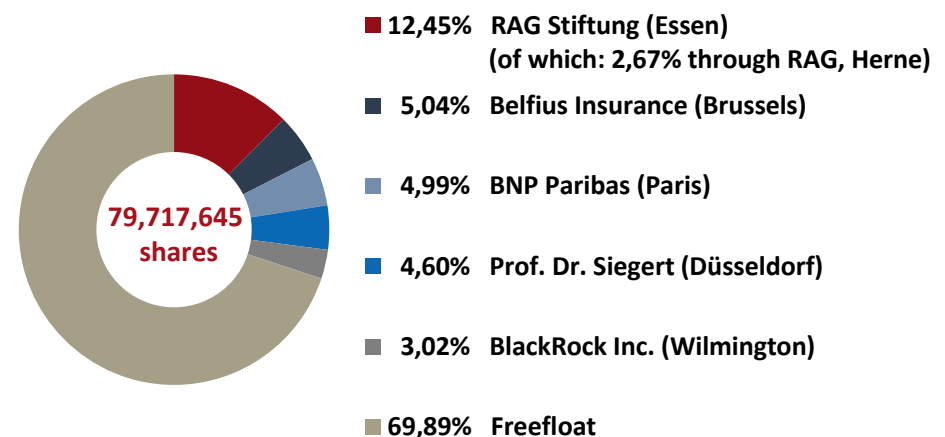
Overview events

- **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)



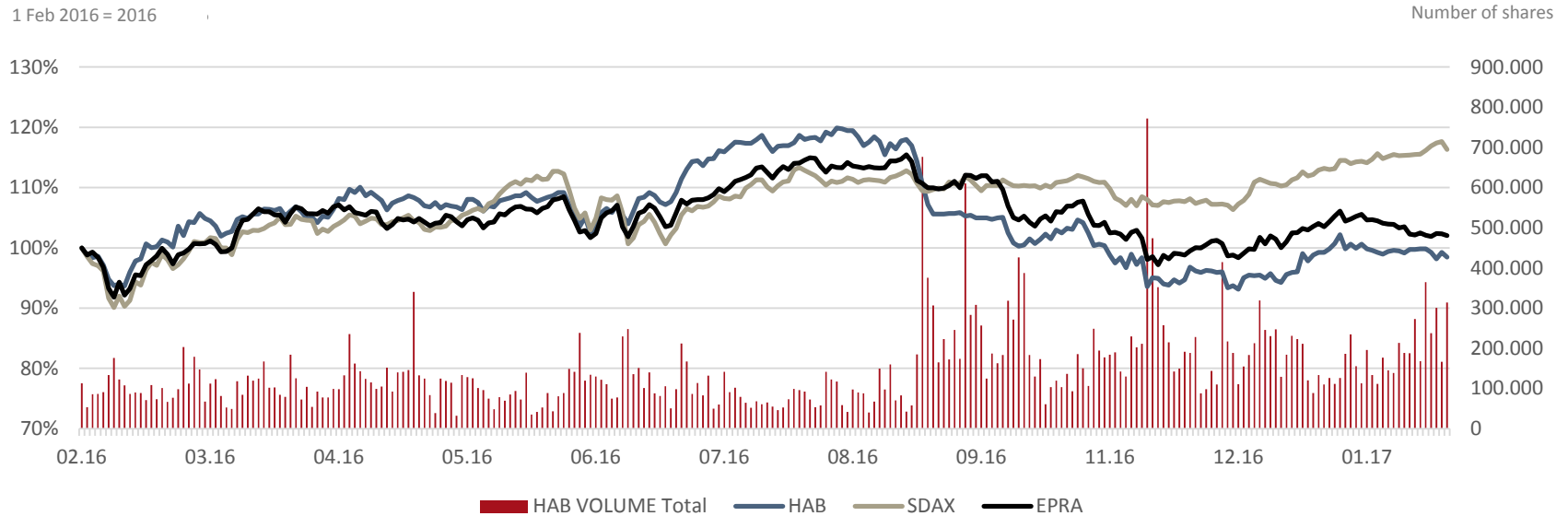
Shareholders



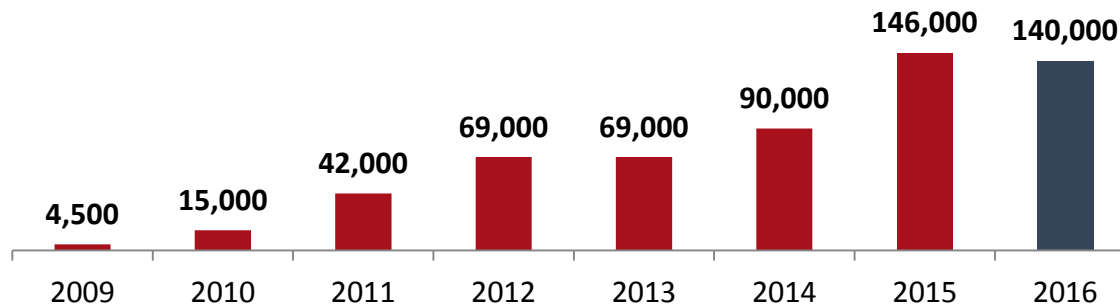
History / Capital markets track record

HAMBORNER REIT AG share

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

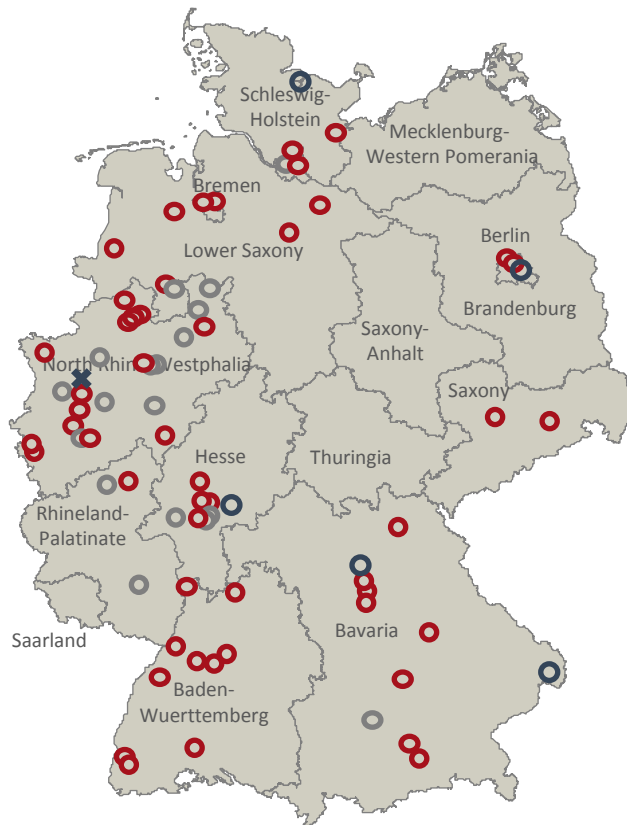
- Focus on quality properties, location and property strategy determined by asset type:
 - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
 - Large scale retailing in town centre sites or highly frequented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

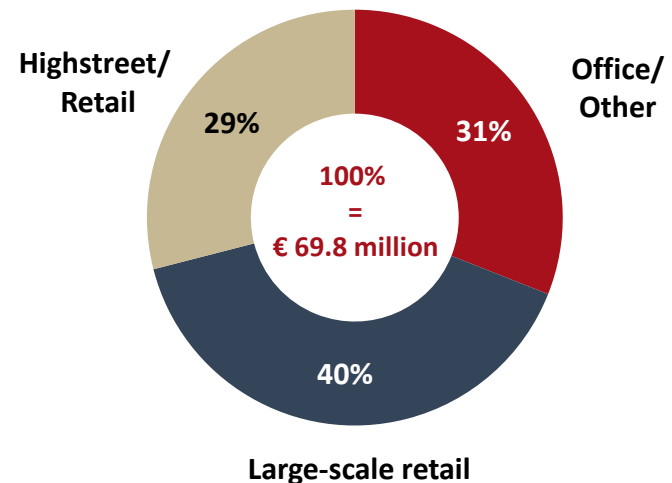


- Acquisitions before 2007
- Acquisitions from 2007
- Purchase contract signed
- ✕ Sales contract signed

Diversification of asset types (as of 31 January 2017)

- 70 properties in 55 cities in Germany
- Focus on West and South-West
- € 1,164 million portfolio value

Annualised rental income (as of 31 January 2017)



Regional diversification

| <u>Federal State</u> | <u>Number of objects</u> | <u>Share in the market value of total portfolio (31 January 2017)</u> |
|-----------------------|--------------------------|---|
| Northrhine-Westphalia | 25 | 27% |
| Baden-Wurttemberg | 10 | 20% |
| Bavaria | 9 | 18% |
| Hesse | 7 | 8% |
| Lower Saxony | 6 | 7% |
| Berlin | 2 | 6% |
| Schleswig-Holstein | 1 | 5% |
| Hamburg | 3 | 3% |
| Rhineland-Palatinate | 3 | 2% |
| Bremen | 2 | 2% |
| Saxony | 2 | 2% |
| Total | 70 | |

Portfolio-Management

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

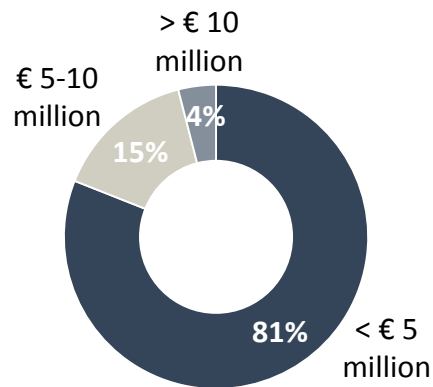


Portfolio-Management

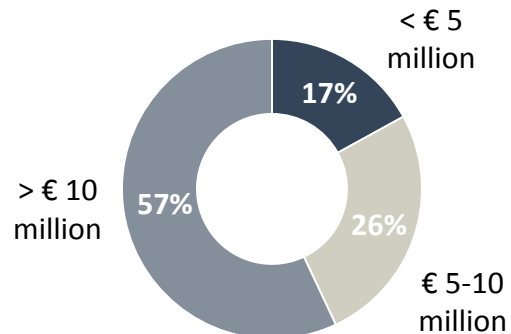
Increasing value per asset through acquiring larger assets

Portfolio split by property value

31 December 2006 (100% = 54 properties)

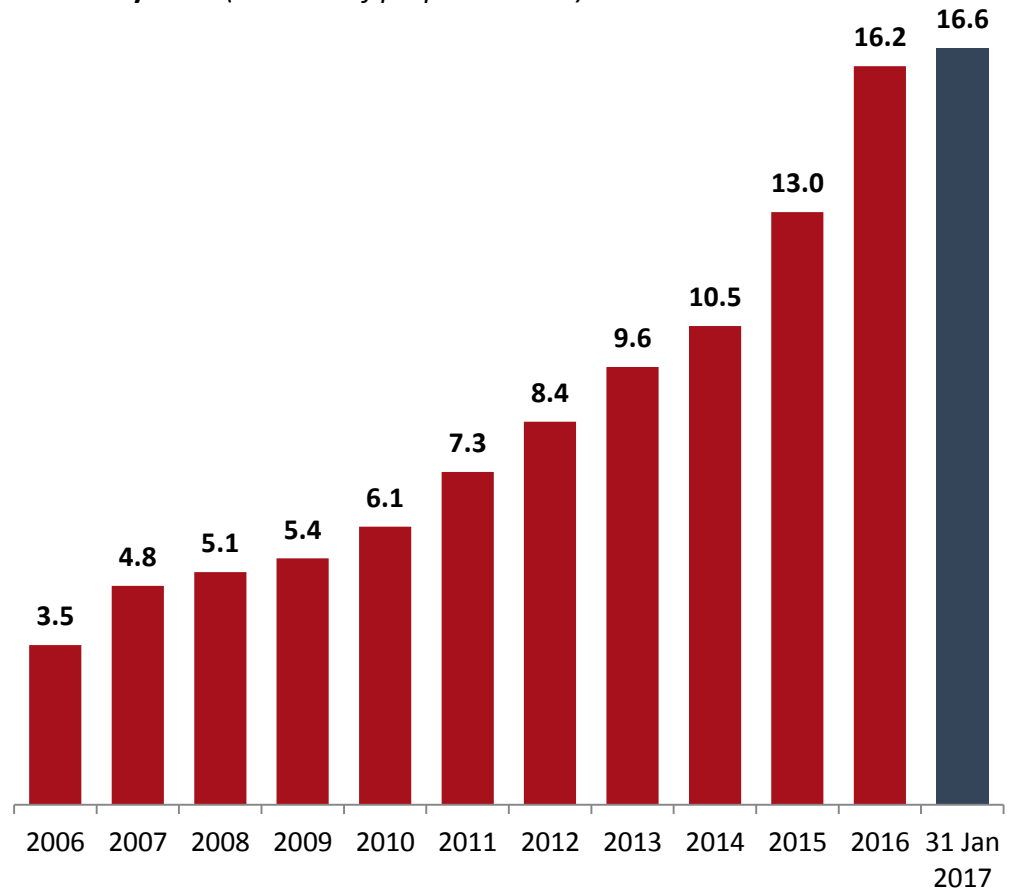


31 January 2017 (100% = 70 properties)



Average value per asset (in € million)

31 January 2017 (Number of properties = 70)



Portfolio-Management

Investments

Transfer of possession in 2016



Lübeck (Haerder-Center)
Sandstrasse



Ditzingen
Dieselstrasse

| | | |
|-------------------------------|-------------------------------|---------------------------------|
| Built | 2008 | 2016 |
| Main tenant | H&M, New Yorker, REWE, mytoys | hagebaumarkt |
| Leased area | approx. 13,300 m ² | approx. 10,000 m ² |
| Annual rental income | € 3.3 million | € 0.9 - 1.0 million (step rent) |
| Remaining lease term | 3.7 years ⁽¹⁾ | 19.3 years ⁽¹⁾ |
| Gross initial yield | 6.5 % | 7.0 % |
| Purchase price | € 49.1 million | € 13.7 million |
| Transfer of possession | February 2016 | June 2016 |

(1) As of 31 December 2016

Portfolio-Management

Investments

Transfer of possession in 2016



Mannheim (Kurpfalz Center)
Spreewaldallee



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

| | | |
|-------------------------------|---|------------------------------|
| Built | 1972 (modernized and expanded in 2012/2013) | 2016 |
| Main tenant | Real, Toys'R'Us, ALDI, dm, Adler Mode, Golf House | FOM |
| Leased area | approx. 28,000 m ² | approx. 3,300 m ² |
| Annual rental income | € 4.1 million | € 0.43 million |
| Remaining lease term | 7.8 years ⁽¹⁾ | 6.5 years ⁽¹⁾ |
| Gross initial yield | 5.1 % | 6.8 % |
| Purchase price | € 80.0 million | € 6.1 million |
| Transfer of possession | October 2016 | November 2016 |

(1) As of 31 December 2016

Portfolio-Management

Investments

Transfer of possession in 2016/2017



Dortmund (DOMI)
Ostenhellweg



Cologne (O³)
Am Coloneum

| | | |
|-------------------------------|--|-------------------------------|
| Built | 1948 (modernized and expanded in 2003) | 2006 |
| Main tenant | TK Maxx, Das Depot, O ₂ , Dialysis centre | NetCologne |
| Leased area | approx. 9,200 m ² | approx. 26,500 m ² |
| Annual rental income | € 1.6 million | € 2.8 million |
| Remaining lease term | 6.8 years ⁽¹⁾ | 6.6 years ⁽¹⁾ |
| Gross initial yield | 5.1 % | 5.6 % |
| Purchase price | € 30.8 million | € 48.9 million |
| Transfer of possession | December 2016 | January 2017 |

(1) As of 31 December 2016

Portfolio-Management

Investments

Purchase contracts signed in 2016/Transfer of possession in 2017



**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. 12,800m 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)

Investments

Purchase contracts signed in 2016/Transfer of possession in 2017



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)

Portfolio-Management

Investments

Purchase contracts signed in 2017/Transfer of possession in 2017



Berlin
Märkische Allee



Hallstadt/Bamberg (Market Oberfranken)
Michelinstrasse

| | | |
|-------------------------------|--------------------------------|---|
| Built | 2006 | 1974 (modernized and expanded in 2006) |
| Main tenant | Kaufland | Müller, tegut, C&A, Expert, ALDI |
| Leased area | approx. 6,500 m ² | approx. 21,800m ² |
| Annual rental income | € 0.9 million | € 2.5 million |
| Remaining lease term | approx. 9 years ⁽¹⁾ | approx. 8 years ⁽¹⁾ |
| Gross initial yield | 5.3 % | 5.7 % |
| Purchase price | € 16.2 million | € 40.5 million (+ € 3,2m tenant improvements) |
| Transfer of possession | Q1 2017e | Q1 2017e |

(1) As of date of signing

Divestments 2016

Disposal of properties 2016



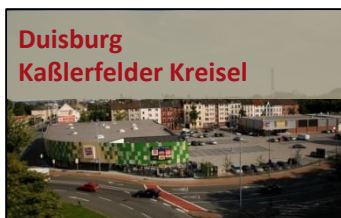
| | |
|------------------------------|---|
| Total # of properties | 5 |
| Total selling price | approx. € 11.7 million |
| Total rental income | approx. € 0.9 million |
| Rental contracts | 36 residential contracts/25 commercial contracts |

Disposal of undeveloped land 2016



| | | |
|------------------------------|------------------------|--|
| Undeveloped land sold | 32,000 sqm | (forest and agricultural plots) |
| Total selling price | € 0.114 million | (book value € 0.007 million) |

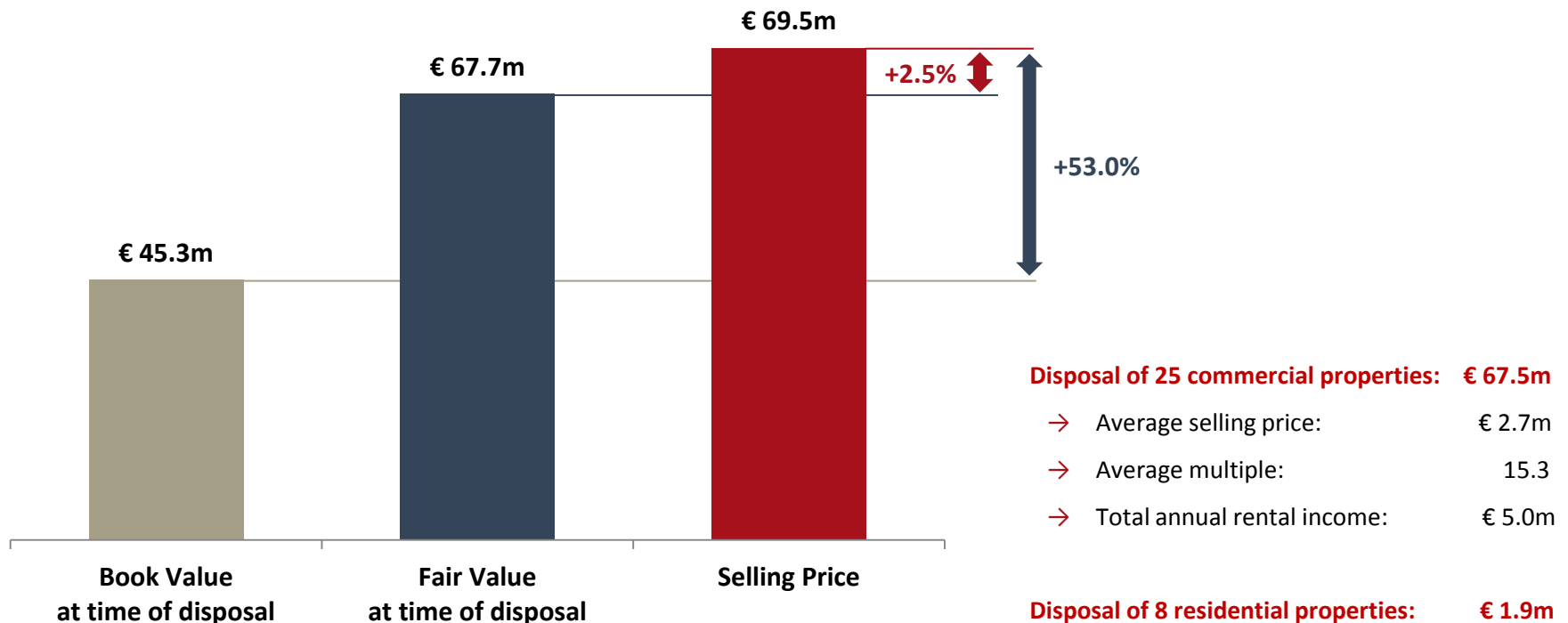
Recent Divestment/Transfer of possession 2017



| | |
|-------------------------------------|----------------------|
| 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 |

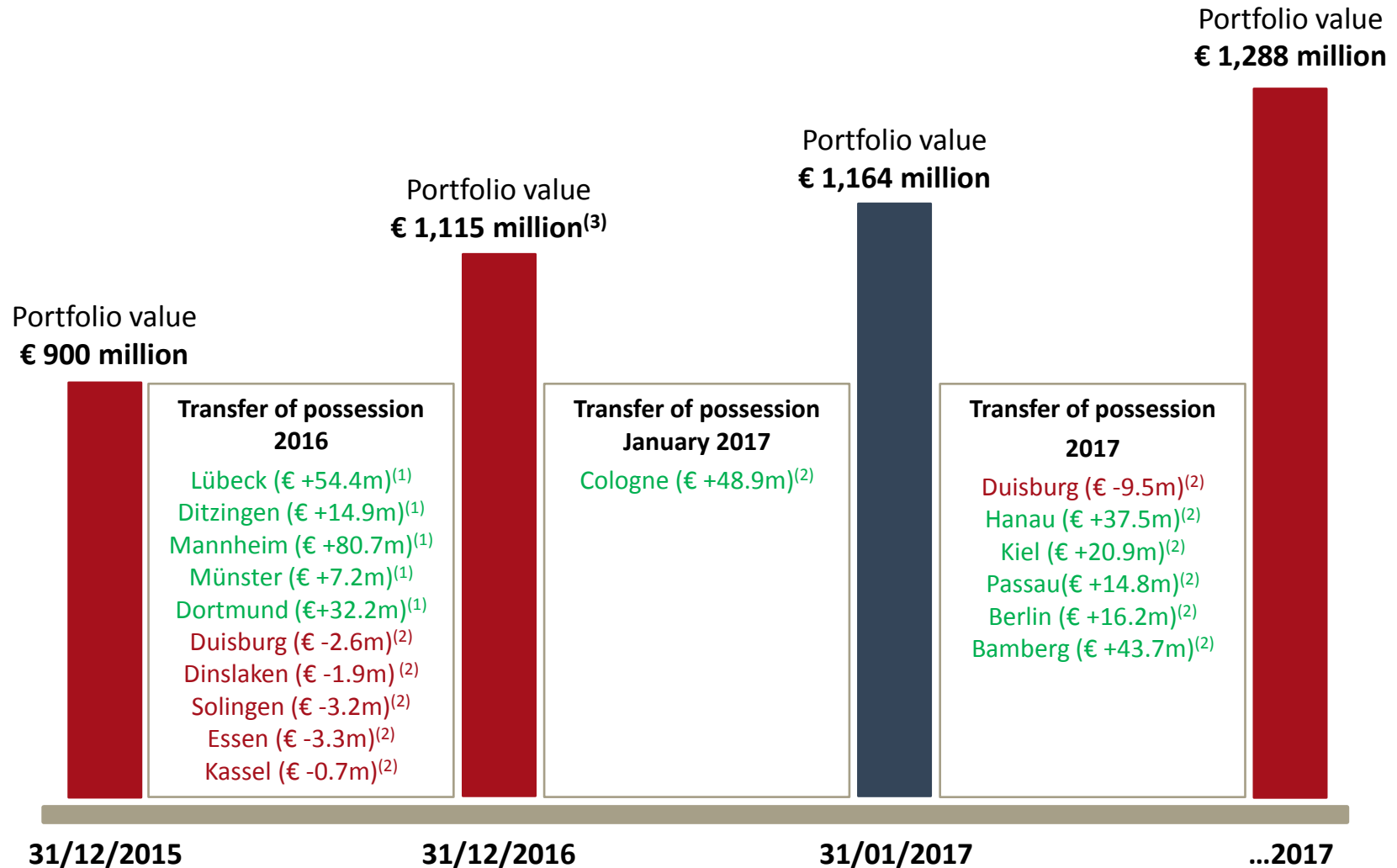
Portfolio-Management

Divestments since change of strategy in 2007



Portfolio-Management

Portfolio development 2016/2017

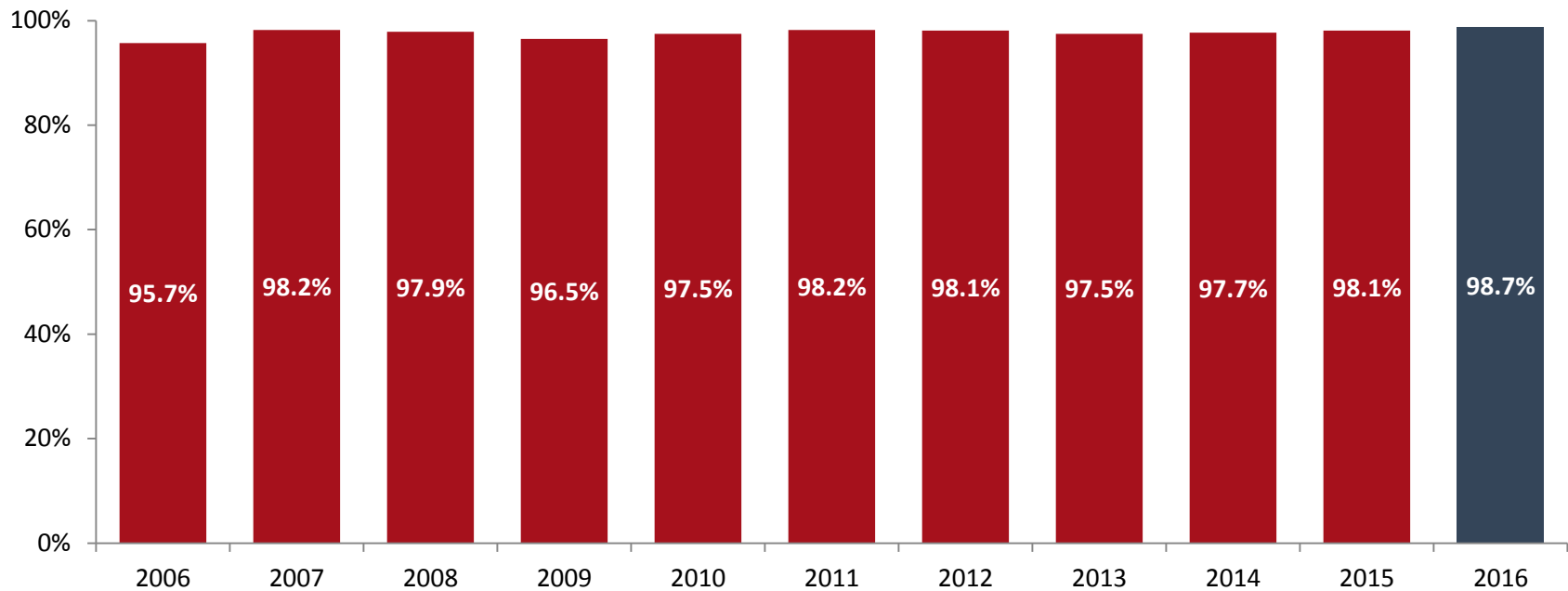


(1) As of 31 December 2016 (2) As of date of signing (3) including revaluation gain

| | |
|----------|---|
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High and stable occupancy

Occupancy rates

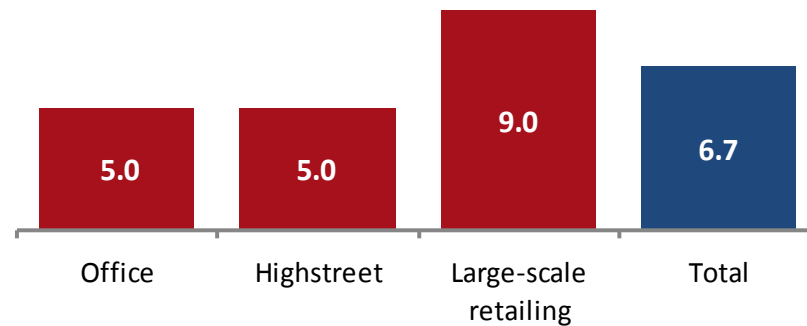


→ **Vacancy rate as at 31/12/2016 incl. rent guarantees: 1.3 %**

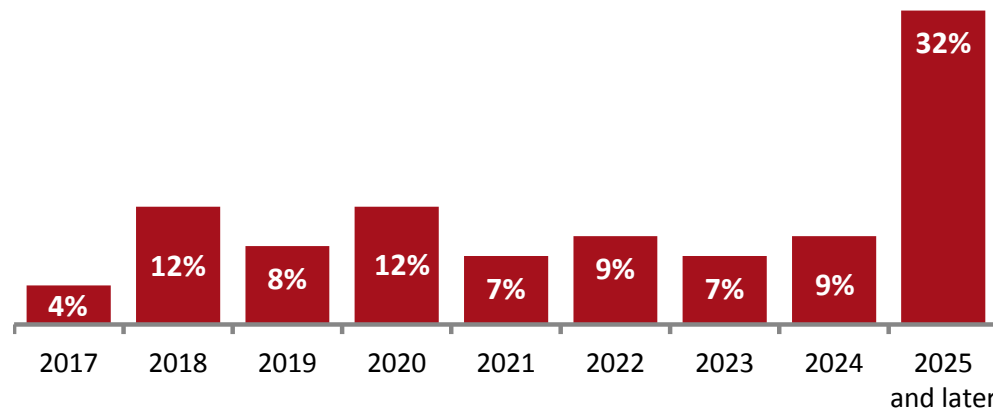
→ **Vacancy rate as at 31/12/2016 excl. rent guarantees: 1.6 %**

Long-term leases

Weighted average lease expiry by type (as of 31 December 2016, in years)



Split of lease contracts expiring by year (as of 31 December 2016)



Solid tenants

Top 10 tenants (as of 31 December 2016, % of annual rent)

| | <u>Tenant</u> | <u>Sector</u> | <u>% of annual rent*</u> |
|---|---------------------------|----------------------|--------------------------|
|  | EDEKA-Group | Discount food retail | 11.3% |
|  | Kaufland Group | Discount food retail | 7.2% |
|  | real,- | Discount food retail | 6.7% |
|  | OBI | Retail (DIY) | 6.4% |
|  | Jobcenter | Government Agency | 4.1% |
|  | H&M | Textile retail | 2.5% |
|  | REWE-Group | Discount food retail | 2.3% |
|  | C&A | Textile retail | 1.7% |
|  | Telefonica O ² | Telecommunication | 1.5% |
|  | SFC Energy | Energy technology | 1.4% |
| | Total | | 45.1% |

* incl. rent guarantees

| | |
|----------|---|
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Financial Figures / Financial Position

Strong financial fiscal year 2016

Highlights

- Increase in income from rents and leases: + 17.9%
- FFO increase: + 23.5% (FFO per share: € 0.45)
- 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

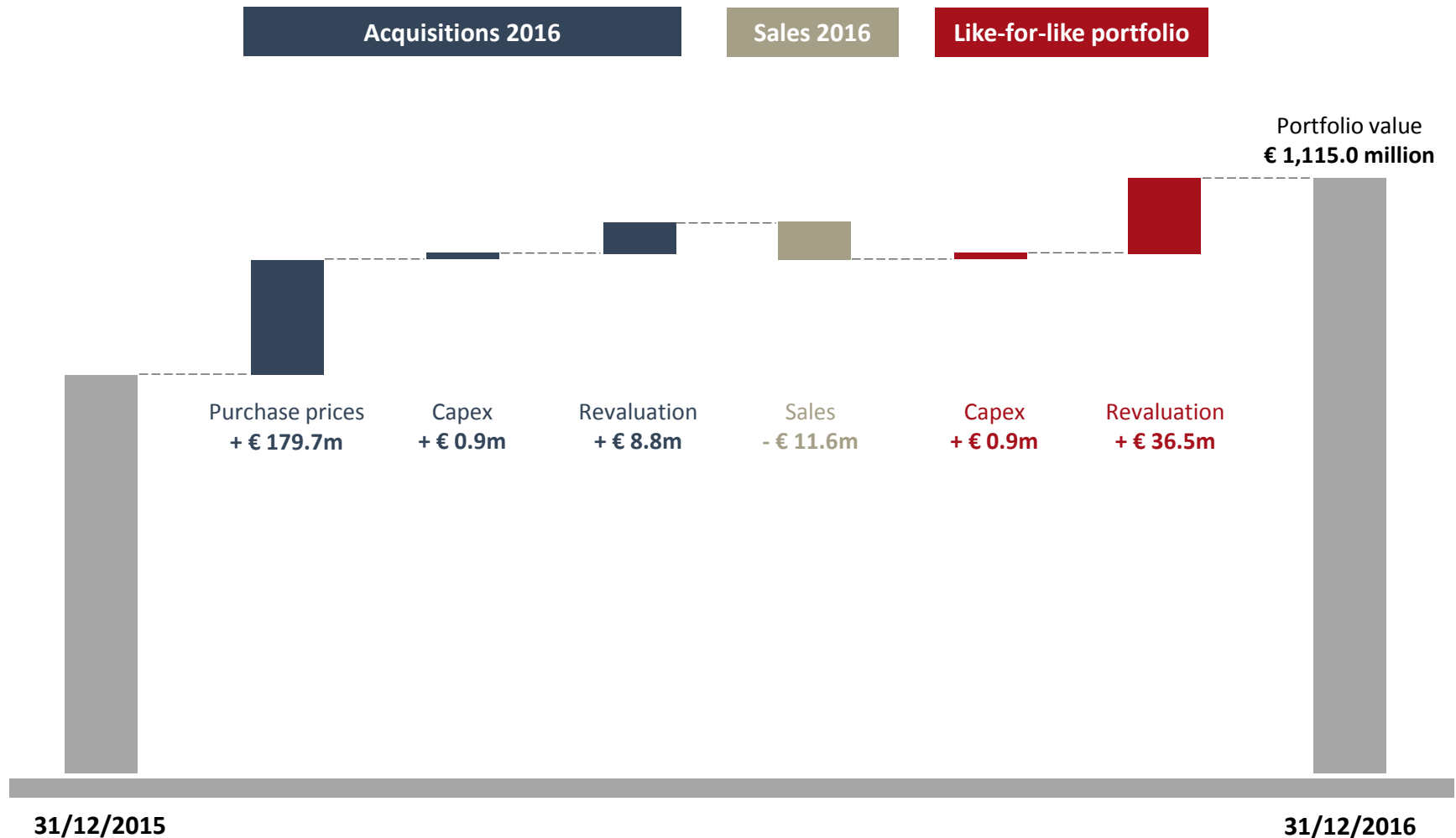
Significant preliminary key figures for 2016

| Key figures | Preliminary 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 2016

Financial Figures / Financial Position

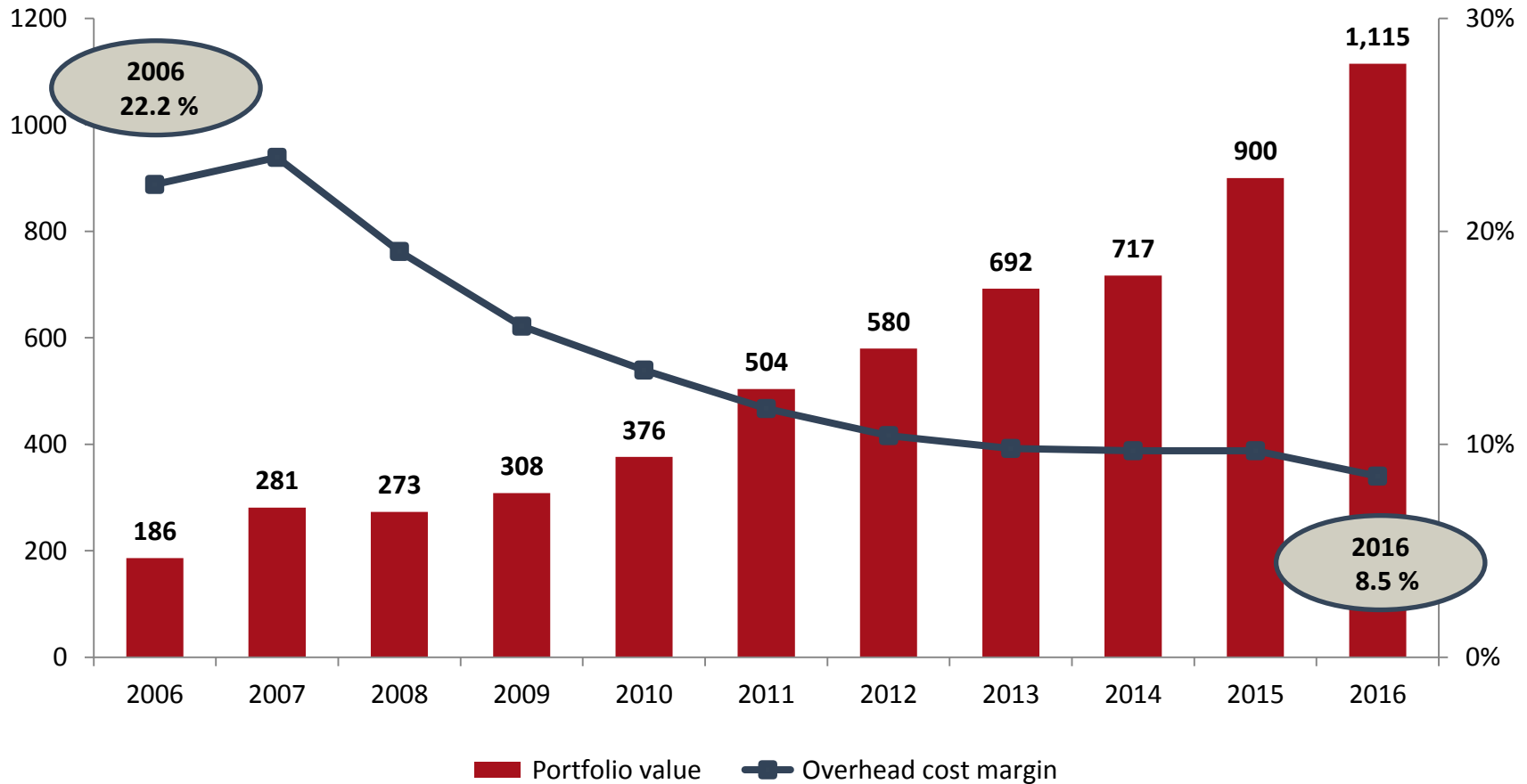
Portfolio development 2016



Financial Figures / Financial Position

Benefitting from economies of scale

Portfolio value (€ million) and overhead cost margin*

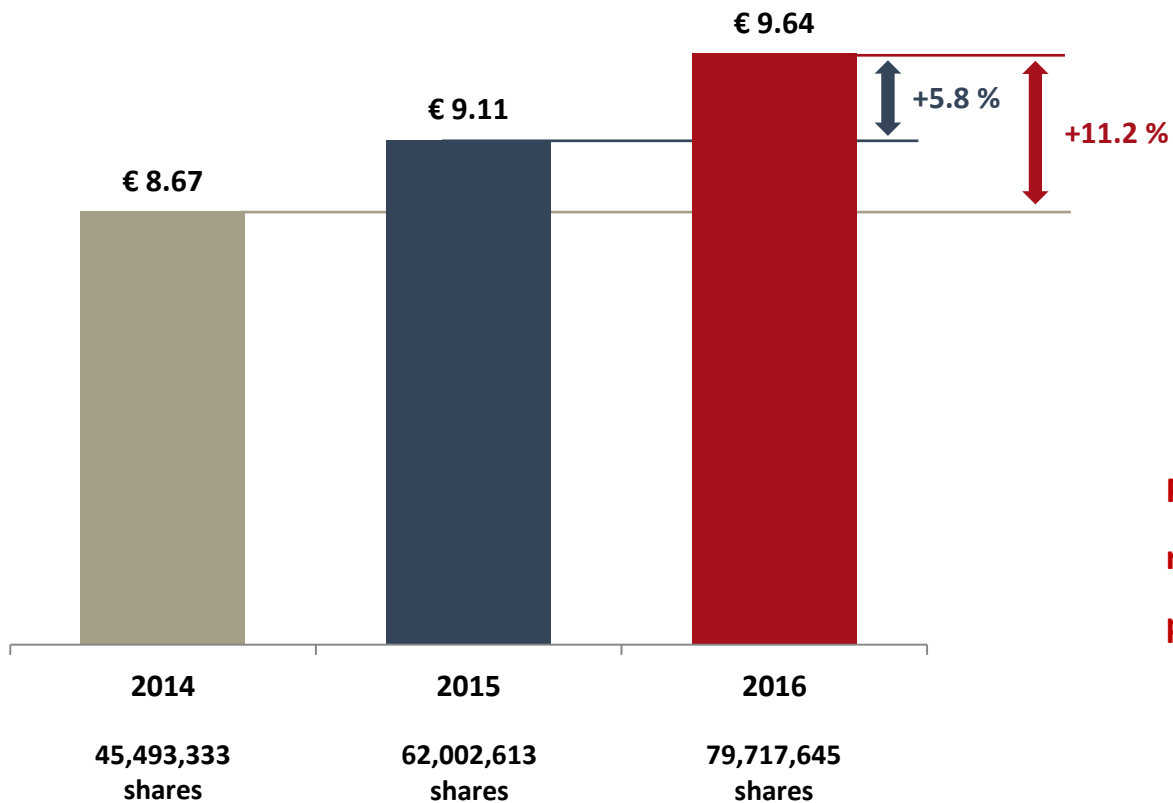


* Personnel and administrative expenses in relation to income from rents and leases.

Financial Figures / Financial Position

NAV per share development

NAV per share



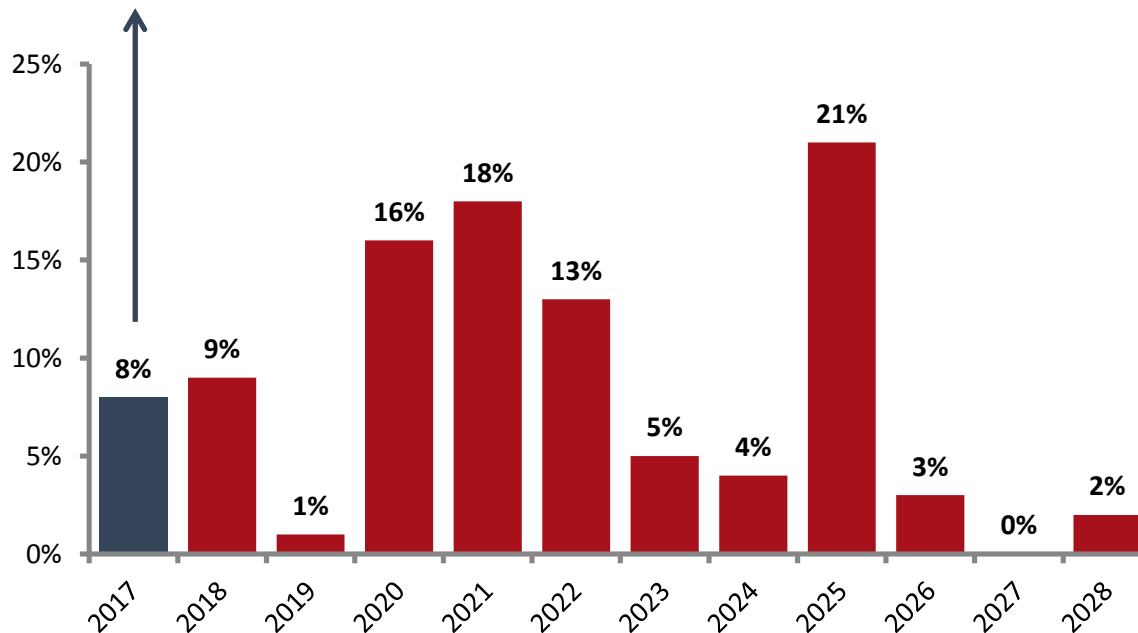
Portfolio growth, FFO growth and revaluation were NAV-accretive on per share basis

Financial Figures / Financial Position

Stable and predictable cost of debt

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

Follow-up financing
2017 completed



- 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

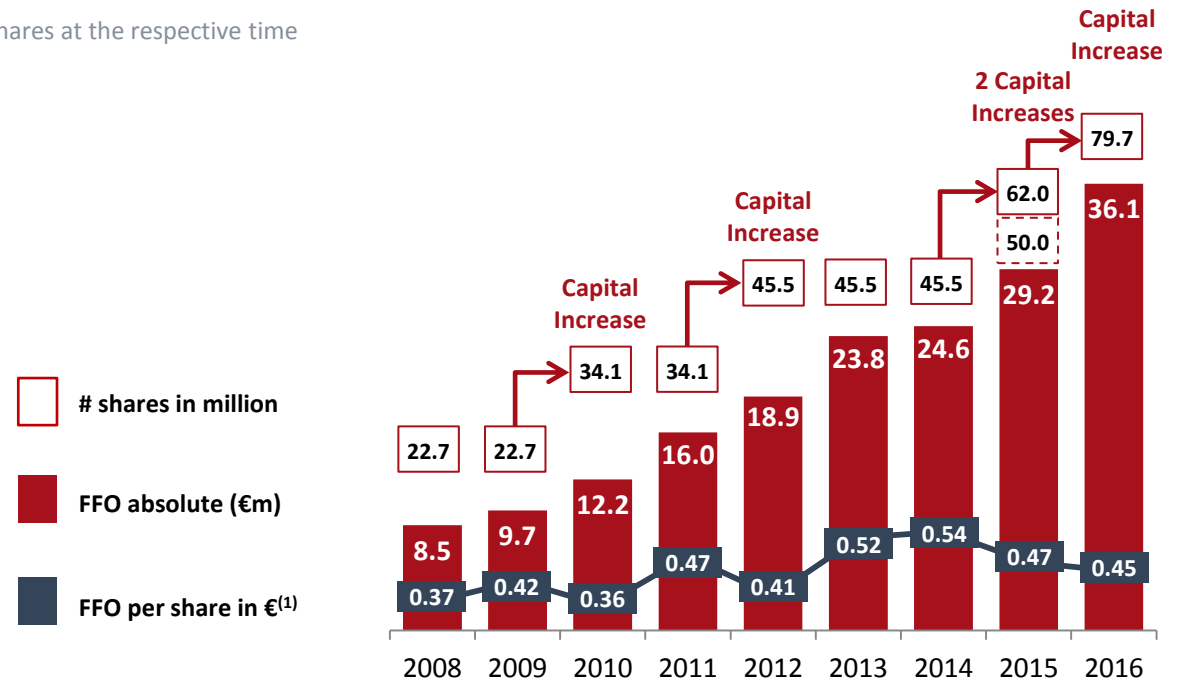
- Financing banks
 - Institutional banks
 - Cooperative banks
 - Saving banks
 - Insurance companies

Financial Figures / Financial Position

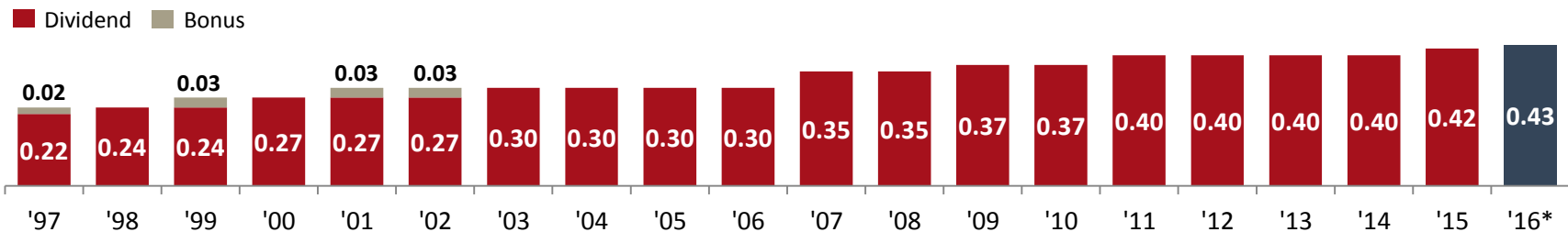
Increasing FFO and dividend per share

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 property in Cologne on 2 January 2017
- Purchase contracts signed for further assets in Berlin and Hallstadt/Bamberg
- Rents and FFO will further increase in 2017 due to full impact of acquisitions 2016, upcoming transfers of possession as well as further acquisitions in 2017
- Remaining fire power round about € 200 million

| HAMBORNER REIT AG Financial Calendar 2017 | |
|--|-----------------|
| 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
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 | € 49.0 million | € 33.0 million |
| Fair value | € 80.7 million ⁽¹⁾ | € 54.4 million ⁽¹⁾ | € 52.7 million ⁽¹⁾ | € 48.9 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 | 7.8 years ⁽¹⁾ | 3.7 years ⁽¹⁾ | 6.0 years ⁽¹⁾ | 6.7 years ⁽¹⁾ | 5.1 years ⁽¹⁾ |
| 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

Appendix

TOP 10 Properties (2/2)



Karlsruhe



Celle



**Dortmund
DOMI**



**Gießen
Westoria Gießen**



**Fürth
Hornschuch Center**

| | | | | | |
|-----------------------------|-------------------------------|--|------------------------------------|-------------------------------|-------------------------------------|
| Asset type | Retail/Office | Retail | Retail/Office | Retail | Retail |
| Year of acquisition | 2012 | 2015 | 2016 | 2015 | 2015 |
| Purchase price | € 37.0 million | € 35.2 million | € 30.8 million | € 31.6 million | € 30.1 million |
| Fair value | € 40.7 million ⁽¹⁾ | € 39.2 million ⁽¹⁾ | € 32.2 million ⁽¹⁾ | € 32.0 million ⁽¹⁾ | € 31.4 million ⁽¹⁾ |
| Annual rental income | € 2.5 million | € 2.3 million | € 1.6 million | € 2.3 million | € 1.8 million |
| Remaining lease term | 5.1 years ⁽¹⁾ | 11.7 years ⁽¹⁾ | 6.8 years ⁽¹⁾ | 5.8 years ⁽¹⁾ | 11.3 years ⁽¹⁾ |
| Main tenants | EDEKA, Brandmaker | Real, ALDI, Rossmann, tedox, Fressnapf | TK Maxx, Das Depot, O ² | Real, Saturn, McDonalds | Edeka, Rossmann, Schuh Mücke, Norma |

(1) As of 31 December 2016

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