



hamborner  
**REIT**



ZUKUNFT BRAUCHT SUBSTANZ

## Company Presentation

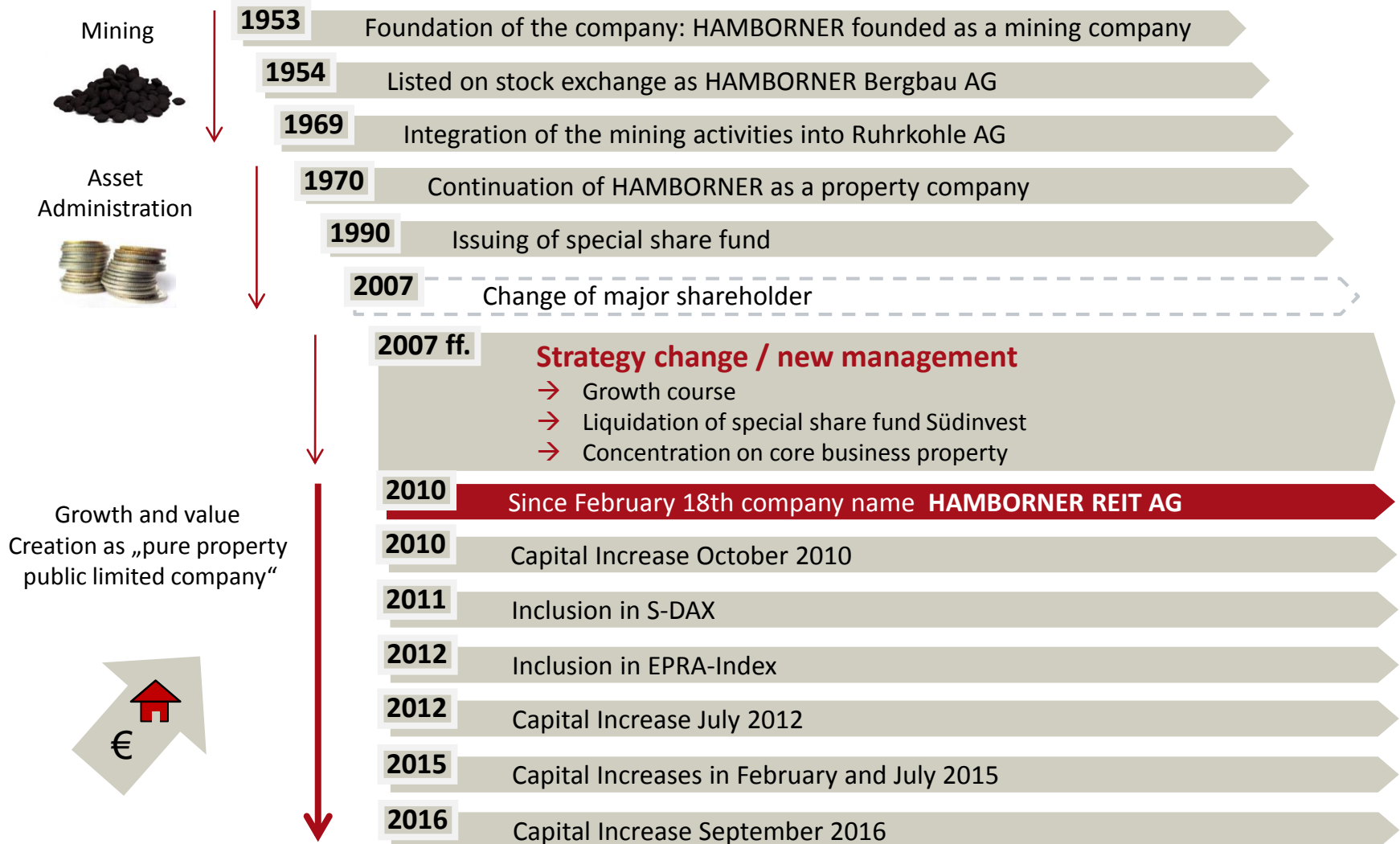
Dr. Rüdiger Mrotzek  
Hans Richard Schmitz

June 2017

<b>1</b>	<b>History / Capital markets track record</b>
<b>2</b>	<b>Portfolio-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:  
€ 1,214 million (as of 31 May 2017)

- Internal management
- Only infrastructural building services externally contracted out

Large-scale  
retailing

High street

Office

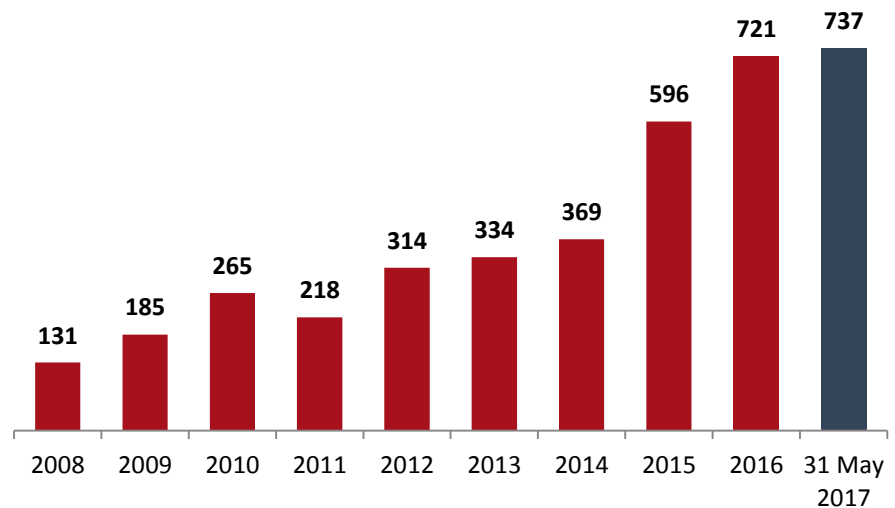
# History / Capital markets track record

## Growing market capitalization and increasing free float

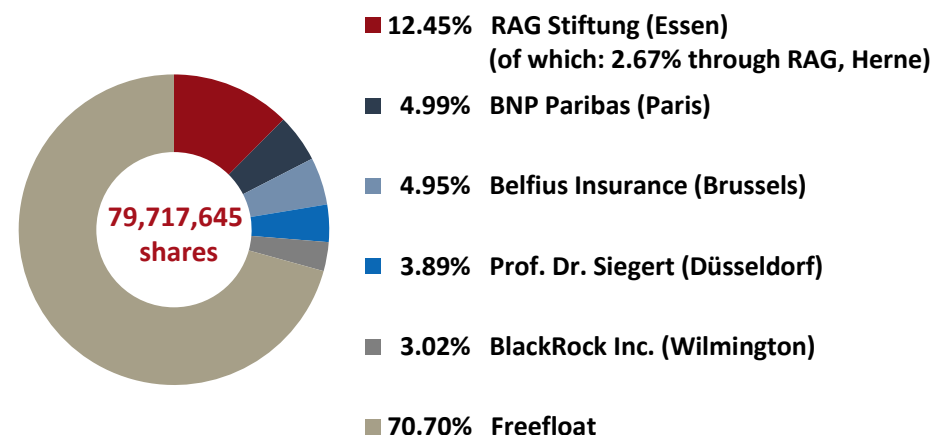
### Overview events

- **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)



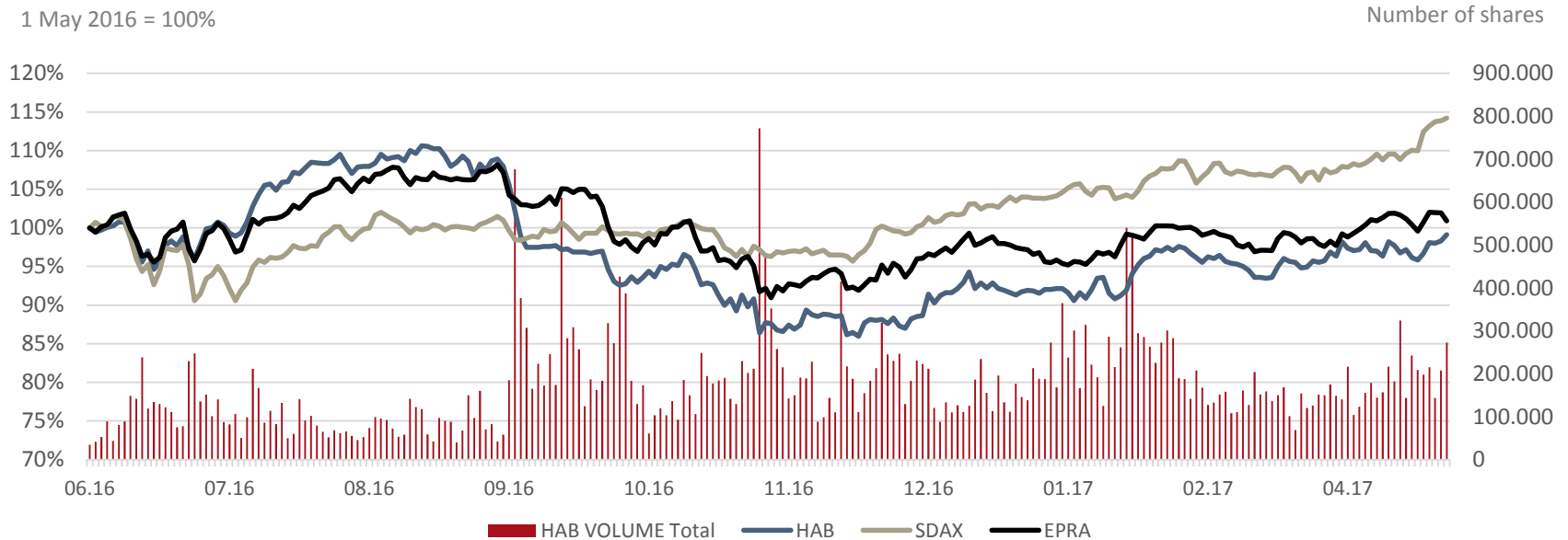
### Shareholders



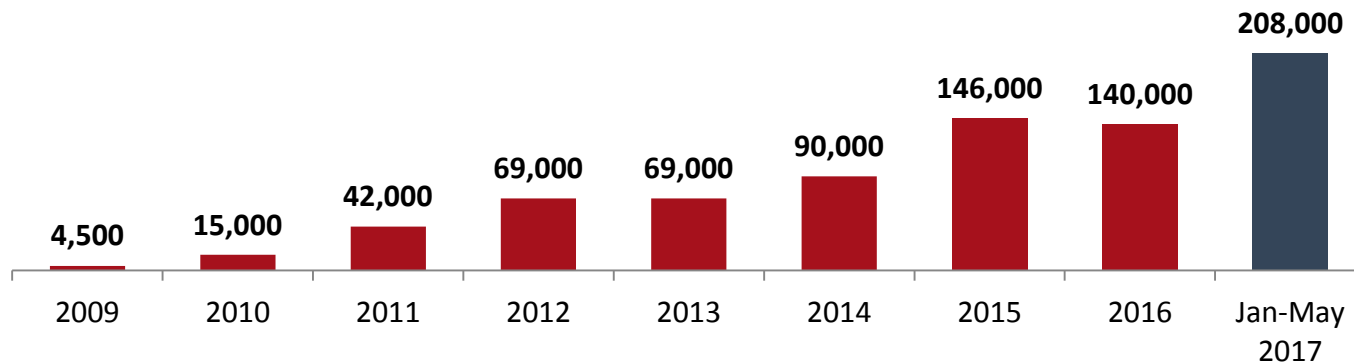
# History / Capital markets track record

## HAMBORNER REIT AG share

### Development of share price and turnover



### Average turnover per day (# shares)



- |          |   |
|----------|---|
| <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

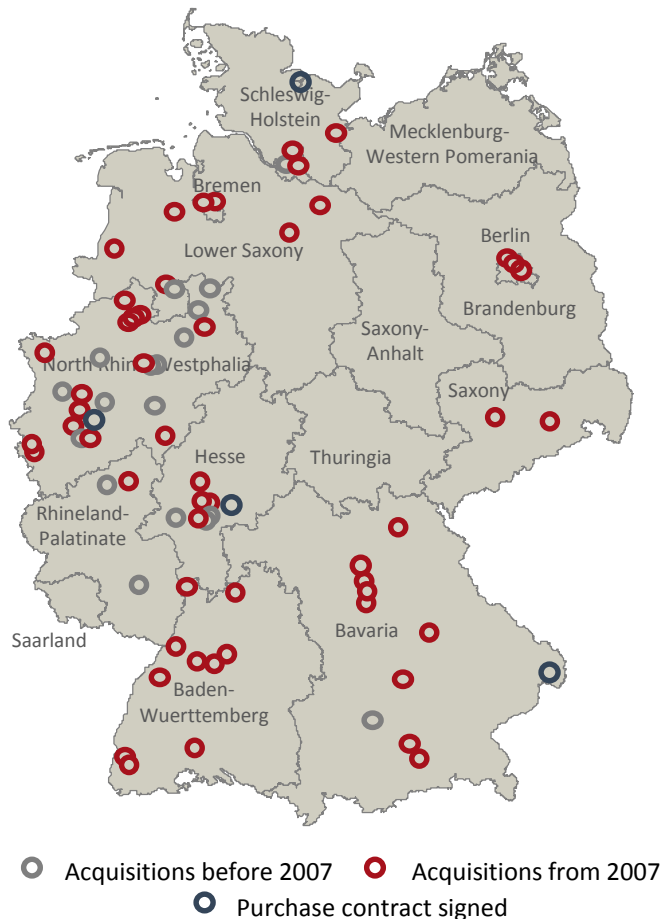
- Focus on quality properties, location and property strategy determined by asset type:
  - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
  - Large scale retailing in town centre sites or highly frequented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

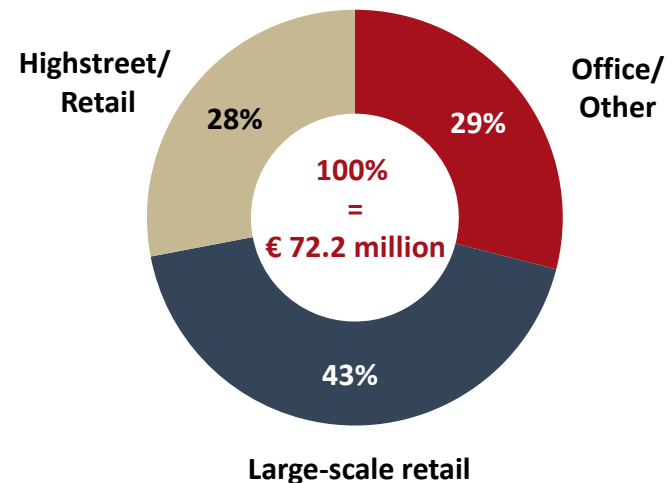
### Geographical portfolio spread (as of 31 May 2017)



### Diversification of asset types (as of 31 May 2017)

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

### Annualised rental income (as of 31 May 2017)



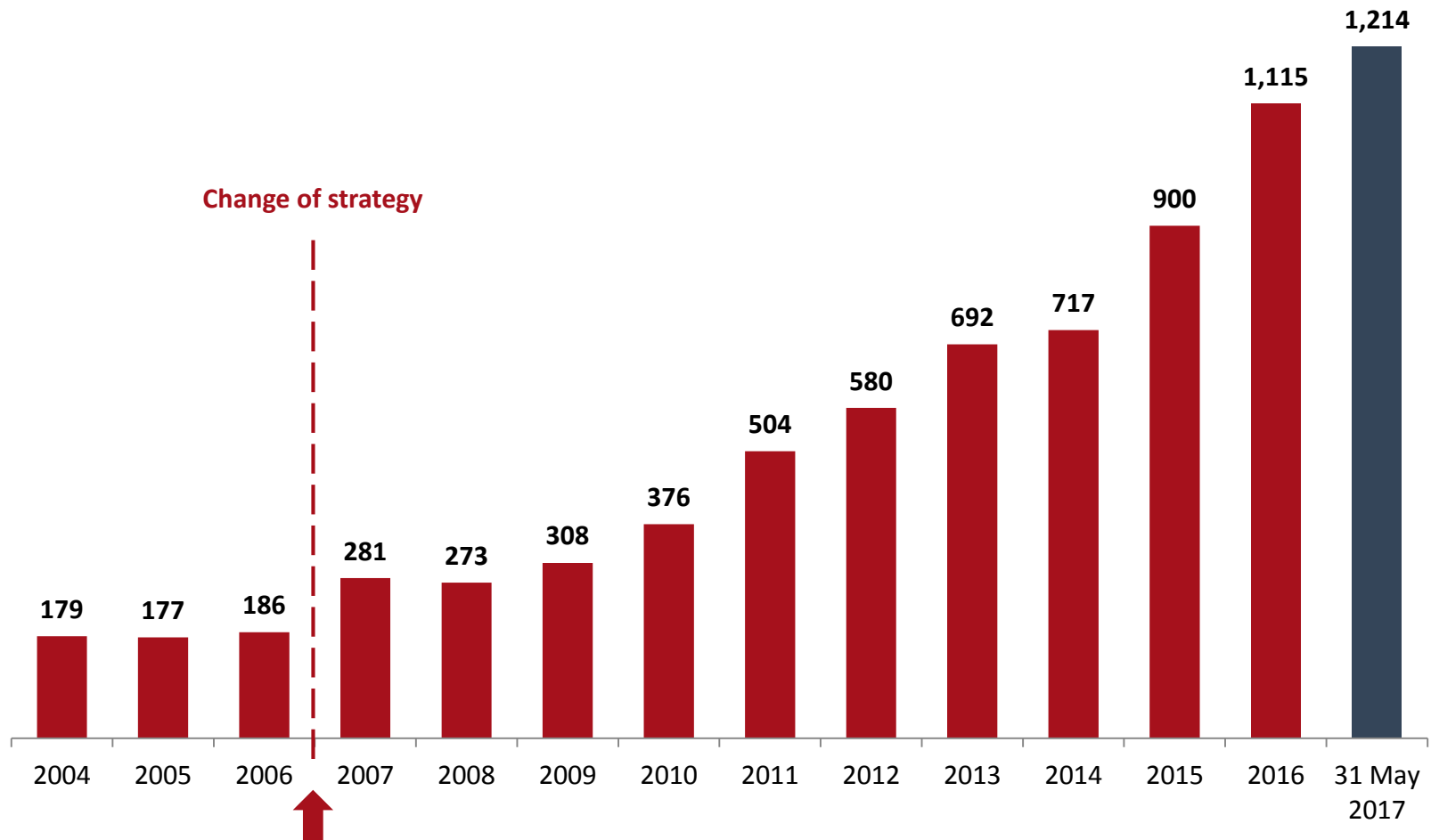
## Regional diversification

<u>Federal State</u>	<u>Number of objects</u>	<u>Share in the market value of total portfolio (31 May 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)

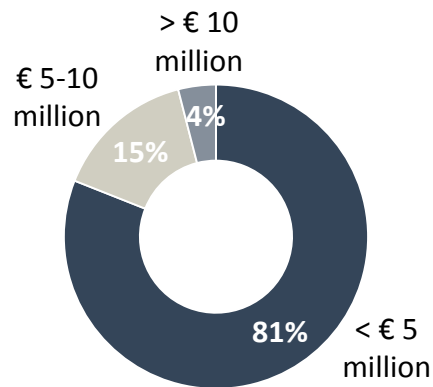


# Portfolio-Management

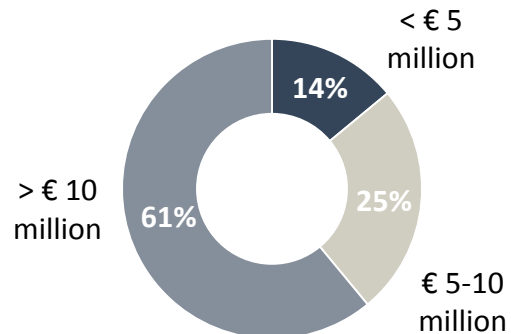
## Increasing value per asset through acquiring larger assets

### Portfolio split by property value

31 December 2006 (100% = 54 properties)



31 May 2017 (100% = 71 properties)



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

31 May 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

# Portfolio-Management

## 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**



**Ratingen**  
**Balcke-Dürr-Allee**

<b>Built</b>	2017 (under construction)	2017
<b>Main tenant</b>	REWE	SPIE, Capgemini
<b>Leased area</b>	approx. 4,300 m <sup>2</sup>	approx. 10,400m <sup>2</sup>
<b>Annual rental income</b>	€ 0.9 million	€ 1.9 million
<b>Remaining lease term</b>	11.5 years <sup>(1)</sup>	8.5 years
<b>Gross initial yield</b>	5.8 %	5.6 %
<b>Purchase price</b>	€ 14.8 million	€ 34.5 million
<b>Transfer of possession</b>	Q4 2017e	Q2/Q3 2017e

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

## Divestments 2016

### Disposal of properties 2016



<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 m<sup>2</sup></b> (forest and agricultural plots)
<b>Total selling price</b>	<b>€ 0.114 million</b>
<b>Book value as of 31 Dec 2016</b>	<b>€ 0.007 million</b>

## Divestments 2017

### Disposal of property 2017

Duisburg  
Kasslerfelder Kreisel



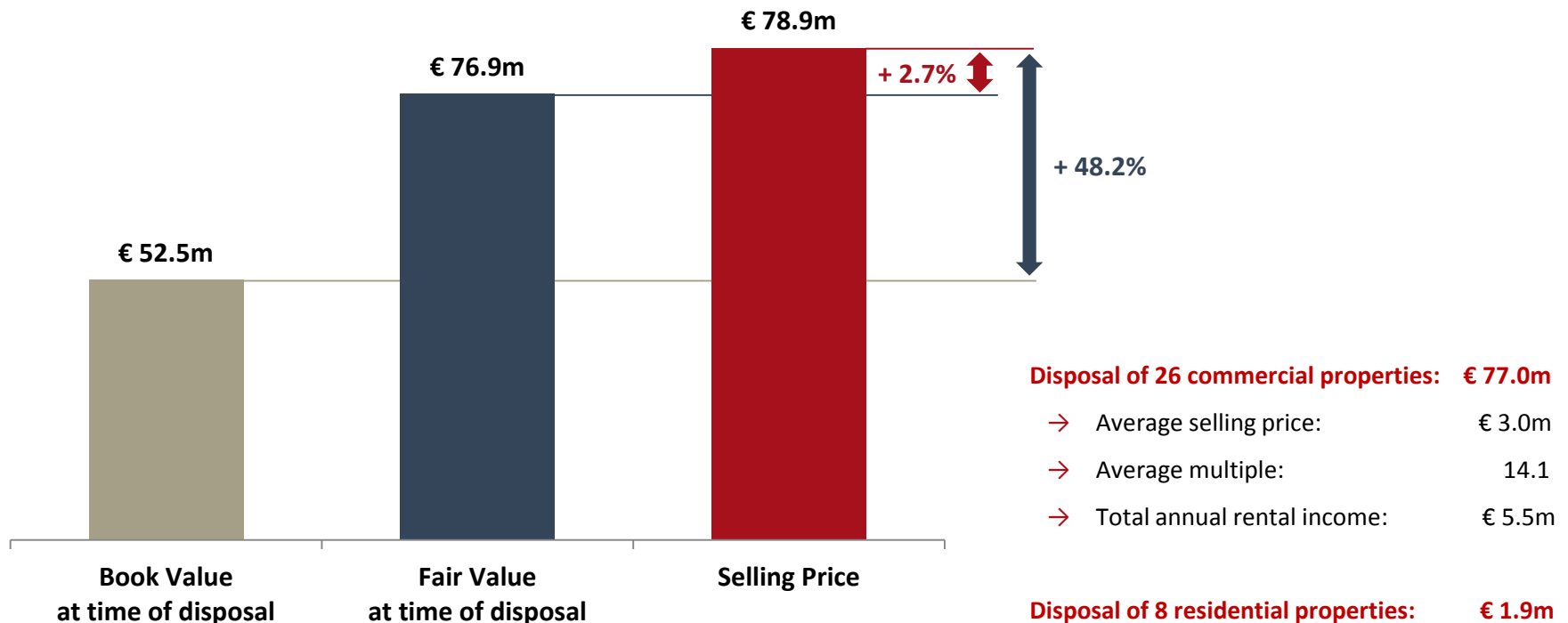
<b>Selling price</b>	<b>€ 9.5 million</b>
<b>Fair value as of 31 Dec 2015</b>	<b>€ 9.2 million</b>
<b>Book value as of 31 Dec 2016</b>	<b>€ 7.2 million</b>
<b>Transfer of possession</b>	<b>1 April 2017</b>

### Disposal of undeveloped land 2017

<b>Undeveloped land sold</b>	<b>98,000 m<sup>2</sup></b> (forest and agricultural plots)
<b>Selling price</b>	<b>€ 0.347 million</b>
<b>Book value as of 31 Dec 2016</b>	<b>€ 0.016 million</b>
<b>Transfer of possession</b>	<b>3 January 2017</b>

# Portfolio-Management

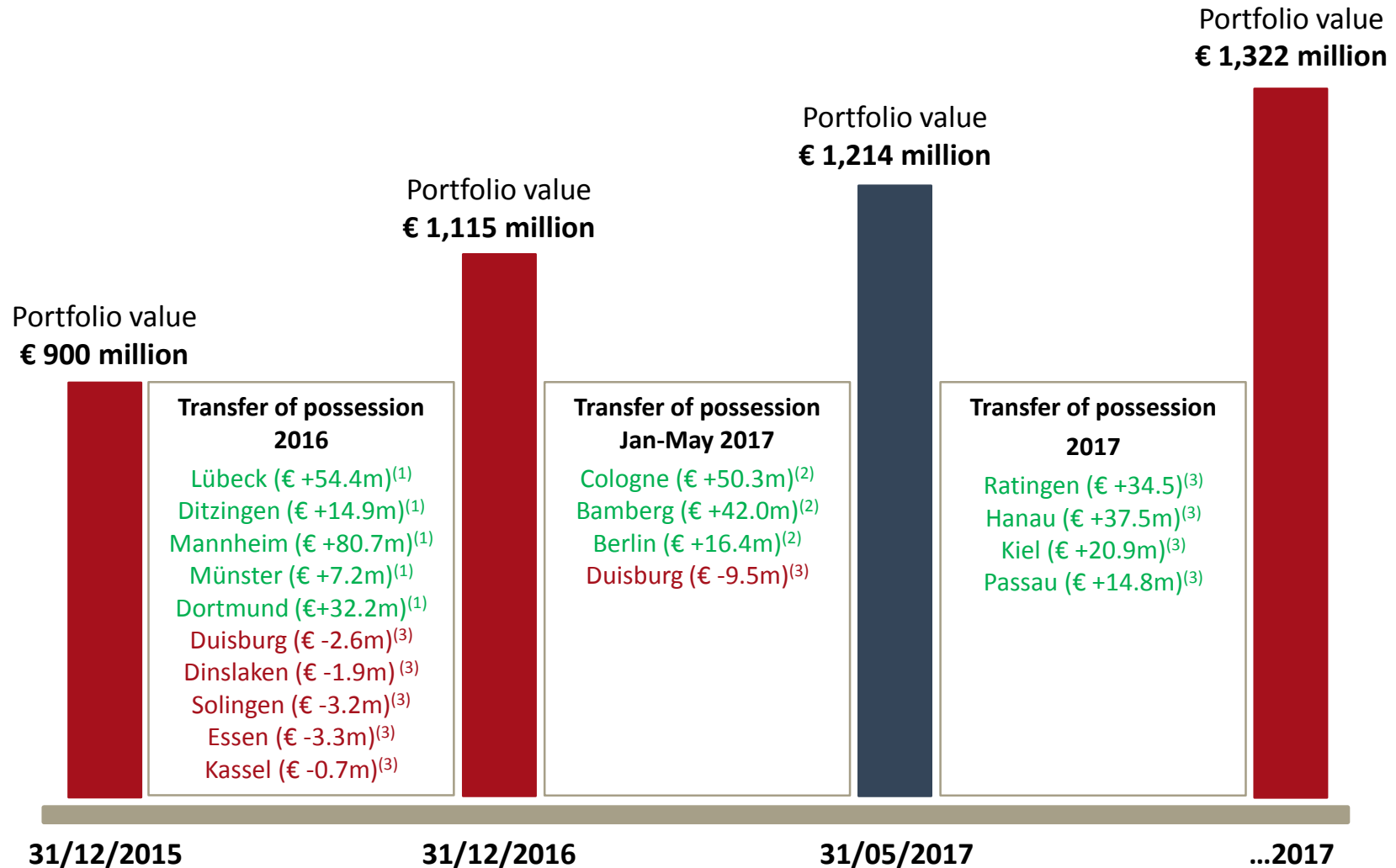
## Divestments since change of strategy in 2007





# Portfolio-Management

## Portfolio development 2016/2017



(1) As of 31 December 2016    (2) As of 31 March 2017    (3) Contractually agreed purchase/selling price



**1** History / Capital markets track record

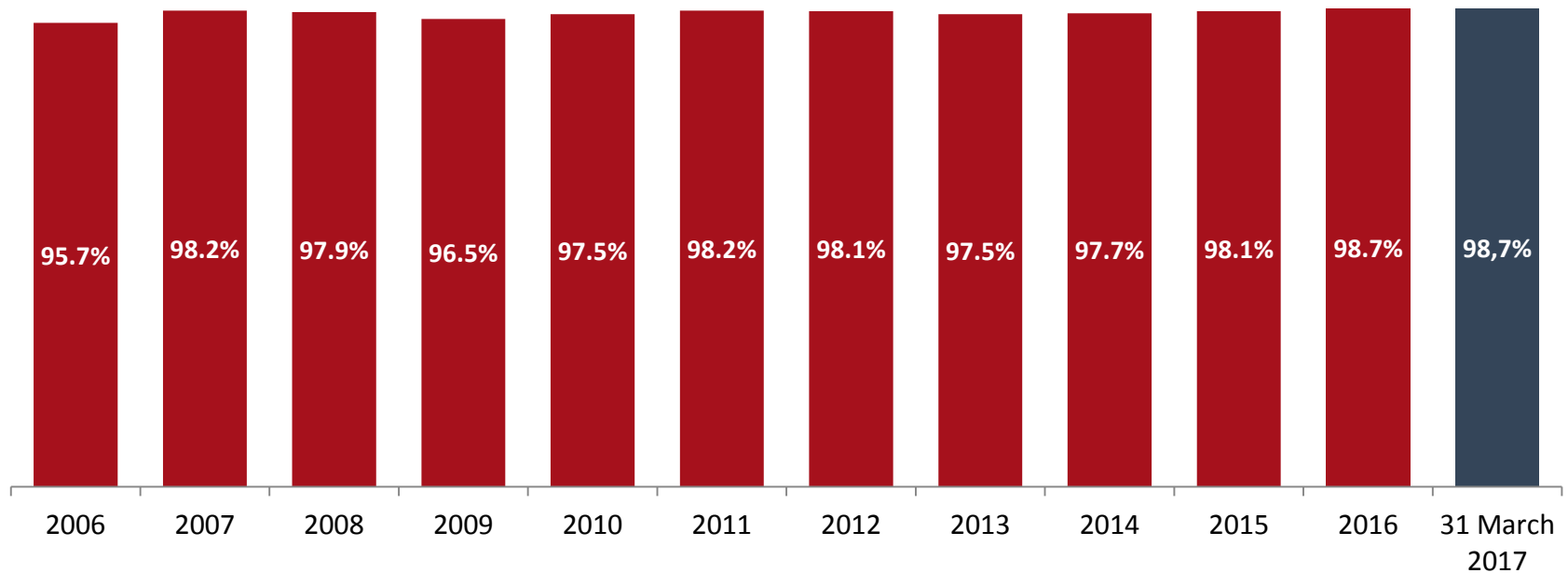
**2** Portfolio-Management

**3** Asset-Management

**4** Financial Figures / Financial Position

## High and stable occupancy

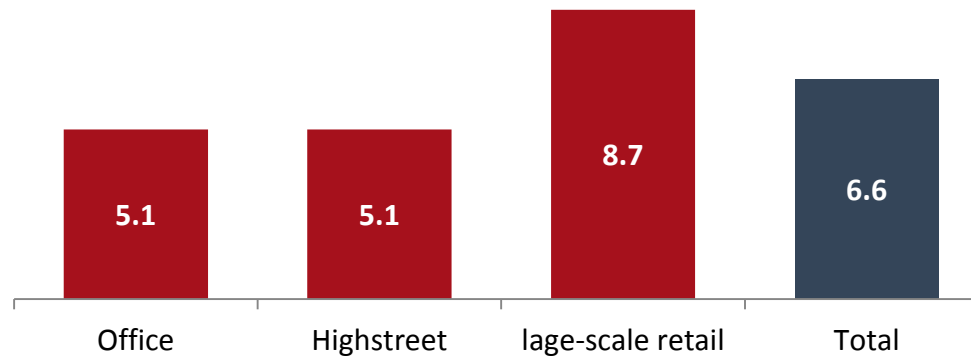
### Occupancy rates



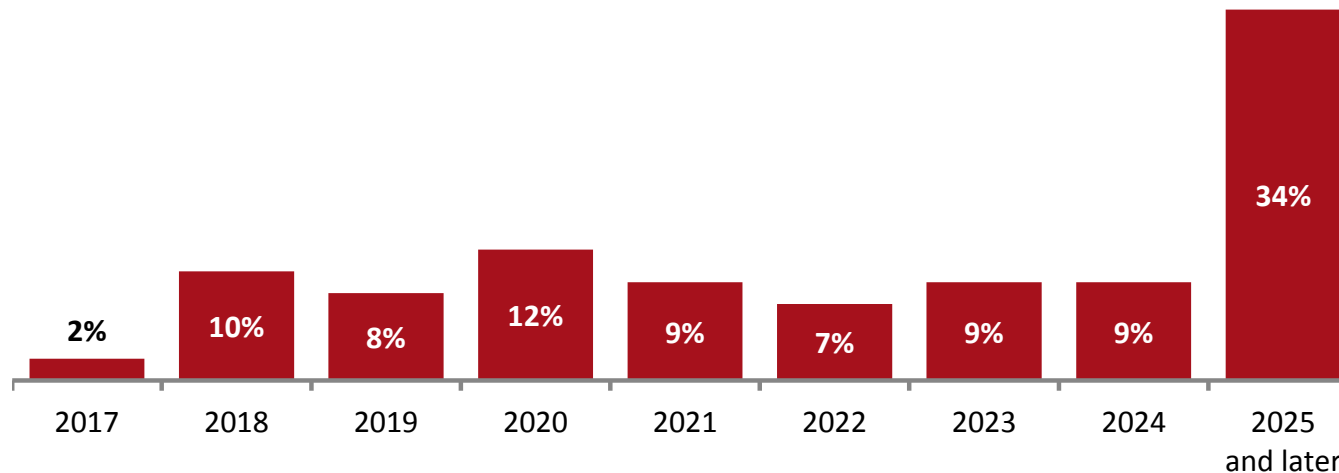
- Vacancy rate as at 31 March 2017 incl. rent guarantees: 1.3 %
- Vacancy rate as at 31 March 2017 excl. rent guarantees: 1.6 %

## 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 first quarter 2017

### Highlights

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- Increase in income from rents and leases: + 20.3%
- FFO increase: + 19.9%
- Vacancy rate: 1.3 %
- Total invested volume: € 108.9 million (3 assets)
- Total portfolio volume: € 1,224 million as of 31 March 2017
- NAV per share: € 9.72

## Financial Figures / Financial Position

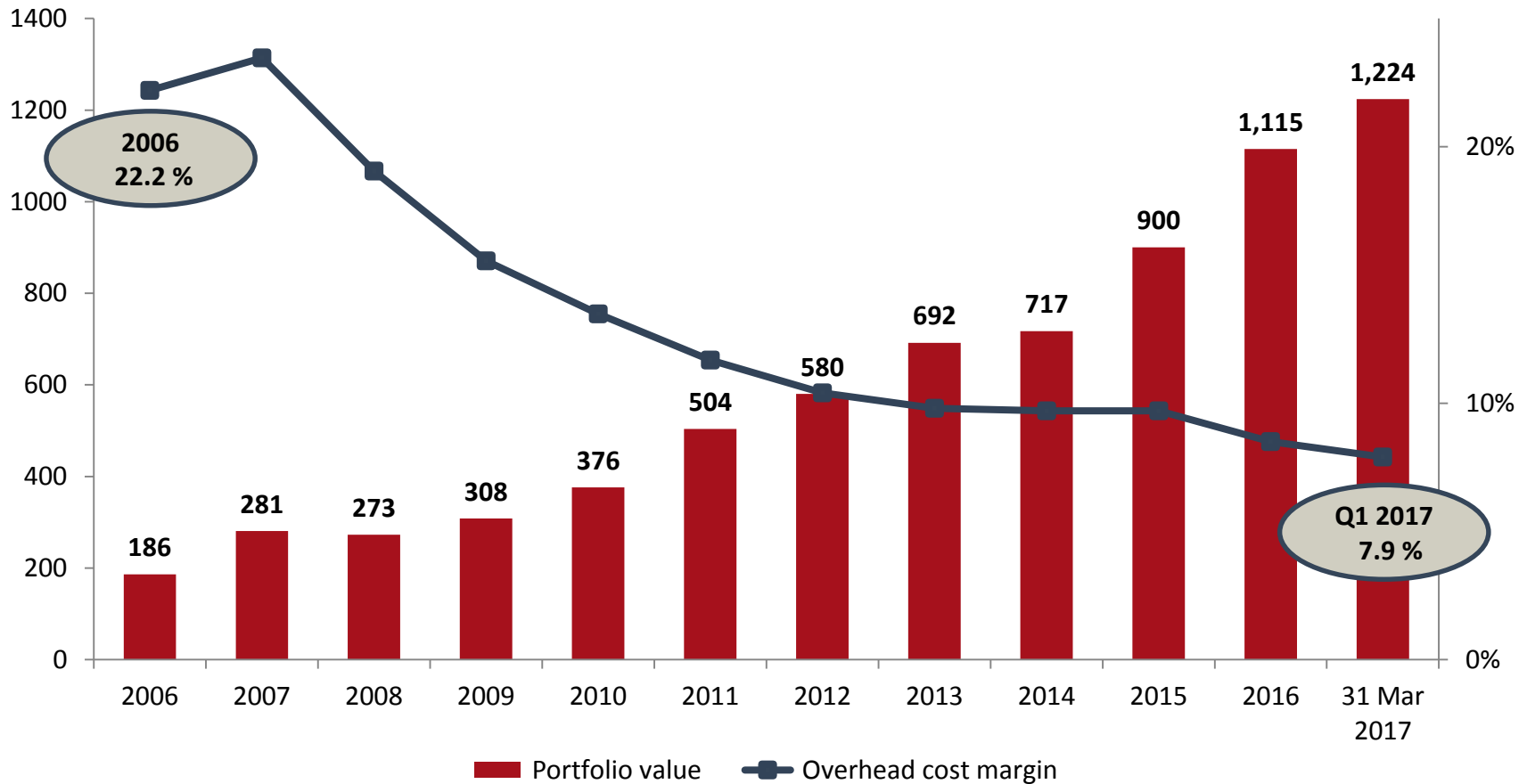
### Significant key figures for first quarter 2017

Key figures	31 Mar 2017	31 Mar 2016	Change
Income from rents and leases	€ 17.6 million	€ 14.7 million	+ 20.3 %
Operating result	€ 7.7 million	€ 7.0 million	+ 8.8 %
Profit for the period	€ 4.4 million	€ 6.1 million	- 28.0 %
Funds from operations	€ 10.8 million	€ 9.0 million	+ 19.9 %
Funds from operations (FFO) per share	€ 0.14	€ 0.15	
Number of shares	79,717,645	62,002,613	
	<b>31 Mar 2017</b>	<b>31 Dec 2016</b>	
REIT equity ratio	62.6 %	67.8 %	- 5.2 %-points
Loan to value (LTV)	35.1 %	30.1 %	+ 5.0 %-points
Net asset value (NAV) per share	€ 9.72	€ 9.64	+ 0.8 %

# Financial Figures / Financial Position

## Benefitting from economies of scale

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



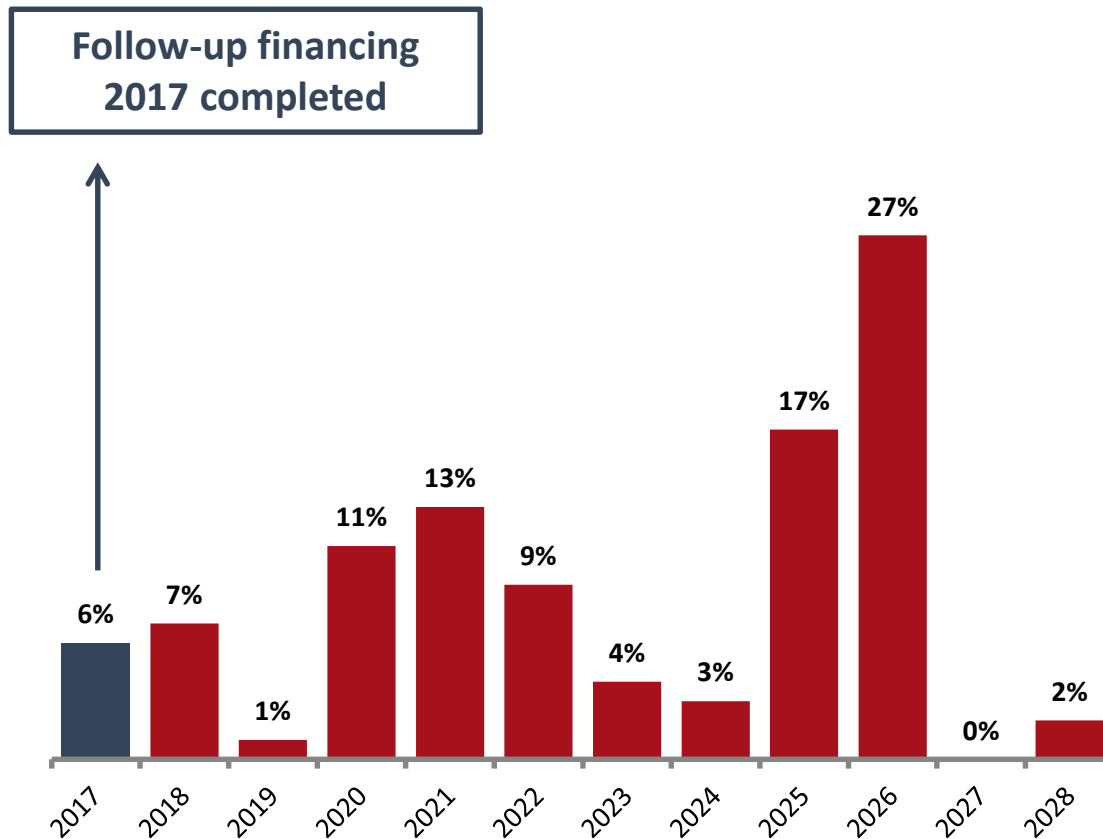
\* Personnel and administrative expenses in relation to income from rents and leases.



# Financial Figures / Financial Position

## Stable and predictable cost of debt

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



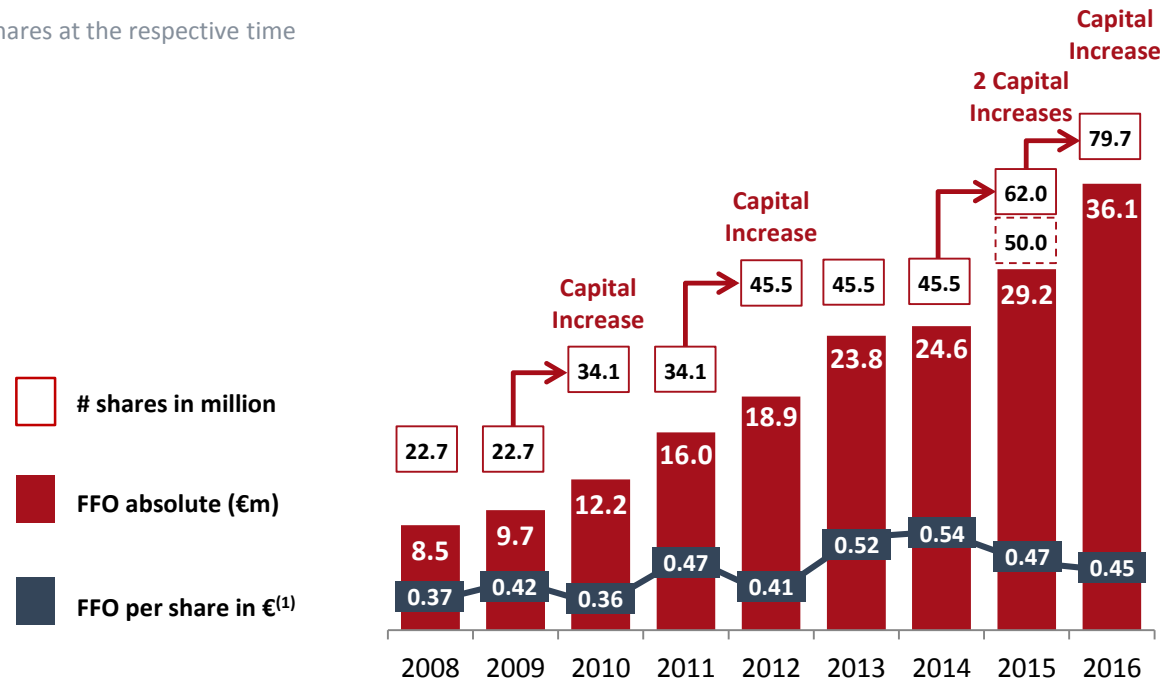
- REIT equity ratio: **62.6 %**
- LTV: **35.1 %**
- Financial debt: **€ 442.6 million**
- Additional loan agreements: **€ 114.5**
- Liquid funds: **€ 14.6 million**
- Average maturity of fixed interest rates: **6.3 years**
- Average cost of debt: **2.8 %**
- Refinancing of loans with fixed interest rates expiring in 2017 completed
- Financing banks
  - Institutional banks
  - Cooperative banks
  - Saving banks
  - Insurance companies

# Financial Figures / Financial Position

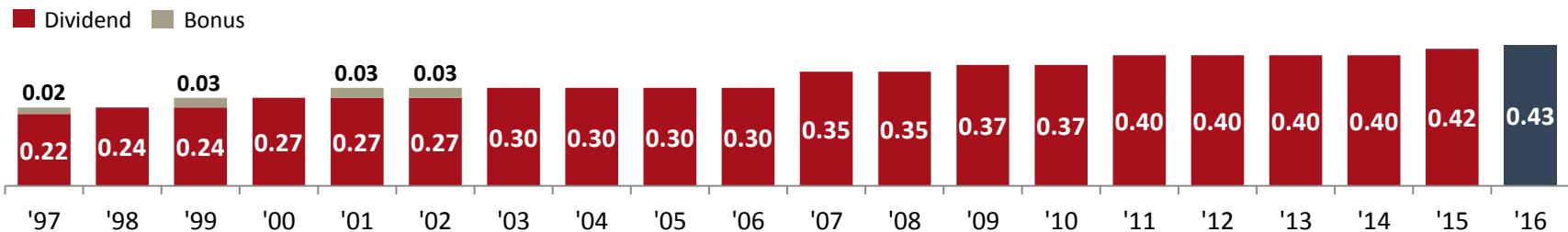
## Increasing FFO and dividend per share

### Funds From Operations (FFO)

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



### Dividend per share (€)



# Summary and outlook

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## Conclusion/Summary

- Successful first quarter 2017 with positive development of operational business
- Vacancy rate: 1.3%
- Transfer of possession of three assets in Cologne, Hallstadt/Bamberg and Berlin
- Portfolio value: €1.2 billion

## Forecast 2017

- Rental income: + **16 - 18%**
- FFO: **€43 – 44 million**
- FFO per share round about **€ 0.54**
- Remaining fire power **€120 - 150 million**

## HAMBORNER REIT AG Financial Calendar

Interim Report for 1st half 2017	8 August 2017
Interim Report for 3rd quarter 2017	9 November 2017
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**

<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>	€ 50,3 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

## 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>	€ 42.0 million <sup>(1)</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

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