



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company Presentation

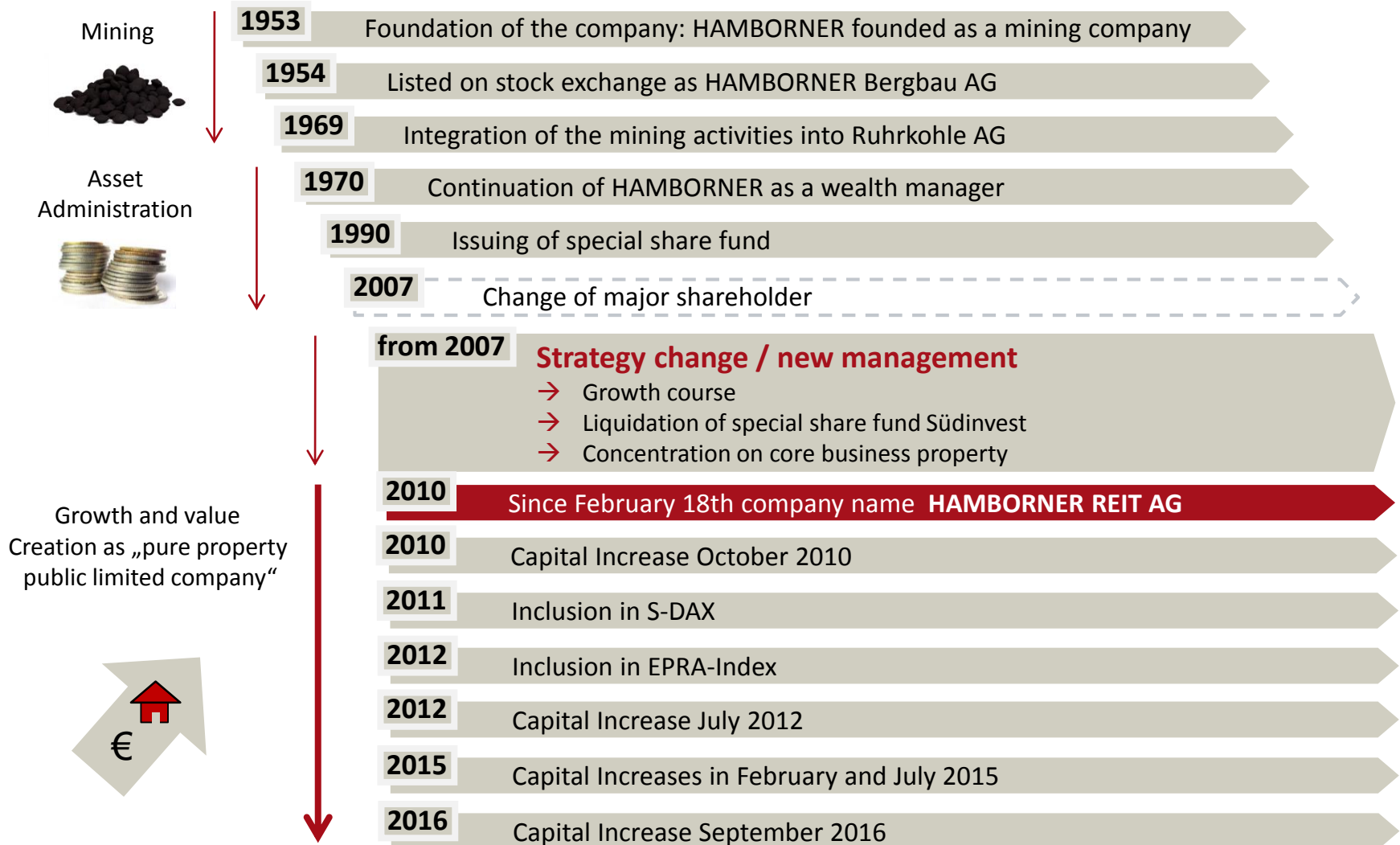
Dr. Rüdiger Mrotzek
Hans Richard Schmitz

May 2018

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

33
employees

- Directly owned property
- German-wide portfolio
- Market value of properties: € 1.45 billion

- Internal management
- Only infrastructural building services externally contracted out

Large-scale
retailing

High street

Office

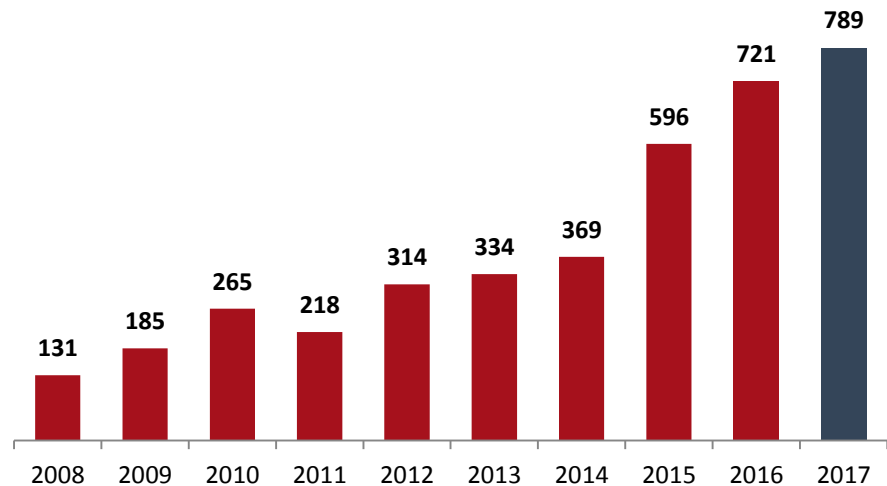
History / Capital markets track record

Growing market capitalization and increasing free float

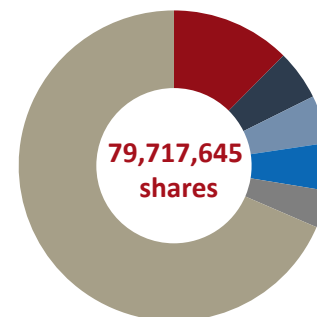
Milestones

- **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
- **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 Foundation 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

Market cap (€ million)



Shareholders

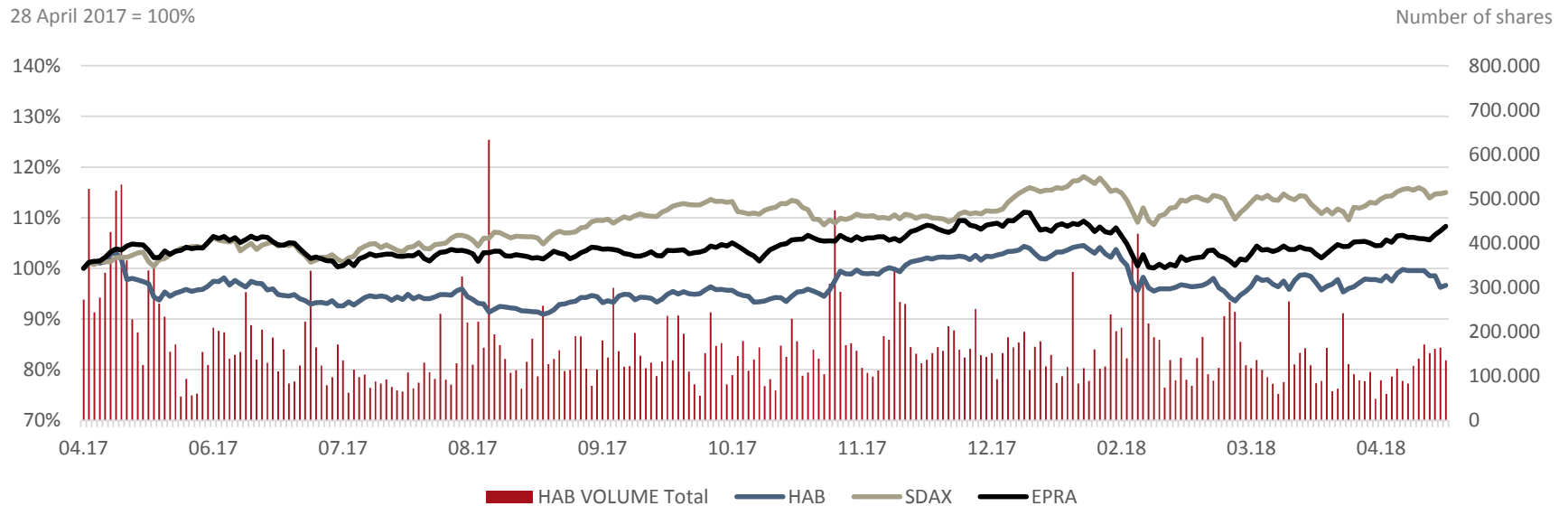


- **12.45%** RAG Foundation (Essen)
(of which: 2.67% through RAG AG)
- **5.20%** BlackRock Inc. (Wilmington)
- **4.99%** BNP Paribas (Paris)
- **4.95%** Belfius Insurance (Brussels)
- **3.89%** Prof. Dr. Siegert (Düsseldorf)
- **68.52%** Freefloat

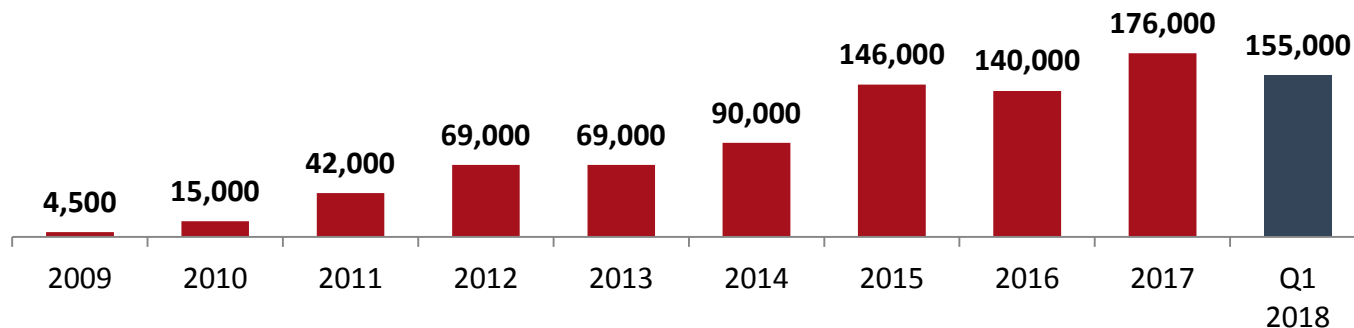
History / Capital markets track record

HAMBORNER REIT AG share

Development of share price and turnover (1 year)



Average turnover per day (# shares)



- | | |
|----------|---|
| 1 | History / Capital markets track record |
| 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, 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:
 - 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

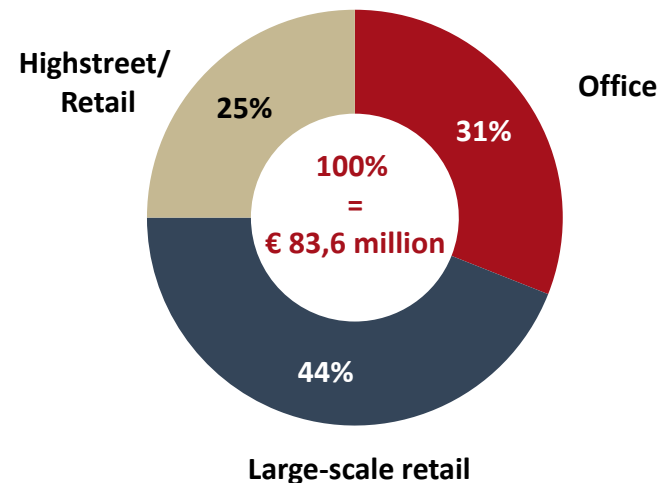
Geographical portfolio spread (as of May 2018)



Diversification of asset types (as of May 2018)

- 78 properties in 61 cities in Germany
- Focus on West and South-West
- € 1.451 billion portfolio value

Annualised rental income (as of May 2018)



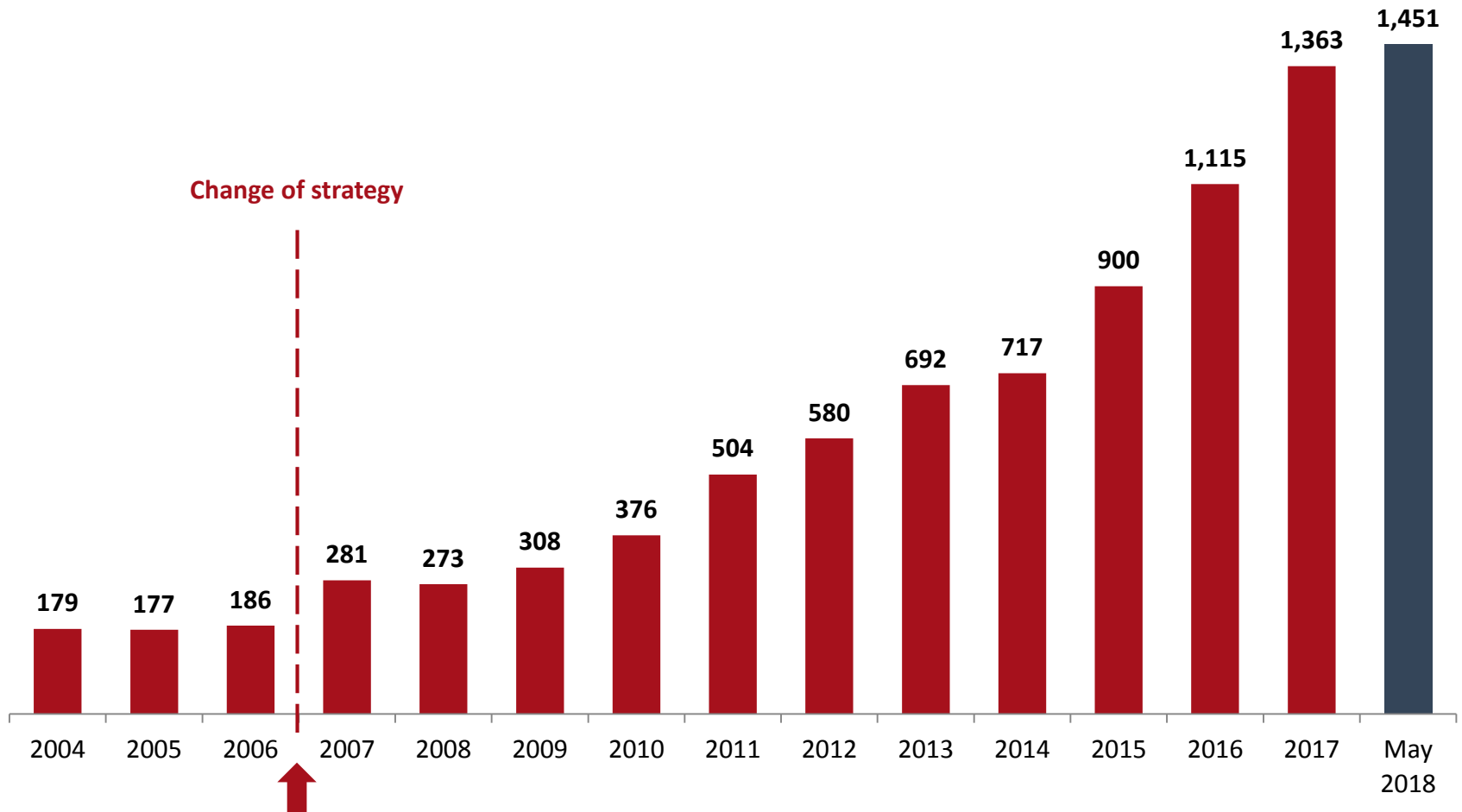
Regional diversification

<u>Federal State</u>	<u>Number of properties</u>	<u>Share in market value of total portfolio (as of May 2018)</u>
Northrhine-Westphalia	28	27%
Bavaria	11	19%
Baden-Wuerttemberg	10	16%
Hessen	9	13%
Berlin	3	6%
Lower Saxony	6	6%
Schleswig-Holstein	2	5%
Hamburg	3	2%
Bremen	3	2%
Rhineland-Palatinate	2	2%
Saxony	2	2%
Total	78	

Portfolio-Management

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

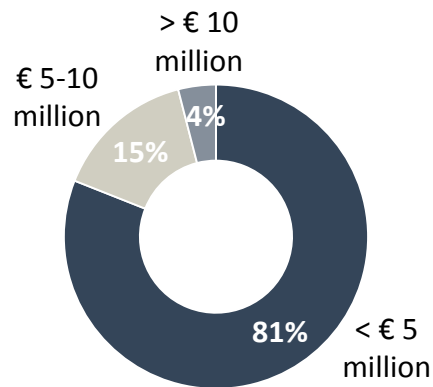


Portfolio-Management

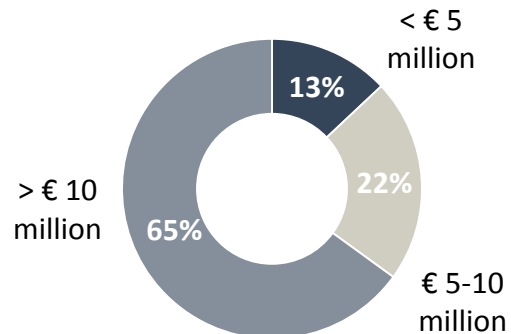
Increasing value per asset through acquiring larger assets

Portfolio split by property value

31 December 2006 (100% = 54 properties)

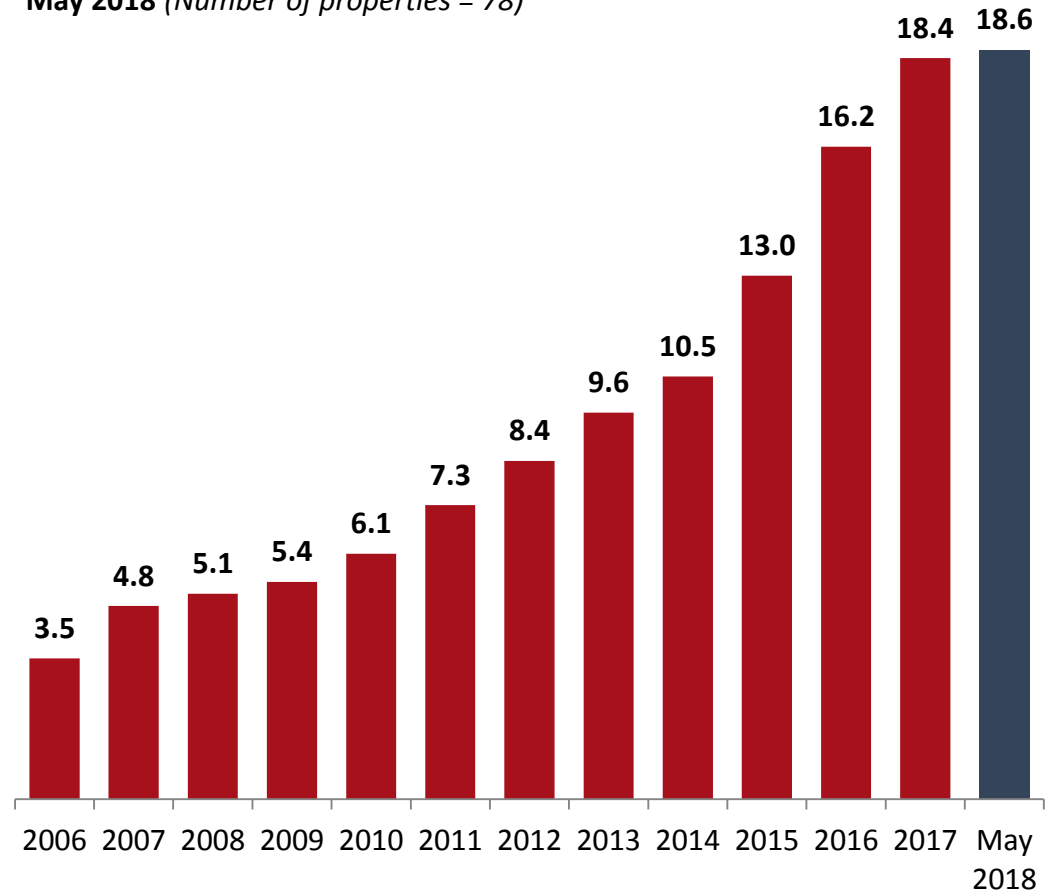


May 2018 (100% = 78 properties)



Average value per asset (in € million)

May 2018 (Number of properties = 78)



Investments 2017



Cologne (O³)
Am Coloneum



Hallstadt/Bamberg (Market Oberfranken)
Michelinstrasse

Built	2006	1974 (modernized and expanded in 2006)
Main tenants	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	5.4 years ⁽¹⁾	7.5 years ⁽¹⁾
Gross initial yield	5.6 %	5.6 %
Purchase price	€ 48.9 million	€ 40.4 million (+ € 3,2m tenant improvements)
Transfer of possession	January 2017	March 2017

(1) As of 31 March 2018

Investments 2017



Berlin
Märkische Allee



Ratingen
Balcke-Dürr-Allee

Built	2006	2017
Main tenants	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	7.6 years ⁽¹⁾	5.4 years ⁽¹⁾
Gross initial yield	5.6 %	5.7 %
Purchase price	€ 16.2 million	€ 34.4 million
Transfer of possession	March 2017	July 2017

(1) As of 31 March 2018

Investments 2017



Hanau (Rondo Steinheim)
Otto-Hahn-Strasse



Kiel
Kaistrasse

Built	2017	2017
Main tenants	REWE, ALDI, dm, Deichmann	Barmer GEK
Leased area	approx. 12,800 m ²	approx. 6,550 m ²
Annual rental income	€ 2.0 million	€ 1.2 million
Remaining lease term	14.3 years ⁽¹⁾	9.3 years ⁽¹⁾
Gross initial yield	5.4 %	5.4 %
Purchase price	€ 37.5 million	€ 22.2 million
Transfer of possession	August 2017	November 2017

(1) As of 31 March 2018

Investments 2017



Passau (Neustiftcenter)
Steinbachstrasse/Alte Poststrasse

Built	2017
Main tenants	REWE
Leased area	approx. 4,300 m ²
Annual rental income	€ 0.9 million
Remaining lease term	11.3 years ⁽¹⁾
Gross initial yield	5.9 %
Purchase price	€ 14.9 million
Transfer of possession	December 2017

(1) As of 31 March 2018

Investments 2018



Düsseldorf
Harffstraße



Cologne
Unter Linden

Built	1980 (Modernized 2011)	2009
Main tenants	EDEKA	EDEKA, ALDI, dm, Sparkasse
Leased area	5,343 m ²	6,533 m ²
Annual rental income	0.6 million	€ 1.0 million
Remaining lease term	9.8 years ⁽¹⁾	7.9 years ⁽¹⁾
Gross initial yield	5.7 %	5.1 %
Purchase price	€ 9.7 million	€ 20.2 million
Transfer of possession	January 2018	January 2018

(1) As of 31 March 2018

Investments 2018



Bonn
Basketsring



Darmstadt
Leydhecker Strasse

Built	2008	2000
Main tenants	EDEKA	REWE, Herbalife, Alcan Systems
Leased area	4,934 m ²	approx. 19.400 m ²
Annual rental income	€ 0.8 million	€ 2.5 million
Remaining lease term	10.0 years ⁽¹⁾	5.9 Jahre ⁽¹⁾
Gross initial yield	5.5 %	5.6 %
Purchase price	€ 13.8 million	€ 42.8 million (+ € 1.6m maintenance expensens)
Transfer of possession	January 2018	April 2018

(1) As of 31 March 2018

Divestments 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



Minden

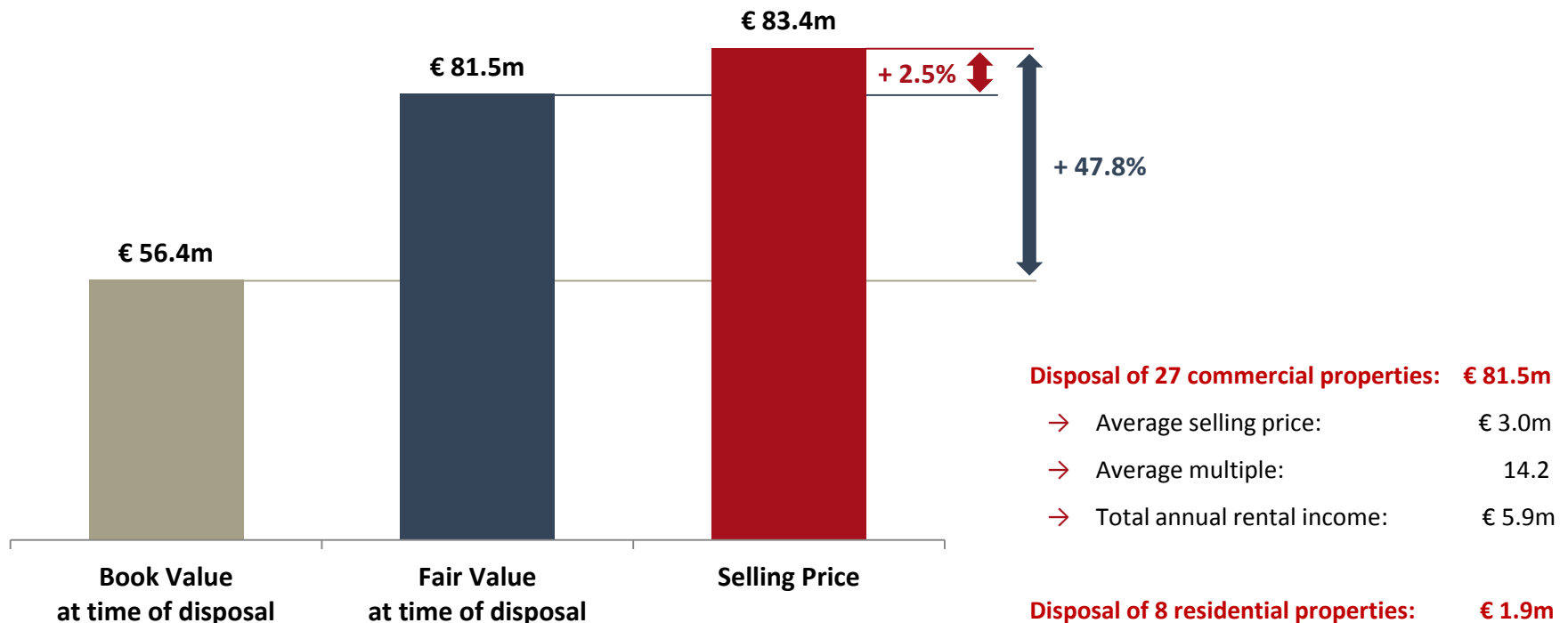
Selling price:	€ 4.5 million
Fair value as of 31 Dec 2016:	€ 4.5 million
Book value as of 31 Dec 2016:	€ 3.9 million
Transfer of possession:	1 September 2017

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

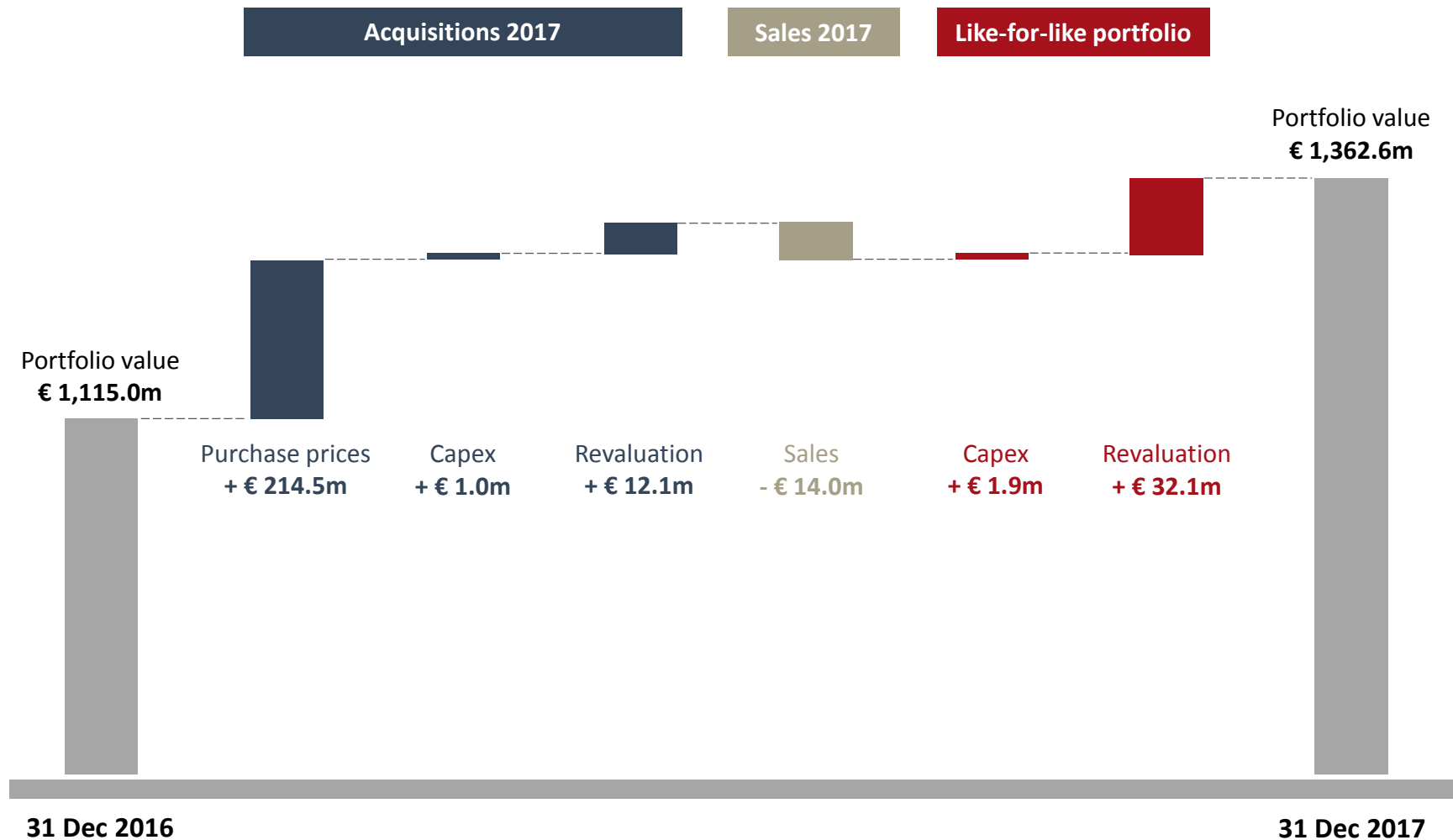
Portfolio-Management

Divestments since change of strategy in 2007

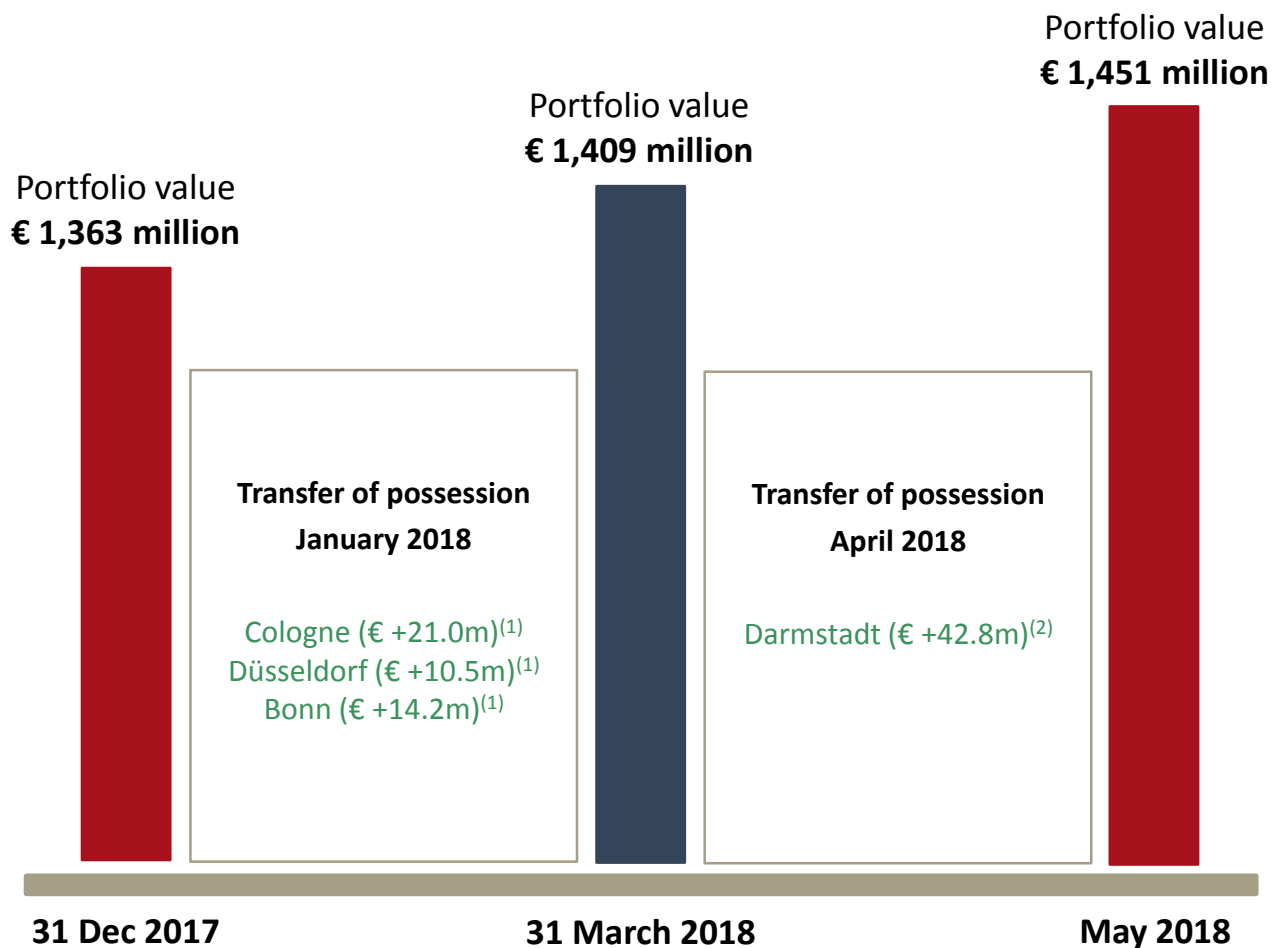


Portfolio-Management

Portfolio development 2017



Portfolio development 2018



(1) Fair value as of 31 March 2018 (2) Contractually agreed purchase price

1 History / Capital markets track record

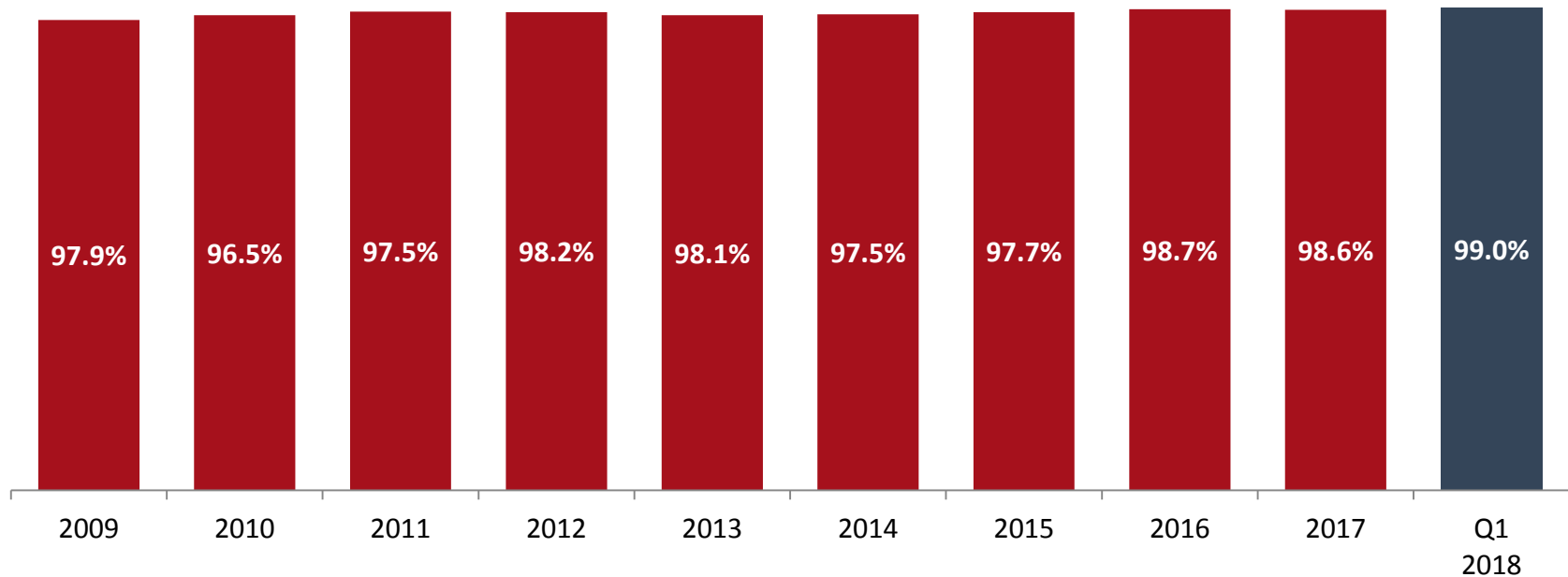
2 Portfolio-Management

3 Asset-Management

4 Financial Figures / Financial Position

High and stable occupancy

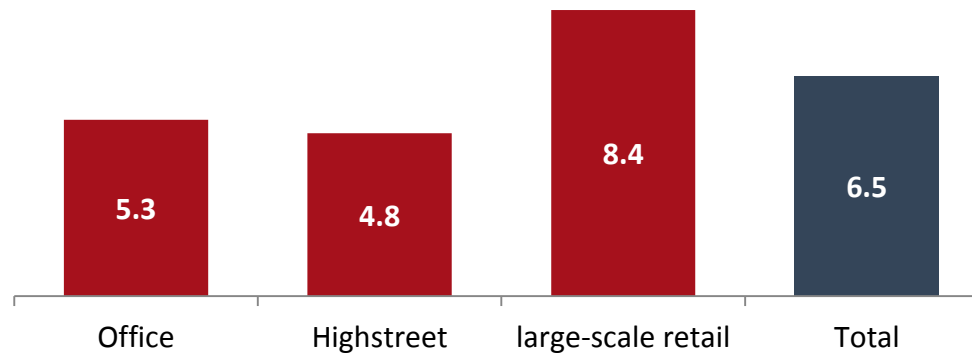
Occupancy rates



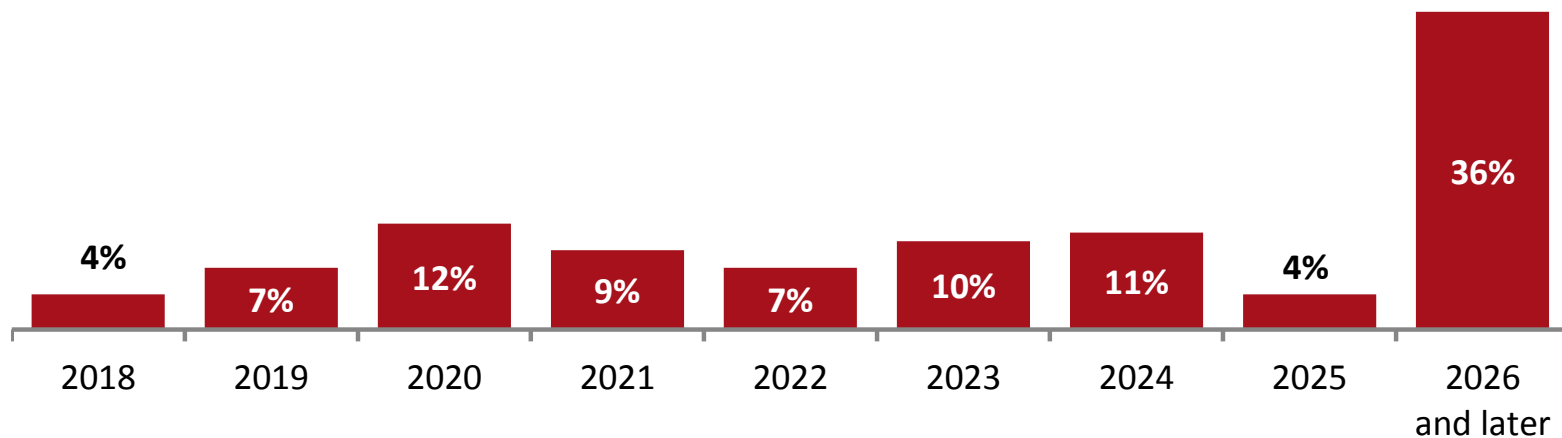
- Vacancy rate as of 31 March 2018 (incl. rent guarantees): 1.0 %
- Vacancy rate as of 31 March 2018 (excl. rent guarantees): 1.5 %

Long-term leases

Weighted average lease expiry by type (as of 31 March 2018, in years)



Split of lease contracts expiring by year (as of 31 March 2018)



Solid tenants

Top 10 tenants (as of 31 March 2018, % of annual rent)

	Mieter	Sector	% annual rents*
	EDEKA Group	Food retail	12.0%
	Kaufland Group	Food retail	7.0%
	real,-	Food retail	5.7%
	OBI	DIY retail	5.3%
	REWE Group	Food retail	3.6%
	Jobcenter	Agency of unemployment	3.4%
	H&M	Textile retail	2.2%
	NetCologne	Telecommunication	2.2%
	Telefonica O ₂	Telecommunication	1.7%
	C&A	Textile retail	1.7%
		<u>Total</u>	<u>44.8%</u>

1

History / Capital markets track record

2

Portfolio-Management

3

Asset-Management

4

Financial Figures/Financial Position

Financial Figures / Financial Position

Successful first quarter 2018

Highlights

- Increase in income from rents and leases: **+ 15.4%**
- FFO increase: **+ 7.6%**
- Vacancy rate: **1.0 %** (incl. rent guarantees)
- Acquisition of three retail properties in Cologne, Bonn and Düsseldorf
 - Total invested volume: **€ 43.7 million**
- Portfolio volume: **€ 1,409 million** (as of 31 March 2018)
- NAV per share: **€ 10.27**
- Purchase contract signed for retail/office property in Darmstadt
 - Transfer of possession in April 2018

Financial Figures / Financial Position

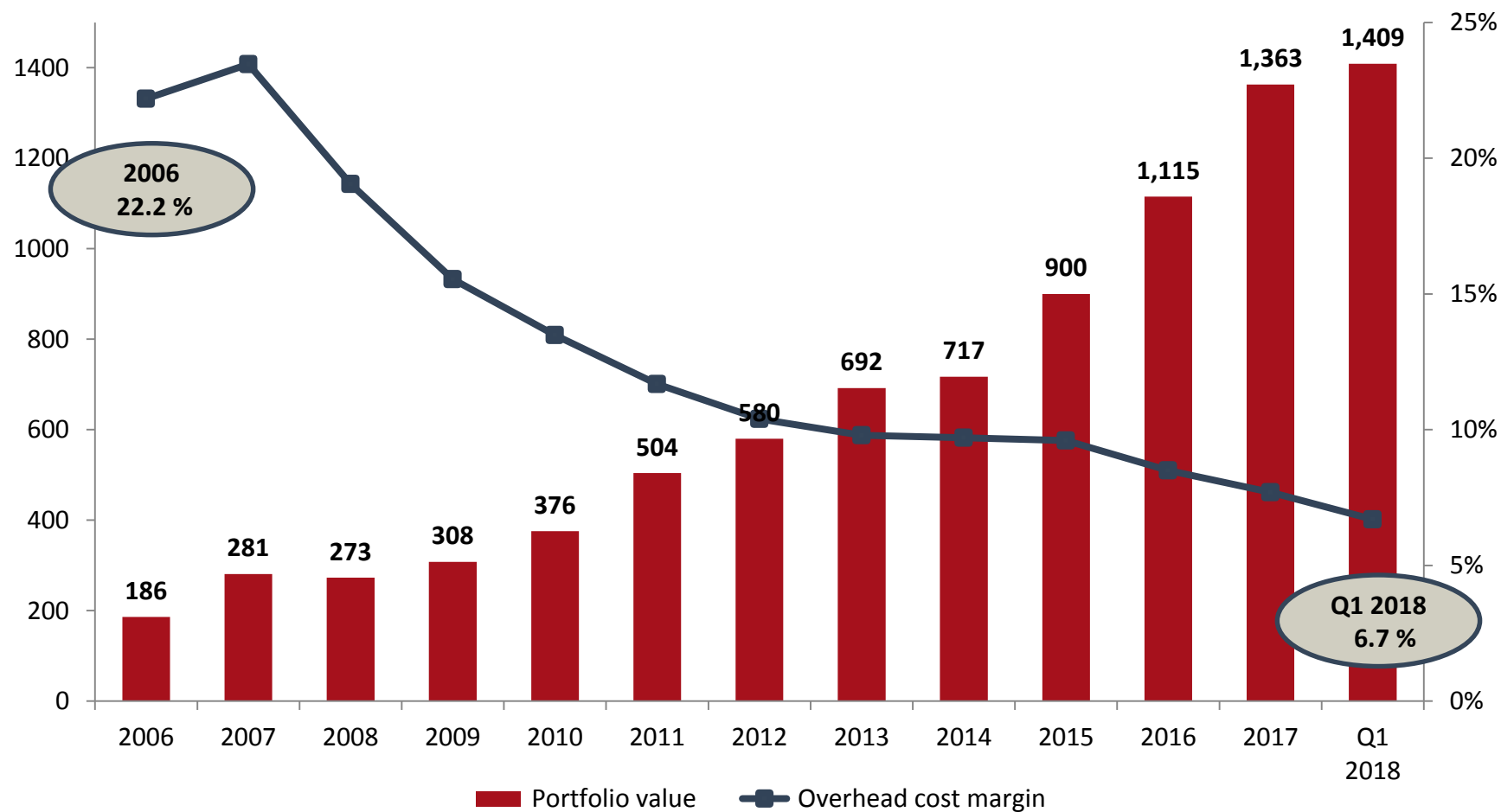
Significant Key figures for first quarter 2018

Key figures	31 Mar 2018	31 Mar 2017	Change
Income from rents and leases	€ 20.4 million	€ 17.6 million	+15.4%
Operating result	€ 7.2 million	€ 7.7 million	-5.9%
Profit for the period	€ 3.5 million	€ 4.4 million	-21.7%
Funds from operations	€ 11.6 million	€ 10.8 million	+7.6%
Funds from operations per share	€ 0.15	€ 0.14	+7.6%
	31 Mar 2018	31 Dec 2017	
REIT equity ratio	57.8 %	59.0 %	-1.2%-points
Loan to value (LTV)	40.9 %	39.6 %	+1.3%-points
Net asset value (NAV) per share	€ 10.27	€ 10.15	+1.2%

Financial Figures / Financial Position

Benefitting from economies of scale

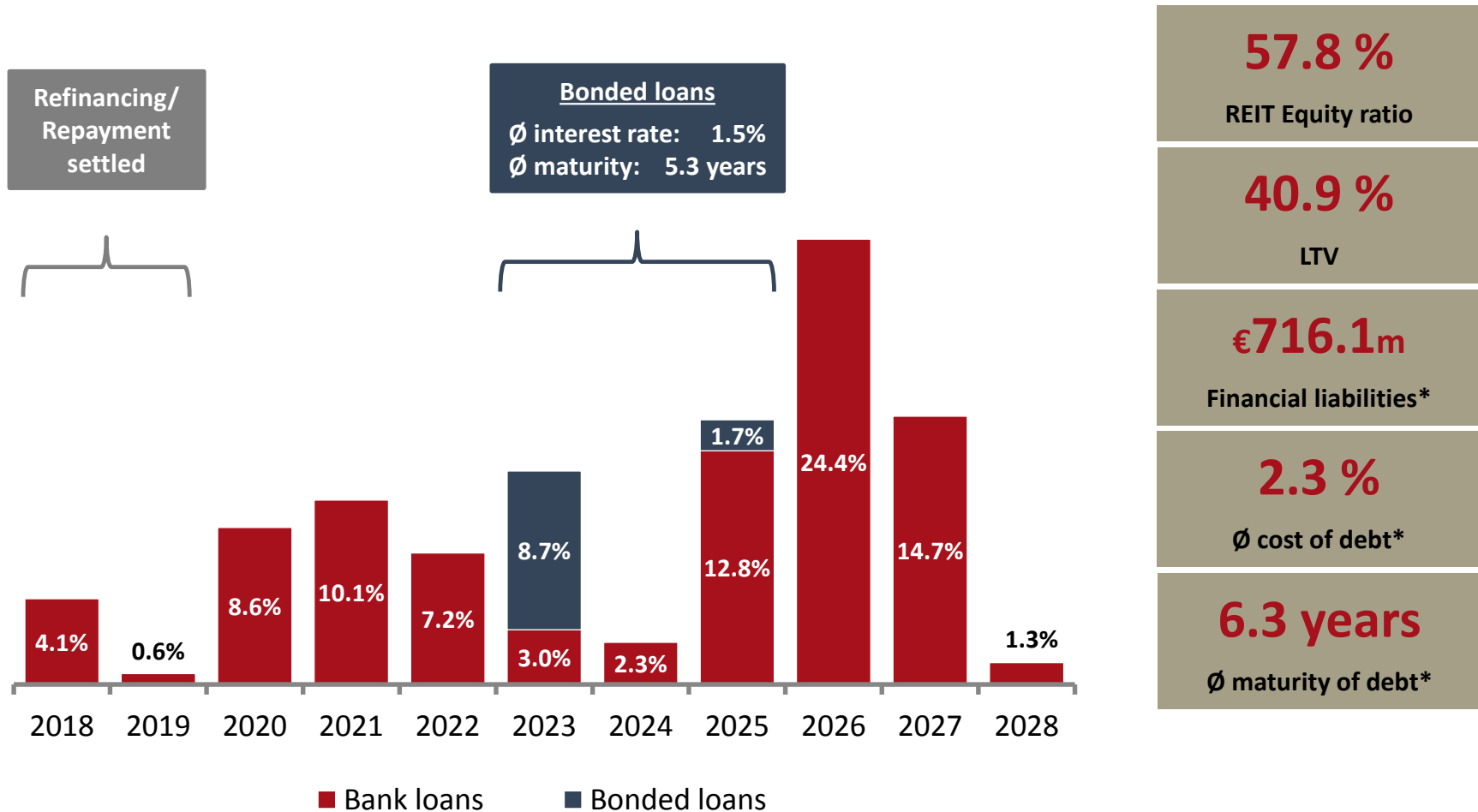
Portfolio value (€ million) and overhead cost margin*



Financial Figures / Financial Position

Financial liabilities

Expiration of financial liabilities (as of 31 March 2018)

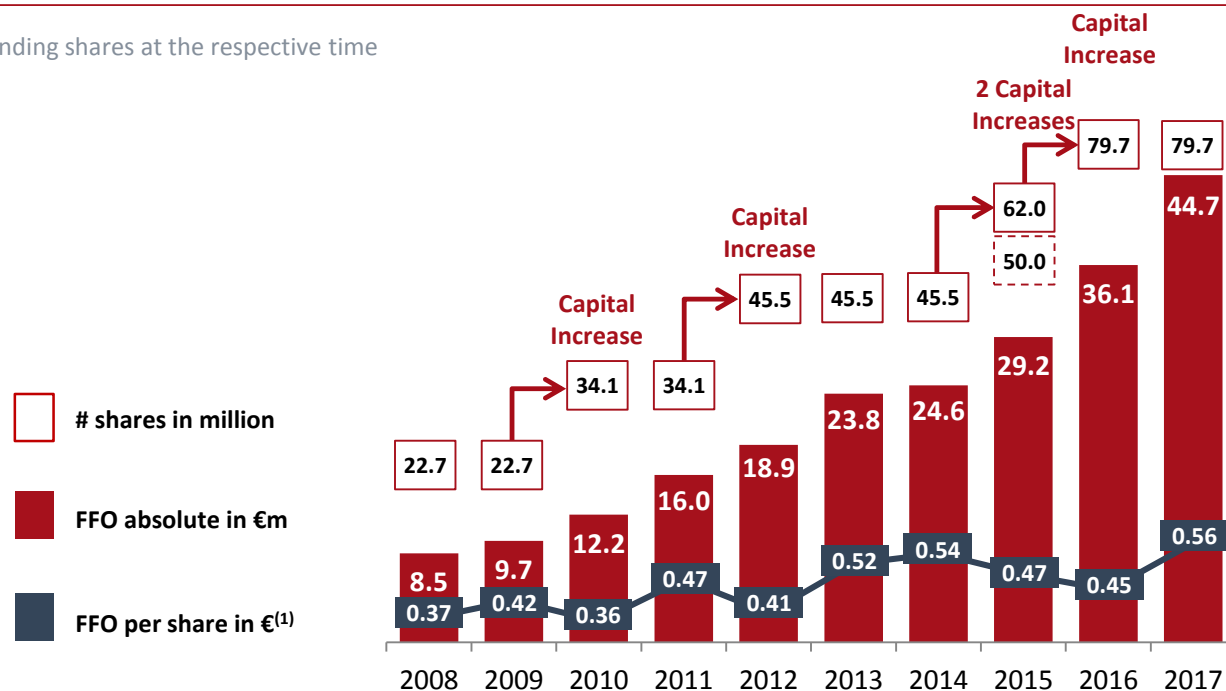


Financial Figures / Financial Position

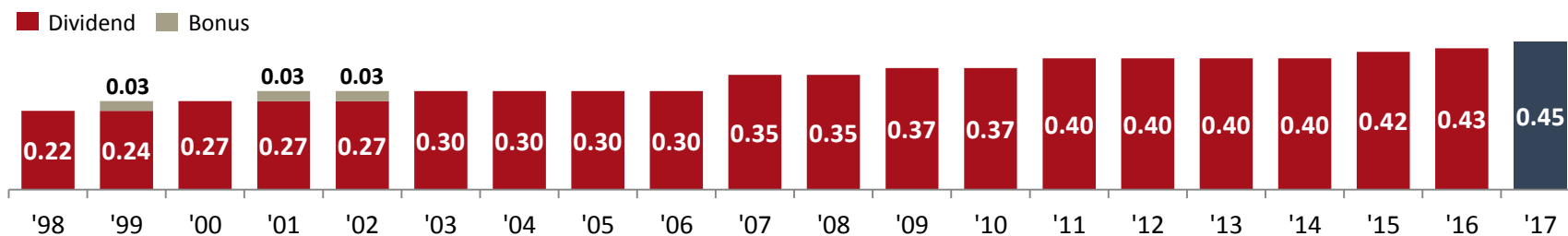
Increasing FFO and dividend per share

Funds From Operations (FFO)

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



Dividend per share (€)



Summary and outlook

Conclusion/Summary

- Successful first quarter 2018 with positive development of operational business
- Vacancy rate: **1.0%**
- Acquisition of 3 assets in Cologne, Düsseldorf and Bonn (transfer of possession in January 2018)
- Transfer of possession of further retail/office property in Darmstadt in April 2018
- Portfolio value: **€1.45 billion**

Forecast 2018

- Increase in rents at the **upper end** of the forecast range of **+ 8 - 10 %**
- FFO increase in a similar range
- FFO per share: **> €0.60**
- Remaining fire power: **€120 million**

HAMBORNER REIT AG - Financial Calendar	
Interim report for first half 2018	9 August 2018
Interim Report for 3rd quarter 2018	8 November 2018
Preliminary figures 2018	7 February 2019
Annual report 2018	27 March 2019
Interim Report for 1st quarter 2019	2 May 2019
AGM 2019	7 May 2019

Many thanks for your attention!

TOP 10 Properties (1/2)



Mannheim
Kurpfalz Center



Munich
NuOffice



Lübeck
Haerder-Center



Berlin
EUREF-Campus



Cologne
O³

	Mannheim Kurpfalz Center	Munich NuOffice	Lübeck Haerder-Center	Berlin EUREF-Campus	Cologne O³
Asset type	Retail	Office	High Street	Office	Office
Year of acquisition	2016	2013	2016	2013	2017
Purchase price	€ 80.0 million	€ 40.1 million	€49.1 million	€ 33.0 million	€ 48.9 million
Fair value	€ 82.1 million ⁽¹⁾	€ 55.4 million ⁽¹⁾	€ 54.4 million ⁽¹⁾	€ 51.5 million ⁽¹⁾	€ 51.4 million ⁽¹⁾
Annual rental income	€ 4.1 million	€ 2.4 million	€ 3.3 million	€ 2.2 million	€ 2.7 million
Remaining lease term	6.6 years ⁽²⁾	5.4 years ⁽²⁾	4.2 years ⁽²⁾	4.9 years ⁽²⁾	5.4 years ⁽²⁾
Main tenants	Real, Toys'R'Us, ALDI, dm, Adler Mode	Estée Lauder, Armani, Zielpuls	H&M, New Yorker, REWE, mytoys	Deutsche Bahn, Schneider Electric	NetCologne

(1) As of 31 December 2017 (2) As of 31 March 2018

TOP 10 Properties (2/2)



Hallstadt
Market Oberfranken



Darmstadt



Celle



Karlsruhe



Hanau
Rondo Steinheim

Asset type	Retail	Retail/office	Retail	Retail/Office	Retail
Year of acquisition	2017	2018	2015	2012	2017
Purchase price	€ 41.4 million	€ 42.8 million	€ 35.2 million	€ 37.0 million	€ 37.5 million
Fair value	€ 45.9 million ⁽¹⁾	€ 42.8 million ⁽³⁾	€ 42.7 million ⁽¹⁾	€ 41.8 million ⁽¹⁾	€ 39.7 million ⁽¹⁾
Annual rental income	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 2.5 million	€ 2.0 million
Remaining lease term	7.5 years ⁽²⁾	5.9 years ⁽²⁾	10.5 years ⁽²⁾	3.9 years ⁽²⁾	14.3 years ⁽²⁾
Main tenants	Müller, tegut, C&A, Expert, ALDI	REWE, Herbalife, Alcan Systems	Real, ALDI, Rossmann, tedox, Fressnapf	EDEKA, Brandmaker	REWE, ALDI, dm, Deichmann

(1) As of 31 December 2017 (2) As of 31 March 2018 (3) Contractually agreed purchase price

Appendix

TOP 50 Cities in Germany

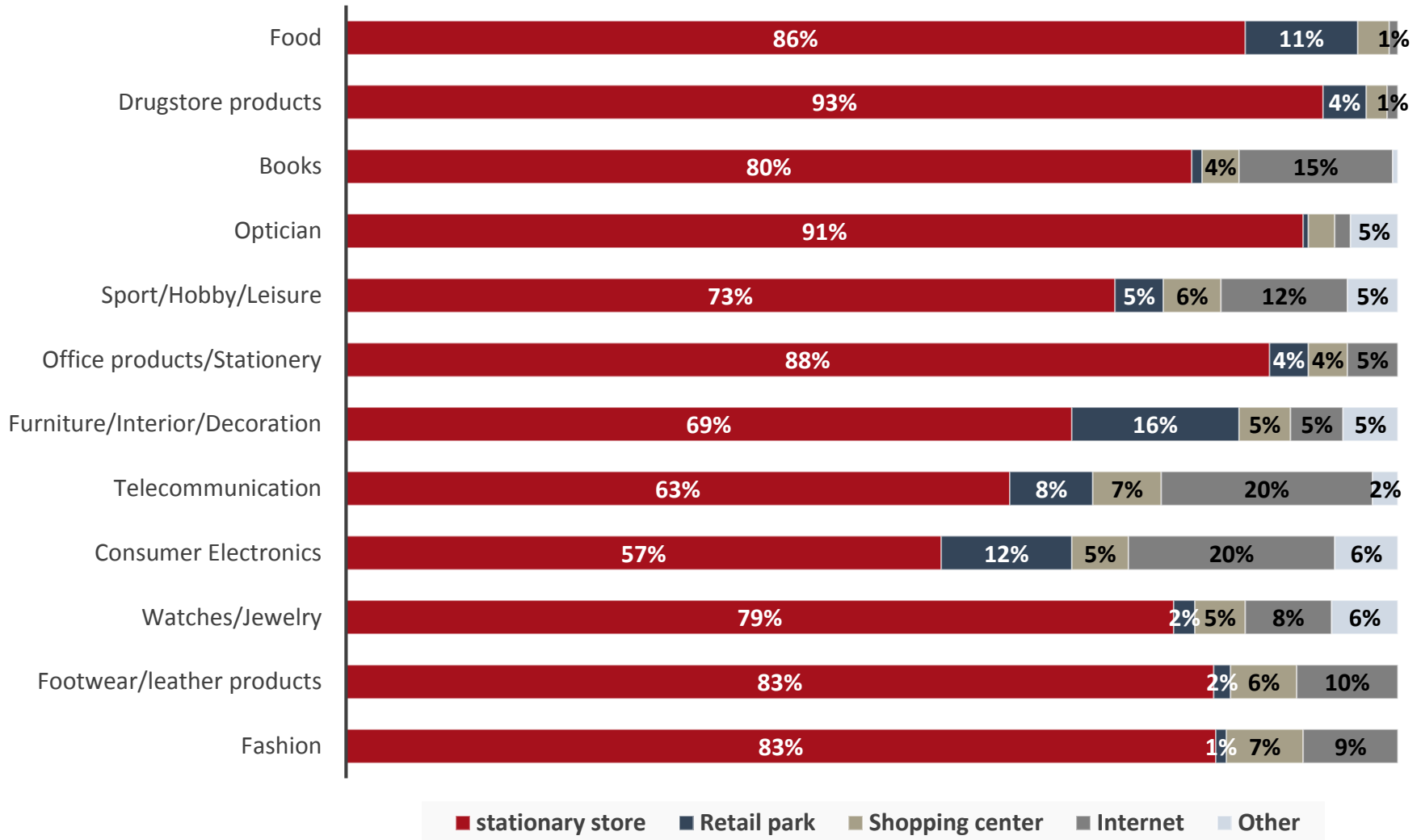


High attractiveness in terms of

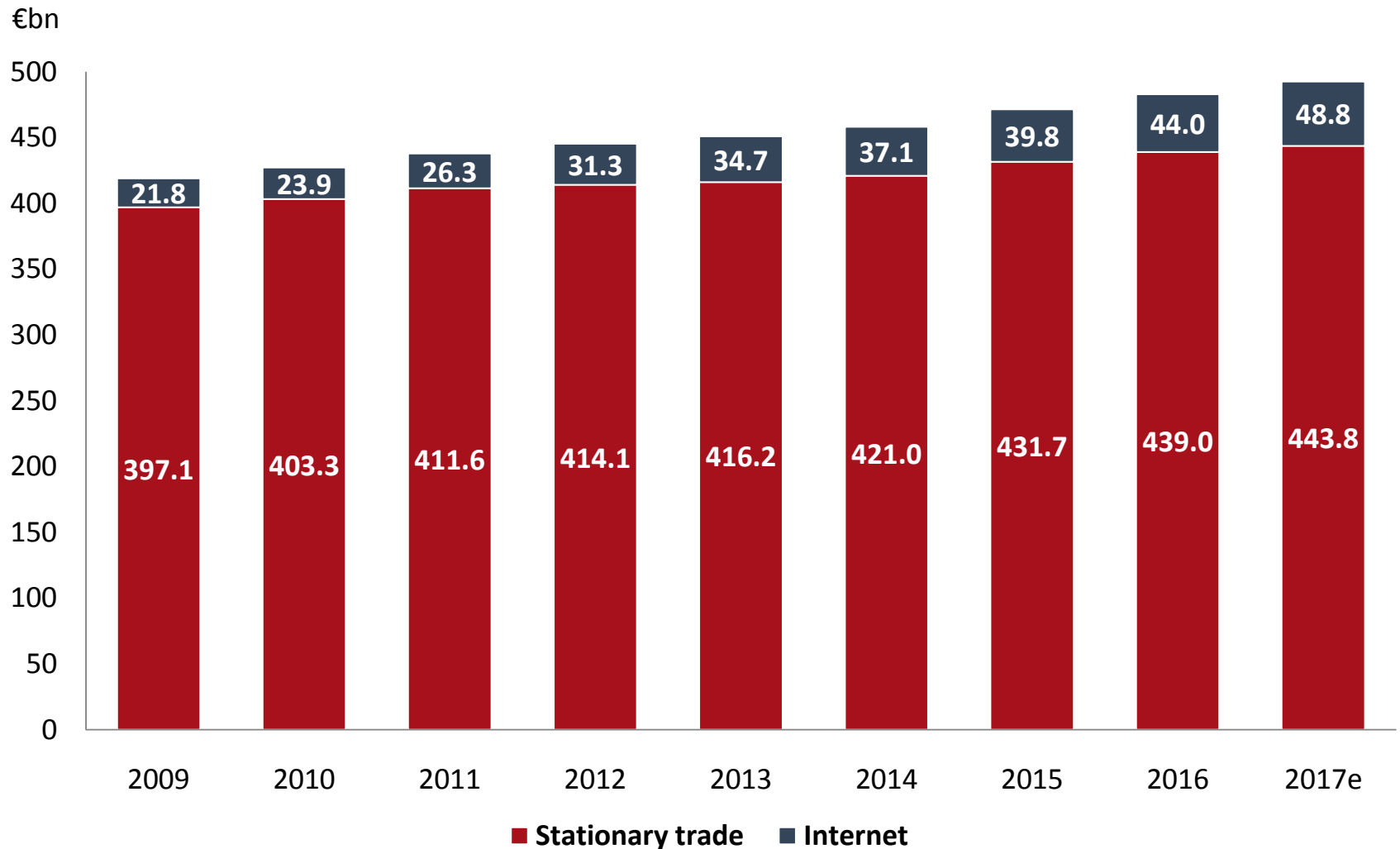
- Demographic development
- Purchase power
- Centrality
- Future opportunities

- | | |
|------------------------------|--------------------|
| Aachen* | Ingolstadt* |
| Aschaffenburg | Karlsruhe* |
| Augsburg* | Kempton |
| Bad Homburg* | Koblenz* |
| Bamberg* | Konstanz |
| Bayreuth* | Landshut |
| Berlin* | Leipzig* |
| Böblingen | Ludwigsburg |
| Bonn* | Mainz |
| Braunschweig | Mannheim* |
| Cologne* | Munich* |
| Darmstadt* | Münster* |
| Dresden* | Nürnberg |
| Düsseldorf* | Oldenburg* |
| Erlangen* | Passau* |
| Esslingen am Neckar | Pforzheim |
| Frankfurt am Main* | Regensburg* |
| Freiburg im Breisgau* | Reutlingen |
| Friedrichshafen | Sindelfingen |
| Fürth* | Stuttgart* |
| Göttingen | Tübingen* |
| Hamburg* | Ulm |
| Hanover | Wiesbaden* |
| Heidelberg | Wolfsburg |
| Heilbronn | Würzburg |

Survey: Consumer purchasing behaviour in Germany



Retail sales in Germany



Dr. Rüdiger Mrotzek – Member of the Board

T +49 (0)203 / 54405-55

M r.mrotzek@hamborner.de

Hans Richard Schmitz – Member of the Board

T +49 (0)203 / 54405-21

M h.schmitz@hamborner.de

Christoph Heitmann – Investor Relations

T +49 (0)203 / 54405-32

M c.heitmann@hamborner.de



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