



hamborner  
**REIT**



ZUKUNFT BRAUCHT SUBSTANZ

## Company Presentation

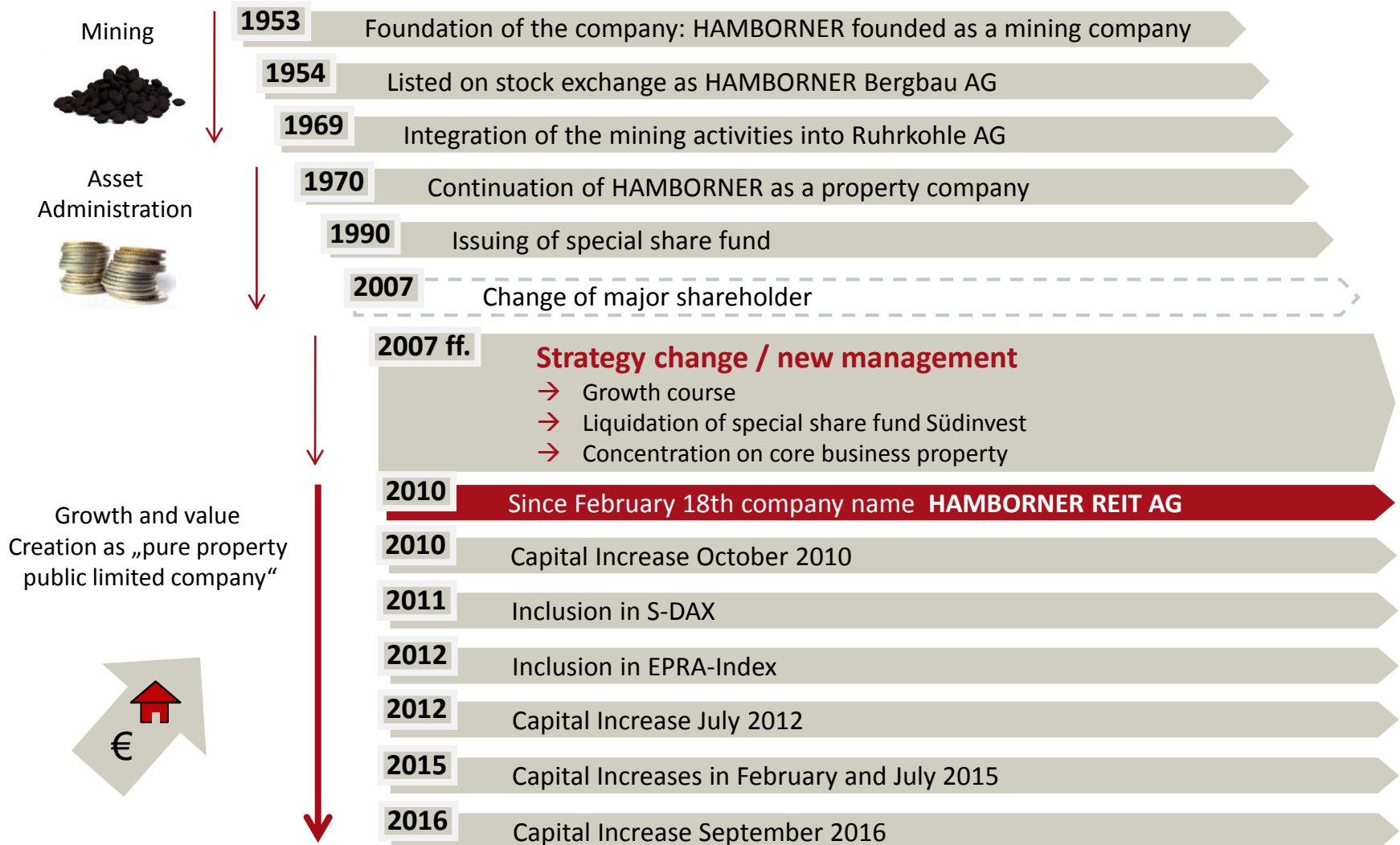
Dr. Rüdiger Mrotzek  
Hans Richard Schmitz

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

# History / Capital markets track record

## Historical development of the company



## History / Capital markets track record

---

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

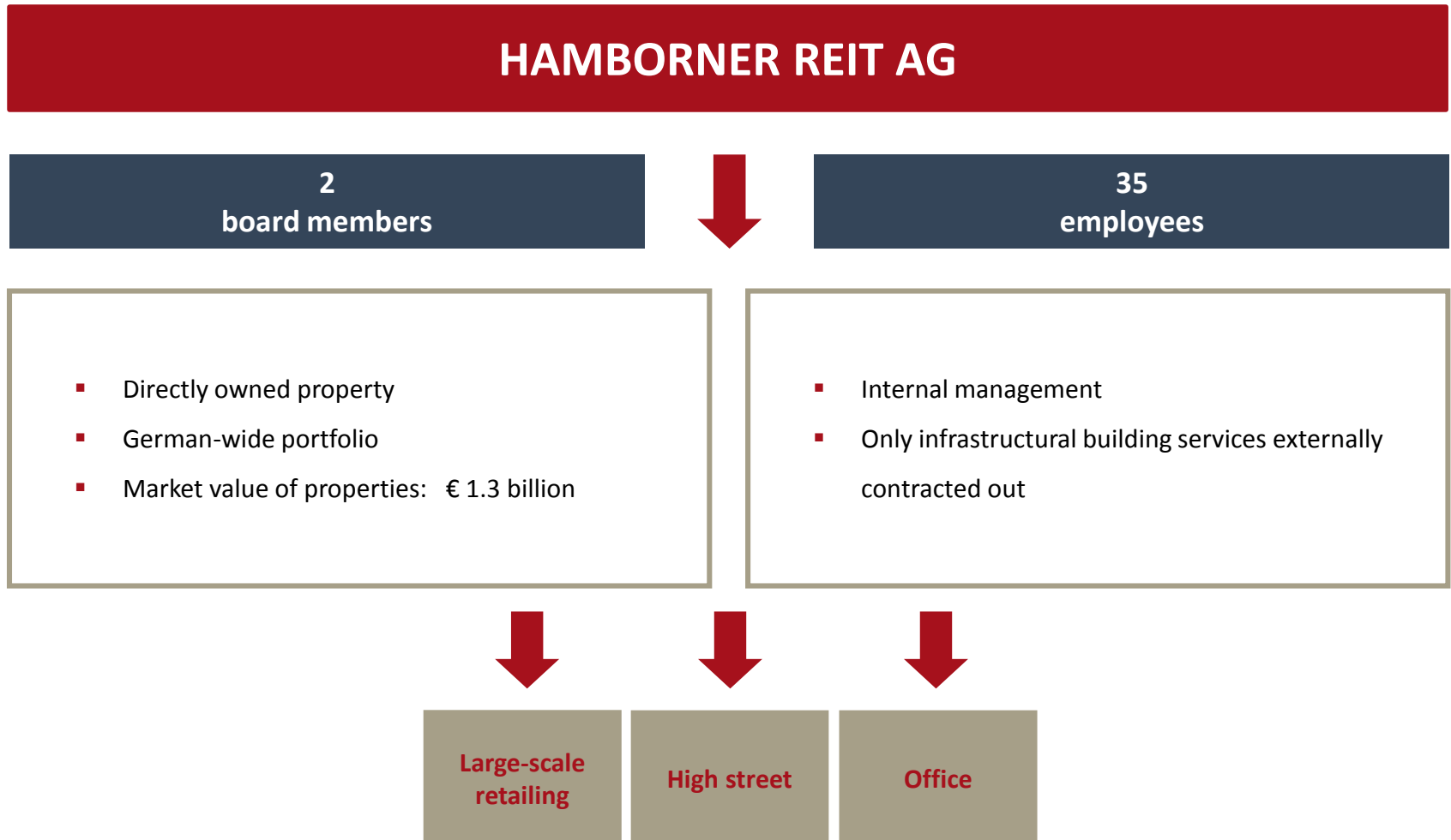
#### Requirements for G-REITs

---

- 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



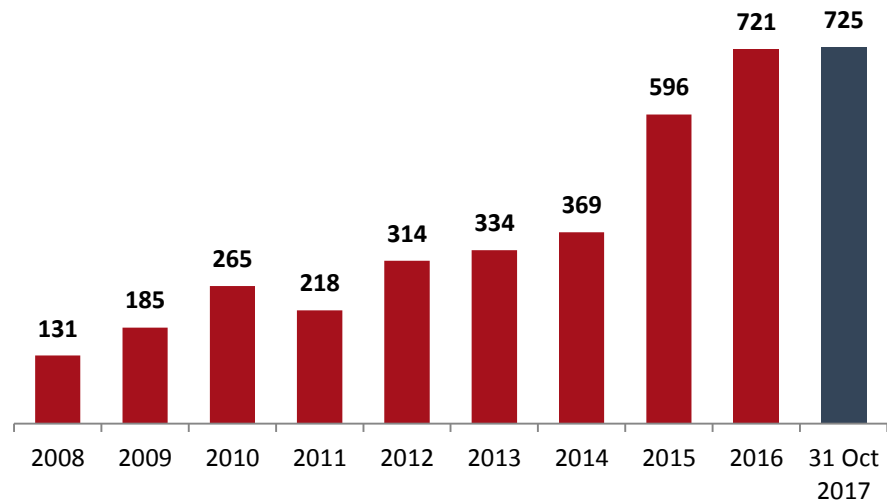
# History / Capital markets track record

## Growing market capitalization and increasing free float

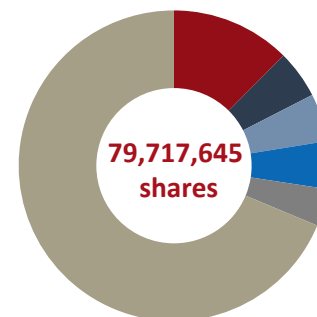
### Milestones

- **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 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

### Market cap (€ million)



### Shareholders

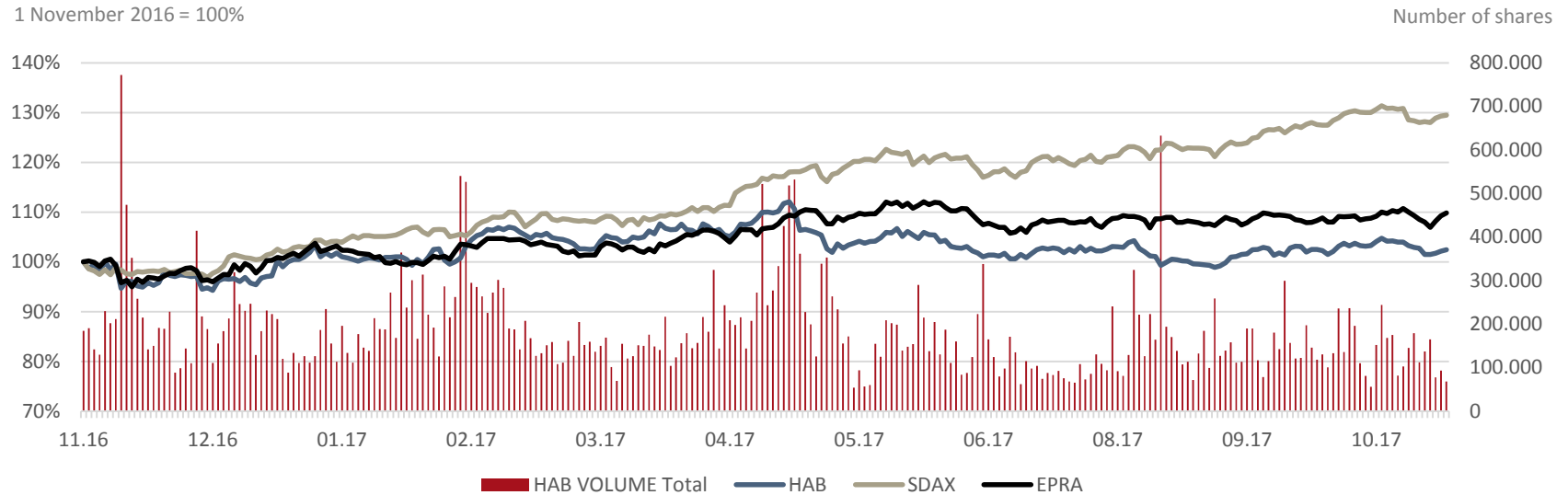


- **12.45%** RAG Stiftung (Essen)  
(of which: 2.67% through RAG AG)
- **5.02%** BlackRock Inc. (Wilmington)
- **4.99%** BNP Paribas (Paris)
- **4.95%** Belfius Insurance (Brussels)
- **3.89%** Prof. Dr. Siegert (Düsseldorf)
- **68.70%** Freefloat

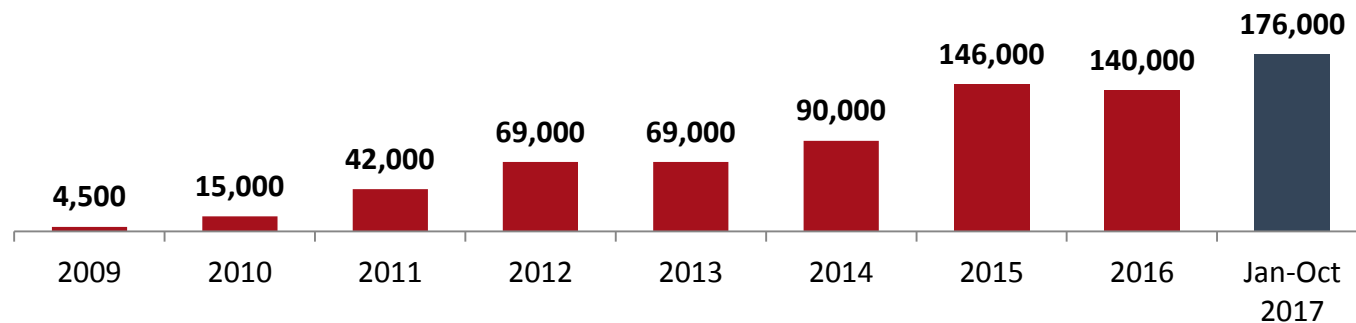
# History / Capital markets track record

## 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

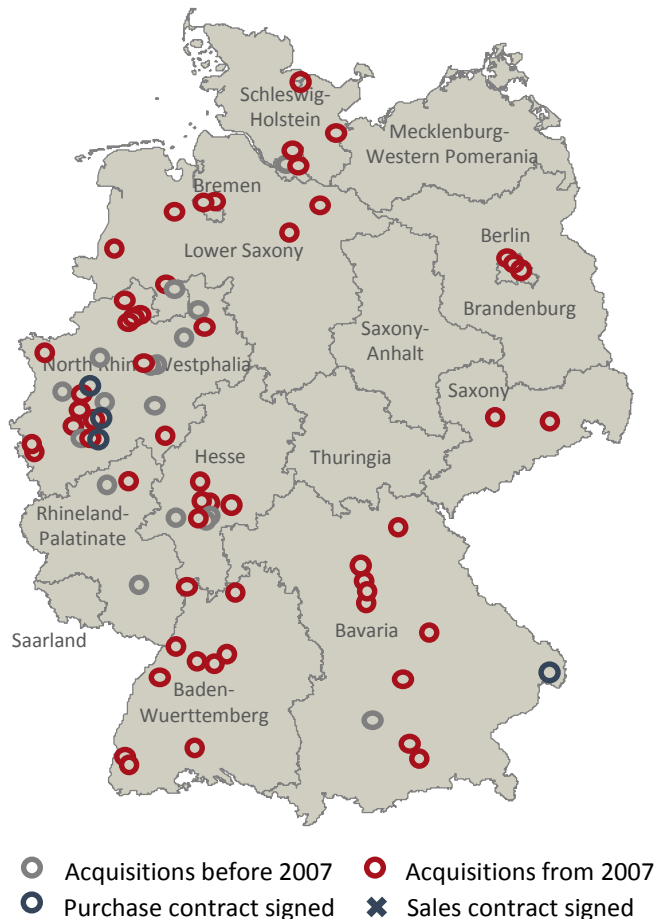
- Focus on quality properties, location and property strategy determined by asset type:
  - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
  - Large scale retailing in town centre sites or highly frequented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

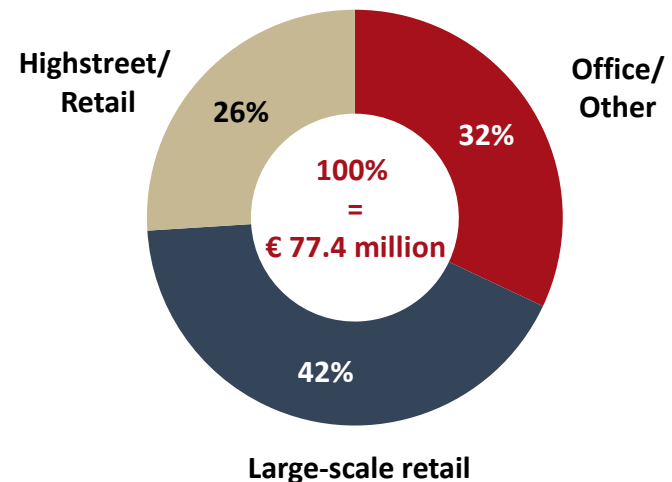
### Geographical portfolio spread (as of Nov 2017)



### Diversification of asset types (as of Nov 2017)

- 73 properties in 57 cities in Germany
- Focus on West and South-West
- € 1.305 billion portfolio value

### Annualised rental income (as of Nov 2017)



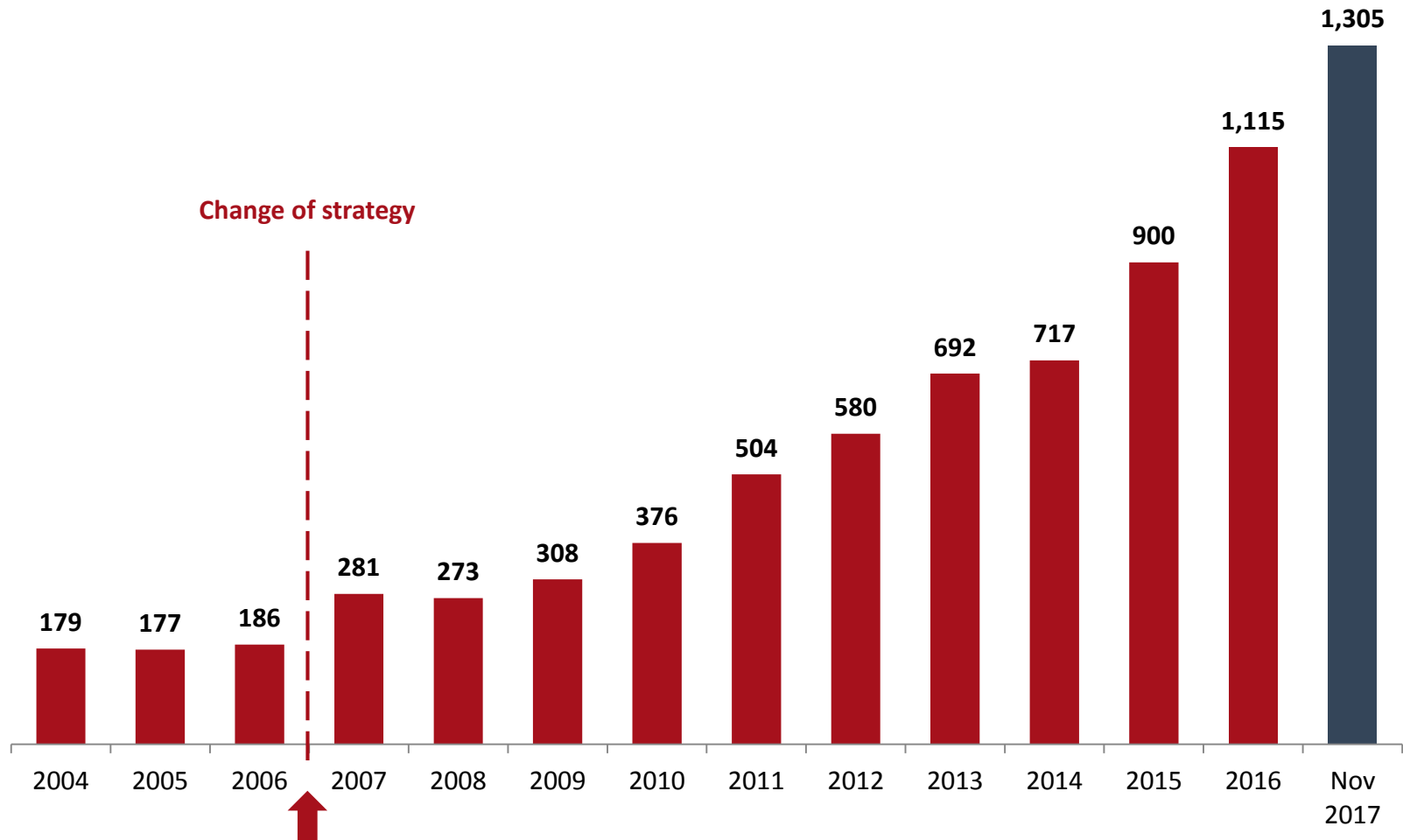
## Regional diversification

<u>Federal State</u>	<u>Number of properties</u>	<u>Share in the market value of total portfolio (as of Nov 2017)</u>
Northrhine-Westphalia	25	25%
Baden-Wurttemberg	10	18%
Bavaria	10	17%
Hessen	8	11%
Berlin	3	9%
Lower Saxony	6	6%
Schleswig-Holstein	1	6%
Hamburg	3	2%
Rhineland-Palatinate	3	2%
Bremen	2	2%
Saxony	2	2%
<b>Total</b>	<b>73</b>	

# Portfolio-Management

## Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

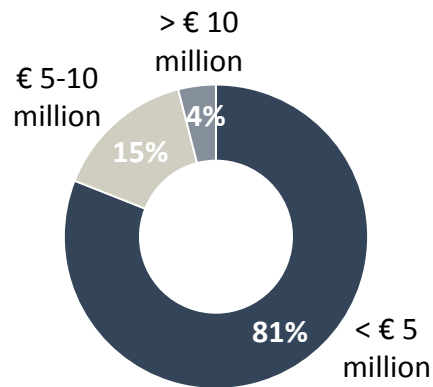


# Portfolio-Management

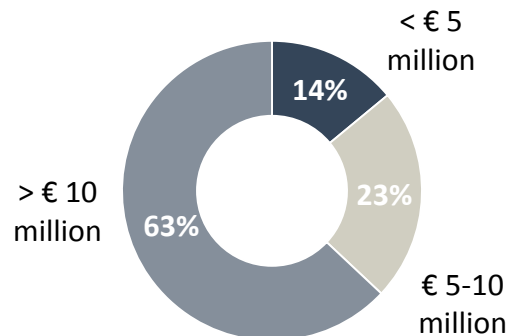
## Increasing value per asset through acquiring larger assets

### Portfolio split by property value

31 December 2006 (100% = 54 properties)

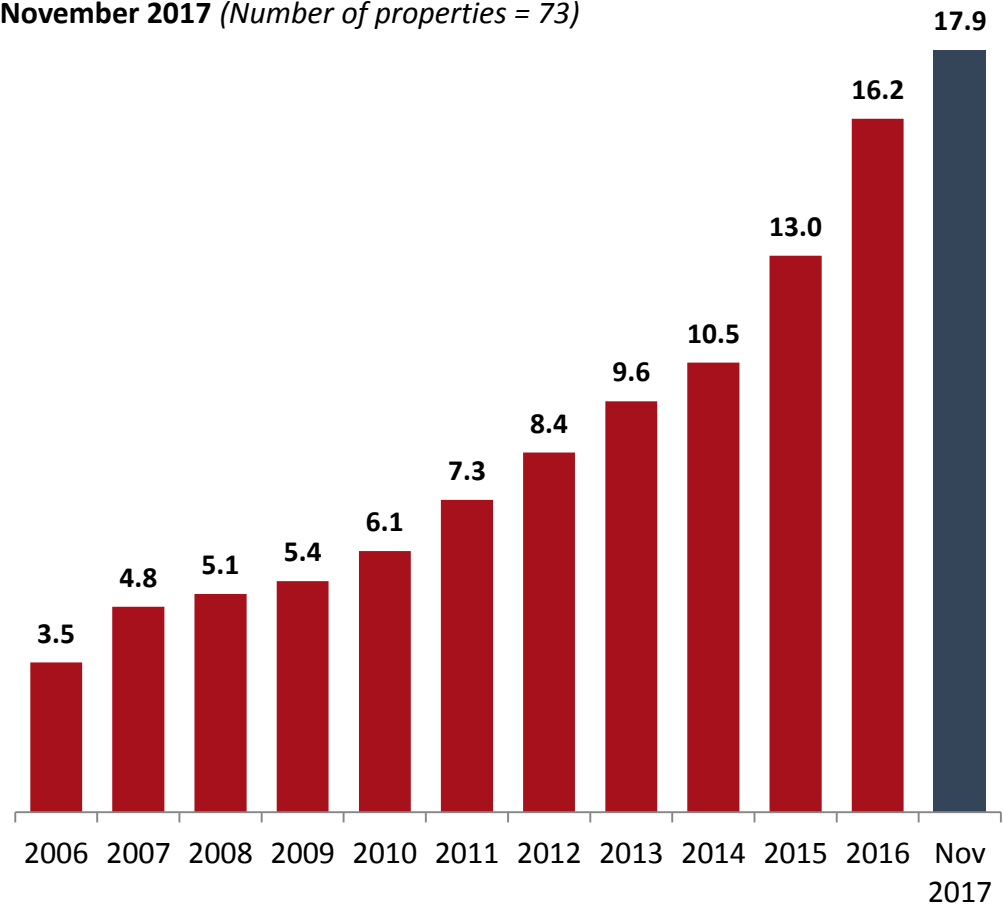


November 2017 (100% = 73 properties)



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

November 2017 (Number of properties = 73)



## Investments 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 tenants</b>	NetCologne	Müller, tegut, C&A, Expert, ALDI
<b>Leased area</b>	approx. 26,500 m <sup>2</sup>	approx. 21,800 m <sup>2</sup>
<b>Annual rental income</b>	€ 2.8 million	€ 2.5 million
<b>Remaining lease term</b>	5.9 years <sup>(1)</sup>	6.8 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 30 September 2017

## Investments 2017



**Berlin**  
**Märkische Allee**



**Ratingen**  
**Balcke-Dürr-Allee**

<b>Built</b>	2006	2017
<b>Main tenants</b>	Kaufland	SPIE, Capgemini
<b>Leased area</b>	approx. 6,500 m <sup>2</sup>	approx. 10,400 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.9 million	€ 1.9 million
<b>Remaining lease term</b>	8.0 years <sup>(1)</sup>	8.1 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.3 %	5.7 %
<b>Purchase price</b>	€ 16.2 million	€ 34.4 million
<b>Transfer of possession</b>	March 2017	July 2017

(1) As of 30 September 2017

## Investments 2017



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



**Kiel**  
**Kaistrasse**

<b>Built</b>	2017	2017
<b>Main tenants</b>	REWE, ALDI, dm, Deichmann	Barmer GEK
<b>Leased area</b>	approx. 12,800 m <sup>2</sup>	approx. 6,550 m <sup>2</sup>
<b>Annual rental income</b>	€ 2.0 million	€ 1.2 million
<b>Remaining lease term</b>	15.0 years <sup>(1)</sup>	9.9 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.4 %	5.5 %
<b>Purchase price</b>	€ 37.5 million	€ 22.2 million
<b>Transfer of possession</b>	August 2017	November 2017

(1) As of 30 September 2017



# Portfolio-Management

## Investments 2017

### Transfer of possession outstanding



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

<b>Built</b>	2017 (under construction)
<b>Main tenants</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)

# Portfolio-Management

## Investments

### Purchase contract signed



**Düsseldorf**  
**Harffstraße**



**Köln**  
**Unter Linden**

<b>Built</b>	1980 (Modernized 2011)	2009
<b>Main tenants</b>	EDEKA	EDEKA, ALDI, dm, Sparkasse
<b>Leased area</b>	5,350 m <sup>2</sup>	6,500 m <sup>2</sup>
<b>Annual rental income</b>	0.6 million	€ 1.1 million
<b>Remaining lease term</b>	10.3 years <sup>(1)</sup>	8.5 years
<b>Gross initial yield</b>	5.5 %	5.1 %
<b>Purchase price</b>	€ 10.0 million	€ 20.5 million
<b>Transfer of possession</b>	Q1 2018e	Q1 2018e

(1) As of date of signing

# Portfolio-Management

## Investments

### Purchase contract signed



**Bonn**  
**Basketsring**

<b>Built</b>	2008
<b>Main tenants</b>	EDEKA
<b>Leased area</b>	4,900 m <sup>2</sup>
<b>Annual rental income</b>	€ 0.7 million
<b>Remaining lease term</b>	10.0 years <sup>(1)</sup>
<b>Gross initial yield</b>	5.4 %
<b>Purchase price</b>	€ 13.9 million
<b>Transfer of possession</b>	Q1 2018e

(1) As of date of signing

## 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 <sup>2</sup>
Selling price:	€ 0.347 million
Book value as of 31 Dec 2016:	€ 0.016 million
Transfer of possession:	3 January 2017

### Recent Divestment

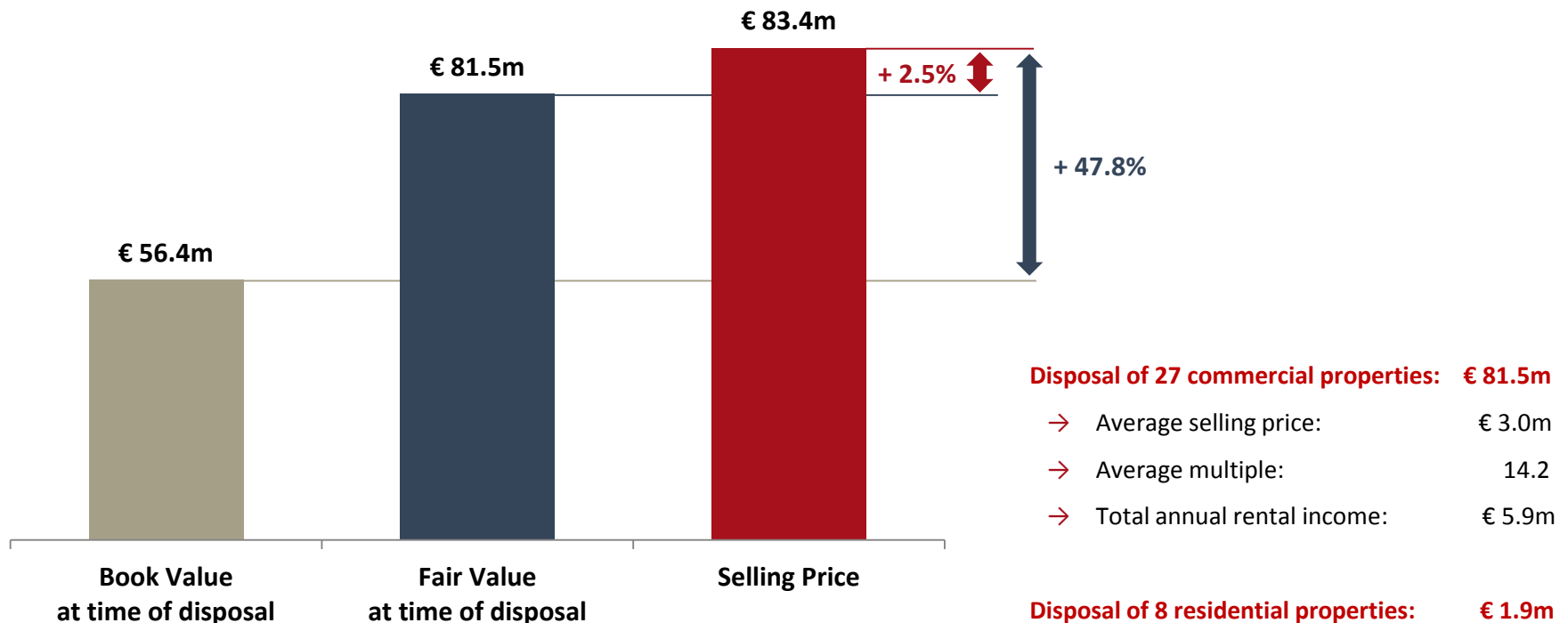


#### Minden

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:	1 September 2017

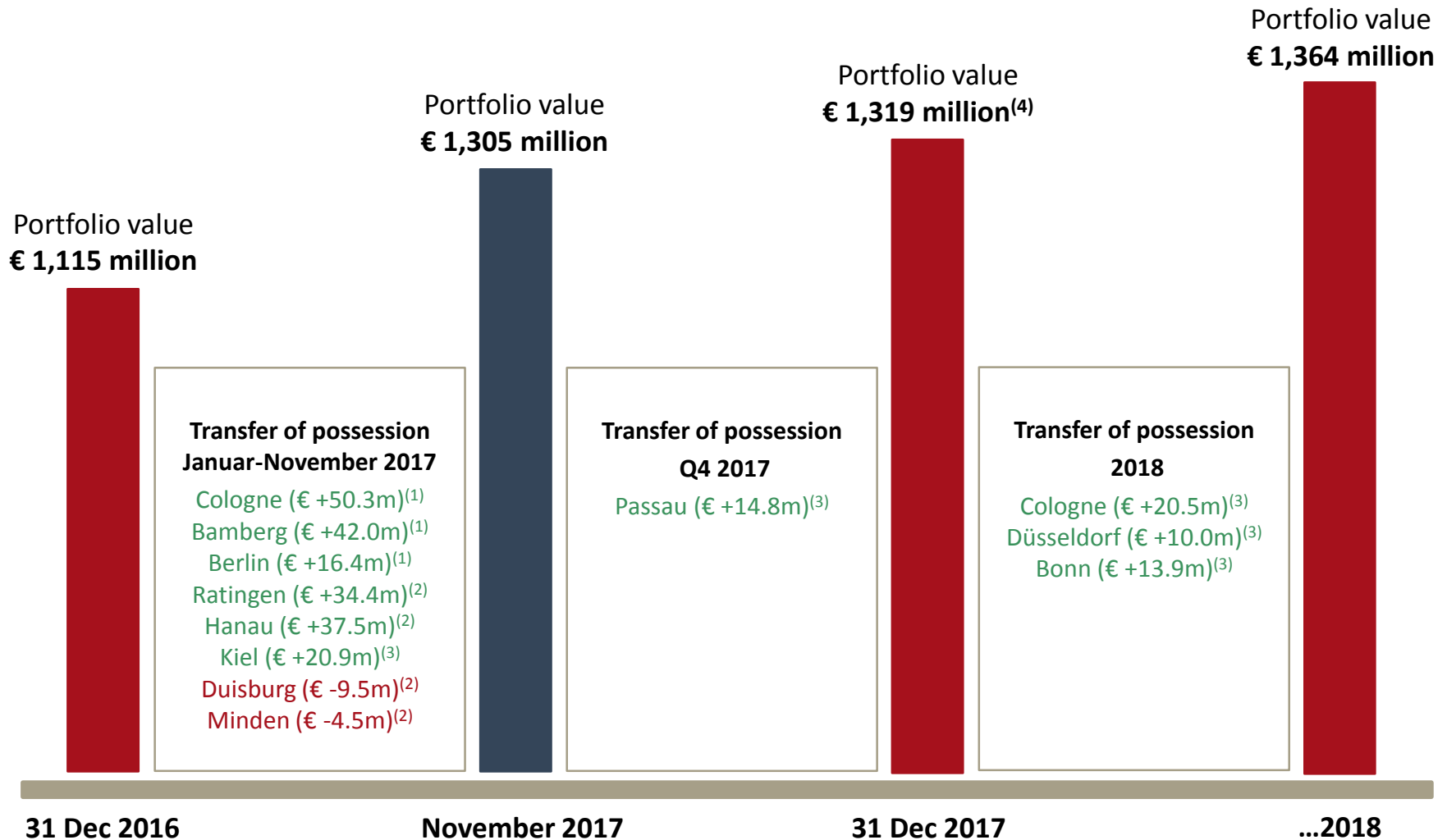
# Portfolio-Management

## Divestments since change of strategy in 2007



# Portfolio-Management

## Portfolio development 2017



(1) Fair value as of 30 June 2017 (2) Fair value as of 31 December 2016 (3) Contractually agreed purchase/selling price (4) excluding revaluation gains

**1** History / Capital markets track record

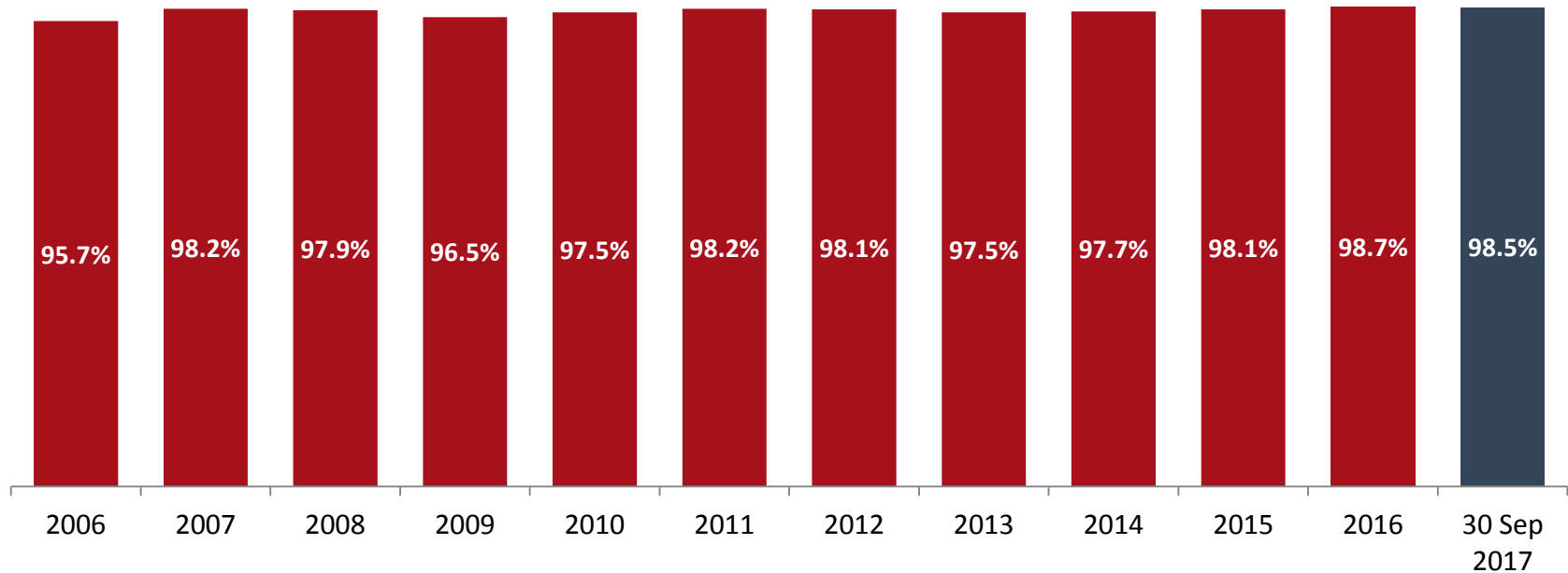
**2** Portfolio-Management

**3** Asset-Management

**4** Financial Figures / Financial Position

## High and stable occupancy

### Occupancy rates

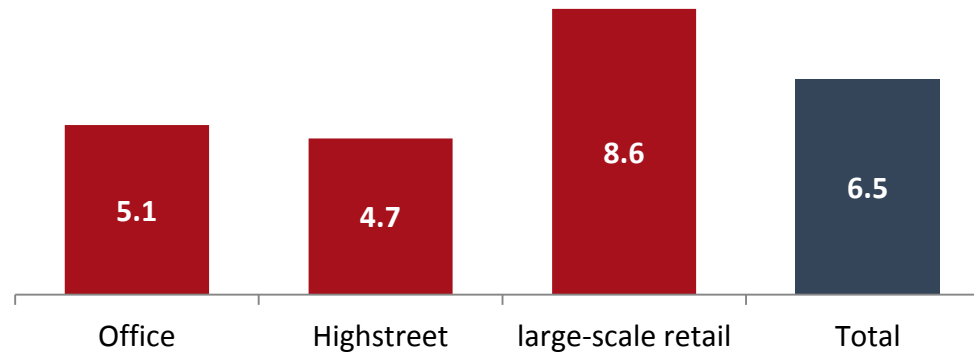


- Vacancy rate as of 30 September 2017 incl. rent guarantees: 1.5 %
- Vacancy rate as of 30 September 2017 excl. rent guarantees: 1.7 %

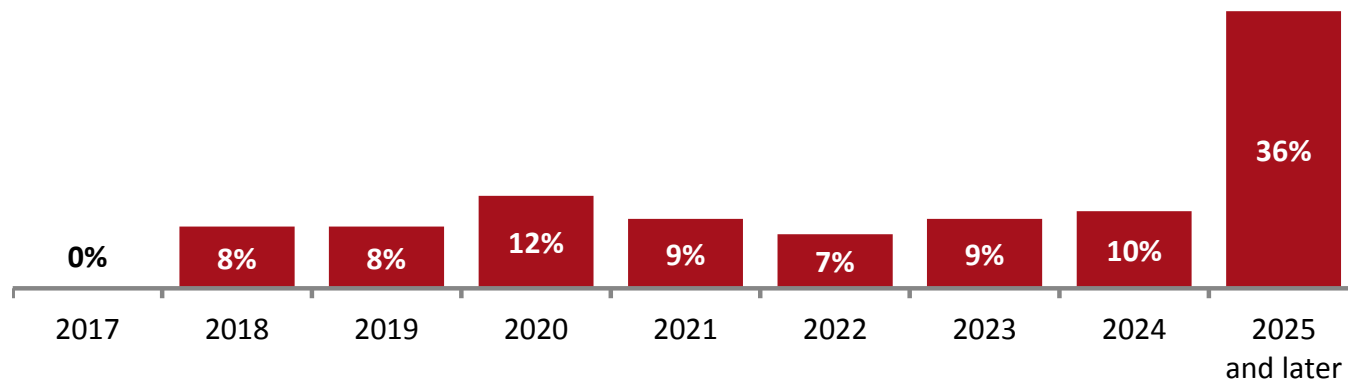


## Long-term leases

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



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



## Solid tenants

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

	Tenant	Sector	Anteil an annualisierten Mieterträgen*
	EDEKA-Group	Discount food retail	10,2 %
	Kaufland Group	Discount food retail	7,4 %
	Real,-	Discount food retail	5,9 %
	OBI	Retail (DIY)	5,6 %
	Jobcenter	Agency of unemployment	3,6 %
	REWE	Discount food retail	3,2 %
	H&M	Textile retail	2,3 %
	NetCologne	Telecommunication	2,3 %
	C&A	Textile retail	1,8 %
	SPIE	Technical Services	1,4 %
	<b>Gesamt</b>		<b>43,7 %</b>

**1**

**History / Capital markets track record**

**2**

**Portfolio-Management**

**3**

**Asset-Management**

**4**

**Financial Figures/Financial Position**

# Financial Figures / Financial Position

---

## Strong first nine month 2017

### Highlights

---

- Increase in income from rents and leases: + 20.5%
- FFO increase: + 27.6%
- Vacancy rate: 1.5 % (incl. rent guarantees)
- Total invested volume: € 180.6 million (5 assets)
- Total portfolio volume: € 1.3 billion
- NAV per share: € 9.51
- Further reduction of average interest rate of loans to 2.6 %

## Financial Figures / Financial Position

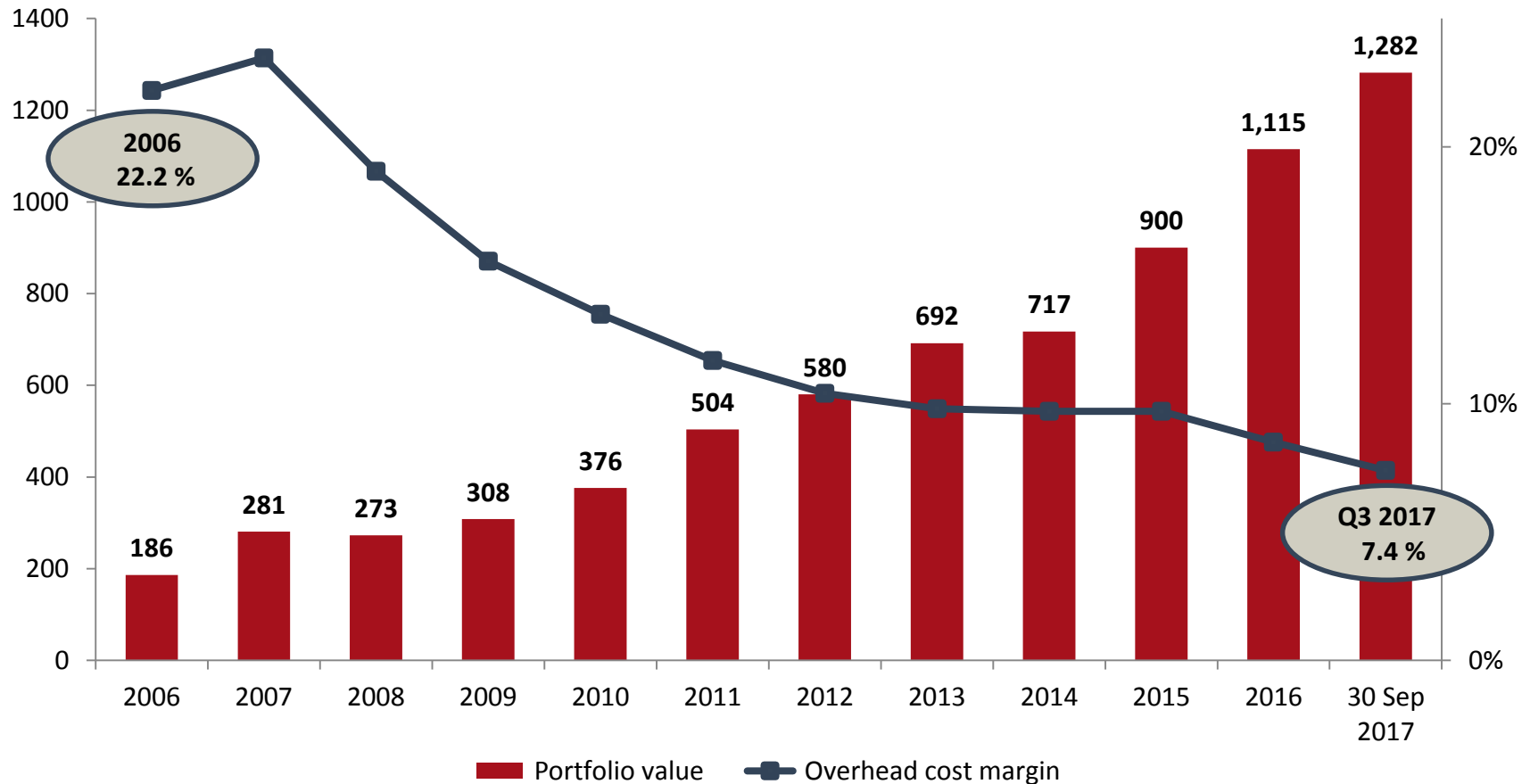
### Significant key figures for nine month 2017

Key figures	Q1-Q3 2017	Q1-Q3 2016	Change
Income from rents and leases	€ 54.6 million	€ 45.3 million	+20.5%
Operating result	€ 23.6 million	€ 20.6 million	+14.4%
Profit for the period	€ 15.7 million	€ 14.1 million	+11.6%
Funds from operations	€ 33.9 million	€ 26.5 million	+27.6%
Funds from operations per share	€ 0.42	€ 0.33	
	<b>30 September 2017</b>	<b>30 September 2016</b>	
REIT EK-Quote	58.7 %	68.3 %	-9.6%-points
Loan to value (LTV)	40.0 %	28.5 %	+11.5%-points
Net asset value (NAV) je Aktie	€ 9.51	€ 9.03	+5.3%

# Financial Figures / Financial Position

## Benefitting from economies of scale

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

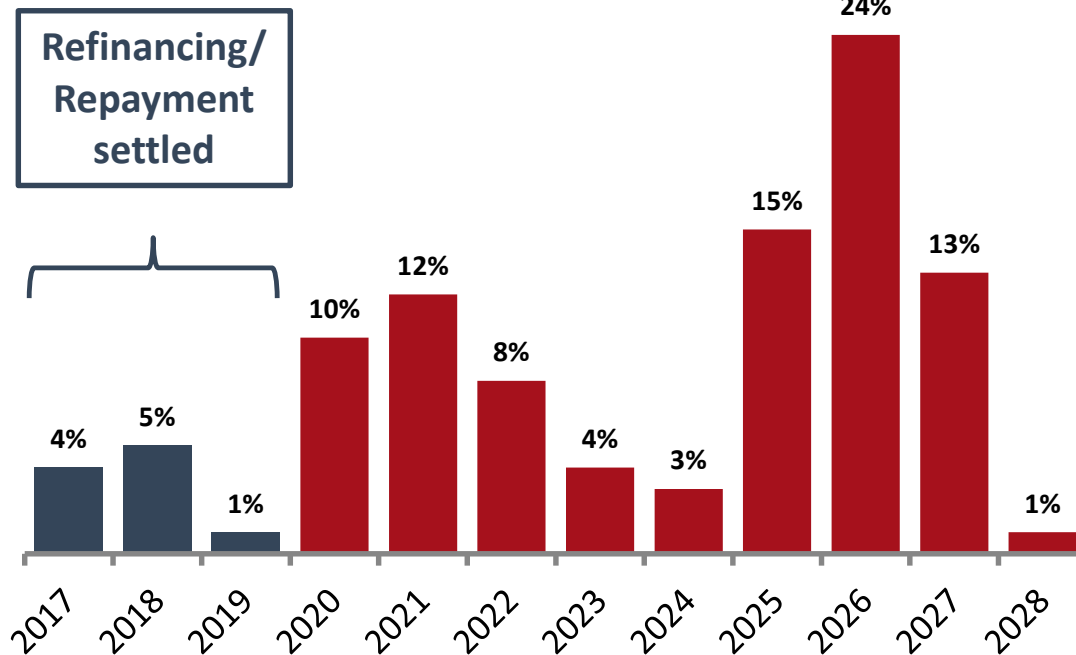


\* Personnel and administrative expenses in relation to income from rents and leases.

## Financial Figures / Financial Position

### Stable and predictable cost of debt

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



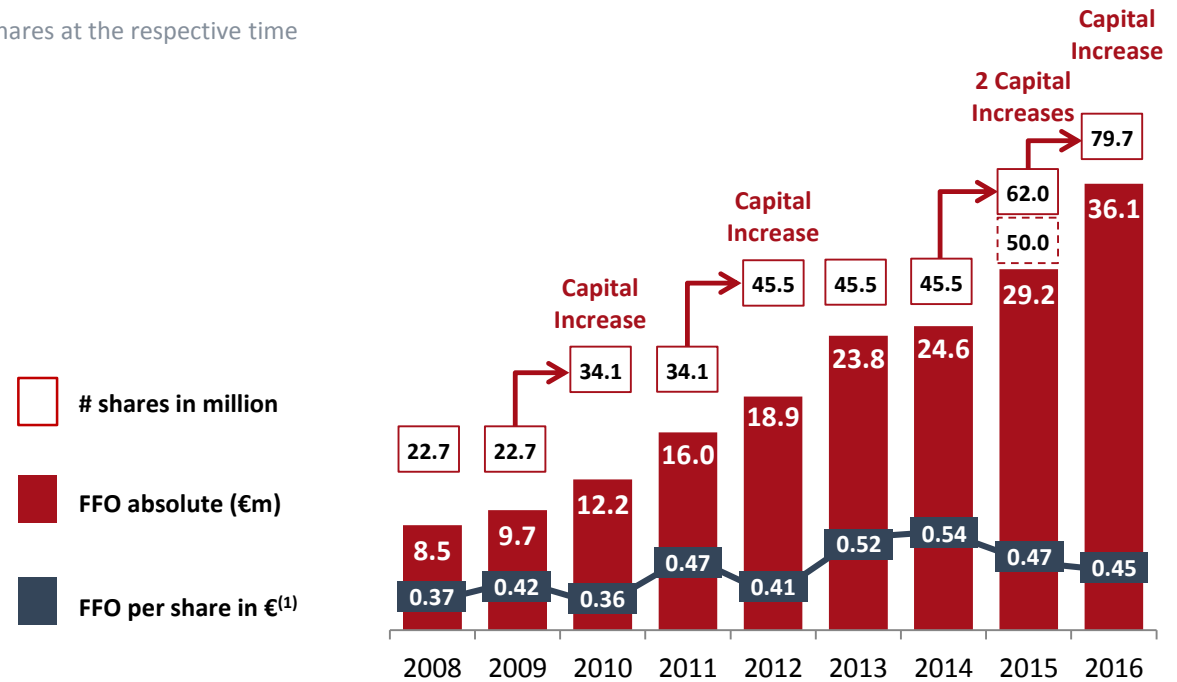
- Financial debt: **€ 552.4 million**
- Liquid funds: **€ 41.5 million**
- REIT equity ratio: **58.7 %**
- LTV: **40.0 %**
- Average maturity of fixed interest rates: **6.4 years**
- Average cost of debt: **2.6 %**
- Financing banks
  - Institutional banks
  - Cooperative banks
  - Saving banks
  - Insurance companies

# Financial Figures / Financial Position

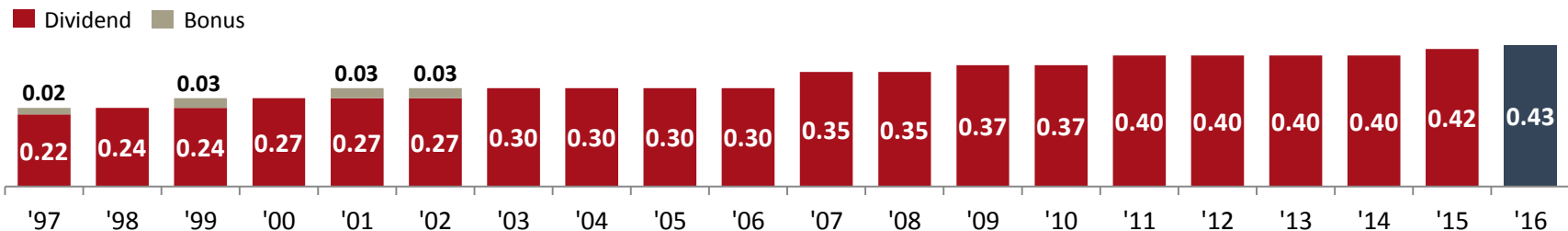
## Increasing FFO and dividend per share

### Funds From Operations (FFO)

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



### Dividend per share (€)





# Summary and outlook

---

## Conclusion/Summary

- Successful first nine month 2017 with positive development of operational business
- Vacancy rate: 1.5% (incl. rent guarantees)
- Transfer of possession of five assets in Cologne, Hallstadt/Bamberg, Berlin, Ratingen and Hanau
- Transfer of possession of an office building in Kiel on 2 November 2017
- Disposal of two assets in Duisburg and Minden
- Portfolio value: € 1.3 billion
- Further reduction of average interest rate of loans to 2.6 %

## Forecast 2017

- Rental income: **+ 18 - 20%**
- FFO: **€ 44 - 45 million**
- FFO per share: **€ 0.55 - € 0.56**
- Remaining fire power: **€ 70 - 100 million**

<b>HAMBORNER REIT AG - Financial Calendar</b>	
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
Dividend payment	2 May 2018
Interim report for first half 2018	9 August 2018
Interim Report for 3rd quarter 2018	8 November 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>	7.0 years <sup>(2)</sup>	3.2 years <sup>(2)</sup>	5.9 years <sup>(2)</sup>	5.9 years <sup>(2)</sup>	5.4 years <sup>(2)</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 December 2016 (2) As of 30 September 2017

## TOP 10 Properties (2/2)



**Hallstadt/Bamberg  
Market Oberfranken**



**Karlsruhe**



**Celle**



**Hanau  
Rondo Steinheim**



**Ratingen**

<b>Asset type</b>	Retail	Retail/Office	Retail	Retail	Office
<b>Year of acquisition</b>	2017	2012	2015	2017	2017
<b>Purchase price</b>	€ 41.5 million	€ 37.0 million	€ 35.2 million	€ 37.5 million	€ 34.4 million
<b>Fair value</b>	€ 42.0 million <sup>(2)</sup>	€ 40.7 million <sup>(1)</sup>	€ 39.2 million <sup>(1)</sup>	€ 37.8 million <sup>(2)</sup>	€ 34.4 million <sup>(3)</sup>
<b>Annual rental income</b>	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 2.0 million	€ 1.9 million
<b>Remaining lease term</b>	6.8 years <sup>(2)</sup>	4.4 years <sup>(2)</sup>	10.9 years <sup>(2)</sup>	15.0 years <sup>(2)</sup>	8.1 years <sup>(2)</sup>
<b>Main tenants</b>	Müller, tegut, C&A, Expert, ALDI	EDEKA, Brandmaker	Real, ALDI, Rossmann, tedox, Fressnapf	REWE, ALDI, dm, Deichmann	SPIE, Capgemini

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

# Appendix

## TOP 50 Cities in Germany



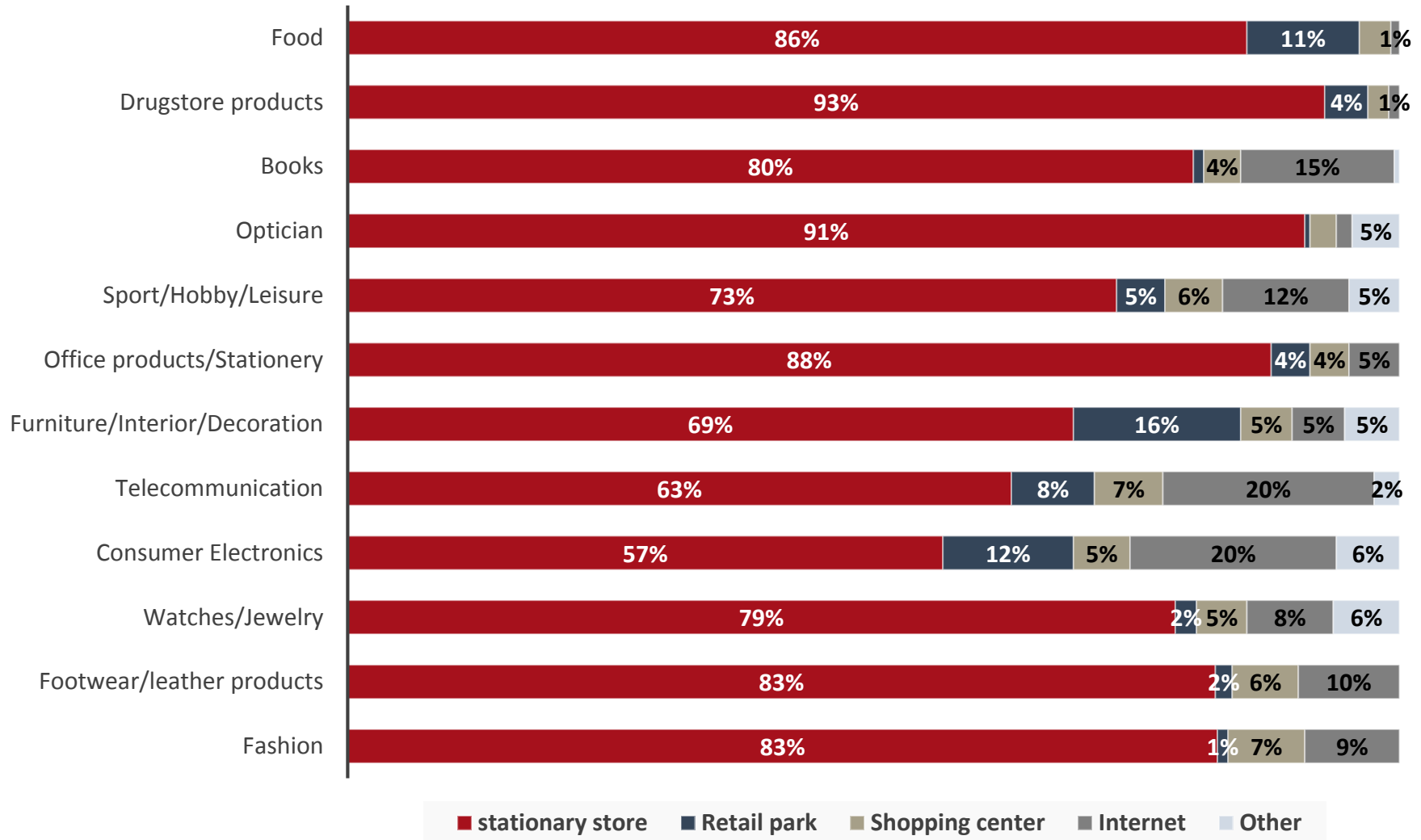
### High attractiveness in terms of

- Demographic development
- Purchase power
- Centrality
- Future opportunities

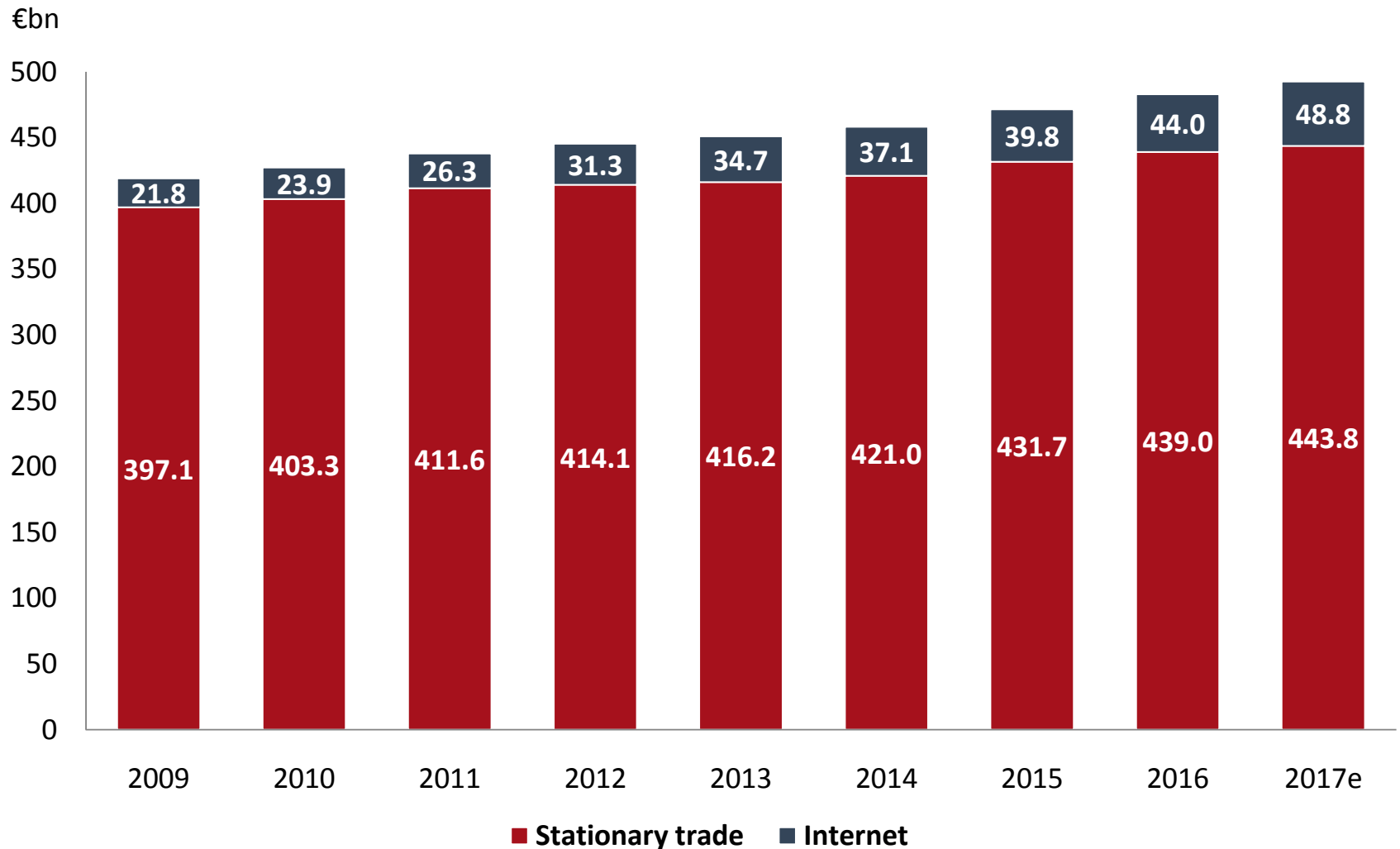
**Aachen\***  
**Aschaffenburg**  
**Augsburg\***  
**Bad Homburg\***  
**Bamberg\***  
**Bayreuth\***  
**Berlin\***  
 Böblingen  
 Bonn  
 Braunschweig  
 Darmstadt  
**Dresden\***  
 Düsseldorf  
**Erlangen\***  
 Esslingen am Neckar  
**Frankfurt am Main\***  
**Freiburg im Breisgau\***  
 Friedrichshafen  
**Fürth\***  
 Göttingen  
**Hamburg\***  
 Hanover  
 Heidelberg  
 Heilbronn  
**Ingolstadt\***

**Karlsruhe\***  
 Kempten  
**Koblenz\***  
**Cologne\***  
 Konstanz  
 Landshut  
**Leipzig\***  
 Ludwigsburg  
 Mainz  
**Mannheim\***  
**Munich\***  
**Münster\***  
 Nürnberg\*  
**Oldenburg\***  
*Passau\*\**  
 Pforzheim  
**Regensburg\***  
 Reutlingen  
 Sindelfingen  
**Stuttgart\***  
**Tübingen\***  
 Ulm  
**Wiesbaden\***  
 Wolfsburg  
 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





This presentation was exclusively prepared for the addresses specified on the title page and/or the participants at the mentioned event. The information in this presentation is based on both public information and documents as well as information which was made available to HAMBORNER REIT AG by the respectively mentioned companies and third parties.

All statements, opinions and assessments contained in this presentation correspond to the current estimates and/or opinions of HAMBORNER REIT AG and may therefore not be construed as constant, immutable statements. HAMBORNER gives no guarantee with regard to the correctness or completeness of the information contained herein. HAMBORNER and its organs, boards, employees or other parties acting on behalf of HAMBORNER accept no liability whatsoever for the statements made in this presentation.