



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company Presentation

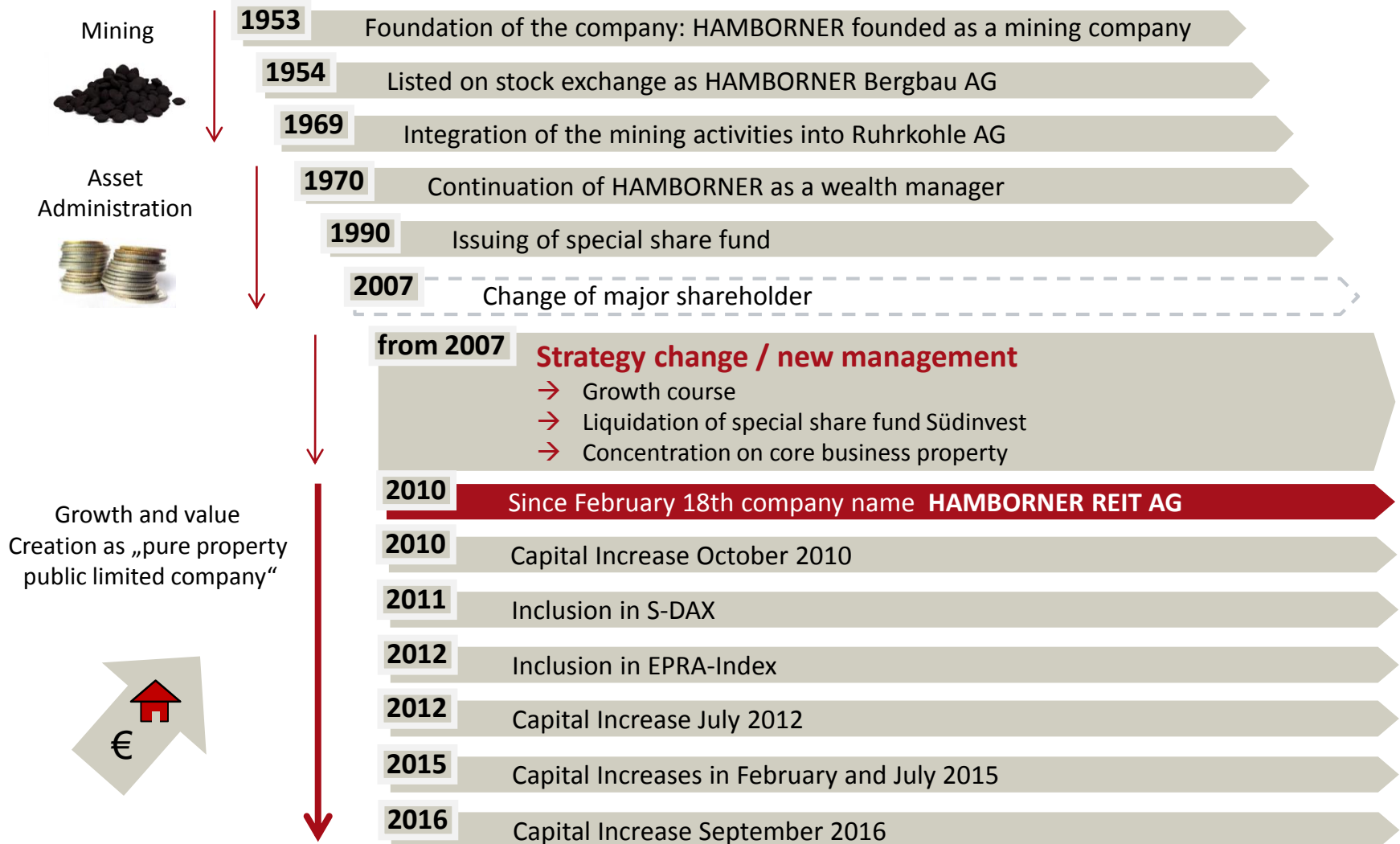
Dr. Rüdiger Mrotzek
Hans Richard Schmitz

November 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

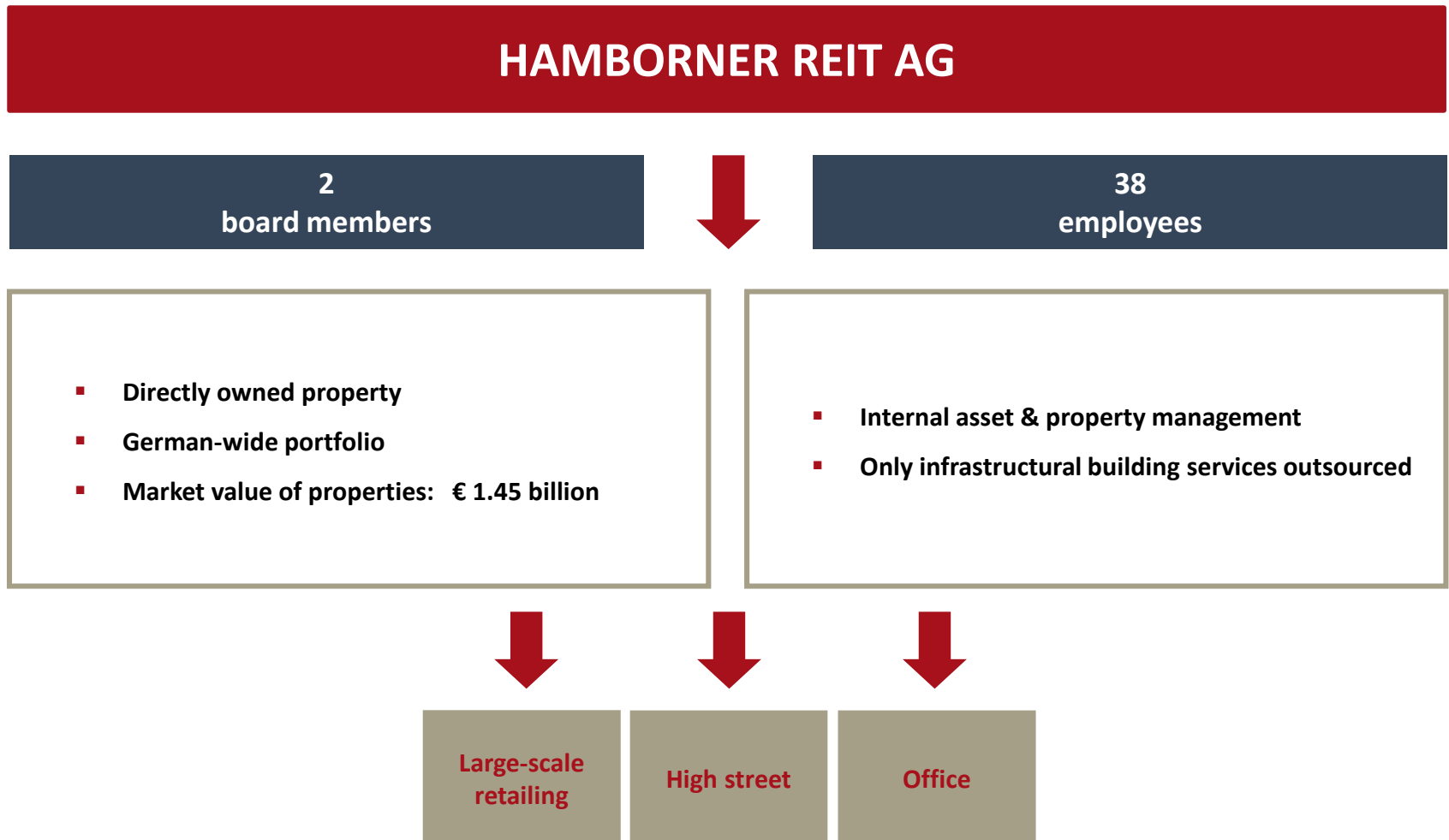
[R]eal [E]state [I]nvestment [T]rust (REIT)

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



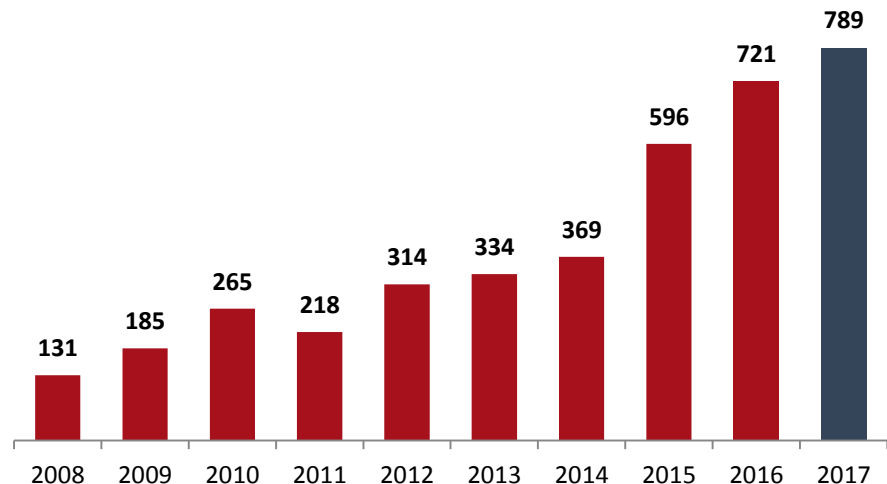
History / Capital markets track record

Growing market capitalization and increasing free float

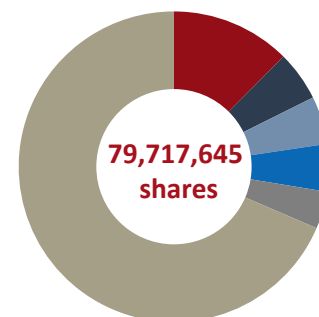
Milestones

- **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
- **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
- **May 2018:** New Authorisation to issue option and convertible bonds

Market cap (€ million)



Shareholders

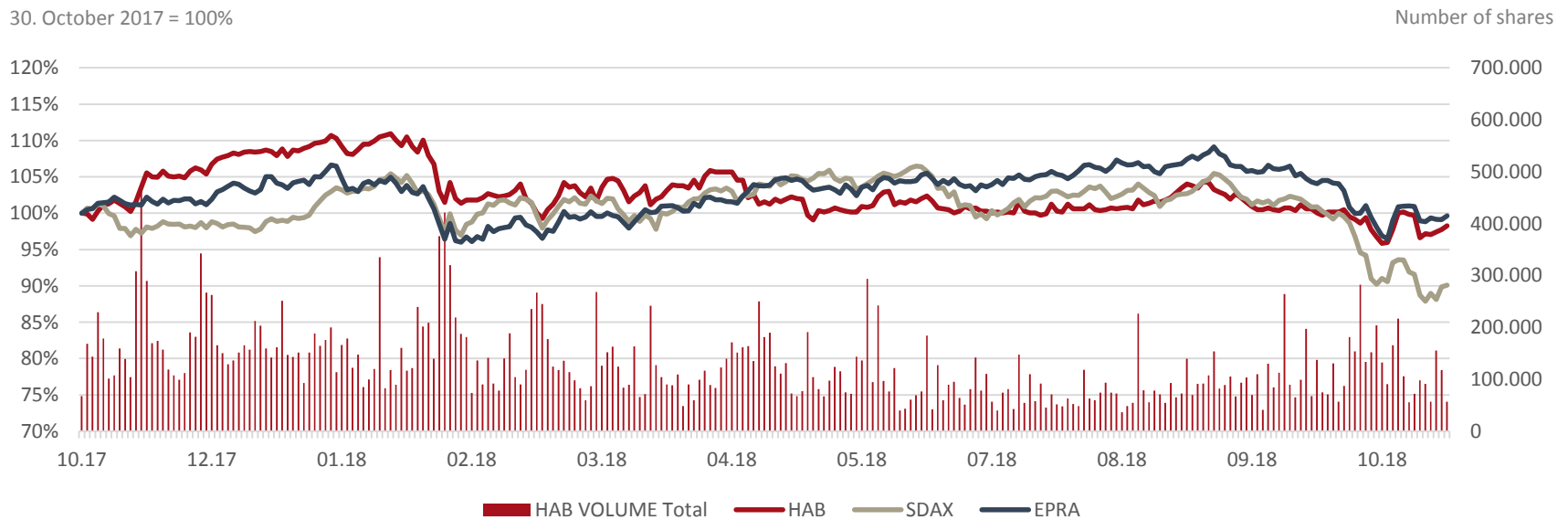


- **12.45%** RAG Foundation (Essen)
(of which: 2.67% through RAG AG)
- **5.20%** BlackRock Inc. (Wilmington)
- **4.99%** BNP Paribas (Paris)
- **4.95%** Belfius Insurance (Brussels)
- **3.89%** Prof. Dr. Siegert (Düsseldorf)
- **68.52%** Freefloat

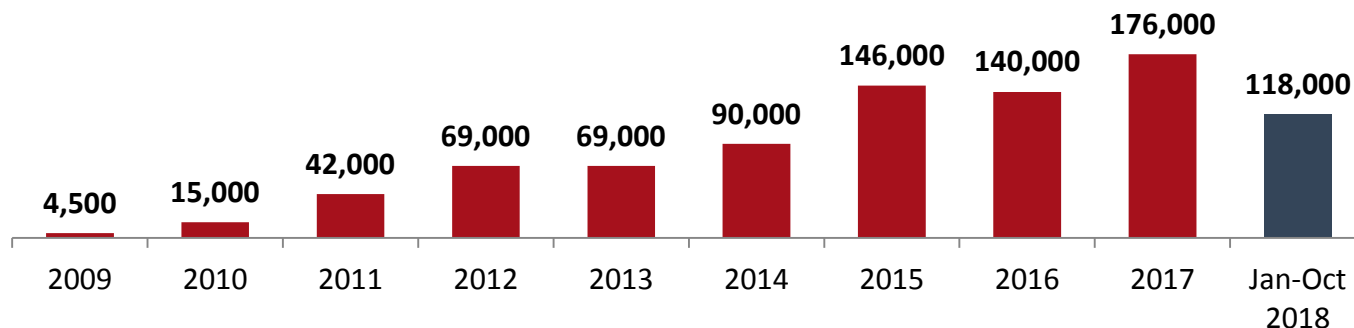
History / Capital markets track record

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

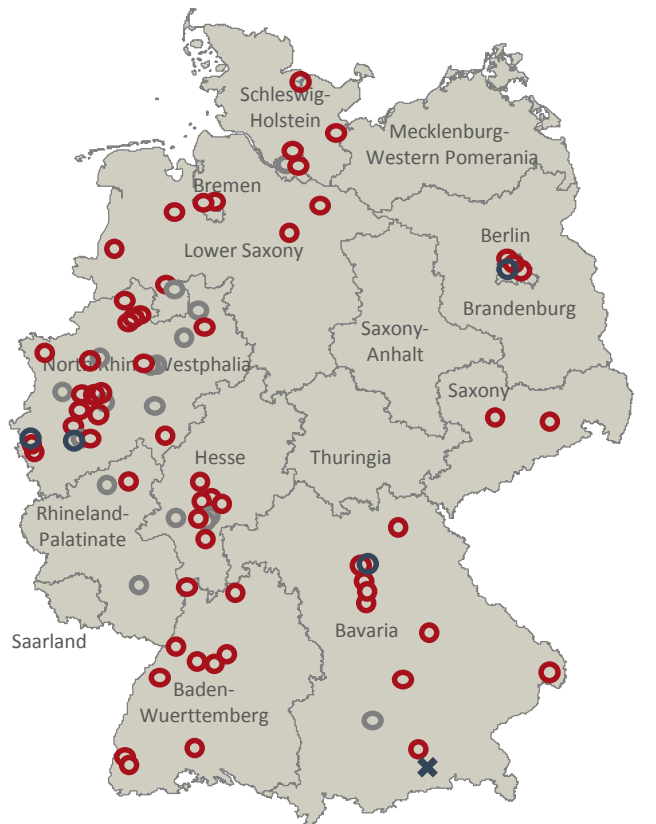
- Focus on quality properties, location and property strategy determined by asset type:
 - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
 - Large scale retailing in town centre sites or highly frequented 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 November 2018)

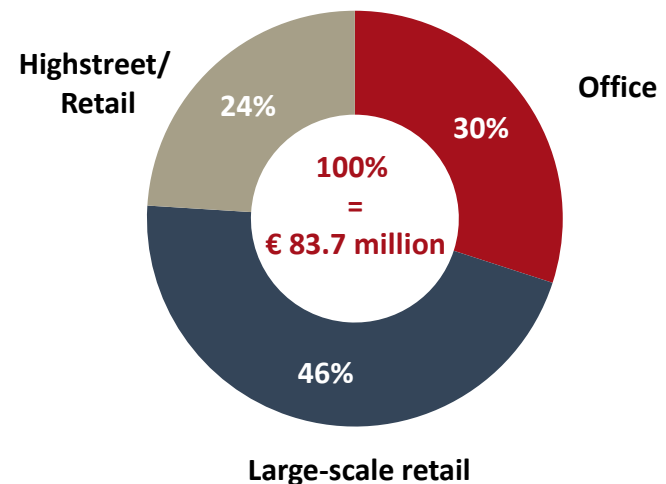


- Acquisitions before 2007
- Acquisitions from 2007
- Purchase contract signed
- ✕ Sales contract signed

Diversification of asset types (as of November 2018)

- 78 properties in 61 cities in Germany
- Focus on West, South and South-West
- € 1.454 billion portfolio value

Annualised rental income (as of November 2018)



Regional diversification

<u>Federal State</u>	<u>Number of properties</u>	<u>Share in market value of total portfolio (as of November 2018)</u>
Northrhine-Westphalia	28	27%
Bavaria	11	19%
Baden-Wurttemberg	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)

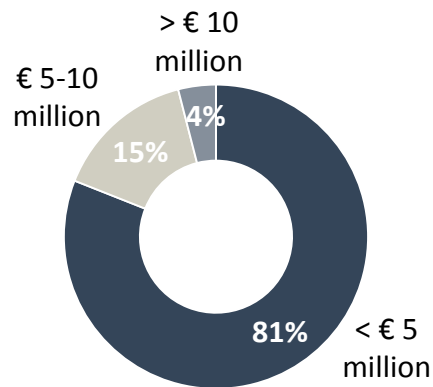


Portfolio-Management

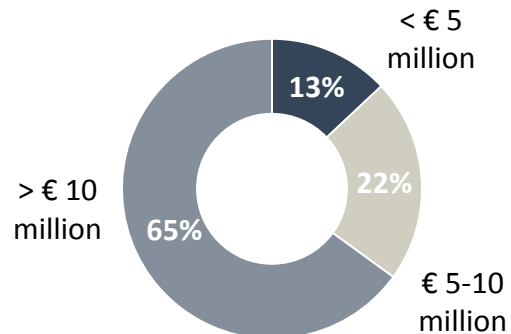
Increasing value per asset through acquiring larger assets

Portfolio split by property value

31 December 2006 (100% = 54 properties)

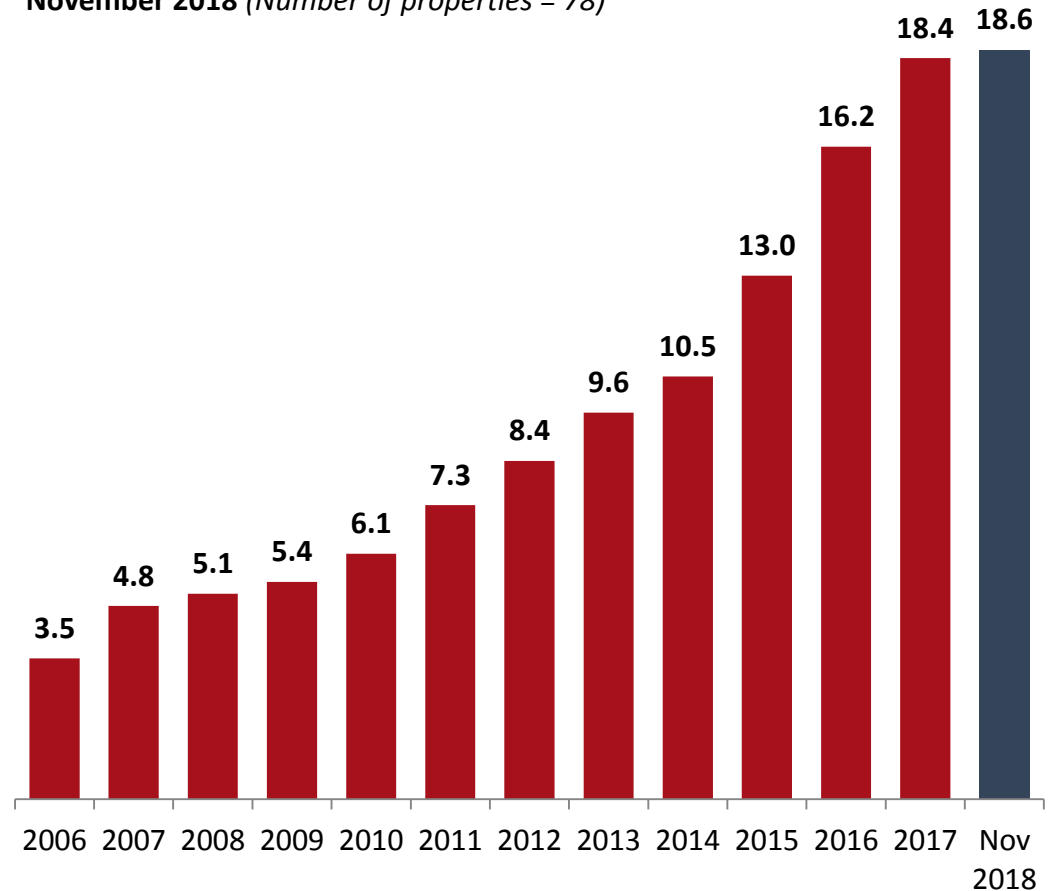


November 2018 (100% = 78 properties)



Average value per asset (in € million)

November 2018 (Number of properties = 78)



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	10.0 years ⁽¹⁾	8.1 years ⁽¹⁾
Gross initial yield	5.7 %	5.1 %
Purchase price	€ 9.7 million	€ 20.2 million
Transfer of possession	2 January 2018	2 January 2018

(1) As of date of transfer

Investments 2018



Bonn
Basketsring



Darmstadt
Leydhecker Strasse

Built	2008	2000
Main tenants	EDEKA	REWE, Herbalife, Alcan Systems
Leased area	4,934 m ²	19,400 m ²
Annual rental income	€ 0.8 million	€ 2.5 million
Remaining lease term	10.0 years ⁽¹⁾	5.9 years ⁽¹⁾
Gross initial yield	5.5 %	5.6 % ⁽²⁾
Purchase price	€ 13.8 million	€ 42.8 million
Transfer of possession	2 January 2018	20 April 2018

(1) As of date of transfer (2) Calculation incl. € 1.6m maintenance expenses

Portfolio-Management

Investments 2018

Transfer of possession 2018/2019



Berlin
Landsberger Allee



Bamberg
Starkenfeldstrasse

Built	1975 (Modernized in 2011)	2013
Main tenants	Globus Baumarkt	EDEKA, Perbility, Bosch BKK, IG Metall
Leased area	16,500 m ²	6,100 m ²
Annual rental income	€ 1.7 million	€ 0.83 million
Remaining lease term	11.6 years ⁽¹⁾	8.5 years ⁽¹⁾
Gross initial yield	5.3 %	5.5 %
Purchase price	€ 32.1 million	€ 15.0 million
Transfer of possession	30 November 2018	July 2019e

(1) As of date of signing

Portfolio-Management

Investments 2018

Transfer of possession 2019/2020



Aachen
Gut-Dämme-Straße/Grüner Weg



Bonn
Krähenhorst/Soenneckenstraße

Built	2019 (under construction)	2019 (under construction)
Main tenants	Barmer, ...	Barmer, ...
Leased area	8,200 m ²	6,200 m ²
Annual rental income	€ 1.5 million	€ 1.2 million
Remaining lease term	approx. 8 years ⁽¹⁾	approx. 10 years ⁽¹⁾
Gross initial yield	5.2 %	5.3 %
Purchase price	€ 28.3 million	€ 22.8 million
Transfer of possession	Q4 2019/Q1 2020e	Q4 2019/Q1 2020e

(1) As of date of signing

Divestments 2018



Brunnthal

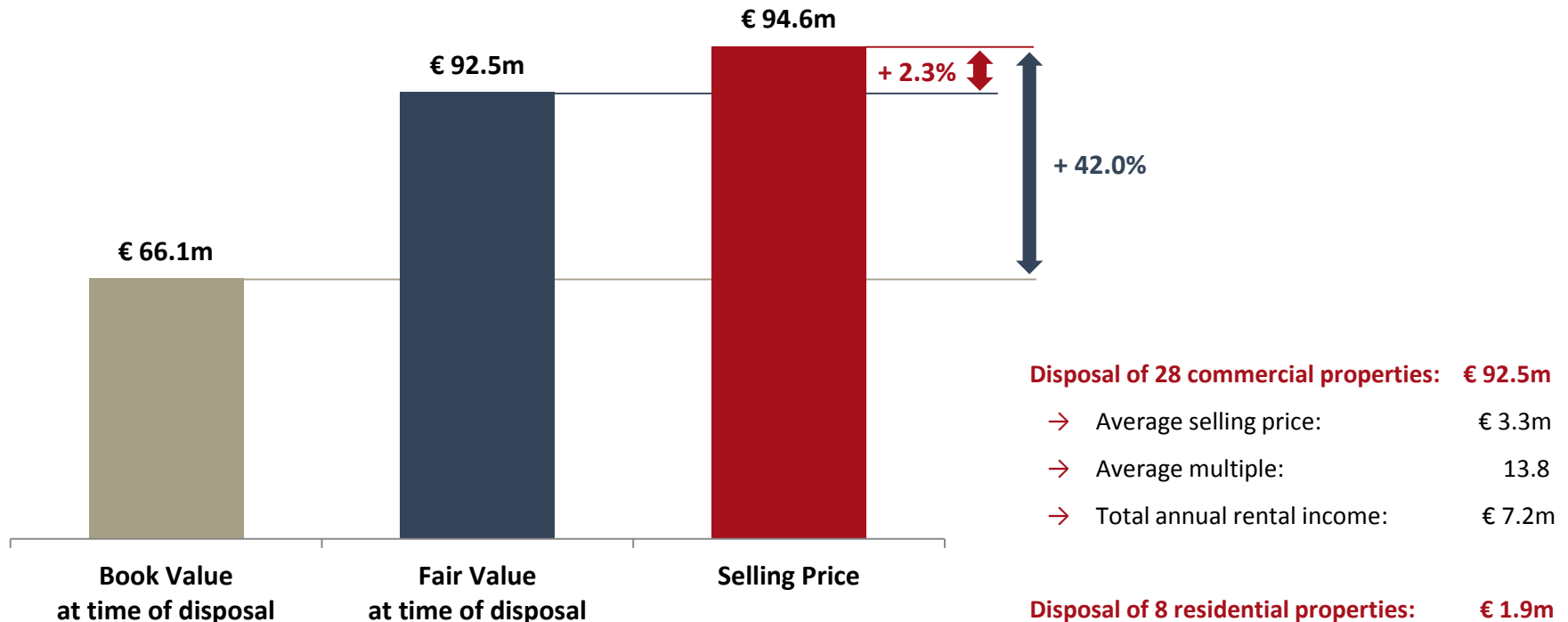
Selling price:	€ 11.2 million
Fair value as of 31 December 2017:	€ 11.1 million
Book value as of 30 September 2018:	€ 10.2 million
Book profit:	€ 1.0 million
Transfer of possession:	December 2018e

Undeveloped land

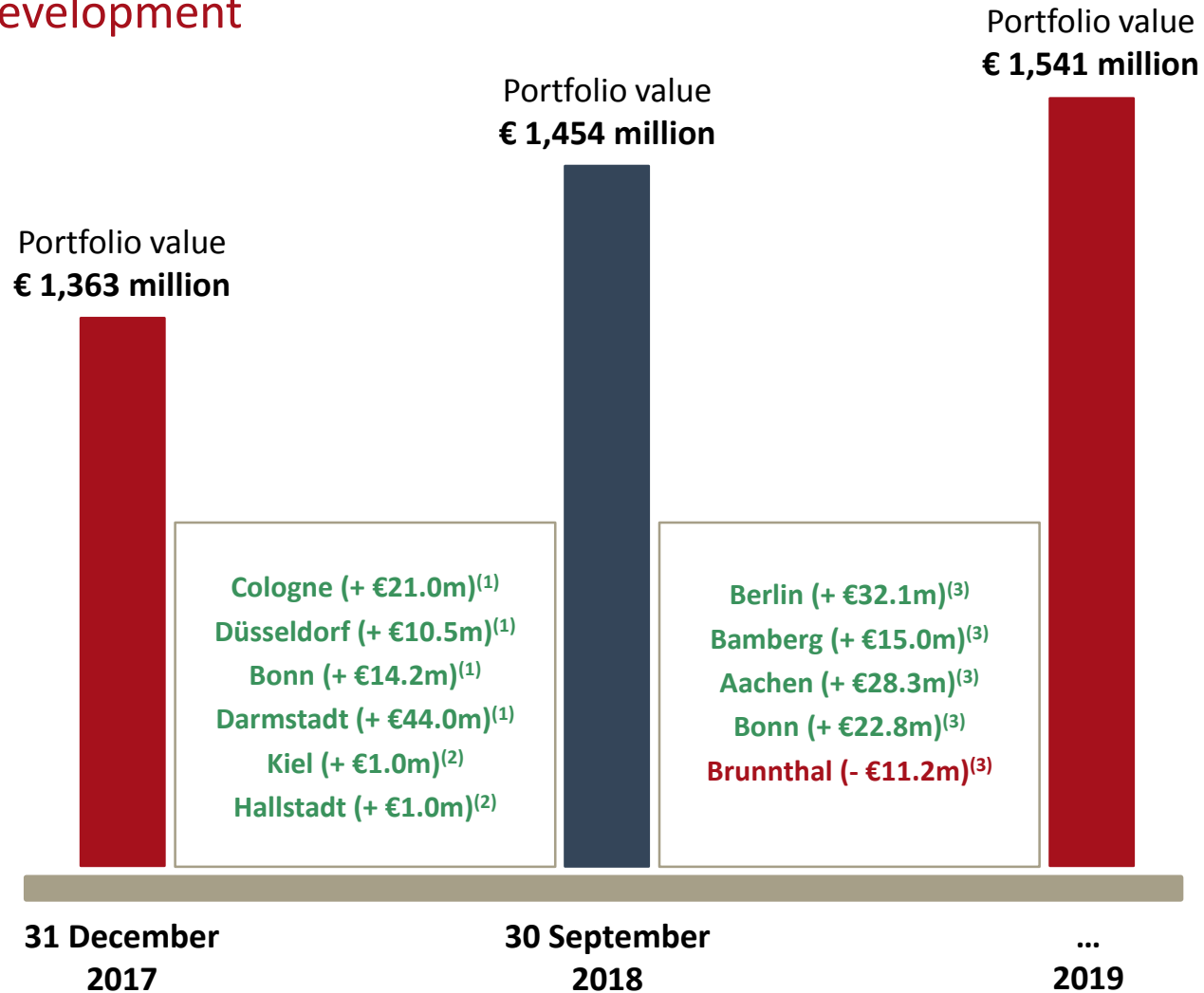
Plot size:	200,000 m²
Selling price:	€ 0.8 million
Book value as of 31 December 2017:	€ 0.2 million
Book profit:	€ 0.6 million
Transfer of possession:	December 2018e

Portfolio-Management

Divestments since change of strategy in 2007



Portfolio development



(1) Fair value as of 30 September 2018

(2) Value increase in 2018

(3) Contractually agreed purchase price

1 History / Capital markets track record

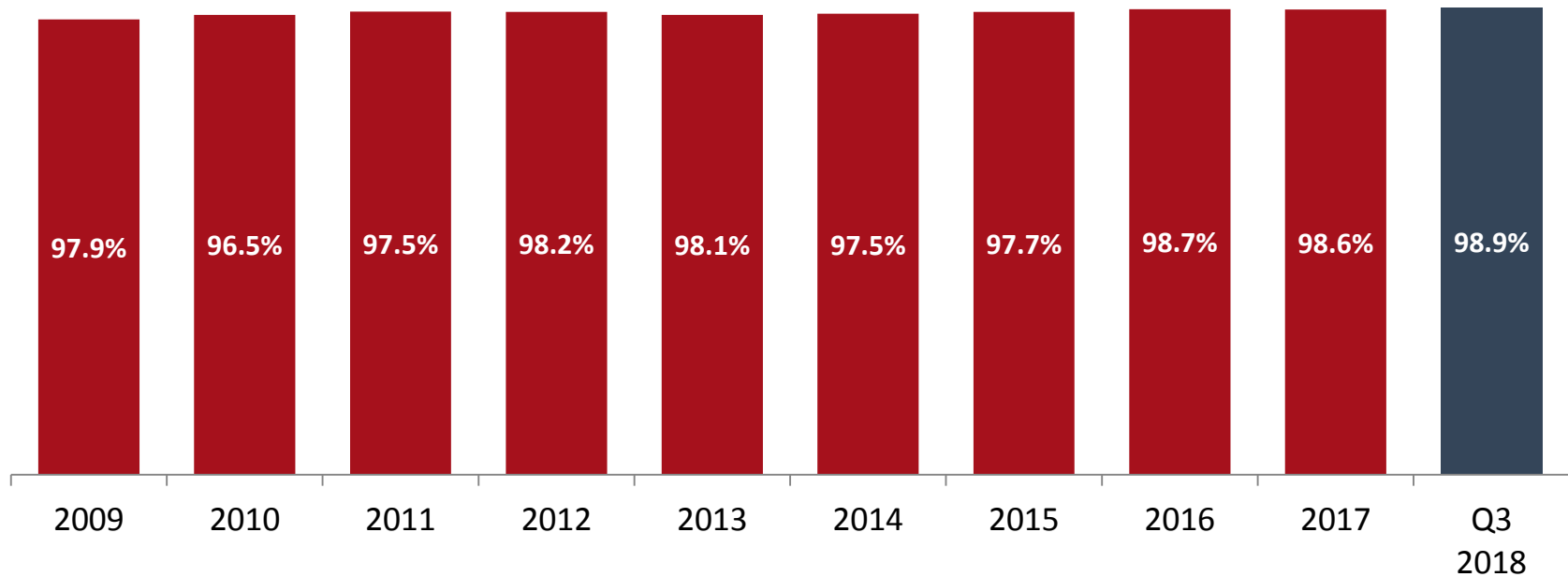
2 Portfolio-Management

3 Asset-Management

4 Financial Figures / Financial Position

High and stable occupancy

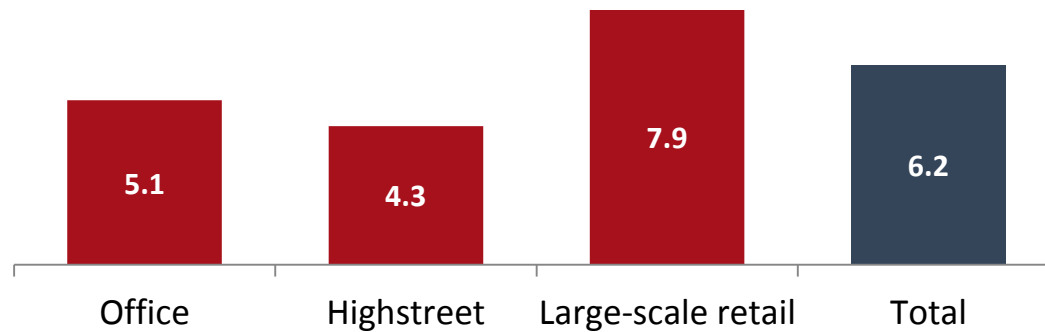
Occupancy rates



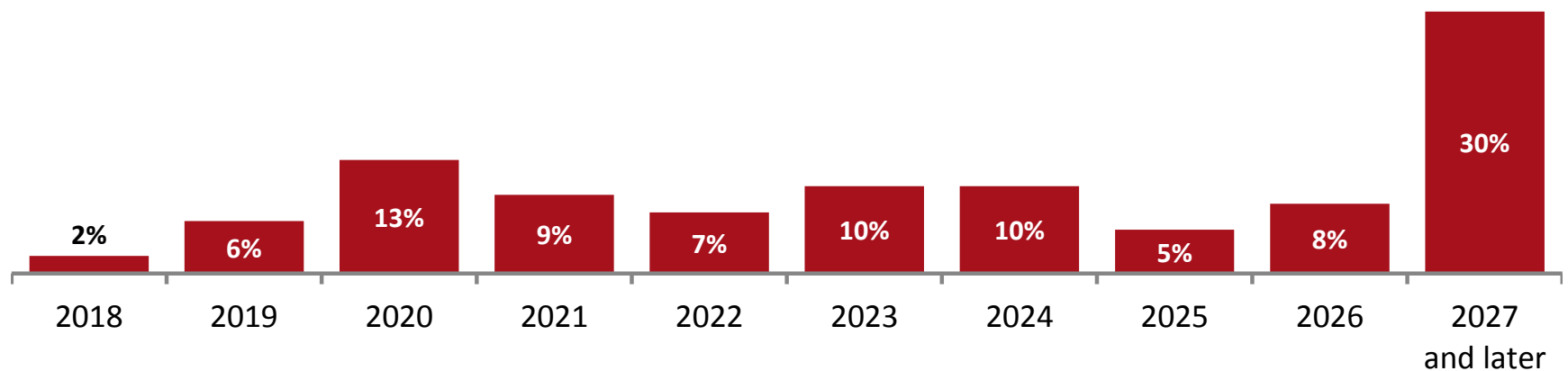
- Vacancy rate as of 30 September 2018 (incl. rent guarantees): 1.1 %
- Vacancy rate as of 30 September 2018 (excl. rent guarantees): 1.6 %

Long-term leases

Weighted average lease expiry by type (30 September 2018, in years)



Split of lease contracts expiring by year (30 September 2018)



Solid tenants

Top 10 tenants (as of 30 September 2018)

	Tenant	Sector	% annual rents*
	EDEKA Group	Food retail	11.6%
	Kaufland Group	Food retail	6.8%
	REWE Group	Food retail	5.6%
	real,-	Food retail	5.5%
	OBI	DIY retail	5.1%
	Jobcenter	Agency of unemployment	3.3%
	H&M	Textile retail	2.1%
	NetCologne	Telecommunication	2.1%
	Telefonica O ₂	Telecommunication	1.7%
	C&A	Textile retail	1.7%
	Total		<u>45.5%</u>

1

History / Capital markets track record

2

Portfolio-Management

3

Asset-Management

4

Financial Figures/Financial Position

Financial Figures / Financial Position

Successful first nine month 2018

Highlights

- Income from rents and leases: **+ 14.4%**
- Funds from operations (FFO): **+ 18.8%**
- Vacancy rate: **1.1 %** (incl. rent guarantees)
- Acquisition of four properties in Cologne, Bonn, Düsseldorf and Darmstadt
→ Total investment volume: **€ 86.5 million**
- Portfolio volume: **€ 1.45 billion**
- NAV per share: **€ 10.15**
- Purchase contracts signed for four further assets in Berlin, Bamberg, Aachen and Bonn

Financial Figures / Financial Position

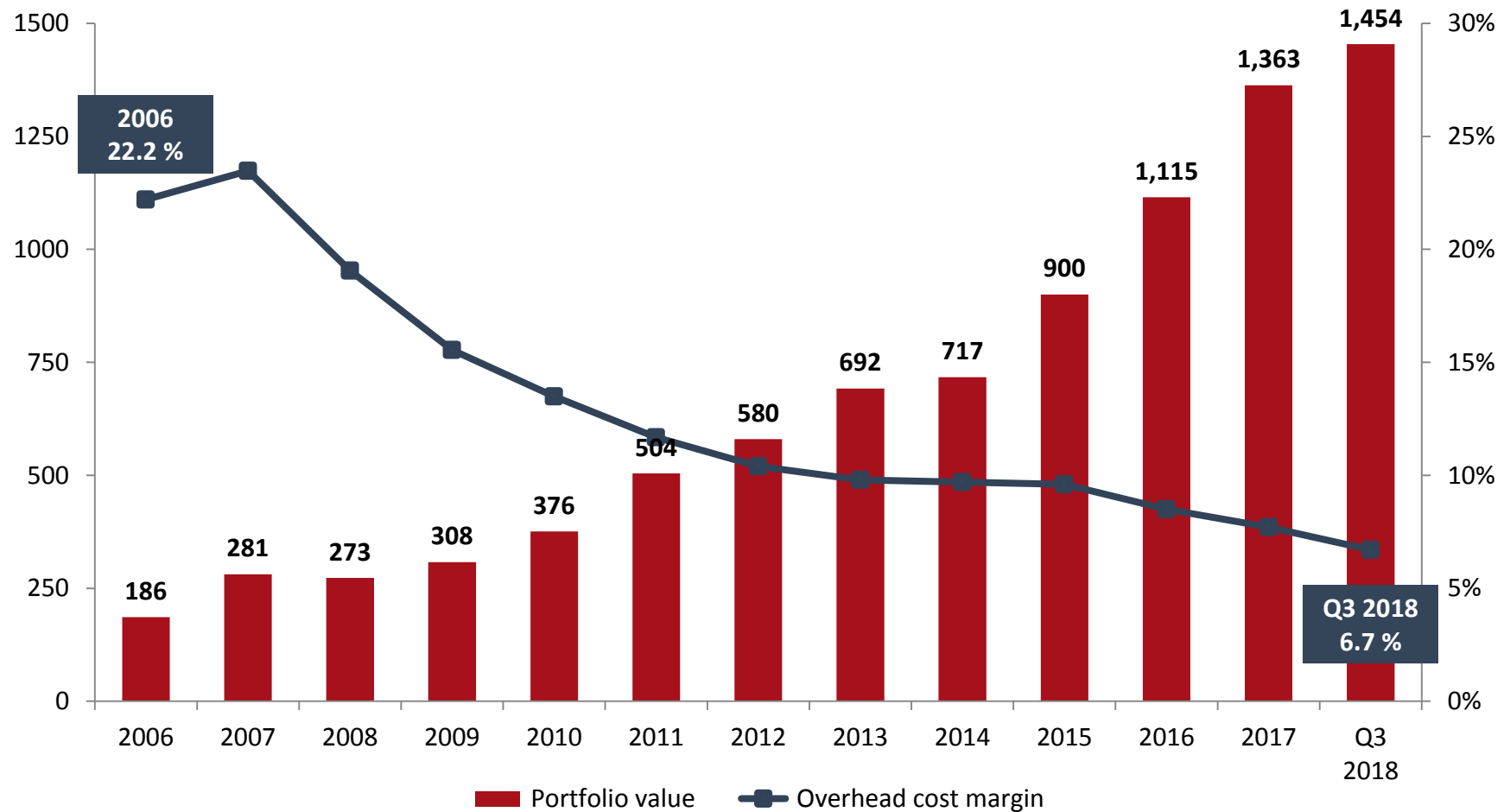
Significant key figures for the first nine month 2018

Key figures	9M 2018	9M 2017	Change
Income from rents and leases	€ 62.5 million	€ 54.6 million	+ 14.4 %
Operating result	€ 26.6 million	€ 23.6 million	+ 12.4 %
Profit for the period	€ 15.1 million	€ 15.7 million	- 3.6 %
<i>thereof as a result from sales</i>	€ 0	€ 3.2 million	
Funds from operations (FFO)	€ 40.2 million	€ 33.9 million	+ 18.8 %
Funds from operations (FFO) per share	€ 0.50	€ 0.42	+ 18.8 %
REIT equity ratio	55.5 %	59.0 %	- 3.5 %-points
Loan to value (LTV)	43.7 %	39.6 %	+ 4.1 %-points
Net asset value (NAV) per share	€ 10.15	€ 9.51	+ 6.7 %

Financial Figures / Financial Position

Benefitting from economies of scale

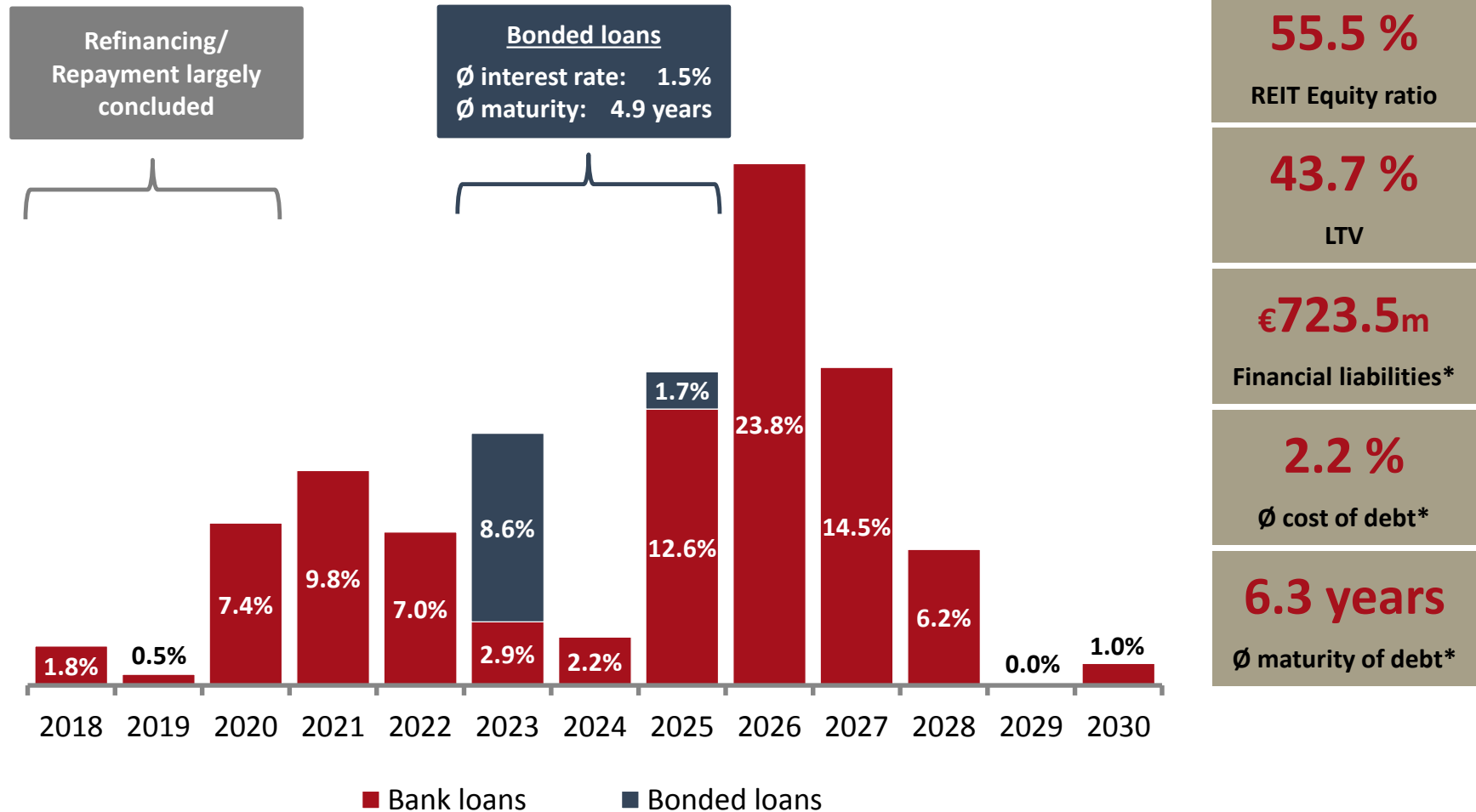
Portfolio value (€ million) and overhead cost margin*



Financial Figures / Financial Position

Financial liabilities

Expiration of financial liabilities (as of 30 September 2018)

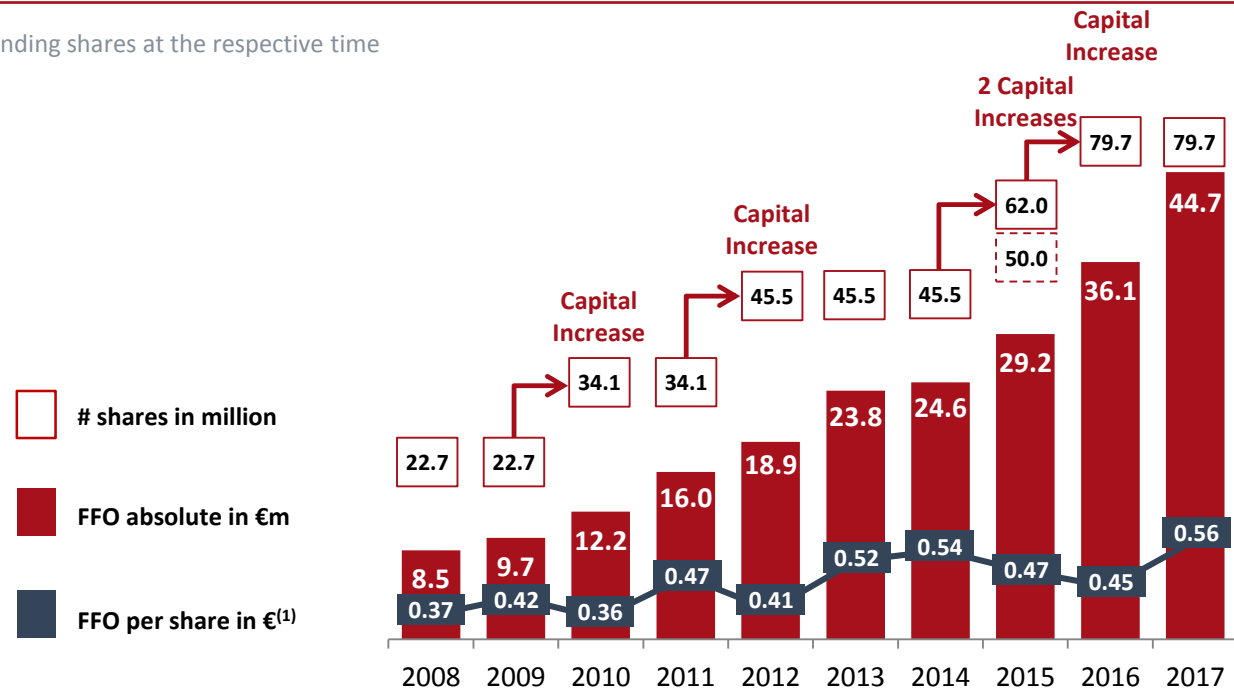


Financial Figures / Financial Position

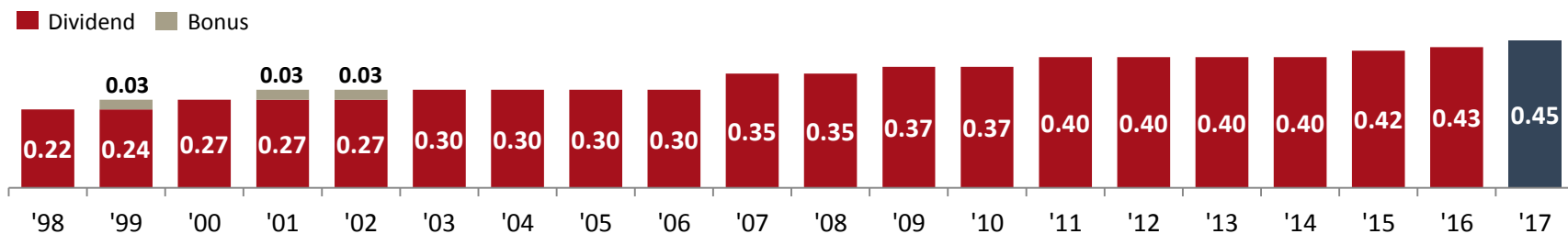
Increasing FFO and dividend per share

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

- Strong first half 2018 with positive development of operational business
- Vacancy rate: **1.1%**
- Transfer of possession of four assets in Cologne, Düsseldorf, Bonn and Darmstadt
- Portfolio value: **€ 1.45 billion**
- Purchase contract signed for four further assets in Berlin, Bamberg, Aachen and Bonn

Forecast 2018

- Rental income: **+ 12 %**
- FFO: **+ 13 - 15 %**
- FFO per share: **€ 0.63 - € 0.65**
- Remaining fire power: **€ 50 - 70 million**

HAMBORNER REIT AG - Financial Calendar

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
Interim Report for 1st half 2019	1 August 2019
Interim Report for 3rd quarter 2019	7 November 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	6.2 years ⁽²⁾	4.9 years ⁽²⁾	4.1 years ⁽²⁾	5.1 years ⁽²⁾	5.0 years ⁽²⁾
Main tenants	Real, Toys'R'Us, ALDI, dm, Adler Mode	Estée Lauder, Armani, Zielpuls	REWE, mytoys, KIK	Deutsche Bahn, Schneider Electric	NetCologne

(1) As of 31 December 2017 (2) As of 30 September 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⁾	€ 44.0 million ⁽²⁾	€ 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	6.7 years ⁽²⁾	6.6 years ⁽²⁾	10.1 years ⁽²⁾	3.4 years ⁽²⁾	13.8 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 30 September 2018

Appendix

TOP 50 Cities in Germany



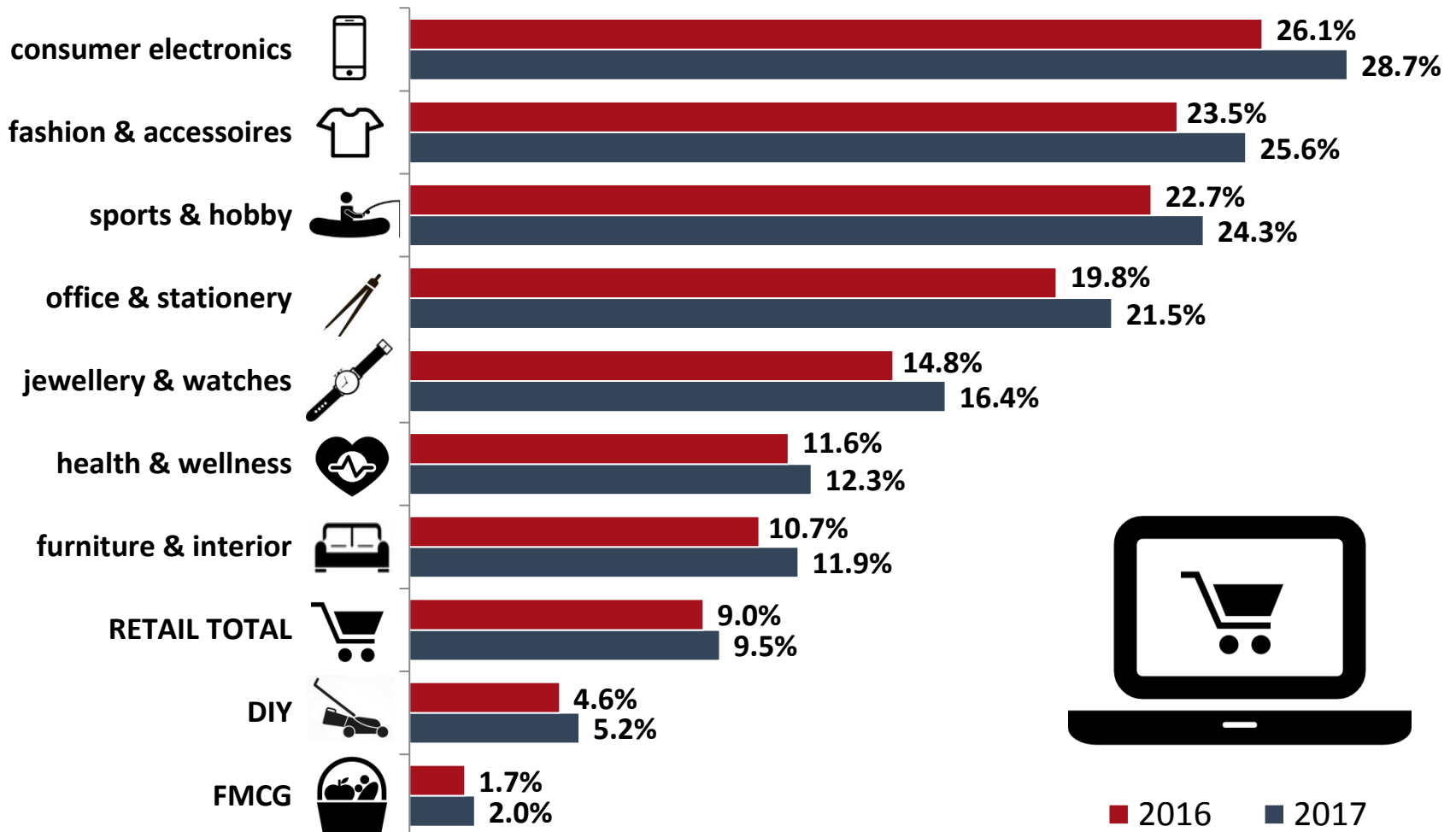
High attractiveness in terms of

- 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 |

Appendix

Consumer purchasing behaviour in Germany Share of eCommerce in retail sales





Dr. Rüdiger Mrotzek

Member of the Management Board

@ r.mrotzek@hamborner.de



Hans Richard Schmitz

Member of the Management Board

@ h.schmitz@hamborner.de



Christoph Heitmann

Head of Investor Relations & Public Relations

@ c.heitmann@hamborner.de

☎ +49 (0)203 / 54405-32

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.