

Conference Call Q3 2021

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9 November 2021



Highlights 9M 2021

Reliable operational business	<ul style="list-style-type: none">▪ Stable operational development, including consistently high rent collection rates▪ Rental income with €63.9m approx. 3.5% below 9M 2020▪ Strong letting results - approx. 122,000m² YTD▪ FFO on previous year's level at €42.3m
Portfolio development in line with adjusted strategy	<ul style="list-style-type: none">▪ Portfolio value as of 30 September 2021 amounts to €1,544.1m▪ Acquisition of three office properties and lately one retail property in line with portfolio strategy ('core' and 'manage-to-core')▪ Disposal of non-strategic high-street assets fully on track
Solid financial profile	<ul style="list-style-type: none">▪ EPRA NAV per share at €11.21▪ REIT equity ratio up to 58.6% and LTV slightly lower at 43.5% as of 30 September 2021▪ Strong cash position allows for further growth by selected acquisitions
Guidance update	<ul style="list-style-type: none">▪ Full year rental income still expected to reach narrowed range of €83 – 85m▪ Increased FFO Guidance of €52 – 53m, mainly related to deferral and elimination of costs▪ NAV per share expected to be slightly higher compared to year-end 2020 (€11.05)



Key Figures 9M 2021

Key figures	9M 2021	9M 2020	Change
Profit and loss statement			
Income from rents and leases	€63.9m	€66.2m	-3.5 %
Operating result	€27.9m	€9.0m	n/a
Profit for the period	€53.8m	€0.1m	n/a
Key KPIs			
Funds from Operations (FFO)	€42.3m	€42.3m	-0.1 %
Funds from Operations (FFO) per share	€0.52	€0.53	-2.1 %
Key figures	30 September 2021	31 December 2020	Change
Financial KPIs			
REIT equity ratio	58.6 %	54.5 %	+3.0%-points
Loan to Value (LTV)	43.5 %	44.5 %	+0.1%-points
EPRA metrics			
EPRA Net Asset Value (NAV) per share	€11.21	€11.05	+1.4 %
EPRA Net Tangible Assets (NTA) per share	€11.21	€11.05	+1.4 %



Portfolio Key Metrics as of 30 September 2021

	Retail	Office	Total Portfolio ⁽¹⁾	Portfolio share high-street ⁽¹⁾
Number of properties	41	26	67	6
Fair value	€862.9m	€681.2m	€1,544.1m	€82.2m
Leased area	385,328 m ²	215,689 m ²	601,016 m ²	38,520 m ²
Annualized rent	€50.0m	€33.5m	€83.6m	€5.7m
Annualized rental yield	5.8%	4.9%	5.4 %	10.9%
EPRA vacancy rate	2.1%	1.4%	1.8 %	10.2%
WALT	6.9 years	4.9 years	6.1 years	4.7 years
Like for like development 30 September 2021 to 30 September 2020 ⁽²⁾				
Rents	+1.6%-points	+3.4%-points	+2.3%-points	-1.0%-points
EPRA vacancy rate	+0.1%-points	+0.4%-points	+0.2%-points	+2.2%-points
WALT	-0.5 years	+0.4 years	-0.1 years	-0.3 years

(1) Including sold high-street property in Dortmund with carried out transfer of ownership at 1. October 2021 (2) Excluding acquisitions and disposals in 2020 and 2021



Mainz



Stuttgart



Münster



Freiburg



Asset type	Office (Single-tenant)	Office (Multi-tenant)	Office (Multi-tenant)	Retail (Single-tenant)
Investment approach	‘Manage-to-core’	‘Manage-to-core’	‘Core’	‘Core’
Year of construction	1994	1991	2021	2018
Leased area	7,700 m ²	5,930 m ²	6,300 m ²	10,660 m ²
Remaining lease term	2.4 years ⁽¹⁾	2.4 years ⁽¹⁾	7.5 years ⁽²⁾	12.0 years ⁽²⁾
Occupancy rate	100%	93%	100% ⁽³⁾	100%
Annual rental income	€1.3m	n/a	€1.1m	€1.1m
Purchase price	€18.6m	n/a	€23.9m	€18.9m
Gross initial yield	7.0%	5.1%	4.5%	5.6%
Transfer of possession	29 March 2021	3 September 2021	Q4 2021/Q1 2022e	Q1 2022e

(1) As of 30 September 2021

(2) As of date of signing

(3) Including rent guarantees



Strategic disposal programme | Proactive portfolio management

Recent Disposal

Property	Dortmund
Sales price	€29.5m
Annual rents	€1.7m
Latest fair value	€29.5m

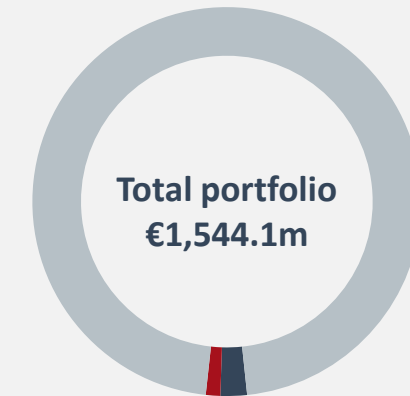


Divestments since strategy update in July 2020

	Total	Thereof high-street
No. of assets	19	16
Sales volume	€180.9m	€139.0m
Fair value gain	3.7%	2.7%
Book value gain	33.7%	37.6%
Annualised rent	€11.1m	€8.7m

- ➔ Disposals (predominantly high-street assets) in line with HAMBORNERs overall strategy and proactive portfolio management approach
- ➔ Sales realized above latest fair value and significantly above book value
- ➔ Streamlined portfolio further improves operational efficiency (average asset size: € 23.0m - YOY +15.6%) and maintenance profile

Residual high-street portfolio



- Held for short-term disposal (1.2%)
- Manage-to-core property Lübeck (2.2%)

No. of assets	5
Total fair value	€52.8m

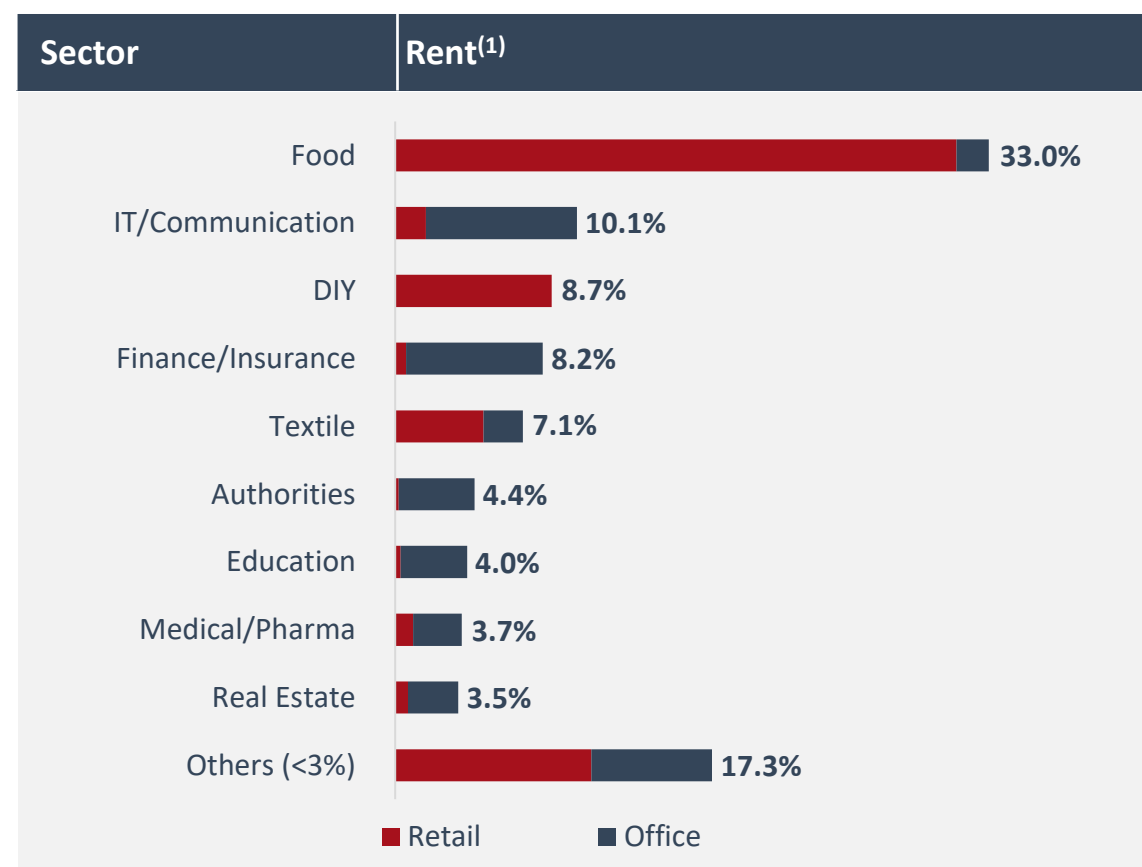
- ➔ Intended short-term disposal of four residual high-street assets in Siegen, Lemgo, Gütersloh and Herford
- ➔ Largest remaining property (Lübeck) categorized as 'manage-to-core' – intended medium-term divestment after successful repositioning

Top-10 tenants (as of 30 September 2021)

Tenant	Sector	Rent ⁽¹⁾
EDEKA	Food retail	11.5%
Kaufland	Food retail	6.9%
REWE	Food retail	5.7%
OBI	DIY	5.3%
real	Food retail	3.7%
Jobcenter	Agency of unemployment	3.3%
Barmer	Insurance	2.5%
Globus	DIY	2.2%
Netcologne	IT/ Communication	2.2%
ALDI	Food retail	1.7%
Total		45.0%

(1) % of annualized rents (including rent guarantees)

Sector distribution (as of 30 September 2021)

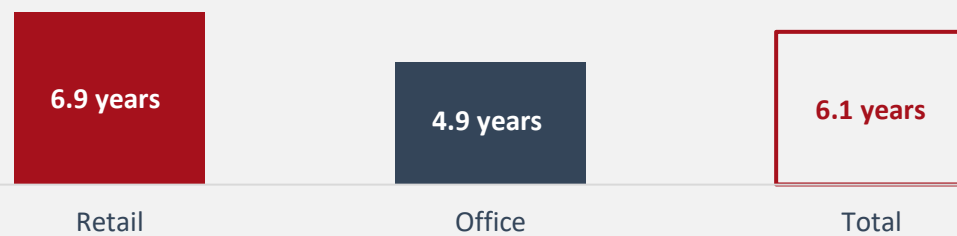


- ➡ Further diversification of tenant profile including reduction of textile exposure (YoY -170 bps)
- ➡ TOP-10 tenants include solely market leading food and DIY retailers as well as high-worthiness corporate and public tenants



Lease Contracts

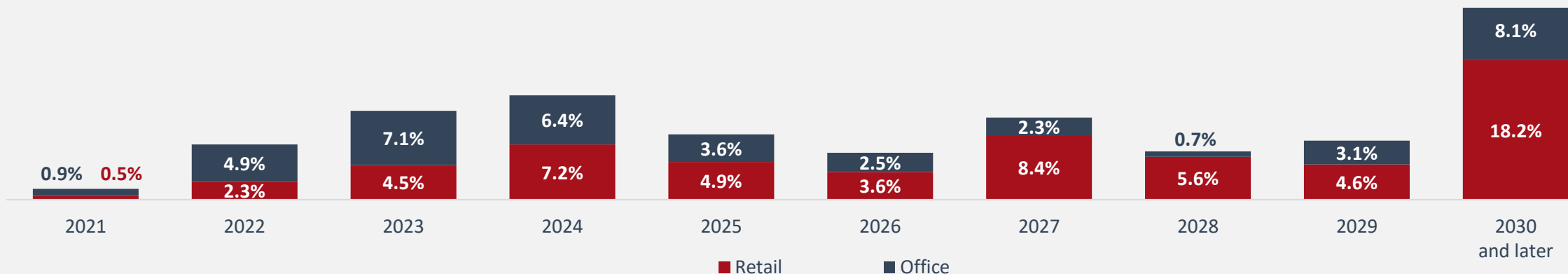
Weighted average lease expiry (as of 30 September 2021)



Letting result (9M 2021)



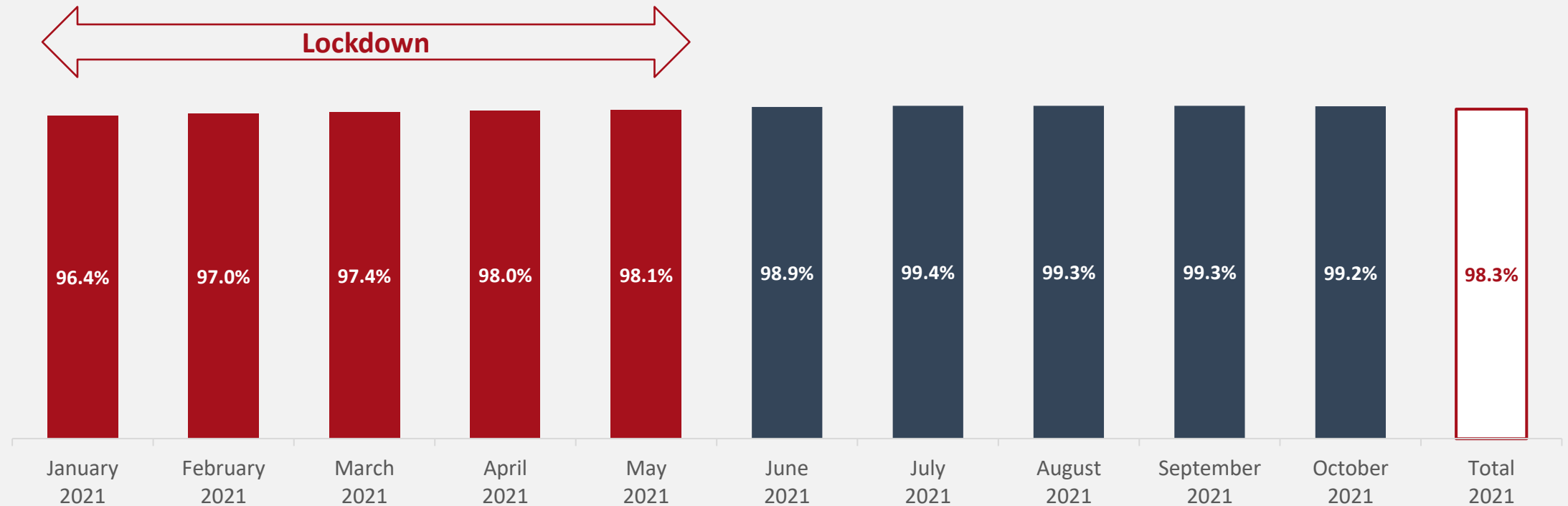
Lease expiry schedule (as of 30 September 2021; % of annual rents)



- ➡ Total WALT remains at comfortable level of 6.1 years
- ➡ Limited amount of further expiring leases in 2021 – next larger letting volumes from 2023 onwards



Rent collection rates⁽¹⁾ (as of 5 November 2021)



(1) Including ancillary costs and VAT

- ➡ Despite lockdown phase with far-reaching opening restrictions consistently high rent collection rates in 2021
- ➡ Average rent collection rate at 98.3%



Funds from Operations (FFO)

	in k€	9M 2021	9M 2020	Change
1	Income from rents and leases	63,912	66,207	-3.5%
	Income from passed on costs	10,732	10,654	+0.7%
	Operating expenses	-13,738	-13,705	+0.2%
2	Maintenance expenses	-3,476	-3,421	+1.6%
	Net rental income	57,430	59,735	-3.9%
3	Administrative expenses	-1,502	-956	+57.1%
	Personnel expenses	-4,139	-3,882	+6.6%
4	Other operating income	3,043	1,232	n/a
5	Other operating expenses	-1,909	-2,154	-11.4%
	Interest expenses	-10,613	-11,637	-8.8%
	FFO	42,310	42,338	-0.1%
	- Capex	-1,057	-783	+35.0%
	AFFO	41,253	41,555	-0.7%
	FFO per share in €⁽¹⁾	0.52	0.53	-2.1%
	AFFO per share in €⁽¹⁾	0.51	0.52	-2.7%

	Comments
1	Decline in rental income mainly due to property disposals (€-4.3m) and pandemic-related risk provisioning (€-0.5m); Rent decrease partly offset by portfolio additions (€+2.5m)
2	Lower than expected costs essentially related to postponement of maintenance measures in connection with follow-on leases for REAL locations
3	Increase mainly results from higher expenses for cash deposits and from postponement of previous year's AGM to Q4 2020
4	Includes compensation payment of €+2.2m in connection with early termination of rental agreement; FFO adjustment due to impairment reversal for Gießen property (€-2.1m)
5	Includes pandemic-related rent reductions in an amount of €0.9m

(1) Based on number of shares at the end of the respective reporting period; increased number of shares due to scrip dividend offers in Q4 2020 and Q2 2021



EPRA Net Asset Value (NAV) & Net Tangible Assets (NTA)

in k€	30 September 2021	31 December 2020
1 Long-term assets	1,124,121	1,200,826
2 Short-term assets	201,451	64,958
3 Non-current liabilities and provisions	-724,205	-685,431
Current liabilities	-104,137	-105,598
Balance sheet NAV	497,230	474,755
+ Hidden reserves investment property	414,970	396,875
4 + Hidden reserves assets held for sale	0	18,852
Net Asset Value (NAV)	912,200	890,721
NAV per share in €	11.21	11.05
Intangible Assets	-470	-499
Net Tangible Assets (NTA)	911,730	890,222
NTA per share in €	11.21	11.05

Comments
1 Decrease in long-term assets mainly related to property disposals
2 Increase in short-term assets mainly related to higher liquidity position
3 Non-current liabilities and provisions increase due to additional financing related to newly acquired assets
4 Decrease relates to transfer of ownership of remaining sold assets during Q1-Q3 2021

NAV to NTA reconciliation (k€)

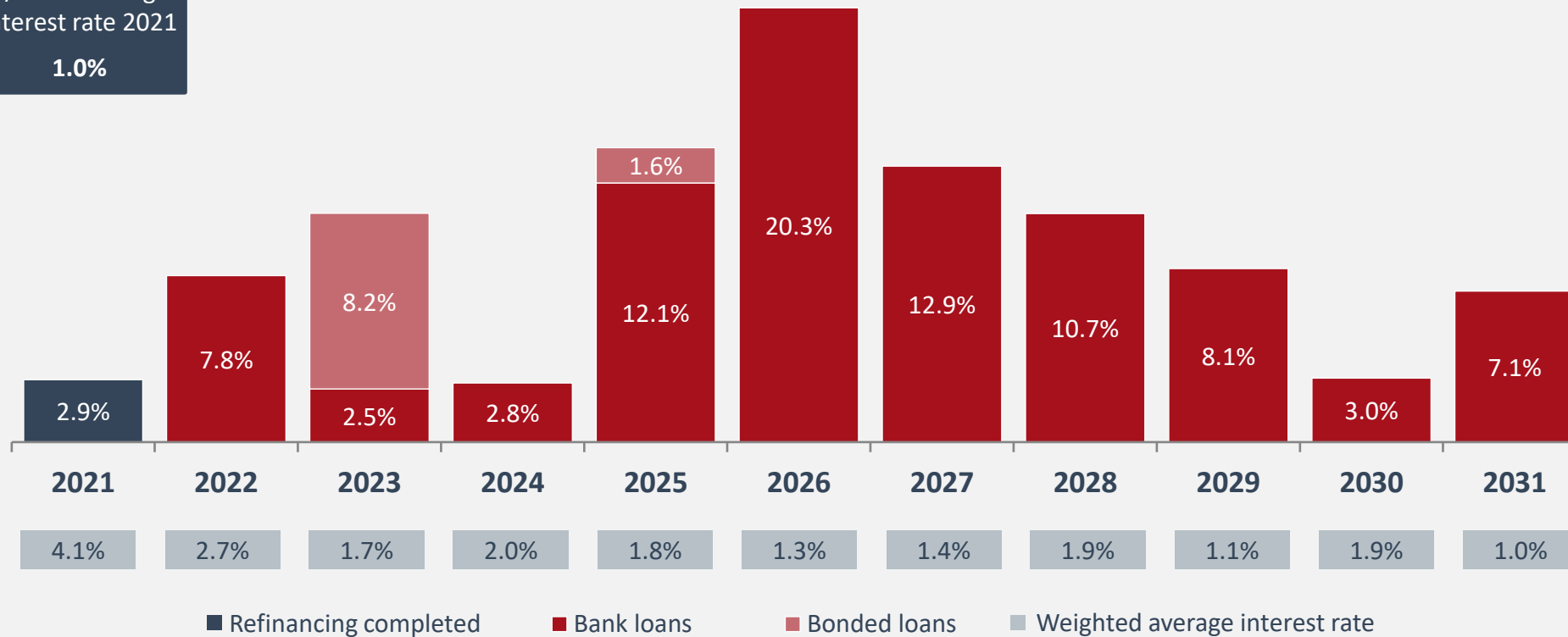




Financial situation

Expiration of financial liabilities (as of 30 September 2021)

Ø Refinancing
interest rate 2021
1.0%



58.6 %
REIT Equity ratio

43.5 %
LTV

€760.3m
Financial liabilities⁽¹⁾









1.68 %
Ø cost of debt⁽¹⁾

5.0 years
Ø maturity of debt⁽¹⁾

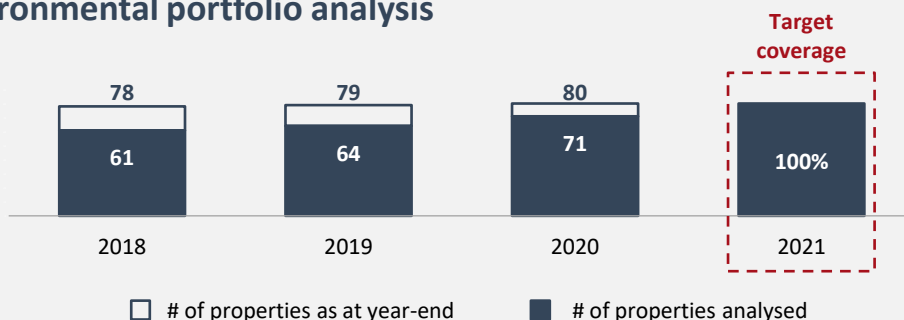
8.8x
EBITDA/
Interest coverage

(1) As of 30 September 2021 (incl. loans concluded but not yet utilized)




Key Action Area	Progress 2020/2021	Status ⁽¹⁾	Next steps / short- to medium-term targets
 Environmental Management & Climate Protection	<ul style="list-style-type: none"> Data management optimisation and database expansion 		<ul style="list-style-type: none"> Ongoing systematization of recording and analysis of ESG data
	<ul style="list-style-type: none"> Creation of detailed report on carbon footprint for headquarters and carbon emissions in connection with operating activities there Compensating for emissions caused by investing in a certified climate protection project and achieving climate neutrality 		<ul style="list-style-type: none"> Implementation of identified measures for further reducing carbon emissions at headquarters
	<ul style="list-style-type: none"> Preparations for setting up full carbon footprint reporting throughout the property portfolio 		<ul style="list-style-type: none"> Full recording of consumption data (energy, water, waste) and calculation of resulting carbon emissions (using digital measurement infrastructure in the medium term)
	<ul style="list-style-type: none"> Improved ecological portfolio performance figures 		<ul style="list-style-type: none"> Definition of additional environmental KPIs and deriving specific decarbonization targets
 Portfolio Quality & Optimisation	<ul style="list-style-type: none"> Systematic review of ESG criteria within the framework of property acquisitions and project developments 		<ul style="list-style-type: none"> Application and ongoing enhancement of drawn up catalogue of criteria from December 2021 onwards
	<ul style="list-style-type: none"> Modernisation and energy efficiency measures 		<ul style="list-style-type: none"> Implementation of necessary measures to raise environmental and efficiency standards of buildings

Environmental portfolio analysis



➔ Ongoing expansion of data monitoring with full portfolio coverage and intended carbon footprint reporting for 2021 reporting year

Development of key environmental portfolio figures 2020




Heating energy consumption
-4.8%
like-for-like


Electricity consumption
-6.9%
like-for-like


Water consumption
-15.0%
like-for-like

➔ Continuous reduction of energy and water consumption by selected portfolio modernization and further energy efficiency improvements



Key action area	Progress 2020/2021	Status ⁽¹⁾	Next steps / short- to medium-term targets
 Employee development	<ul style="list-style-type: none"> Enhanced flexibility of working model 	100%	<ul style="list-style-type: none"> Review and implementation of further measures to enhance employer attractiveness
	<ul style="list-style-type: none"> Implementation of employee development programme and increase in average training hours per employee to 17 (+55% YoY) 	57%	<ul style="list-style-type: none"> Active training measures and increase in average hours of training per employee to at least 30 by 2025
	<ul style="list-style-type: none"> Employee satisfaction rate of 82 % 	96%	<ul style="list-style-type: none"> Increase in satisfaction rate to at least 85% by 2023
	<ul style="list-style-type: none"> Implementation of occupational health and safety concept 	100%	<ul style="list-style-type: none"> Maintaining high standards through regular review and preventive measures
 Corporate governance & dialogue	<ul style="list-style-type: none"> Ongoing development of corporate governance standards in line with ESG criteria 	Ongoing	<ul style="list-style-type: none"> Implementation of ESG criteria in risk management system Revision and active marketing of green leases
	<ul style="list-style-type: none"> Implementation and publication of codes of conduct for employees and business partners 	100%	<ul style="list-style-type: none"> Possibly formulation of other or more detailed codes, basic declarations and guidelines depending on stakeholder requirements
	<ul style="list-style-type: none"> Intensification of dialogue with ESG rating agencies 	Ongoing	<ul style="list-style-type: none"> Continuous improvement of rating results
	<ul style="list-style-type: none"> Increased transparency and reporting standards 	Ongoing	<ul style="list-style-type: none"> Closer adherence to EPRA Sustainability Best Practices (sBPR) (possibly separate sBPR report)

Key social KPIs 2020

Employee satisfaction rate

82%

CPD hours per employee

+55%

Employee fluctuation rate⁽²⁾

8%

Average years of service

9.2 years

Employee injury rate⁽²⁾

0%

Employee sickness rate⁽²⁾

3%

➔ Continuation of employee development programme to further enhance employee satisfaction and employer attractiveness

➔ Ongoing optimization of governance standards in line with ESG strategy as well as regulatory and market requirements



Guidance 2021

- Rental income: Confirmation of guidance range of **€83 - 85m**
- FFO: €48 - 50m ➡ **€52 - 53m**
- NAV per share expected to reach slightly higher level compared to year-end 2020 (€11.05)

Preliminary figures 2021	8 February 2022
Annual report 2021	17 March 2022
Quarterly financial statement Q1 2022	26 April 2022
Annual General Meeting 2022	28 April 2022
Financial results H1 2022	9 August 2022
Quarterly financial statement Q3 2022	10 November 2022



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