

# Corporate Governance Roadshow

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# 1. About HAMBORNER REIT AG

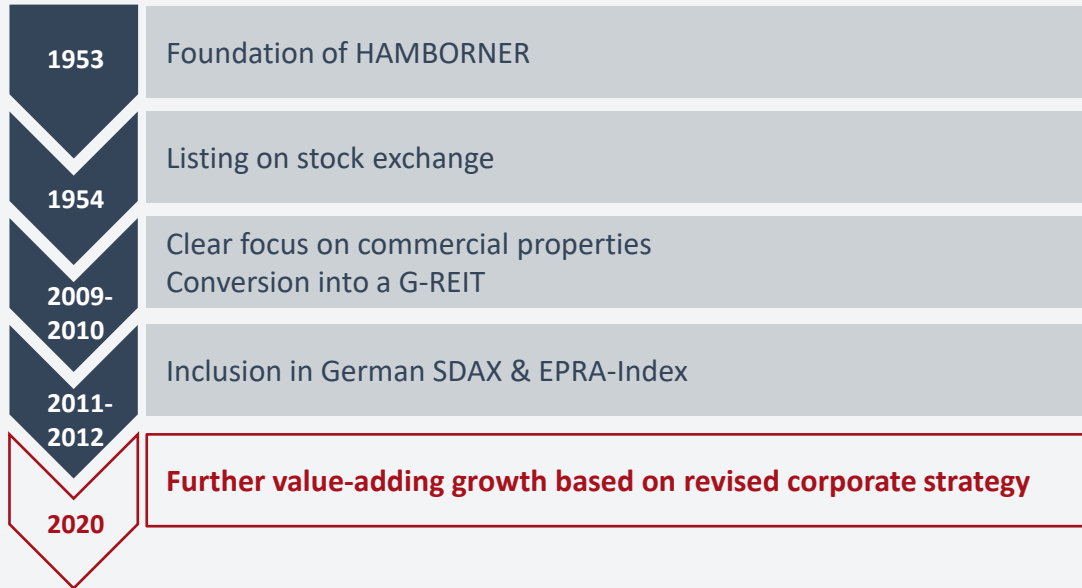






# Company Profile

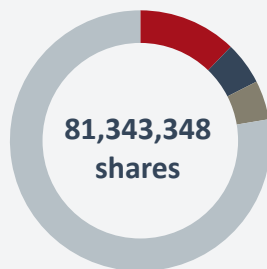
## History



## Company profile

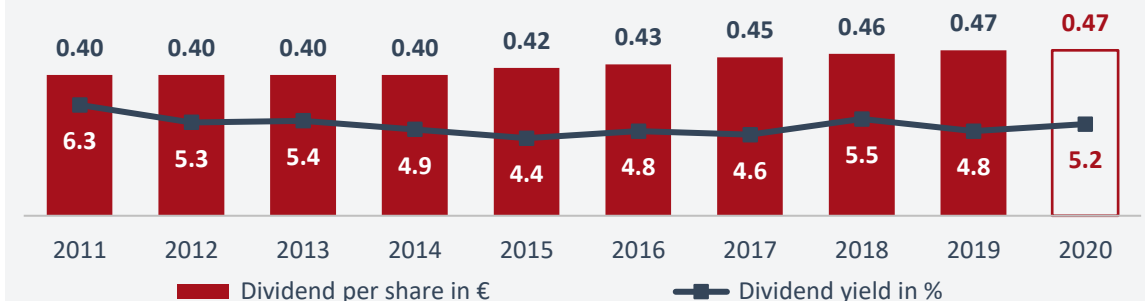
- Public commercial property company
- Profitable and diversified German-wide property portfolio
- Two-pillar portfolio structure with focus on food-anchored retail and office properties
- Stable and predictable cash flows
- Lean and efficient corporate structure
- Strong internal asset and property management
- Sustainable and attractive dividend policy

## Shareholder structure



- 12.20% RAG Foundation
- 5.31% BlackRock
- 4.85% Belfius Insurance
- 77.64% Free float

## Dividend per Share and Dividend Yield



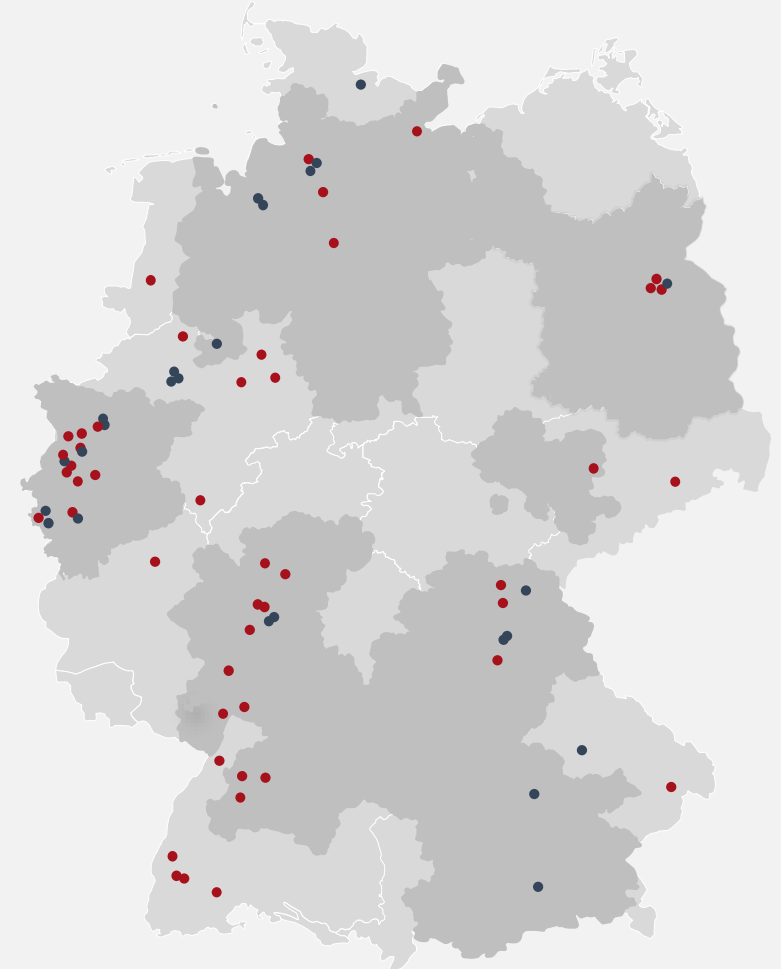


# Portfolio Overview

## Portfolio key metrics (as of 30 September 2021)

<p>68 # of Properties</p>	 <p><b>Berlin</b></p>	<p>€1.6bn Portfolio Value</p>	 <p><b>Mannheim</b></p>
 <p><b>Cologne</b></p>	<p>59%/41% Retail/Office Exposure</p>	 <p><b>Munich</b></p>	<p>98.0% Occupancy Rate</p>
<p>598,215m<sup>2</sup> Leased Area</p>	 <p><b>Hanau</b></p>	<p>6.0 years WALT</p>	 <p><b>Lengerich</b></p>
 <p><b>Aachen</b></p>	<p>€82.2m Annualized Rent</p>	 <p><b>Bonn</b></p>	<p>5.0% Rental yield</p>

## Geographical Focus

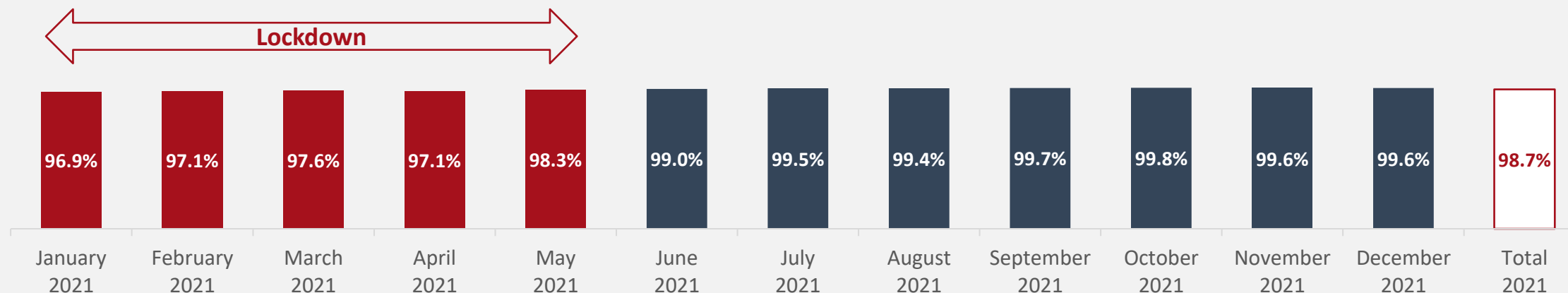


● Retail    ● Office    ■ Metropolitan Regions in Germany

## Strategic and operational development

- Despite challenging market conditions **stable business performance** in 2020/2021
- Implementation of **adjusted corporate strategy** including active portfolio management approach with successful divestment of non-strategic assets and capital recycling (new acquisitions)
- **Limited covid impact** on operational business supported by consistently high rent collection rates, low vacancy rates and stable leasing performance
- Overall, HAMBORNER benefitted from **resilient portfolio structure**, including high share of tenants with strong financial profiles and operations in systemically relevant areas (especially food retail)
- Consistently **solid financing and liquidity situation**
- Implementation of **adjusted ESG strategy** based on comprehensive materiality analysis in 2020/2021

## Rent collection rates 2021

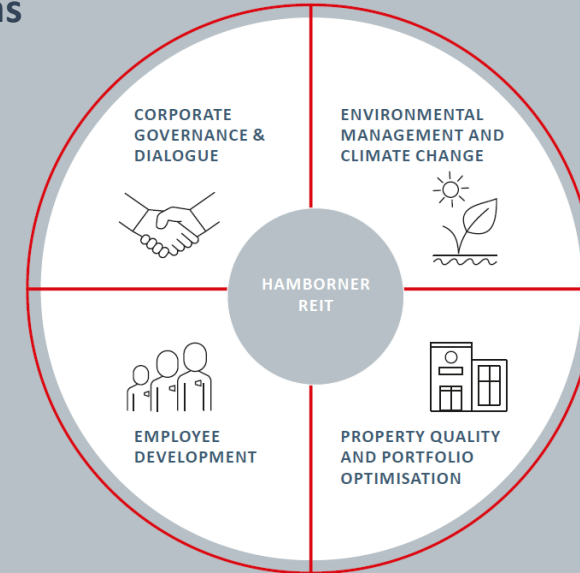




## Sustainability Committee



## Key Action Areas



## Strategic development and guidelines

- Integration of ESG criteria into overall **strategy with focus on business relevant topics**
- Planning and controlling of sustainability activities by internal **sustainability committee**
- Strategic sustainability programme with **four key action areas**
- Implementation of selected effective measures to **optimize ESG performance**
- Continuous **performance measurement** of ESG activities and **ongoing internal/external reporting**

## UN Sustainable Development Goals



- Increasing share of renewable energy
- Doubling global rate of improvement in energy efficiency
- Integration of climate change measures into national policies, strategies and planning
- Encouraging and promoting effective public, public-private and civil society partnerships



## 2. Executive Management Board

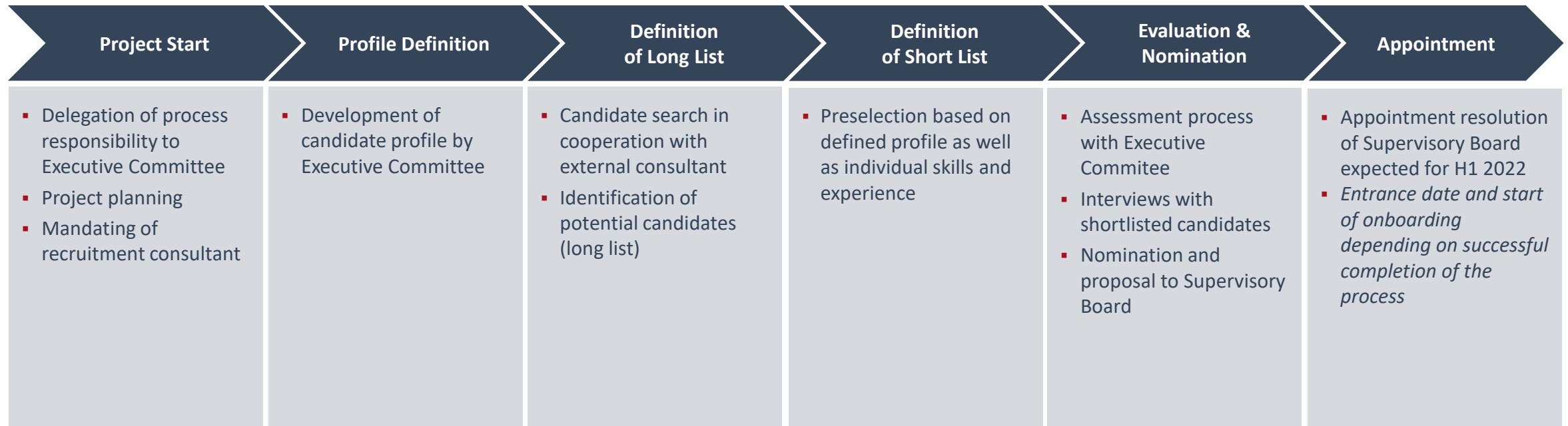






## Nomination Process

- **Expiry of appointment** of existing management board member Hans Richard Schmitz (COO/CFO) by end of 2022
- Early and strategically orientated **succession planning**
- Ensuring timely and smooth **transfer and allocation of responsibilities**
- **Structured nomination process supported by** renowned recruitment consultant as well as legal and remuneration advisors
- Process responsibility lies with **Executive Committee – regularly update to the Supervisory Board**





## Remuneration system 2020

- Fully **in line with legal requirements** under SRD II and German Corporate Governance Code
- Variable elements contribute to **corporate strategy as well as long-term interests and sustainability** of the company
- STI implies financial and non-financial criteria, including individual **ESG related goals**
- Appropriateness check within scope of **peer group benchmarking and comparison to SDAX companies** (horizontal analysis)
- **Vertical comparison** of internal remuneration ratios between Management Board members and senior management as well as total workforce
- Remuneration system **approved by AGM 2021** with large majority of 90,4%
- **Vote on remuneration report 2021** by AGM scheduled for 29 April 2022

### 3. Supervisory Board





## Board structure

- Board consisting of **6 shareholder representatives** elected by AGM and **3 employee representatives** elected in line with the provisions of German Works Constitution Act
- Latest election in 2020 with **electoral term of 5 years**
- **Selection and assessment of candidates** in consideration of:
  - Competence profile of the Supervisory Board
  - Skills and expertise
  - Diversity (in particular gender, age, nationality)
  - Independence
  - Potential conflicts of interest
  - Overboarding
- Target **gender quota of 30% fulfilled** since 2010
- Shareholder representatives' **independence rate 100%**
- **6 Meetings** in 2020 & 2021 with **attendance rates of 100% in 2020 and 98% in 2021**
- Parts of activities carried out in **3 existing committees**
- Regular **evaluation of effectiveness** of board and committee work by way of **self-assessments** (recently in 2021)

## Executive Committee

Dr. Andreas Mattner (Chairman)  
Claus-Matthias Böge  
Maria Teresa Dreo  
Ulrich Graebner

## Nomination Committee

Dr. Andreas Mattner (Chairman)  
Maria Teresa Dreo-Tempsch  
Rolf Glessing  
Ulrich Graebner

## Audit Committee

Claus-Matthias Böge<sup>(1)</sup> (Chairman)  
Rolf Glessing<sup>(1)</sup>  
Christel Kaufmann-Hocker  
Johannes Weller<sup>(2)</sup>

## Committee Meetings

	2021	2020
Number	6	3
Attendance Rate	100%	100%

## Committee Meetings

	2021	2020
Number	-	1
Attendance Rate	-	100%

## Committee Meetings

	2021	2020
Number	4	4
Attendance Rate	100%	100%

1) Expert knowledge in the fields of accounting and auditing required under Section 100 (5) of German Stock Corporation Act

2) Employee representative



# Supervisory Board | Skills Matrix<sup>(1)</sup>



	<b>Dr. Andreas Mattner</b> Member since 2017	<b>Claus-Matthias Böge</b> Member since 2015	<b>Maria Teresa Dreo-Tempsch</b> Member since 2020	<b>Rolf Glessing</b> Member since 2018	<b>Ulrich Graebner</b> Member since 2019	<b>Christel Kaufmann-Hocker</b> Member since 2010
Industry knowledge	X	X	X	X	X	X
Accounting		X		X	X	X
Auditing		X	X	X		X
Controlling		X	X	X	X	
Financing	X	X	X	X	X	X
Capital markets	X	X	X	X	X	X
Legal / Compliance / Corporate Governance	X		X	X		
Risk management	X	X	X	X		X
Technology / Digitisation	X					
Internationality	X		X		X	
Corporate co-determination	X			X		

➔ Intended review of Supervisory Board skills profile in 2022

1) Excluding employee representatives

## 4. Appendix







**Niclas Karoff**  
CEO

Corporate Strategy /  
Digitization

Portfolio Management

Transaction Management

Risk Management /  
Data Protection

Controlling

Public Relations

Human Resources

Internal Audit

Executive Assistant

Investor Relations

Asset Management

Maintenance / Technology

Project Management

Finance / Accounting

Taxes

Legal / Corporate  
Governance

IT

Insurance

Corporate Services

Investments

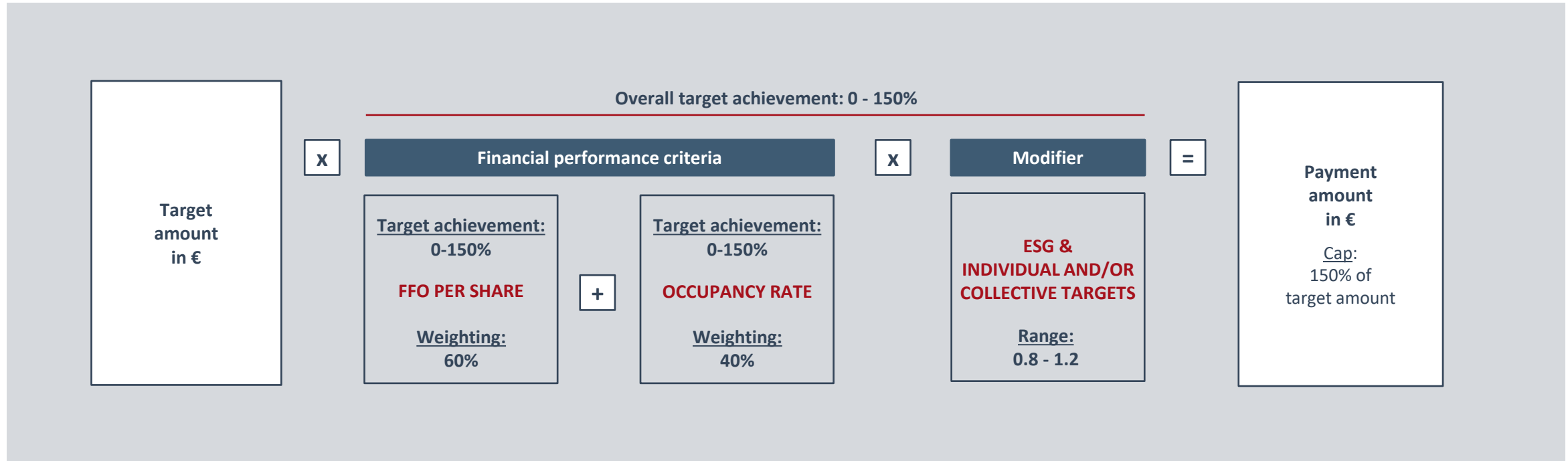


**Hans Richard Schmitz**  
COO/CFO



# Remuneration System 2020 | Overview

Element	Description
Fixed remuneration elements	Fixed remuneration <ul style="list-style-type: none"> <li>▪ Fixed remuneration paid in twelve identical portions</li> </ul>
	Benefits <ul style="list-style-type: none"> <li>▪ Essentially, company car, insurance contributions, D&amp;O insurance</li> </ul>
	Pension contributions and self-provision payment <ul style="list-style-type: none"> <li>▪ Annual amount to be used at recipient's discretion</li> </ul>
Variable remuneration elements	Short-term variable remuneration (STI) <ul style="list-style-type: none"> <li>▪ <b>Target bonus</b> with performance criteria:               <ul style="list-style-type: none"> <li>– 60% FFO per share</li> <li>– 40% occupancy rate</li> <li>– Criteria-based adjustment factor (<b>modifier</b>) ranging from <b>0.8 to 1.2</b> consisting of <b>individual and / or collective goals (inc. ESG goals)</b></li> </ul> </li> <li>▪ <b>Cap: 150%</b> of the target amount</li> <li>▪ Payment after financial year</li> </ul>
	Long-term variable remuneration (LTI) <ul style="list-style-type: none"> <li>▪ <b>Performance share plan</b> with performance criteria:               <ul style="list-style-type: none"> <li>– 50% relative total shareholder return (<b>TSR</b>) vs. <b>EPRA / NAREIT Europe ex UK Index</b></li> <li>– 50% performance of <b>NAV per share</b></li> </ul> </li> <li>▪ Performance period: <b>4 years</b></li> <li>▪ Target achievement: <b>0 - 150%</b></li> <li>▪ <b>Cap: 200%</b> of the target amount</li> <li>▪ Payment after four-year performance period</li> </ul>
Other central elements	Shareholding requirements <ul style="list-style-type: none"> <li>▪ <b>200%</b> of gross basic salary</li> <li>▪ Build-up phase: <b>4 years</b></li> <li>▪ Retention period: <b>2 years</b> after termination of appointment</li> </ul>
	Malus & clawback <ul style="list-style-type: none"> <li>▪ Option to partially or fully reduce or claw back variable remuneration</li> </ul>
	Maximum remuneration <ul style="list-style-type: none"> <li>▪ €1,100,000 (CEO) ; €1,000,000 (further board members)</li> </ul>



## ESG goals

- 2020 ESG target: Development of holistic and company-wide ESG concept
- 2021 ESG target: Implementation of ESG concept for property acquisitions and developments
- Annual definition of prioritised **ESG-related goals** in consideration of further implementation of ESG strategy

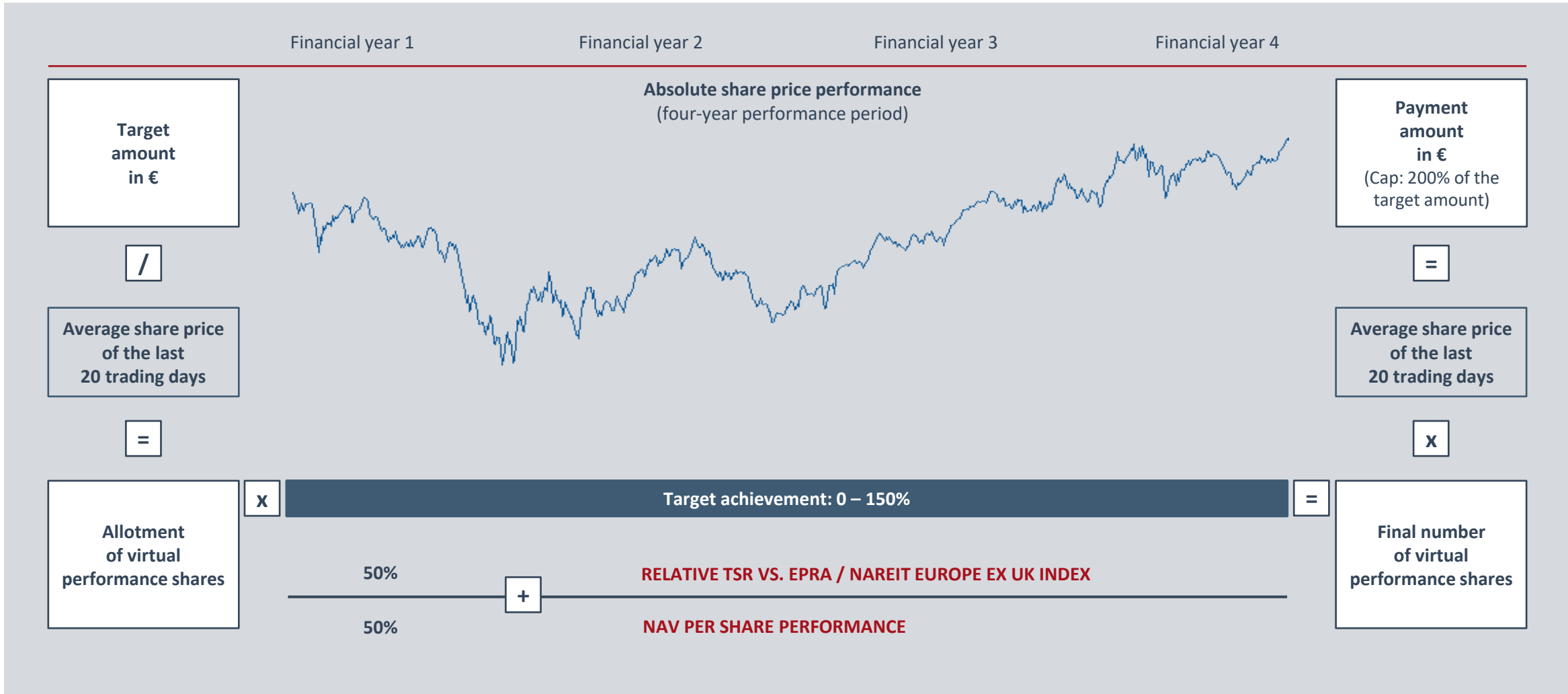
## Further STI Elements

- Payment of STI in following financial year
- Potential discretionary adjustment of STI in case of exceptional circumstances or developments





# Remuneration System 2020 | Long-term incentive



# Many thanks for your attention!



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