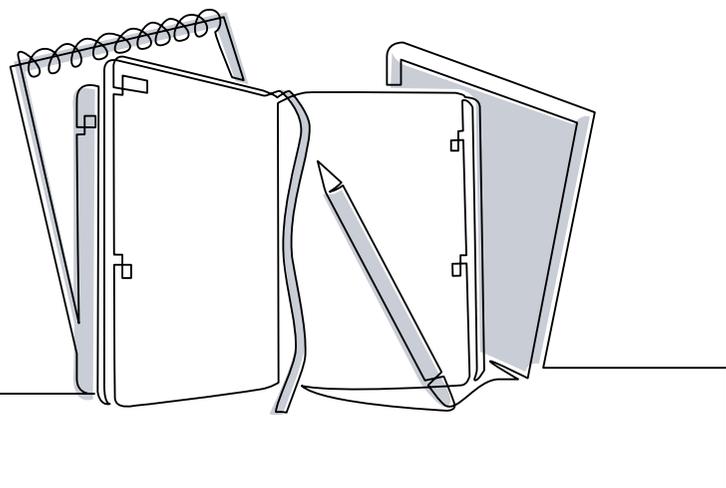


Interim statement



Financial indicators



€63.2 million

Income from rents and leases

€37.3 million

Funds from operations

IN € THOUSAND		1 JAN.– 30 SEP. 2022	1 JAN.– 30 SEP. 2021
From the income statement			
Income from rents and leases		63,196	63,912
Net rental income		54,320	57,430
Operating result		19,646	27,856
Financial result		-9,757	-10,613
EBITDA		47,203	93,649
EBIT		19,822	64,402
Funds from operations (FFO)		37,270	42,310
Period result		10,065	53,789
of which resulting from the sale of investment property		176	36,546
		30 SEP. 2022	31 DEC. 2021
From the statement of financial position			
Total assets		1,239,613	1,285,787
Non-current assets		1,153,015	1,128,058
Equity		471,159	497,374
Equity ratio	in %	38.0	38.7
REIT equity ratio	in %	59.6	61.0
Loan to value (LTV)	in %	41.1	41.3
		30 SEP. 2022	30 SEPT. 2021
HAMBORNER shares			
Number of shares outstanding		81,343,348	81,343,348
Basic = diluted earnings per share	in €	0.12	0.66
Funds from operations (FFO) per share	in €	0.46	0.52
Stock price per share (Xetra)	in €	7.06	9.35
Market capitalisation		574,284	760,560
		30 SEP. 2022	31 DEC. 2021
The HAMBORNER portfolio			
Number of properties		66	68
Fair value of the property portfolio		1,638,260	1,604,000
Vacancy rate (including rent guarantees)	in %	2.2	1.9
EPRA vacancy rate	in %	2.1	2.0
Weighted remaining term of leases in years		6.7	6.1
Other data			
Net asset value (NAV)		982,412	984,902
Net asset value per share	in €	12.08	12.11
EPRA Net Tangible Assets (NTA)		981,936	984,430
EPRA Net Tangible Assets per share	in €	12.07	12.10
Number of employees including Management Board		50	45

Report on results of operations, net asset situation and financial position

Results of operations

As at the end of September, HAMBORNER REIT had generated income from rents and leases of €63,196 thousand (previous year: €63,912 thousand) from managing its properties. The difference of €-716 thousand is the result of rent increases following property additions (€2,873 thousand) and rent losses as a result of property disposals (€4,837 thousand). Rental income from properties that were in our portfolio both in the first nine months of 2021 and in the reporting year (like-for-like) was €713 thousand (1.2%) higher than the previous year's level. The change to the risk provisions formed in the previous years in respect of rent reductions in connection with the COVID-19 pandemic resulted in income of €535 thousand.

The vacancy rate remains at a very low level. Including agreed rent guarantees, it was 2.2% in the year under review (previous year: 1.8%). Not including rent guarantees, the vacancy rate was 2.5% (previous year: 2.2%).

Income from incidental costs charged to tenants amounted to €10,569 thousand, €163 thousand lower than in the same period of the previous year (€10,732 thousand). Real estate operating expenses increased by €73 thousand to €13,811 thousand (previous year: €13,738 thousand) by the end of September 2022.

The expenses for the maintenance of our land and property portfolio came to €5,634 thousand in the first nine months of the reporting year, €2,158 thousand above the equivalent value in the previous year (€3,476 thousand). The expenses relate to minor ongoing maintenance and various planned maintenance measures. The lower

maintenance expense level in the same period of the previous year is partly due to the impact of the COVID-19 pandemic.

The net rental income derived from the above items is €54,320 thousand (previous year: €57,430 thousand).

Administrative and personnel expenses totalled €5,983 thousand, up €342 thousand (6.1%) on the previous year's level (€5,641 thousand). Administrative expenses increased by €73 thousand to €1,575 thousand (previous year: €1,502 thousand).

Personnel expenses increased by €269 thousand to €4,408 thousand (previous year: €4,139 thousand). This is primarily due to recruitment and a provision for initial remuneration of €180 thousand in connection with the appointment of a further Management Board member.

The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, rose to 9.5% (previous year: 8.8%).

Depreciation and amortisation rose by €224 thousand to €27,381 thousand in the reporting period (previous year: €27,157 thousand). The item includes write-downs of €323 thousand (previous year: €581 thousand) for the Lemgo and Herford properties.

Other operating income amounted to €816 thousand in the first nine months of the reporting year (previous year: €5,133 thousand). Income for the previous year came mainly from a contractually agreed payment of €2.2 million from Real to HAMBORNER in accordance with the lease termination agreement for the location in Mannheim

in order to settle all mutual claims and from a write-up of €2.1 million as a result of the revaluation of the property in Gießen resulting from a newly concluded long-term follow-on lease with Kaufland.

Other operating expenses amounted to €2,126 thousand in the first nine months of 2022 (previous year: €1,909 thousand). The item includes legal and consulting costs of €791 thousand (previous year: €358 thousand), in particular for expenses relating to the appointment of a further Management Board member (€181 thousand) and the evaluation of the sustainability criteria of a sub-portfolio (€122 thousand), costs for investor relations and public relations work of €370 thousand (previous year: €420 thousand) and depreciation, amortisation and write-downs on trade receivables of €371 thousand (previous year: €982 thousand). The decrease in depreciation, amortisation and write-downs on trade receivables is primarily due to the easing of COVID-19 restrictions on tenants' businesses.

The company's operating result at the end of September 2022 came to €19,646 thousand, after €27,856 thousand in the same period of the previous year.

A result of €176 thousand (previous year: €36,546 thousand) was generated from the disposal of properties. In addition to the sale of properties in Lemgo, Siegen, Herford and an undeveloped sub-plot in the office property in Bonn in the first half of the year, the result relates to the property in Gütersloh and an undeveloped plot in Duisburg.

The financial result came to €-9,757 thousand as against €-10,613 thousand in the same period of the previous year and relates entirely to interest expenses. The interest expenses from loans of €-9,141 thousand included in this figure decreased by €904 thousand as against the previous year (€-10,045 thousand). Scheduled loan repayments led to an interest expense decrease of €583 thousand and loan expiries led to an interest expense decrease of €321 thousand.

The first nine months closed with a net profit for the period of €10,065 thousand after €53,789 thousand in the same period of the previous year. Funds from operations (FFO), i.e. the operating result before depreciation, amortisation and reversals, and not including proceeds from disposals, amounted to €37,270 thousand in the reporting period (previous year: €42,310 thousand). This corresponds to FFO per share of 46 cents (previous year: 52 cents).

Net asset situation and financial position

The transfer of ownership of the real estate property in Freiburg took place on 15 March 2022. The purchase price came to €18.8 million due to annualised rents of €1.3 million. The property was acquired with a leasehold that has a term of approximately 93 years. A right-of-use asset was recorded for this lease in the amount of €8.2 million in accordance with IFRS 16. Future financial liabilities from this lease in the same amount were also recorded as lease liabilities.

The transfer of ownership of the property in Kempten took place on 22 April 2022. The purchase price came to €29.8 million with annualised rents of €1.5 million. The building has expansion/conversion options that could result in an increase in the annualised rents and a subsequent adjustment of the purchase price.

The transfers of ownership in connection with the sale of the city centre retail properties in Gütersloh, Herford, Lemgo and Siegen took place in the first nine months of the 2022 financial year. At a purchase price volume totalling €18.2 million, annualised rental income came to around €1.7 million. Furthermore, an undeveloped sub-plot in the office property in Bonn and an undeveloped plot in Duisburg were sold at a purchase price volume totalling €0.2 million.

The updated fair value of the developed property portfolio as at 30 September 2022 was €1,638.3 million (31 December 2021: €1,604.0 million). As such, the fair value calculated by an expert as at 31 December 2021 was maintained for the most part. The fair values of the properties in Celle and Mannheim increased by €3.2 million due to building cost subsidies being paid out, the amount of which was deducted from the fair value during the property valuation as at 31 December 2021.

Current and non-current trade receivables and other assets increased by €1.2 million and now total €12.7 million (31 December 2021: €11.5 million). They include gross receivables from rent in arrears and billed incidental costs totalling €1.5 million (31 December 2021: €2.3 million). As part of the measurement as at 30 September

2022, write-downs were recognised in the amount of the expected losses of €0.5 million (31 December 2021: €0.9 million).

Other assets comprise granted building cost subsidies due to follow-on leases for the former Real locations in Celle, Gießen and Mannheim in the total amount of €7.8 million. A further building cost subsidy of €1.4 million was granted as a result of a newly concluded lease with Aldi in Gießen in June 2022. The building cost subsidies totalled €9.4 million as at 30 September 2022. Of this amount, the remaining term amounts to €8.6 million over one year. The agreed amounts will be spread out on a straight-line basis over the term of the leases in the form of a reduction in rents.

The company had cash and cash equivalents of €82.8 million on 30 September 2022 (31 December 2021: €143.4 million). Of the bank balances, a total of €29.2 million was credited to restricted bank accounts that are pledged to replace collateral in the form of property liens for loans from the financing banks for properties that have been sold.

Equity amounted to €471.2 million as at 30 September 2022, following a value of €497.4 million as at 31 December 2021. The reported equity ratio was 38.0% as at the end of the period after 38.7% as at 31 December 2021. The REIT equity ratio was 59.6% following a value of 61.0% as at 31 December 2021.

At the Annual General Meeting on 28 April 2022 it was decided that €38.2 million of the net retained profit for the 2021 financial year should be used to distribute a dividend of €0.47 per share.

Current and non-current financial liabilities decreased by a net amount of €21.3 million as against 31 December 2021 taking into account scheduled repayments due to the utilisation of loans in the first nine months of 2022, and amounted to €726.4 million as at 30 September 2022 after €747.7 million as at 31 December 2021. The average borrowing rate for all loans in place and those agreed but not yet utilised is 1.7%. The average remaining term is 4.6 years. Of the promissory note loan concluded in 2018 for a total of €75.0 million, €62.5 million is due in March 2023.

Current and non-current trade payables and other liabilities increased by €3.5 million compared to 31 December 2021, rising from €28.9 million to €32.4 million. The increase is mainly due to the €7.2 million increase in lease liabilities pursuant to IFRS 16 to €15.2 million (31 December 2021: €8.0 million) as a result of the purchase of a property with a leasehold in Freiburg. Of this amount, the remaining term amounts to €14.3 million over one year. On the other hand, building cost subsidies in the amount of €3.2 million were paid out in connection with the follow-up lease of former Real locations. As at 30 September 2022, the remaining building cost subsidy in the amount of €4.6 million (31 December 2021: €7.8 million) is not yet due. The item also includes purchase price retention liabilities of €2.0 million (31 December 2021: €2.1 million), a further building cost subsidy of €1.4 million for Aldi in Gießen and land transfer tax of €0.6 million (31 December 2021: €1.5 million).

Current and non-current provisions are primarily made up of provisions for mining damage in the amount of €3.2 million (31 December 2021: €3.0 million), provisions for Management Board bonuses from long-term share-based remuneration (LTI) and for short-term remuneration (STI) of €1.2 million (31 December 2021: €1.4 million), and a provision for the risk provision for rent reductions in connection with the COVID-19 pandemic in the amount of €0.6 million (31 December 2021: €0.7 million).

The net asset value (NAV) of the company was €982.4 million at the end of the quarter (31 December 2021: €984.9 million). This corresponds to a NAV per share of €12.08 (31 December 2020: €12.11).

Report on risks and opportunities

As a real estate company with a portfolio distributed across the whole of Germany, HAMBORNER REIT AG is exposed to a number of risks and opportunities that could affect its results of operations, net asset situation and financial position. With the exception of the matters described below, there are currently no significant changes in the assessment of the risks to, and opportunities for, the business development of the company as against 31 December 2021. The comments made therefore still apply, with the following amendments:

NATIONAL AND INTERNATIONAL MARKET ENVIRONMENT RISKS

The ongoing war in Ukraine continues to lead in particular to sharp rises in energy and consumer prices and to supply bottlenecks in the manufacturing industry. As a result, the Federal Government now expects inflation to reach 8.0% in 2022.

The market environment risk for HAMBORNER is still classified as moderate.

OPERATING OPPORTUNITIES AND RISKS

At HAMBORNER, increased prices particularly impact costs that cannot be passed on from the management of the properties and general administrative costs. No significant consequences are currently expected for the current financial year.

The cost increases in the area of maintenance, which are in some cases significant, are expected to be offset in relation to the operating result for the financial year by means of postponements to planned measures and renovations paid for by tenants as a result of the stretched capacities in the trades, material shortages and bottlenecks.

Alternative sources of supply were found to substitute the discontinued Russian gas supplies, meaning that gas reserves were filled to an average of over 95% sooner than expected. Accordingly, despite recent concerns, no significant gas restrictions are currently expected for our tenants up to the end of the year.

The overall operational risk for HAMBORNER up until the end of the year is therefore considered to be low.

As a result of continued high levels of inflation in the 2022 financial year, the aforementioned risks also bring opportunities for higher rental and lease income as a result of index increases with current tenants.

FINANCING RISKS

Since the start of the year, interest rates on loans have risen significantly. In light of the extensions completed for 2022, existing loans at HAMBORNER are not affected. New loans taken out will very likely be subject to higher interest costs.

Taking into consideration the reasons given above, financing risk is still classified as low for HAMBORNER.

Forecast report

Despite the uncertainties described in the report on risks and opportunities as a result of the war in Ukraine, HAMBORNER maintains its most recently published fundamental assessments for the future business outlook.

The company continues to expect income from rents and leases in the range of €84 million to €85 million for 2022 as a whole.

Taking into account business performance in the first nine months of the current financial year, the company considers itself to be in the position to provide further details regarding the development of its operating income (FFO). Based on the current assessment, FFO is expected to move to between €48 million and €49 million by the end of the year (previous forecast: €47 million to €49 million).

Assuming further stable development in the value of the like-for-like property portfolio, the company still anticipates that the NAV per share for 2022 will remain at around the previous year's level.

Principles of reporting

The HAMBORNER REIT AG interim statement as at 30 September 2022 is in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union. It was prepared in line with the regulations of the International Accounting Standard (IAS) 34 on interim financial reporting. In deviation from IAS 34, however, no notes to the financial statements are provided.

There were no changes to the accounting policies used in the separate IFRS financial statements as at 31 December 2021. The accounting standards endorsed and revised by the EU, which are mandatory effective from 1 January 2022, were observed. This did not result in any material changes to the interim financial statements as at 30 September 2022.

Interim statement as at 30 September 2022

Income statement

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

IN € THOUSAND	1 JAN.– 30 SEP. 2022	1 JAN.– 30 SEP. 2021	1 JUL.– 30 SEP. 2022	1 JUL.– 30 SEP. 2021
Income from rents and leases	63,196	63,912	21,318	20,983
Income from incidental costs passed on to tenants	10,569	10,732	3,564	3,549
Real estate operating expenses	-13,811	-13,738	-4,045	-3,871
Property and building maintenance	-5,634	-3,476	-2,347	-1,268
Net rental income	54,320	57,430	18,490	19,393
Administrative expenses	-1,575	-1,502	-400	-572
Personnel expenses	-4,408	-4,139	-1,421	-1,486
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-27,381	-27,157	-9,153	-9,245
Other operating income	816	5,133	407	198
Other operating expenses	-2,126	-1,909	-715	-123
	-34,674	-29,574	-11,282	-11,228
Operating result	19,646	27,856	7,208	8,165
Earnings from the sale of investment property	176	36,546	175	4,014
Earnings before interest and taxes (EBIT)	19,822	64,402	7,383	12,179
Interest expenses	-9,757	-10,613	-3,249	-3,474
Financial result	-9,757	-10,613	-3,249	-3,474
Period result	10,065	53,789	4,134	8,705
Basic = diluted earnings per share (in €)	0.12	0.66	0.05	0.11

Statement of comprehensive income

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

IN € THOUSAND	1 JAN.– 30 SEP. 2022	1 JAN.– 30 SEP. 2021	1 JUL.– 30 SEP. 2022	1 JUL.– 30 SEP. 2021
Period result as per the income statement	10,065	53,789	4,135	8,705
Items reclassified to profit or loss in future if certain conditions are met:				
Unrealised gains/losses (-) on the remeasurement of derivative financial instruments	0	468	0	155
Items not subsequently reclassified to the income statement:				
Actuarial gains/losses (-) on defined pension obligations	1,951	231	496	2
Other comprehensive income	1,951	699	496	157
TOTAL COMPREHENSIVE INCOME	12,016	54,488	4,631	8,862

Other comprehensive income for the period relates to actuarial gains on defined pension commitments in the amount of €1,951 thousand due to the increase in the actuarial interest rate to 4.04% as at the end of the reporting period (31 December 2021: 0.93%).

Statement of
financial position

Statement of financial position – assets

AS AT 30 SEPTEMBER 2022

IN € THOUSAND	30 SEP. 2022	31 DEC. 2021
Non-current assets		
Intangible assets	476	472
Property, plant and equipment	2,812	2,932
Investment property	1,138,901	1,115,250
Financial assets	1,911	1,676
Other assets	8,915	7,728
	1,153,015	1,128,058
Current assets		
Trade receivables and other assets	3,776	3,772
Cash and cash equivalents	82,822	143,407
Non-current assets held for sale	0	10,550
	86,598	157,729
TOTAL ASSETS	1,239,613	1,285,787

Statement of financial position – liabilities

IN € THOUSAND	30 SEP. 2022	31 DEC. 2021
Equity		
Issued capital	81,343	81,343
Capital reserves	346,071	346,071
Revenue reserves	43,745	69,960
	471,159	497,374
Non-current liabilities and provisions		
Financial liabilities	585,341	667,396
Trade payables and other liabilities	16,321	9,153
Pension provisions	3,521	5,700
Other provisions	3,694	3,791
	608,877	686,040
Current liabilities and provisions		
Financial liabilities	141,059	80,308
Trade payables and other liabilities	16,094	19,773
Other provisions	2,424	2,292
	159,577	102,373
TOTAL EQUITY, LIABILITIES AND PROVISIONS	1,239,613	1,285,787

Statement of cash flows

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

IN € THOUSAND	1 JAN.– 30 SEP. 2022	1 JAN.– 30 SEP. 2021
Cash flow from operating activities		
Period result	10,065	53,789
Financial result	9,362	10,046
Depreciation and amortisation (+)/reversals (–)	27,381	25,067
Change in provisions	–193	64
Gains (–)/losses (+) (net) on the disposal of property, plant and equipment and investment property	–194	–37,686
Change in receivables and other assets not attributable to investing or financing activities	–1,192	–9,677
Change in liabilities not attributable to investing or financing activities	–1,131	9,069
	44,098	50,672
Cash flow from investing activities		
Investments in intangible assets, property, plant and equipment and investment property	–53,505	–44,951
Proceeds from disposals of property, plant and equipment and investment property	18,388	162,266
	–35,117	117,315
Cash flow from financing activities		
Dividends paid	–38,231	–37,872
Proceeds from borrowings of financial liabilities	22,071	61,600
Repayments of borrowings	–43,178	–60,312
Proceeds from increase in capital	0	6,602
Payments for costs from increases in capital	0	–276
Payments (–)/proceeds (+) for cash collateral for financial liabilities	30,207	–76,093
Cash flow from lease liabilities	–669	–502
Interest payments	–9,559	–10,606
	–39,359	–117,459
Cash-effective changes to cash funds	–30,378	50,528
Cash funds on 1 January	83,978	35,597
Cash and cash equivalents (with a remaining term of up to three months)	83,978	35,597
Restricted cash and cash equivalents	59,429	4,925
Cash and cash equivalents on 1 January	143,407	40,522
Cash funds on 30 September	53,600	86,125
Cash and cash equivalents (with a remaining term of up to three months)	53,600	86,125
Restricted cash and cash equivalents	29,222	81,018
Cash and cash equivalents on 30 September	82,822	167,143

Statement of changes in equity

IN € THOUSAND	ISSUED CAPITAL	CAPITAL RESERVES		REVENUE RESERVES	TOTAL EQUITY
			Cash flow hedge reserve	Reserve for IAS 19 pension provisions	Other revenue reserves
As at 1 January 2021	80,580	340,508	–522	–4,228	57,896
Distribution of profit for 2020 (€0.47 per share)					–37,872
Increases in capital	763	5,839			
Costs from increases in capital		–276			
Net profit for the period 1 Jan. – 30 Sep. 2021					53,789
Other comprehensive income 1 Jan. – 30 Sep. 2021			468	231	
Total comprehensive income 1 Jan. – 30 Sep. 2021			468	231	53,789
As at 30 September 2021	81,343	346,071	–54	–3,997	73,813
Net profit for the period 1 Oct. – 31 Dec. 2021					471
Other comprehensive income 1 Oct. – 31 Dec. 2021			54	–327	
Total comprehensive income 1 Oct. – 31 Dec. 2021			54	–327	471
As at 31 December 2021	81,343	346,071	0	–4,324	74,284
Distribution of profit for 2021 (€0.47 per share)					–38,231
Net profit for the period 1 Jan. – 30 Sep. 2022					10,065
Other comprehensive income 1 Jan. – 30 Sep. 2022			0	1,951	0
Total comprehensive income 1 Jan. – 30 Sep. 2022			0	1,951	10,065
As at 30 September 2022	81,343	346,071	0	–2,373	46,118

Financial calendar/ publication details

FINANCIAL CALENDAR 2022 / 2023

10 Nov. 2022	Interim statement, 30 September 2022
9 Feb. 2023	Provisional figures for the 2022 financial year
16 March 2023	2022 Annual Report
25 April 2023	Interim statement, 31 March 2023
27 April 2023	2023 Annual General Meeting

Forward-looking statements

This report contains forward-looking statements. These statements relate to estimates, opinions and predictions relating to the expected future development of HAMBORNER, which are based on current assumptions and estimates by the Management Board and were based on information available at the current time. Forward-looking statements should therefore not be taken as a guarantee of future performance or results and are not necessarily accurate indicators that the forecast developments will occur or that the expected results will be achieved. Future performance and results depend on a variety of factors. These include various risks which have been described in detail in the risk report in the latest annual report. HAMBORNER assumes no obligation to update or correct the information, forward-looking statements or conclusions contained in this report or to include subsequent events or circumstances or to correct any inaccuracies that become evident following the date of publication of this report. This report does not constitute an offer or call to buy or sell securities of HAMBORNER REIT AG.

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