

Company presentation

March 2023



Agenda

- 1. HAMBORNER at a glance**
- 2. Portfolio Overview**
- 3. Asset Management**
- 4. Financials**
- 5. Sustainability / ESG**
- 6. Appendix**

1. HAMBORNER at a glance





Company profile

History



Portfolio Data (as of 31 December 2022)

Portfolio volume	€1,609m
Number of assets	66
WALT	6.5 years
Occupancy rate (EPRA)	98.1%

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
- Strong focus on ESG and future topics
- Lean and efficient corporate structure
- Strong internal asset and property management
- Sustainable and attractive dividend policy

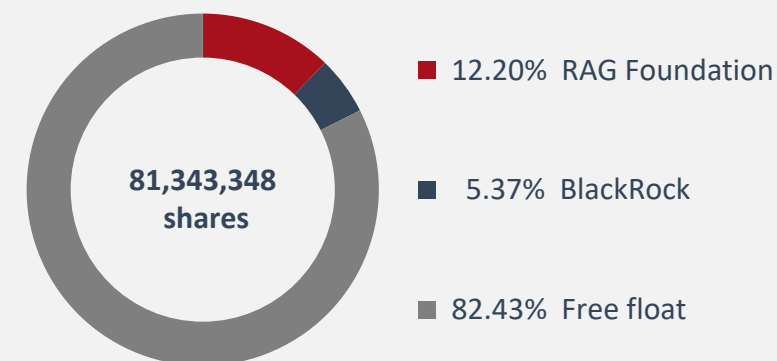
Key Financials (as of 31 December 2022)

FFO yield 2022	9.4%
NAV per share	€11.86
REIT equity ratio	59.6%
LTV	39.1%

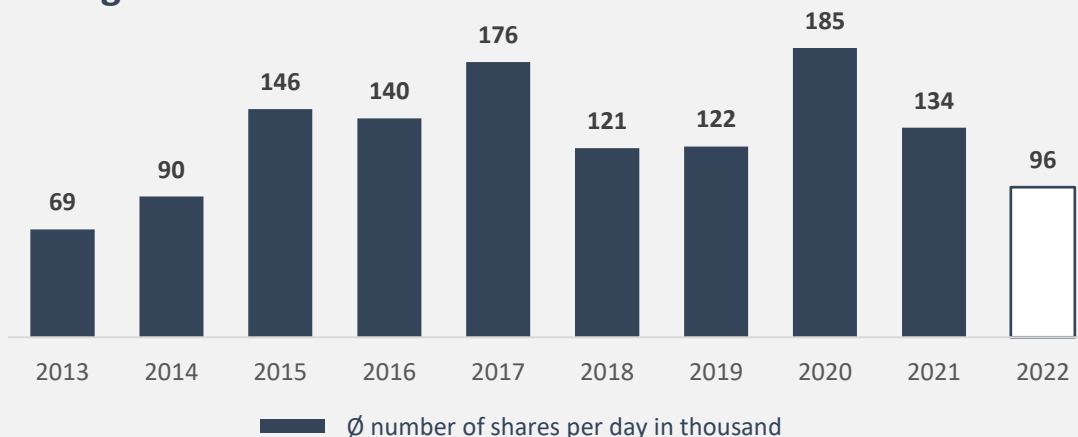
The HAMBORNER Share

Current share price	€6.73 (as of 31 December 2022)
Market capitalisation	€547.4m (as of 31 December 2022)
WKN/ISIN	A3H233 / DE000A3H2333
Ticker symbol	HABA
Class of shares	Registered Share
Exchange segment	Prime Standard
Indices	SDAX, EPRA, RX REIT

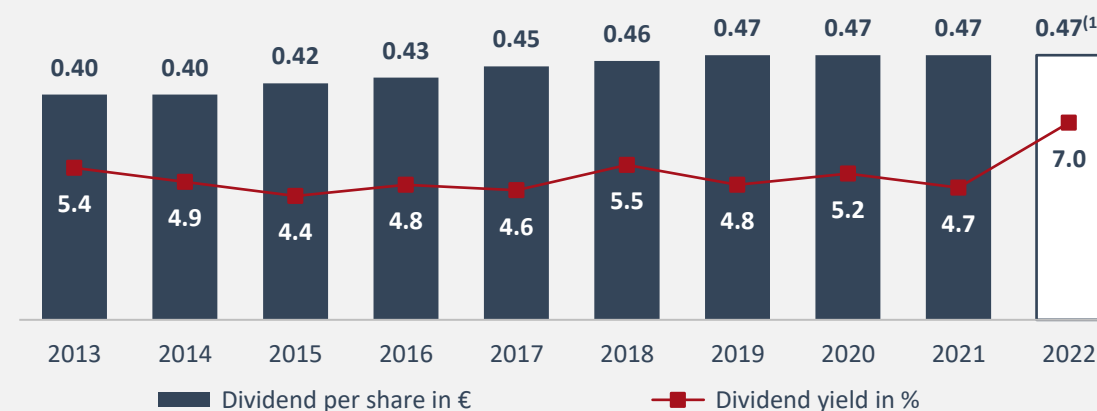
Shareholder structure



Trading Volume



Dividend per Share and Dividend Yield



(1) Proposal to AGM 2023

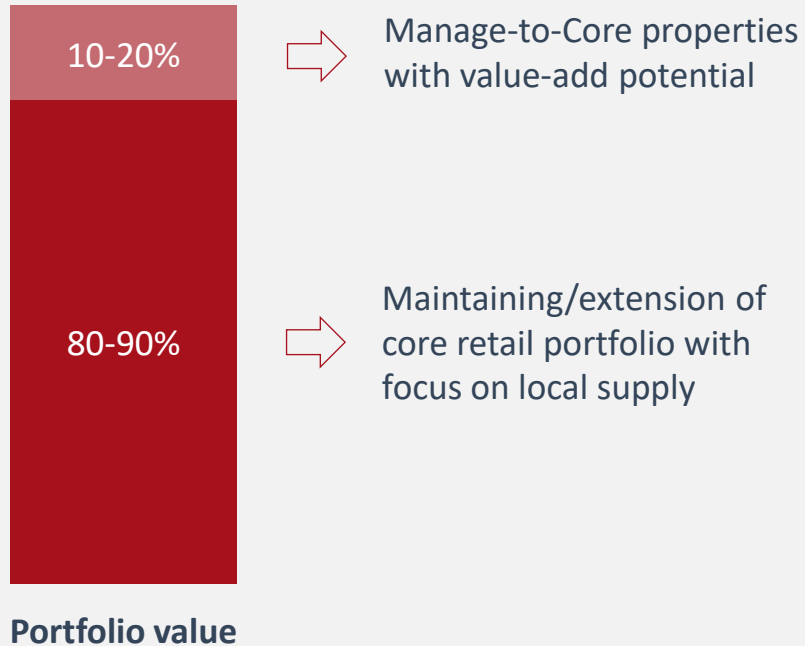
2. Portfolio Overview



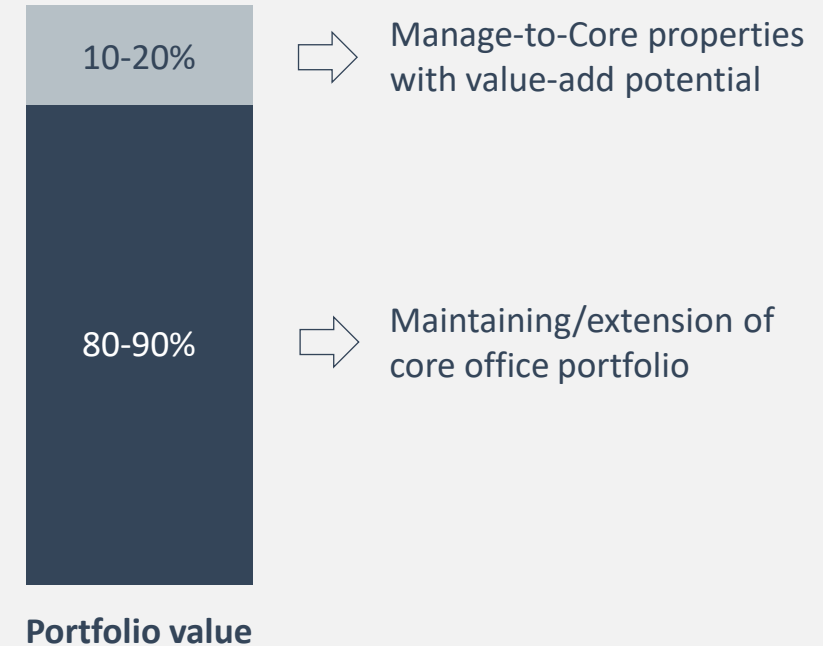


Portfolio Strategy – Target Structure

Retail Portfolio



Office Portfolio



- ➡ Two-pillar portfolio structure with focus on food-anchored retail and office assets with Core characteristics
- ➡ Gradual addition of selected Manage-to-Core properties with value-add potential
- ➡ Continuous asset rotation as part of active portfolio management approach



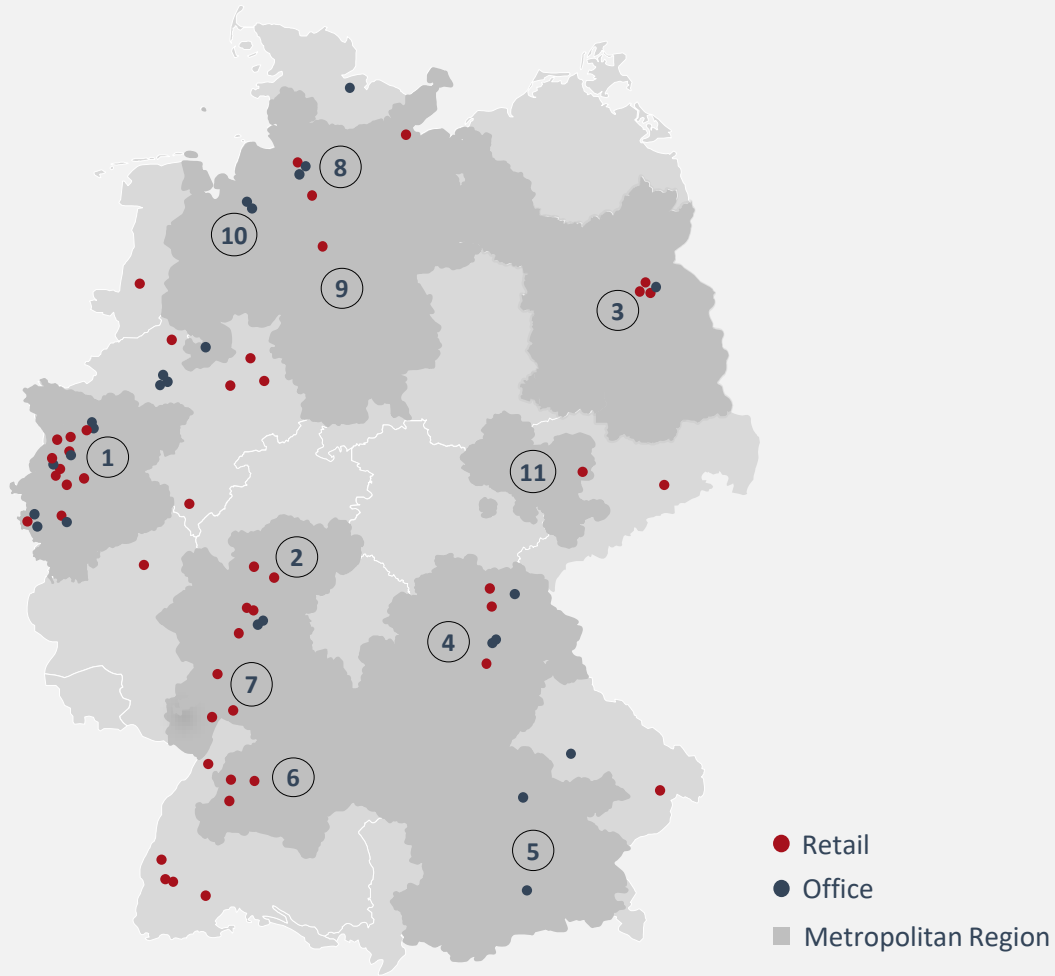
Portfolio Management Approach

Asset classes	<ul style="list-style-type: none">▪ Retail▪ Office
Risk profile	<ul style="list-style-type: none">▪ Core▪ Manage-to-Core
Lot size	<ul style="list-style-type: none">▪ > €10m (retail)▪ > €20m (office)
	<ul style="list-style-type: none">▪ Focus on core investments▪ Addition of selected Manage-to-Core properties with larger asset management need (refurbishment, reletting, repositioning etc.)▪ Realization of value potential within existing portfolio (incl. selective development activity)▪ If applicable, participation in investment partnerships (co-investments, joint ventures)
Portfolio management approach	<ul style="list-style-type: none">▪ Active portfolio management approach ('buy-hold-sell')▪ Constant portfolio streamlining in line with strategic parameters▪ Interlocking of performance indicators from capital market and property perspective▪ Investments following defined sustainability strategy

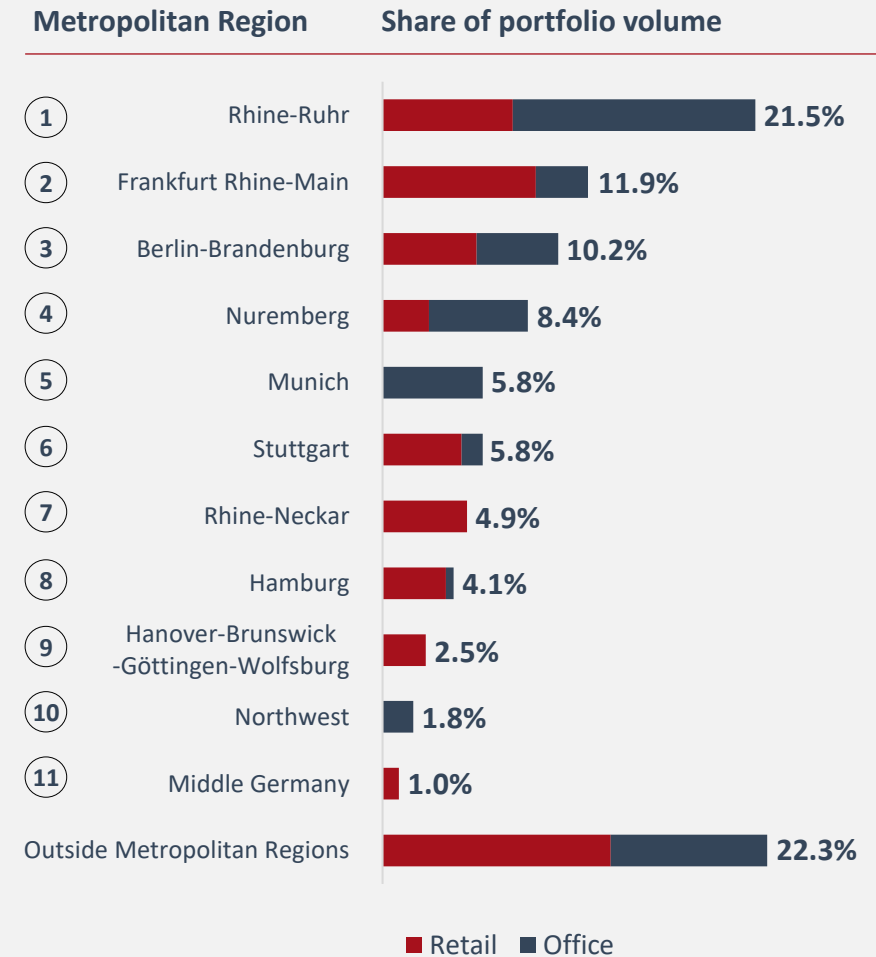


Geographical Portfolio Structure

Geographical Focus (Metropolitan Regions in Germany)

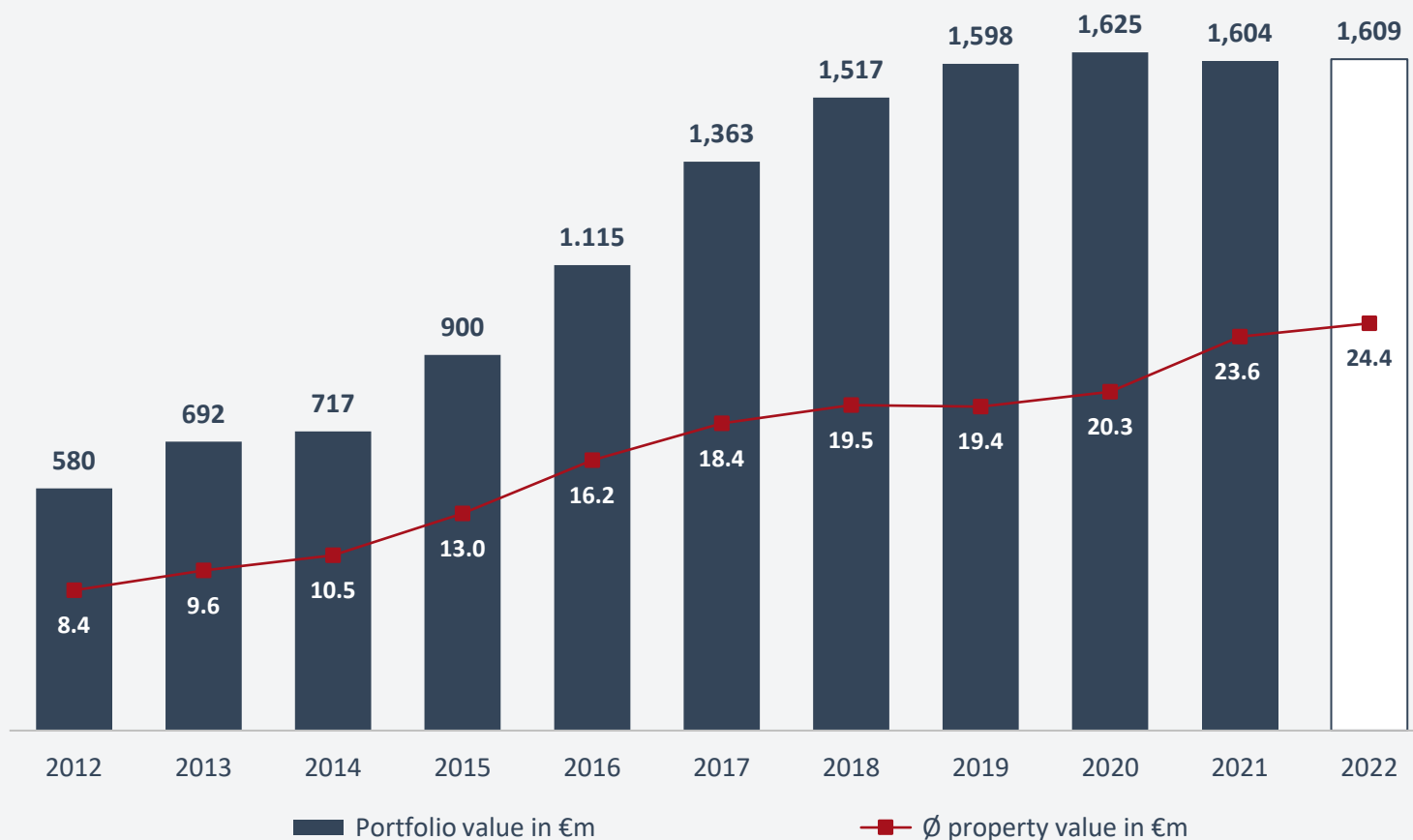


Portfolio by Metropolitan Regions





Portfolio value and average property value



Comments

- **Continuous value-adding portfolio growth** since conversion into a G-REIT in 2010
- Average annual **growth rate** of **10.7%** over the last 10 years
- **Average property value** of **€24.4m** allows cost-effective portfolio and asset management
- **Operating cost ratio** at **9.3%** in 2022
- Combination of two-pillar portfolio strategy and investment focus on metropolitan regions forms the basis for future value-adding growth



Transactions 2022

Acquisitions

Freiburg



Asset type	Retail
Investment approach	Core
Year of construction	2018
Leased area	10,659 m ²
WALT	12.0 years ⁽¹⁾
Occupancy rate	100%
Annual rental income	€1.3m
Purchase price	€18.8m
Gross initial yield	6.8% ⁽¹⁾
Transfer of possession	15 March 2022

Kempten



Asset type	Retail
Investment approach	Core
Year of construction	2011
Leased area	17,400 m ²
WALT	11.4 years ⁽¹⁾
Occupancy rate	100%
Annual rental income	€1.5m
Purchase price	€29.8m
Gross initial yield	5.1% ⁽¹⁾⁽²⁾
Transfer of possession	22 April 2022

Disposals

Lemgo

Asset type	High-Street EH
Selling price	€3.0m
Latest fair value	€3.0m
WALT	2.4 years ⁽¹⁾



Gütersloh

Asset type	High-Street EH
Selling price	€2.1m
Latest fair value	€2.0m
WALT	3.3 years ⁽¹⁾



Herford

Asset type	High-Street EH
Selling price	€2.5m
Latest fair value	€2.5m
WALT	3.5 years ⁽¹⁾



Siegen

Asset type	High-Street EH
Selling price	€10.6m
Latest fair value	€10.5m
WALT	6.5 years ⁽¹⁾



(1) As of date of signing

(2) Calculation includes annual ground rent



Portfolio Rotation

Transactions since strategy update in July 2020⁽¹⁾

Portfolio as of 30 June 2020		Portfolio as of 31 December 2022	
Assets	83	Assets	66
Portfolio Volume	€1,631m	Portfolio Volume	€1,608.6m
Ø value per asset	€19.9m	Ø value per asset	€24.4m (+23%)
Ø age of asset	26.6 years	Ø age of asset	18.8 years (-29%)
23 Disposals		6 Acquisitions	
+3.4% Ø premium to fair value		5.6% gross initial yield	
€199.1m Total sales volume		€123.0m Total acquisition volume	

(1) Calculation based on signed and closed transactions / including revaluation effects

Implementation of adjusted strategy

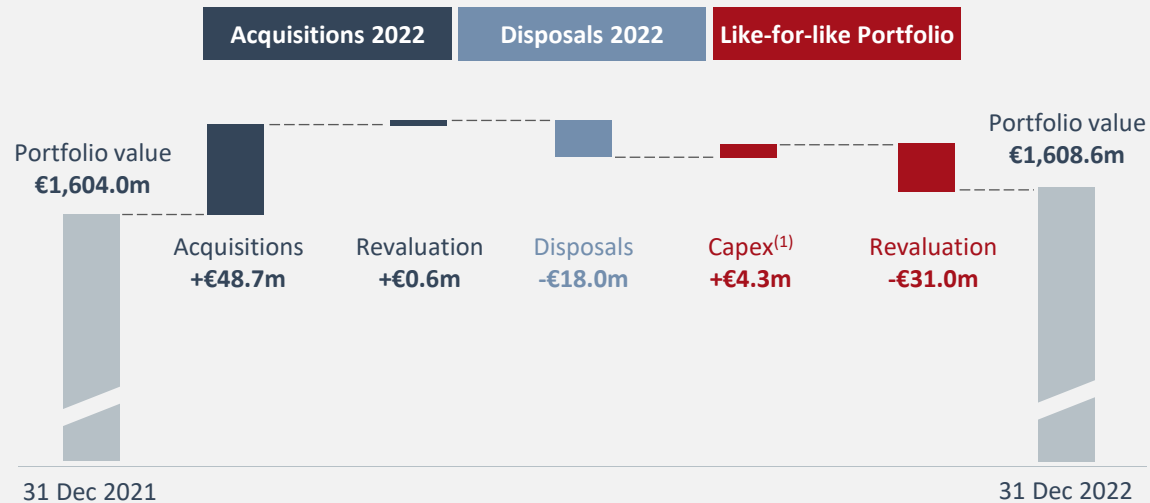
- ✓ 23 disposals since strategy update in 2020
- ✓ Total sales volume of €199.1 with 3.4% premium to latest fair values
- ✓ Successful divestment of all non-strategic high-street assets held for short-term disposal
- ✓ Reduction of Ø age of assets (-29%) and corresponding future maintenance / capex risks
- ✓ Increase in Ø value per asset (+23%) enhancing internal capacities
- ✓ Acquisition of 6 high-quality assets with a total volume of €123m and 5.6% GIY

➡ Short-term strategic disposal activities successfully completed



Portfolio revaluation

Portfolio development 2022



1) incl. building cost subsidies

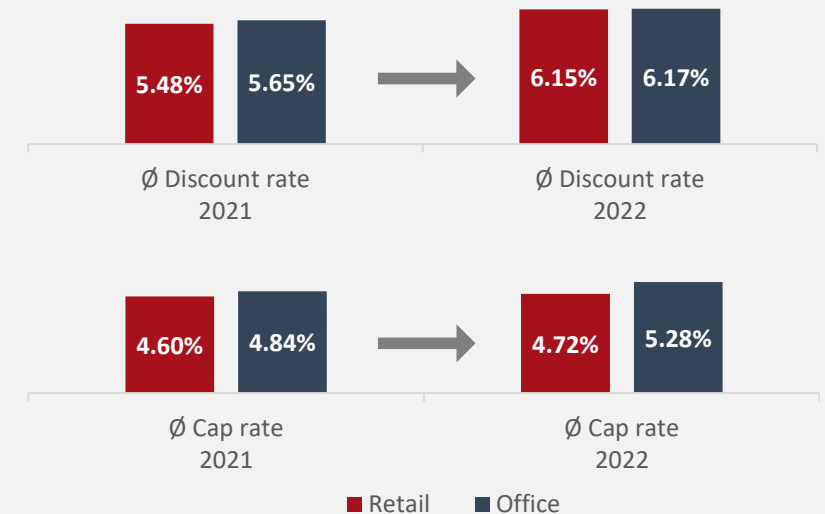
Main influencing valuation factors

- + High portfolio/asset quality
- + Solid tenant structure
- + Consistently stable cash flows
- + Indexation effects
- Development of interest environment
- Increasing discount rates/cap rates
- Yield expansion

Comments

- Increase in portfolio value (+€49.3) due to acquisition of two DIY properties in Freiburg and Kempten (incl. year-end revaluation gain of €0.6m)
- Negative effects resulting from four property disposals (-€18.0m) and -2.0% decrease of like-for-like portfolio value (-€31.0m)

Discount/Cap rate development





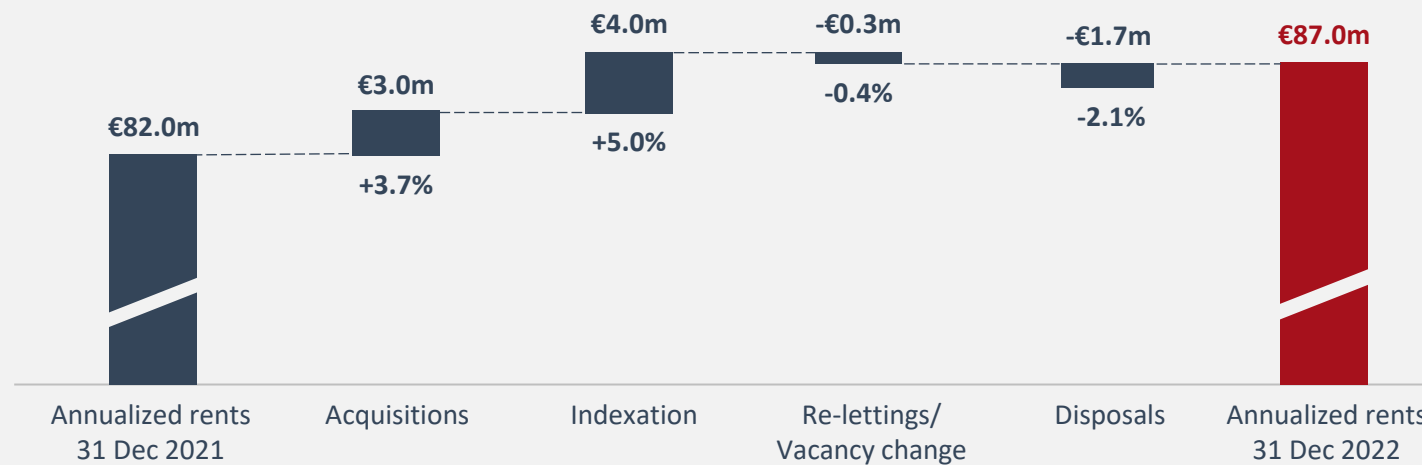
Portfolio key metrics as of 31 December 2022

	Asset class		Total portfolio	Investment approach			
	Retail	Office	Split	Core	%	Manage-to-Core	%
Number of properties	38	28	66	63	95.5%	3	4.5%
Fair Value	€881.1m	€727.5m	€1,608.6m	€1,537.0m	95.5%	€71.6m	4.5%
Leased area	381,581 m ²	229,631 m ²	611,212 m ²	584,013 m ²	95.6%	27,199 m ²	4.4%
Annualized rent	€48.7m	€38.3m	€87.0m	€82.5m	94.8%	€4.5m	5.2%
Annualized rental yield	5.5%	5.3%	5.4%	5.4%		6.3%	
EPRA vacancy rate	1.6%	2.4%	1.9%	1.1%		14.8%	
WALT	7.6 years	5.0 years	6.5 years	6.7 years		2.5 years	
Like for like development 31 December 2022 to 31 December 2021							
Rents	+4.0%-pts	+5.6%-pts	+4.7%-pts	+5.0%-pts		-0.5%-pts	
EPRA vacancy rate	-0.4%-pts	+0.4%-pts	0.0%-pts	-0.1%-pts		+1.9%-pts	
WALT	+0.4 years	0.0 years	+0.2 years	+0.3 years		-1.0 years	



Rent development in 2022

Development of annualized rents 2022



Rent development like-for-like/year-on-year⁽¹⁾

	Asset class		Total portfolio	Investment approach	
	Retail	Office	Split	Core	Manage-to-Core
Total rents	+4.0%-pts	+5.6%-pts	+4.7%-pts	+5.0%-pts	-0.5%-pts
Indexation effects	+4.6%-pts	+5.4%-pts	+5.0%-pts	+5.1%-pts	+3.4%-pts
(Re-)Lettings/ Vacancy reduction	-0.1%-pts	+1.4%-pts	+0.6%-pts	+0.4%-pts	+2.7%-pts
Vacancy increase	-0.4%-pts	-1.3%-pts	-0.9%-pts	-0.5%-pts	-7.0%-pts
Step up rents	0.0%-pts	+0.1%-pts	0.0%-pts	+0.0%-pts	+0.4%-pts

(1) 31 December 2022 to 31 December 2021; acquisitions and disposals excluded; rounding differences possible

3. Asset Management



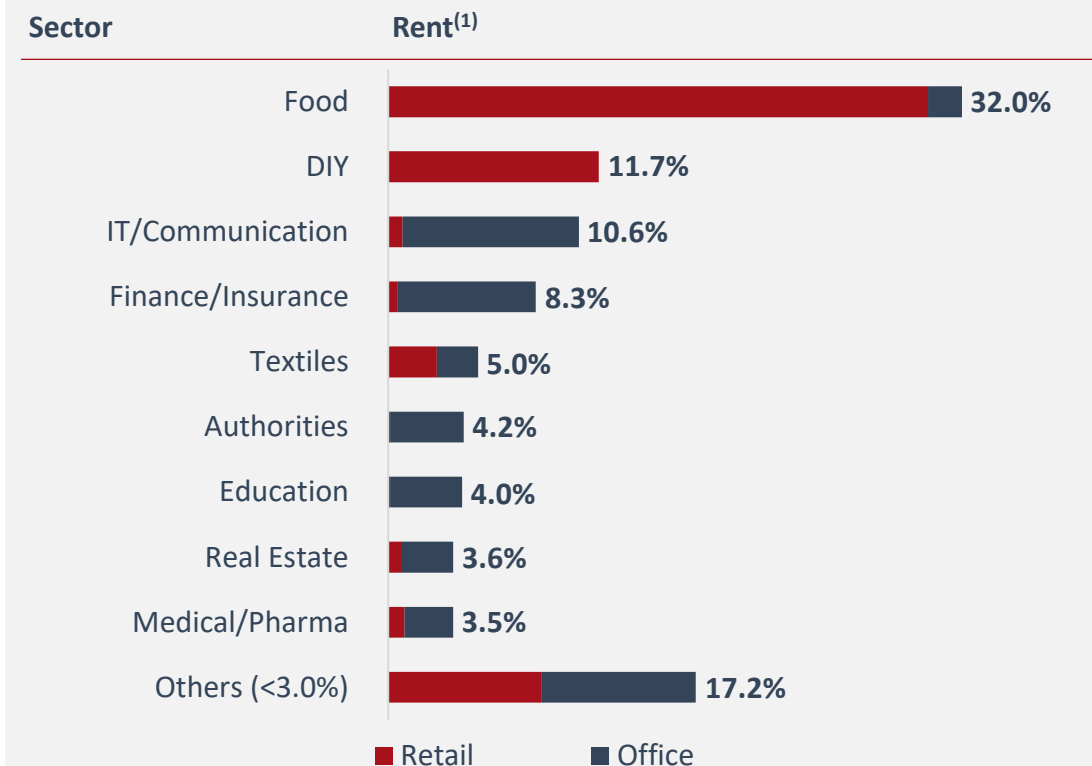
Retail property 'Rondo Steinheim' Hanau

Top-10 tenants (as of 31 December 2022)

Tenant	Sector	Rent ⁽¹⁾
EDEKA	Food retail	11.6%
Kaufland	Food retail	7.4%
REWE	Food retail	7.0%
OBI	DIY	6.8%
Globus	DIY / Food retail	4.5%
Agency of unemployment	Authorities	3.3%
Barmer	Finance / Insurance	2.6%
Netcologne	IT / Communication	2.1%
ALDI	Food retail	1.6%
Verwaltungs-Berufsgenossenschaft	Finance / Insurance	1.5%
Total		48.4%

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

Sector distribution (as of 31 December 2022)

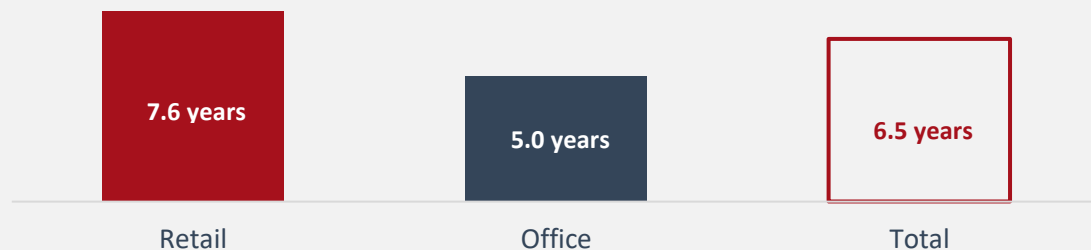


- ➔ Doubling of share of tenant GLOBUS to 4.5% as a result of transfer of former REAL market in Mannheim property
- ➔ Increase of DIY exposure due transfer of ownership of large-scale retail properties in Freiburg and Kempten (+270 bps yoy)

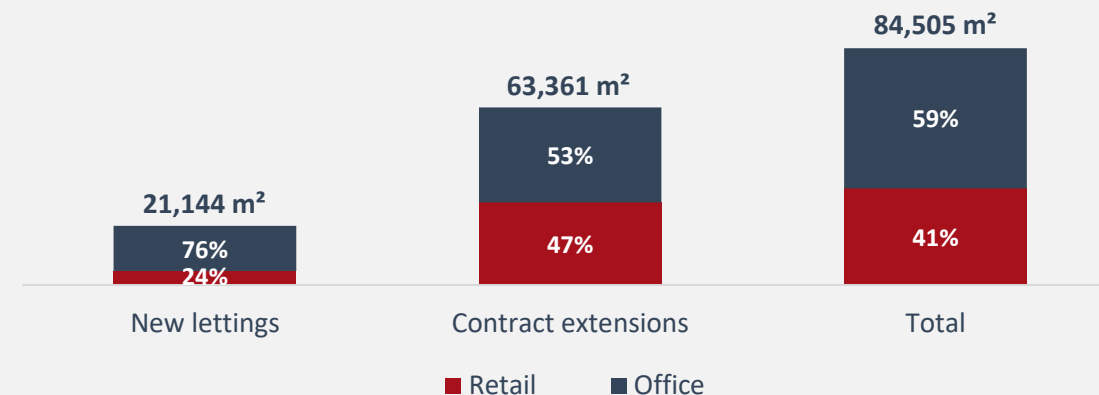


Lease contracts

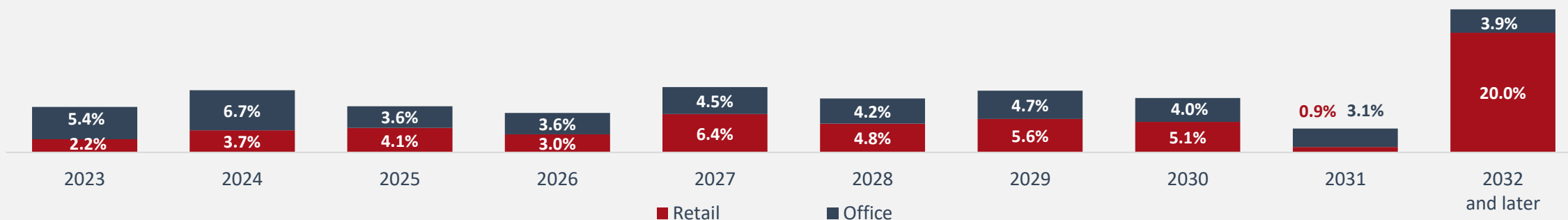
Weighted average lease expiry (as of 31 December 2022)



Letting result 2022



Lease expiry schedule (as of 31 December 2022; in % of annual rents)



- ➔ Strong letting result with total volume of ~85,000 m² led to WALT increase of 0.4 years yoy
- ➔ Lease expiries remain well balanced throughout next years

4. Financials



Office property/Medical center Regensburg

Key figures	31 December 2022	31 December 2021	Change
Profit and loss statement			
Income from rents and leases	€85.0m	€84.4m	+0.7%
Operating result	€25.5m	€31.8m	-19.8%
Profit for the period	€13.3m	€54.3m	-75.5%
Key KPIs			
Funds from Operations (FFO)	€51.0m	€53.1m	-4.0%
Funds from Operations (FFO) per share	€0.63	€0.65	-4.0%
Financial KPIs			
REIT equity ratio	59.6%	61.0%	-1.4%-pts
Loan to Value (LTV)	39.1%	37.6%	+1.5%-pts
EPRA metrics			
EPRA Net Asset Value (NAV) per share	€11.86	€12.11	-2.0%
EPRA Net Tangible Assets (NTA) per share	€11.86	€12.10	-2.0%



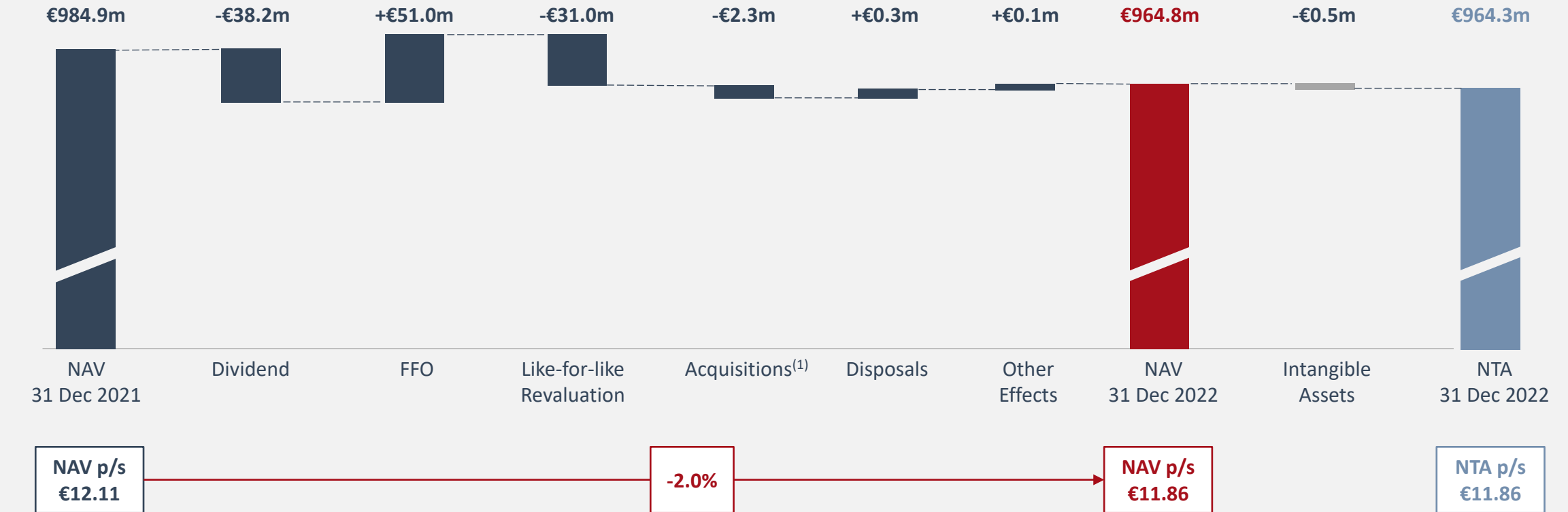
Funds from operations (FFO)

	in k€	2022	2021	Change
①	Income from rents and leases	84,965	84,360	-0.7%
	Income from passed on costs	+14,269	+14,021	-1.8%
	Operating expenses	-18,185	-17,967	+1.2%
②	Maintenance expenses	-9,038	-5,787	+56.2%
	Net rental income	72,011	74,627	-3.5%
	Administrative expenses	-2,044	-2,139	-4.4%
	Personnel expenses	-5,860	-5,968	-1.8%
③	Other operating income	+1,895	+3,341	-43.3%
	Other operating expenses	-2,653	-2,826	-6.1%
④	Interest expenses	-13,017	-13,915	-6.5%
	FFO	50,973	53,120	-4.0%
	- Capex	-1,104	-1,544	-28.5%
	AFFO	49,869	51,576	-3.3%
	FFO per share in €	0.63	0.65	-3.1%
	AFFO per share in €	0.61	0.63	-3.2%

	Comments
①	Decline in rental income mainly due to property disposals (€-5.3m). Rent decrease mainly offset by portfolio additions (€+3.8m) and positive indexation effects.
②	Higher expenses relate to minor ongoing maintenance and various planned measures (partially postponed from previous years)
③	Decrease due to substantial one-off effect in previous year
④	Decline resulted from scheduled repayments, loan expirations and positive refinancing effects



NAV Development 2022

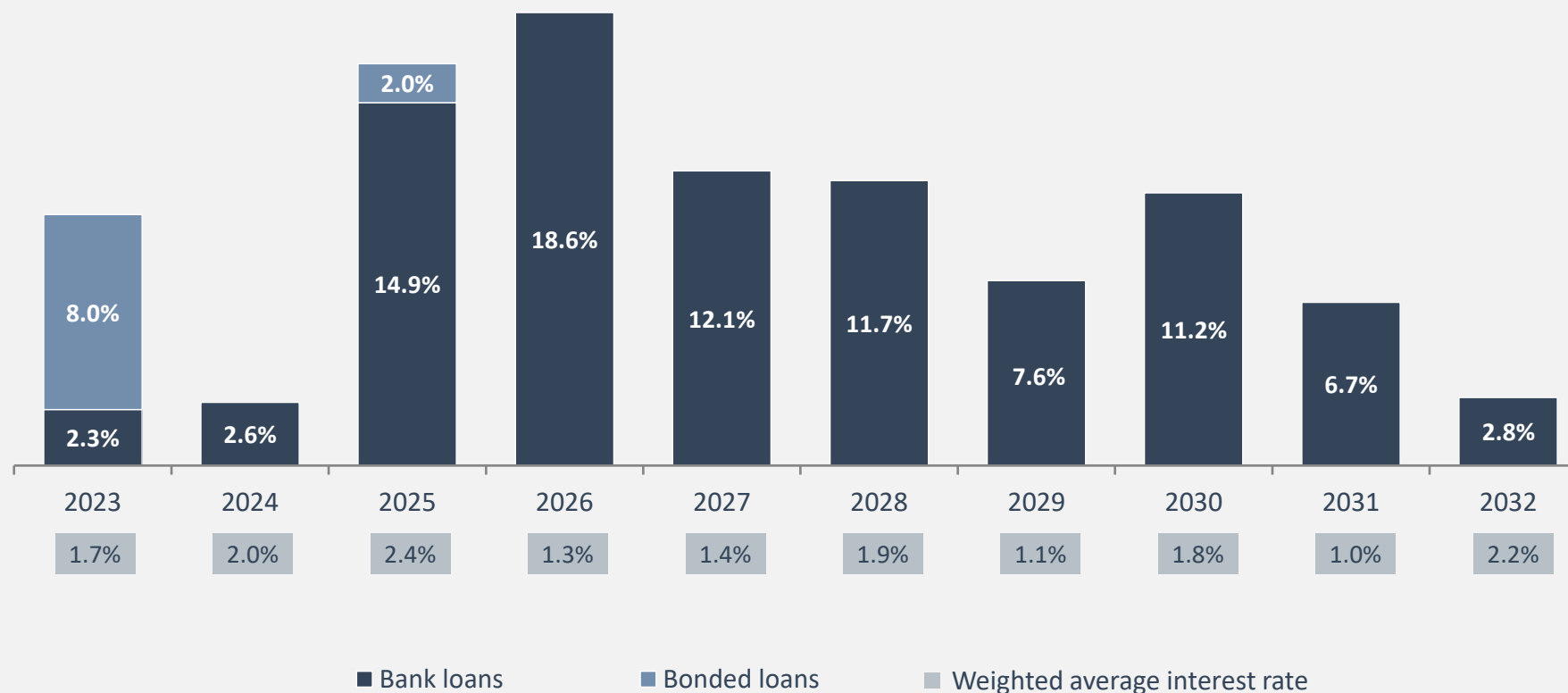


(1) Resulting from incidental acquisition costs

- ➔ NAV development positively affected by consistently stable earnings situation
- ➔ Slight decrease of 2.0% yoy mainly driven by dividend payment and revaluation



Expiration of financial liabilities (as of 31 December 2022)



59.6%

REIT Equity ratio

39.1%

EPRA LTV

9.9x

Net debt/EBITDA⁽¹⁾

4.9x

EBITDA/Interest coverage

€783.8m

Financial liabilities⁽²⁾

1.7%

Ø Cost of debt⁽²⁾

4.6 years

Ø maturity of debt⁽²⁾

(1) Net financial debt (average last five quarters) in relation to EBITDA adjusted by result from sales (last twelve months)

(2) As of 31 December 2022 (incl. loans concluded but not yet utilized)

Dividend

€0.47 per share

Intended dividend proposal

~75%

Resultant FFO payout ratio

Guidance 2023

€88.0 – 89.5m

Rental income

€50.0 – 52.0m

FFO

**Slightly below
previous year's level**

NAV per share

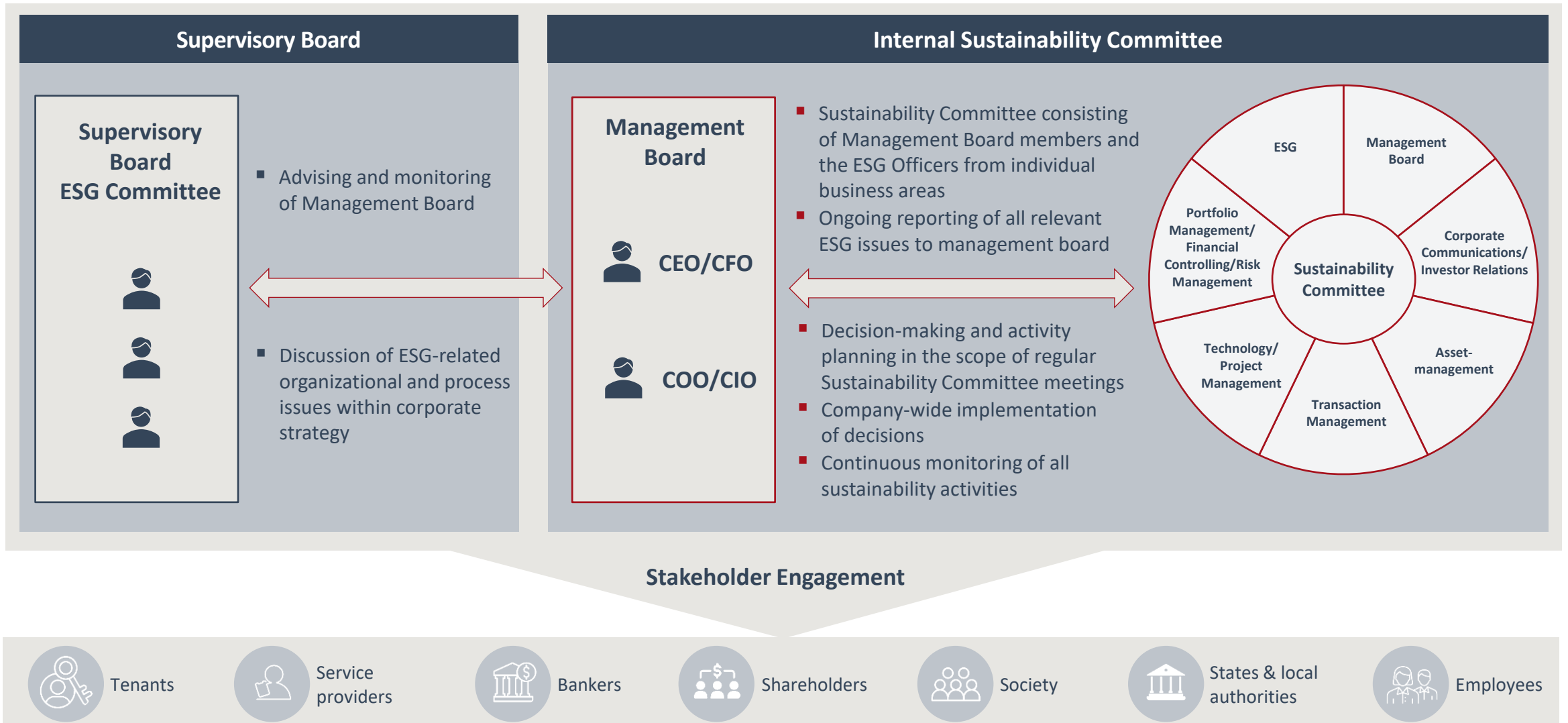
5. Sustainability / ESG



Nachhaltiges Gebäude
DGNB Zertifikat in Platin



Office property Neu-Isenburg



Strategic development and guidelines

- Integration of sustainability/ESG criteria into overall strategy
- Implementation of strategic sustainability programme
- Planning and controlling of sustainability activities by internal sustainability committee
- Intensification of dialogue with relevant stakeholders about key sustainability/ESG topics and integration of lessons learned in further development of strategy
- Definition of short, mid and long-term targets based on ESG KPIs, taking into account feasibility and (cost) efficiency
- Continuous performance measurement for sustainability/ESG management activities and permanent reporting

Key Action Areas



➔ Focus on business-relevant topics and selected effective measures to optimize ESG performance

HAMBORNER supports the United Nations Sustainable Development Goals. Mid-term targets by 2030 are set to:



- Increase substantially the share of renewable energy
- Double the global rate of improvement in energy efficiency



- Integrate climate change measures into national policies, strategies and planning



- Encourage and promote effective public, public-private and civil society partnerships



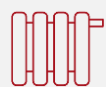
ESG management | Progress in key action areas

Key Action Area	Progress 2022
 Environmental Management & Climate Protection	<ul style="list-style-type: none">▪ Ongoing data management optimisation and database expansion▪ Set up of full carbon footprint for entire property portfolio as a basis for long-term decarbonisation strategy/targets
 Portfolio Quality & Optimisation	<ul style="list-style-type: none">▪ Implementation of ESG audits on asset level based on carbon footprint analysis▪ Modernisation and energy efficiency measures▪ Continued roll-out of smart metering
 Employee Development	<ul style="list-style-type: none">▪ Successful positioning as a sustainable employer▪ Focus on diversity and health management aspects▪ Continuation of employee development program▪ Positive development of social KPIs
 Corporate Governance & Dialogue	<ul style="list-style-type: none">▪ Establishment of Supervisory Board ESG Committee and internal ESG office▪ ESG risk management (climate risk analysis)▪ Further enhancement of transparency standards and separate EPRA reporting





Key environmental KPIs 2021⁽¹⁾



**Total energy intensity
(Heating & Electricity)**

174.9 kWh/m²

+8.5%
like-for-like

Energy consumption
data availability

78.7%



**Water
intensity**

295.4 l/m²

+5.9%
like-for-like

Water consumption
data availability

82.5%



**Waste
intensity**

28.0 kg/m²

+0.5%
like-for-like

Waste generation
data availability

17.7%



Emission data 2021 (Scope 1-3)⁽¹⁾



**Emission intensity
Total portfolio**

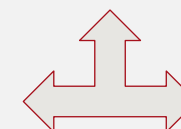
57.0 kg CO₂e/m²

+14.5%
like-for-like

Office portfolio

34.2 kg CO₂e/m²

+9.1%
like-for-like



Retail portfolio

68.1 kg CO₂e/m²

+15.9%
like-for-like

Key social KPIs 2021

**Employee
satisfaction rate**

90.9%

**CPD hours
per employee**

+30.5%

**Employee
fluctuation rate⁽²⁾**

7.3%

**Average length
of service**

8.2 years

**Employee
injury rate⁽²⁾**

0%

**Employee
sickness rate⁽²⁾**

2.7%

(1) Mainly affected by higher occupancy of properties following the significantly reduced use in 2020 caused by the COVID-19 pandemic






(2) KPIs significantly below statistical averages in Germany

6. Appendix










Top-10 properties (1/2)

	Munich	Mannheim	Berlin	Cologne	Karlsruhe
					
Asset type	Office	Retail	Office	Office	Retail
Year of acquisition	2013	2016	2013	2017	2012
Purchase price	€40.2m	€80.0m	€33.0m	€49.0m	€37.0m
Fair value ⁽¹⁾	€80.1m	€79.1m	€77.1m	€76.9m	€56.0m
Annual rents	€2.7m	€4.0m	€2.7m	€3.0m	€2.8m
WALT ⁽¹⁾	4.9 years	12.0 years	4.3 years	8.0 years	12.3 years
Main tenants	Estée Lauder, Giorgio Armani	Globus	Schneider Electric, BLS Energieplan	Netcologne, Instone Real Estate	Edeka

(1) As of 31 December 2022



Top-10 properties (2/2)

	Hanau	Hallstadt	Aachen	Celle	Erlangen
					
Asset type	Retail	Retail	Office	Retail	Office
Year of acquisition	2017	2017	2020	2015	2011
Purchase price	€37.5m	€40.4m	€37.4m	€35.2m	€27.9m
Fair value ⁽¹⁾	€46.7m	€43.9m	€41.6m	€40.9m	€38.0m
Annual rents	€2.1m	€2.6m	€2.1m	€2.0m	€2.2m
WALT ⁽¹⁾	9.6 years	4.4 years	8.8 years	9.2 years	2.6 years
Main tenants	Rewe, Aldi	tegut, Müller	AOK, Barmer	Kaufland, Tedi	Danone, Siemens

(1) As of 31 December 2022

Annual report 2022**16 March 2023****Quarterly financial statement Q1 2023****25 April 2023****Annual General Meeting 2023****27 April 2023****Half-yearly financial report 2023****10 August 2023**



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