

# Company Presentation

September 2023



# Agenda

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

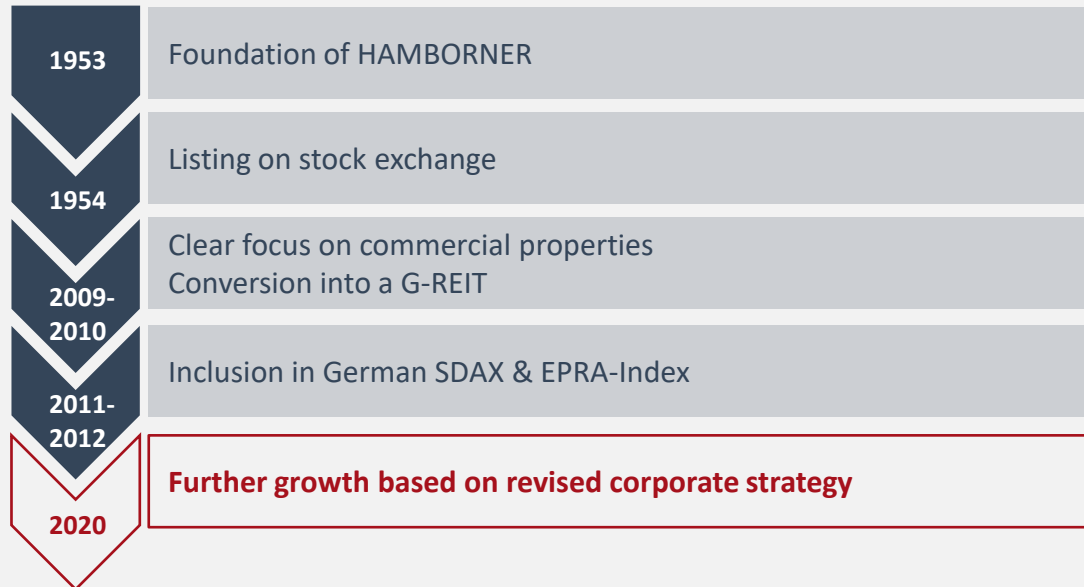


# 1. HAMBORNER at a glance





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

## Portfolio Data *(as of 30 June 2023)*

Portfolio volume	€1,516m
Number of assets	65
WALT	6.3 years
Occupancy rate (EPRA)	95.9%

## Key Financials *(as of 30 June 2023)*

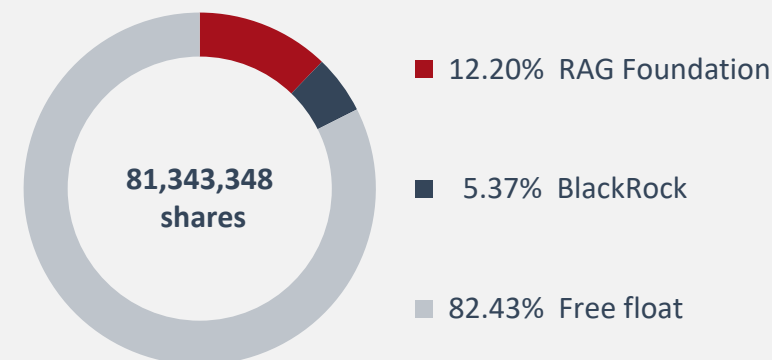
FFO yield 2023e <sup>(1)</sup>	9.8%
NAV per share	€10.58
REIT equity ratio	56.4%
LTV	42.2%

(1) Based on mid-point of current FFO guidance range for full-year 2023 and share price as of 30 August 2023

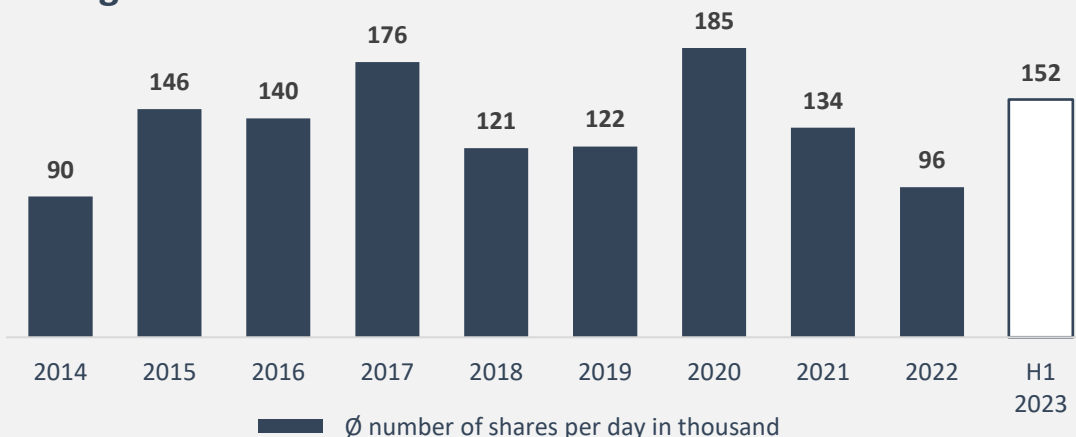
## The HAMBORNER Share

Current share price	€6.54 (as of 30 August 2023)
Market capitalisation	€532.0m (as of 30 August 2023)
WKN/ISIN	A3H233 / DE000A3H2333
Ticker symbol	HABA
Class of shares	Registered Share
Exchange segment	Prime Standard
Indices	SDAX, EPRA, RX REIT

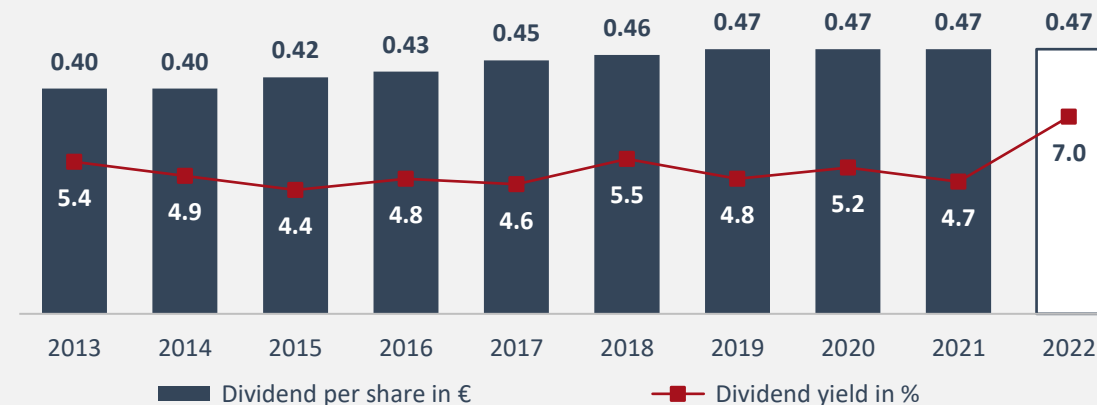
## Shareholder structure



## Trading Volume



## Dividend per Share and Dividend Yield





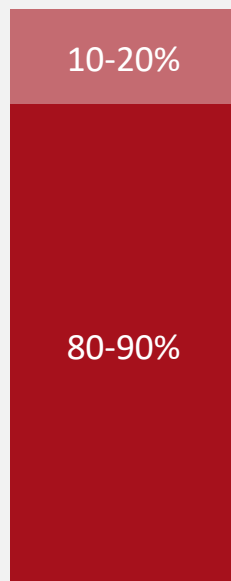
## 2. Portfolio Overview





# Portfolio Strategy – Target Structure

## Retail Portfolio



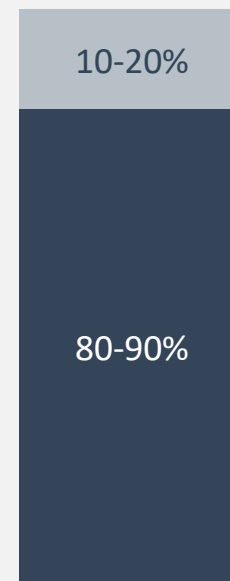
Manage-to-Core properties with value-add potential



Maintaining/extension of core retail portfolio with focus on local supply

Portfolio value

## Office Portfolio



Manage-to-Core properties with value-add potential



Maintaining/extension of core office portfolio

Portfolio value

- ➔ 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



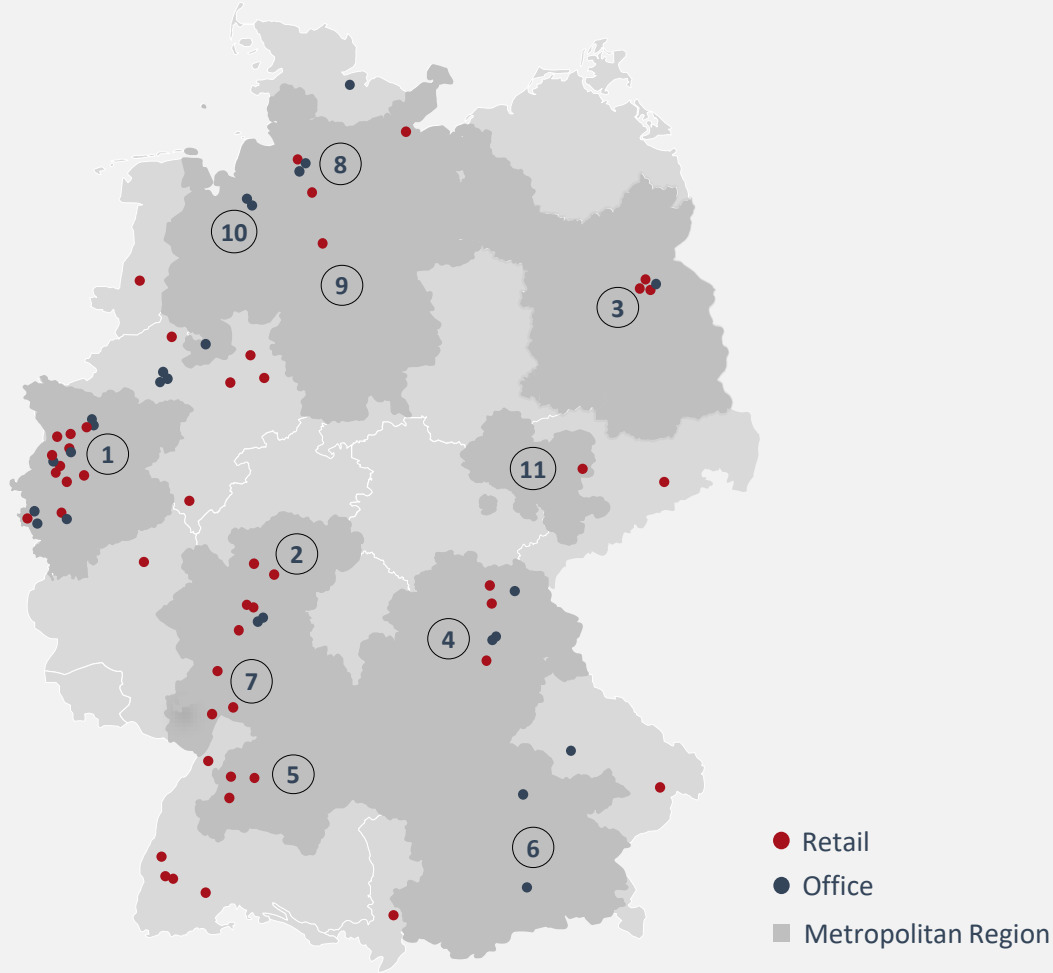
# Portfolio Management Approach

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

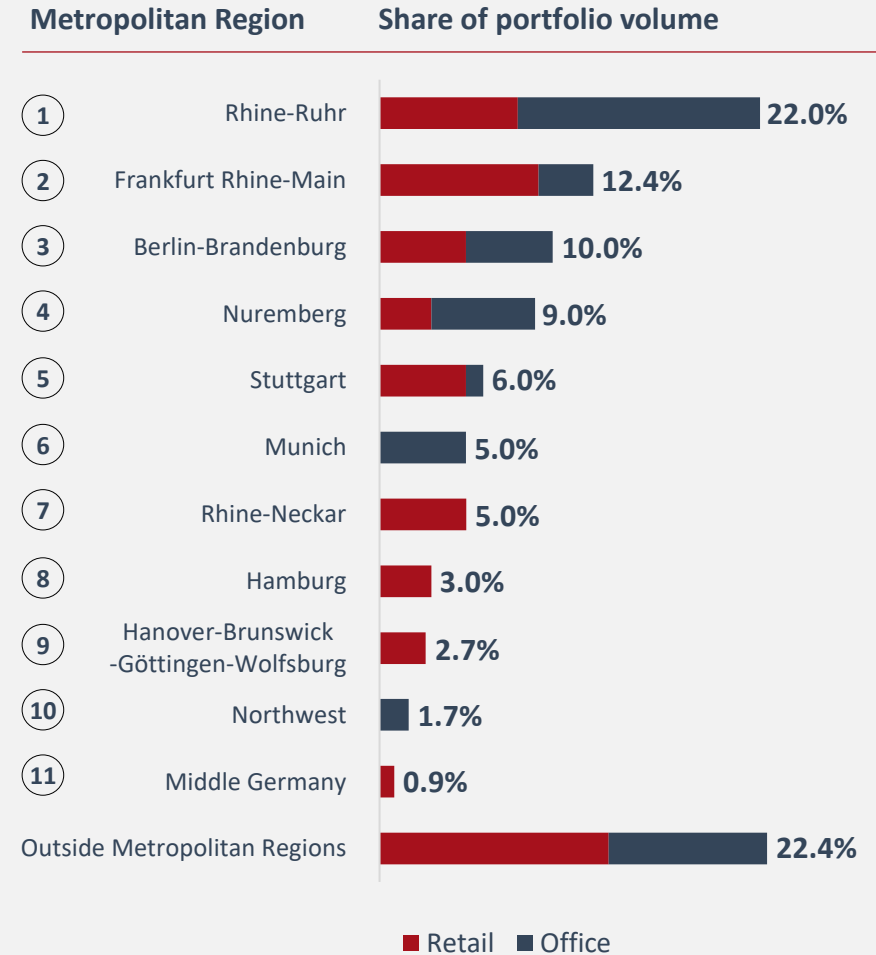




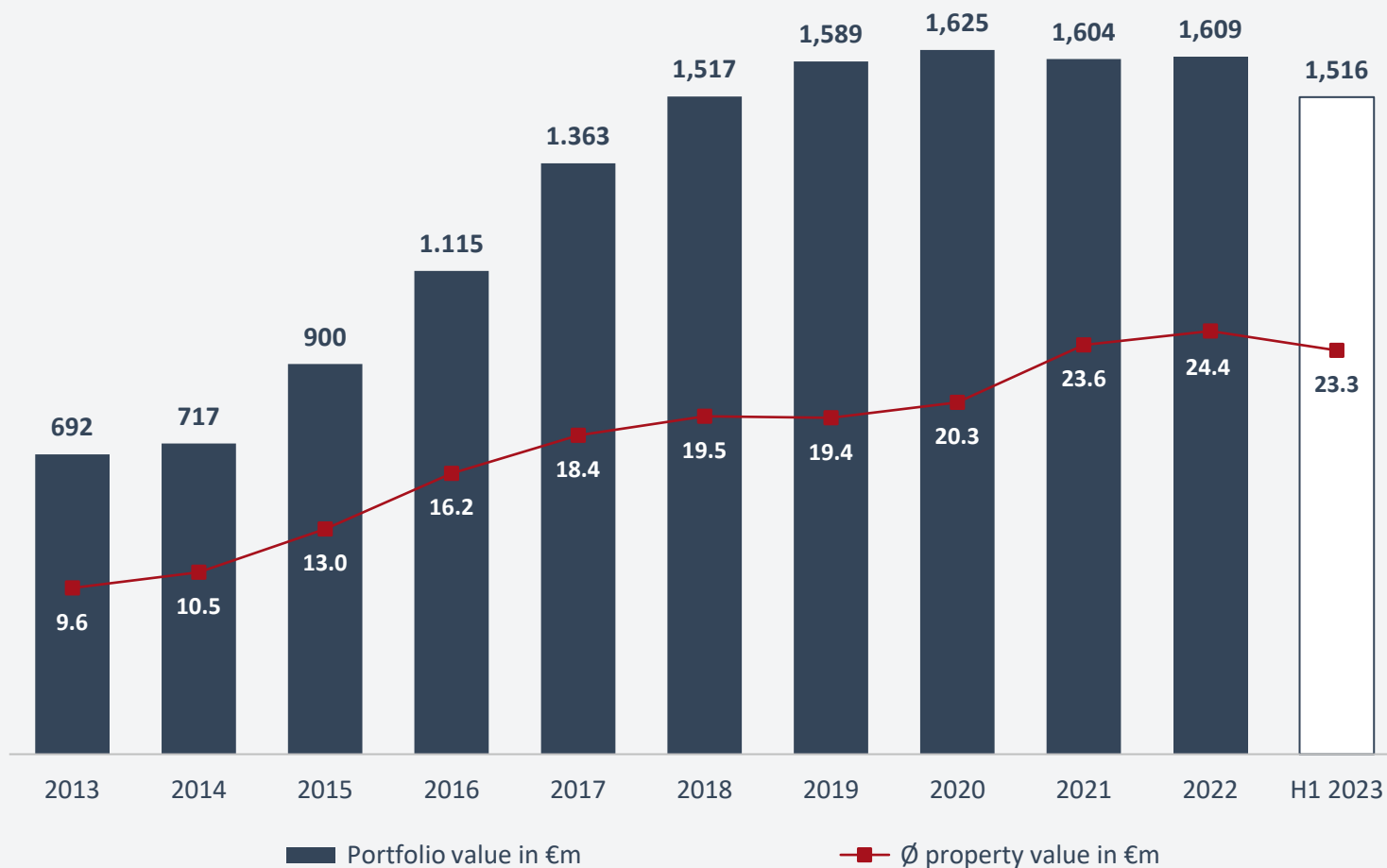
## Geographical Focus (Metropolitan Regions in Germany)



## Portfolio by Metropolitan Regions



## Portfolio value and average property value



## Comments

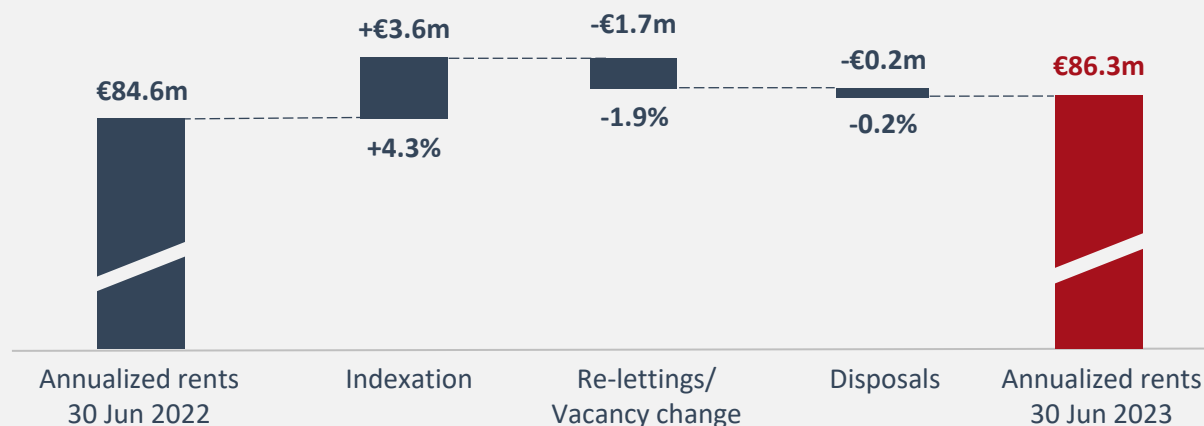
- **Continuous value-adding portfolio growth** since conversion into a G-REIT in 2010
- Average annual **growth rate of 10.7%** over the last 10 years
- **Average property value of €23.3m** still allows cost-effective portfolio and asset management
- **Operating cost ratio at 9.1%** in H1 2023
- Combination of two-pillar portfolio strategy and investment focus on metropolitan regions forms the basis for future value-adding growth

# Portfolio key metrics as of 30 June 2023

	Asset class		Total portfolio	Investment approach			
	Retail	Office	Split	Core	%	Manage-to-Core	%
Number of properties	37	28	65	62	95.5%	3	4.5%
Fair Value	€833.0m	€683.5m	€1,516.4m	€1,457.2m	96.1%	€59.2m	3.9%
Leased area	375,234 m <sup>2</sup>	229,703 m <sup>2</sup>	604,936 m <sup>2</sup>	577,737 m <sup>2</sup>	95.5%	27,199 m <sup>2</sup>	4.5%
Annualized rent	€49.0m	€37.3m	€86.3m	€83.2m	96.4%	€3.1m	3.6%
Annualized rental yield	5.9%	5.5%	5.7%	5.7%		5.2%	
EPRA vacancy rate	2.1%	6.5%	4.1%	1.6%		42.6%	
WALT	7.3 years	5.0 years	6.3 years	6.5 years		3.0 years	
<b>Like for like development 30 June 2023 to 30 June 2022</b>							
Rents	+3.2%-pt.	+1.2%-pt.	+2.3%-pt.	+4.1%-pt.		-30.5%-pt.	
EPRA vacancy rate	+0.4%-pt.	+3.6%-pt.	+1.8%-pt.	+0.3%-pt.		+25.5%-pt.	
WALT	-0.6 years	+0.1 years	-0.3 years	-0.4 years		-0.3 years	

- ➔ Core portfolio: +4.1% like-for-like rent increase and vacancy rate of 1.6%
- ➔ Significant change of like-for-like ratios in the Manage-to-core portfolio caused by temporary vacancy in Mainz

## Development of annualized rents year on year



## Rent development like-for-like/year-on-year<sup>(1)</sup>

	Asset class		Total portfolio	Investment approach	
	Retail	Office	Split	Core	Manage-to-Core <sup>(2)</sup>
Total rents	+3.2%-pt.	+1.2%-pt.	+2.3%-pt.	+4.1%-pt.	-30.5%-pt.
Indexation effects	+3.8%-pt.	+4.9%-pt.	+4.3%-pt.	+4.4%-pt.	+2.7%-pt.
(Re-)Lettings / Vacancy reduction	+0.2%-pt.	+1.0%-pt.	+0.6%-pt.	+0.5%-pt.	+1.2%-pt.
Vacancy increase	-0.9%-pt.	-4.7%-pt.	-2.5%-pt.	-0.8%-pt.	-34.4%-pt.

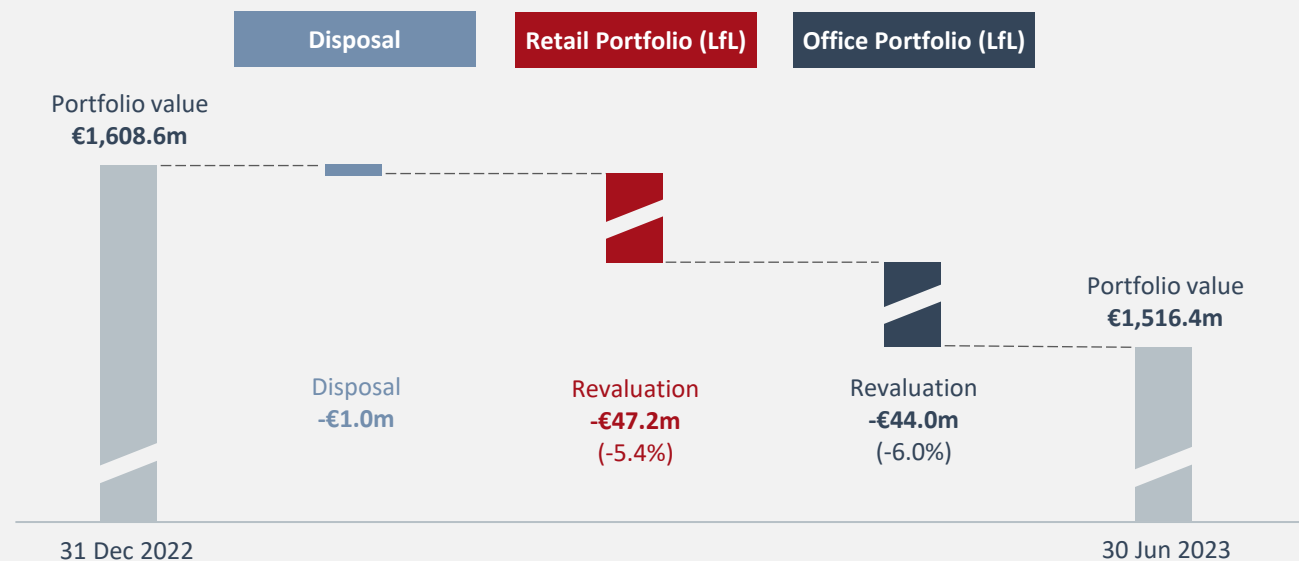
(1) 30 June 2023 to 30 June 2022; acquisitions and disposals excluded; rounding differences possible

(2) Significant changes mainly due to temporary vacancy in Mainz property





## Portfolio development H1 2023



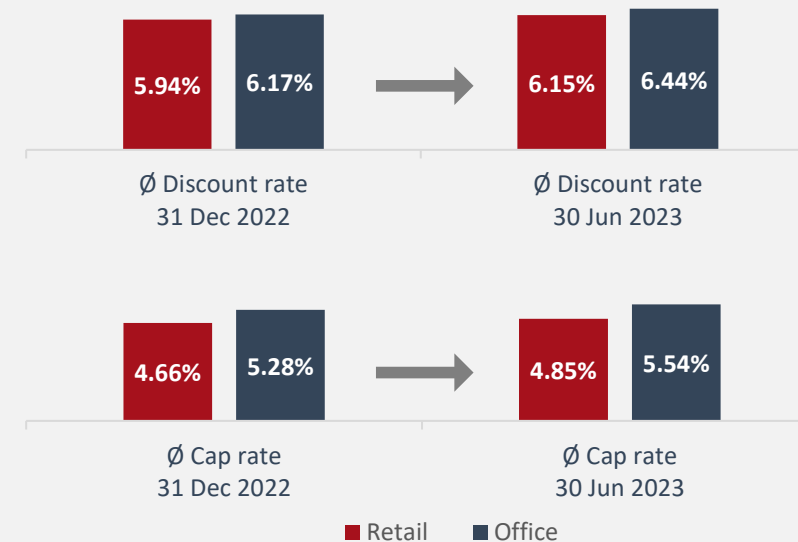
## Main influencing valuation factors

- |                                  |   |
|----------------------------------|---|
| + High portfolio / asset quality | - Development of interest rate level    |
| + Solid tenant structure         | - Increasing discount rates / cap rates |
| + Consistently stable cash flows | - Yield expansion                       |

## Comments

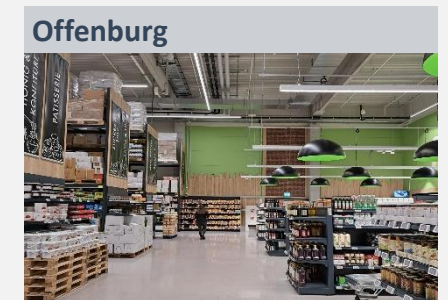
- Total value reduction resulting from property disposal (-€1.0m) and -5.7% decrease of like-for-like portfolio value (-€91.2m)
- Decline in total value due to negative development of office (-6.0%) and retail portfolio (-5.4%)

## Discount/Cap rate development





# Acquisitions H1 2023



Asset type	Retail	Retail
Investment approach	Core	Core
Year of construction	1997 (refurbished 2017)	2017
Leased area	4,100 m <sup>2</sup>	13,900 m <sup>2</sup>
WALT <sup>(1)</sup>	12.5 years	7.8 years
Occupancy rate <sup>(1)</sup>	100%	100%
Annual rental income <sup>(1)</sup>	~€0.4m	~€1.2m
Purchase price	€5.3m	€18.2m
Gross initial yield <sup>(1)</sup>	7.6%	6.4%
Transfer of possession	20 July 2023	20 July 2023

(1) As of date of signing

### 3. Asset Management



Retail property 'Rondo Steinheim' Hanau

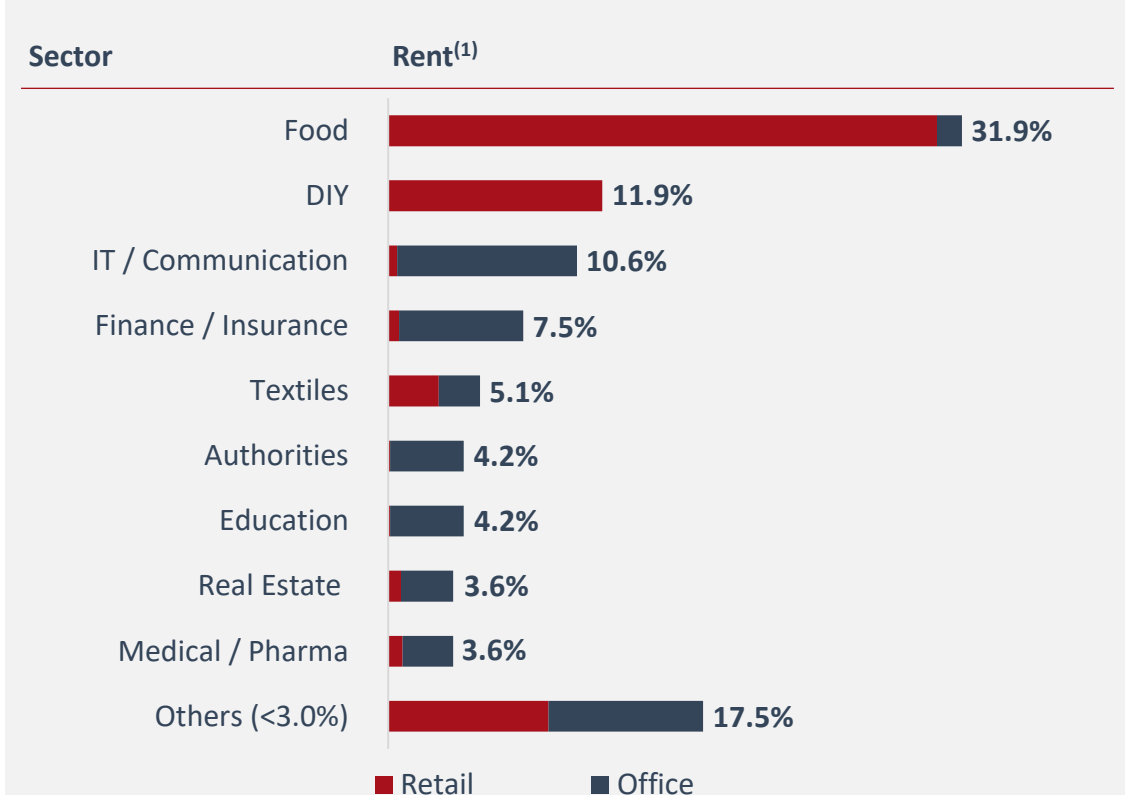


## Top-10 tenants (as of 30 June 2023)

Tenant	Sector	Rent <sup>(1)</sup>
EDEKA	Food retail	11.8%
Kaufland	Food retail	7.5%
REWE	Food retail	7.1%
OBI	DIY	7.0%
Globus	DIY / Food retail	4.5%
Agency of unemployment	Authorities	3.3%
Barmer	Finance / Insurance	2.8%
Netcologne	IT / Communication	2.1%
ALDI	Food retail	1.7%
AOK Rheinland	Finance / Insurance	1.6%
<b>Total</b>		<b>49.3%</b>

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

## Sector distribution (as of 30 June 2023)



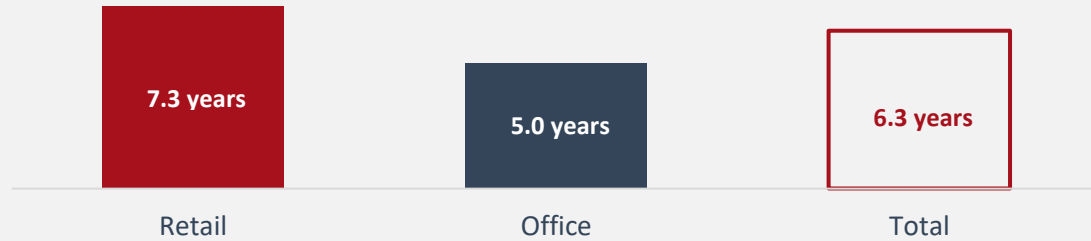
- ➔ Changes in top-10 tenants caused by early lease termination with tenant in Mainz property
- ➔ No significant changes in the sector distribution



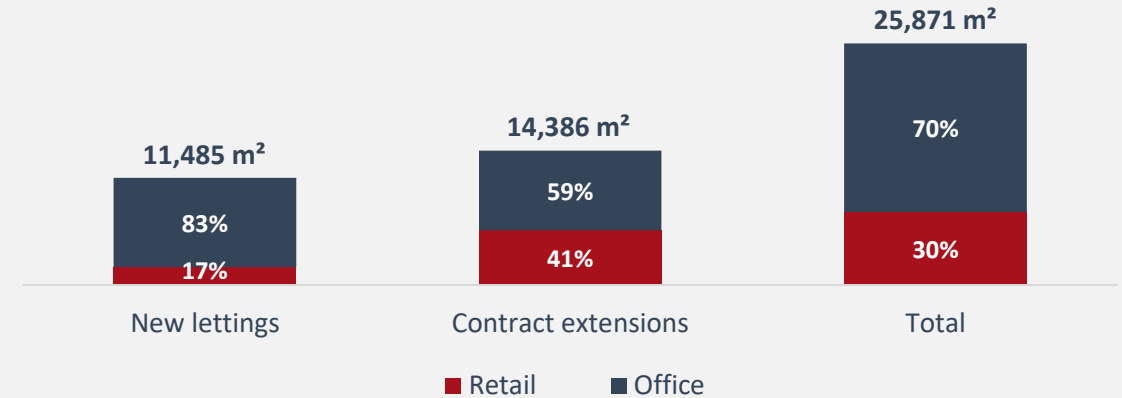


# Leasing situation

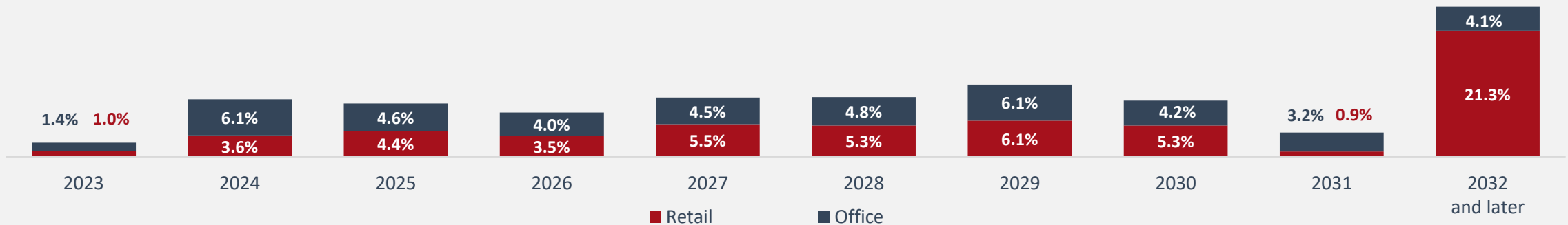
## Weighted average lease expiry (as of 30 June 2023)



## Letting result H1 2023



## Lease expiry schedule (as of 30 June 2023; in % of annual rents)



- ➔ Continued good letting success with a total volume of around 26,000m<sup>2</sup> – WALT remains at consistently high level of 6.3 years
- ➔ Well balanced lease expiry schedule

## 4. Financials





## Key figures H1 2023

Key figures	30 June 2023	30 June 2022	Change
<b>Profit and loss statement</b>			
Income from rents and leases	€43.7m	€41.9m	+4.3%
Operating result	€4.0m	€12.4m	-67.7%
Profit for the period	-€2.2m	€5.9m	n/a
<b>Key KPIs</b>			
Funds from Operations (FFO)	€28.1m	€24.2m	+16.3%
Funds from Operations (FFO) per share	€0.35	€0.30	+16.3%
Key figures	30 June 2023	31 December 2022	Change
<b>Financial KPIs</b>			
REIT equity ratio	56.4%	59.6%	-3.2%-pt
Loan to Value (LTV)	42.2%	39.1%	+3.1%-pt
<b>EPRA metrics</b>			
EPRA Net Asset Value (NAV) per share	€10.58	€11.86	-10.8%
EPRA Net Tangible Assets (NTA) per share	€10.58	€11.86	-10.8%

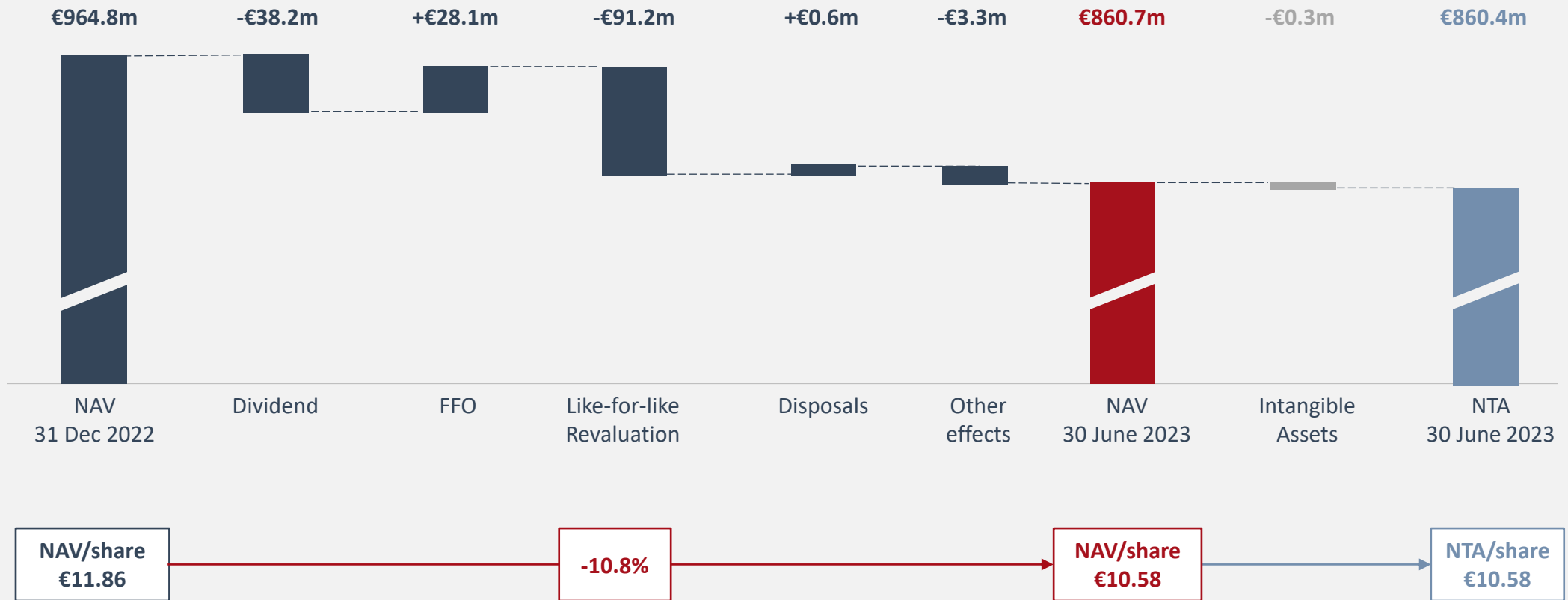
# Funds from operations (FFO)

	in k€	H1 2023	H1 2022	Change	Comments
1	Income from rents and leases	43,675	41,878	+4.3%	<p>1 Income from rents and leases positively affected by rent increases from property additions as well as by indexation effects</p> <p>2 Maintenance expenses relate to ongoing minor maintenance and various smaller planned measures; expected proportional increase of expenses in H2 2023</p> <p>3 Mainly influenced by tenant-side compensation payment for the early lease termination in Mainz property (+€0.8m); FFO adjustment (-€0.5m) for write-up resulting from sale of Mosbach property</p> <p>4 Increase due to higher expenses for refinanced loans</p> <p>5 Interest income mainly from overnight and fixed-term cash deposits</p>
	Income from passed on costs	7,672	7,005	+9.6%	
	Operating expenses	-10,711	-9,766	+9.7%	
2	Maintenance expenses	-2,747	-3,288	-16.5%	
	<b>Net rental income</b>	<b>37,889</b>	<b>35,829</b>	<b>+5.8%</b>	
	Administrative expenses	-1,080	-1,174	-8.0%	
	Personnel expenses	-2,887	-2,987	-3.4%	
3	Other operating income	1,317	409	n/a	
	Other operating expenses	-986	-1,411	-30.1%	
4	Interest expenses	-7,167	-6,509	+10.1%	
5	Interest income	1,012	0	n/a	
	<b>FFO</b>	<b>28,098</b>	<b>24,157</b>	<b>+16.3%</b>	
	- Capex	-2,042	-246	n/a	
	<b>AFFO</b>	<b>26,056</b>	<b>23,911</b>	<b>+9.0%</b>	
	<i>FFO per share in €</i>	<i>0.35</i>	<i>0.30</i>	<i>+16.3%</i>	
	<i>AFFO per share in €</i>	<i>0.32</i>	<i>0.29</i>	<i>+10.3%</i>	



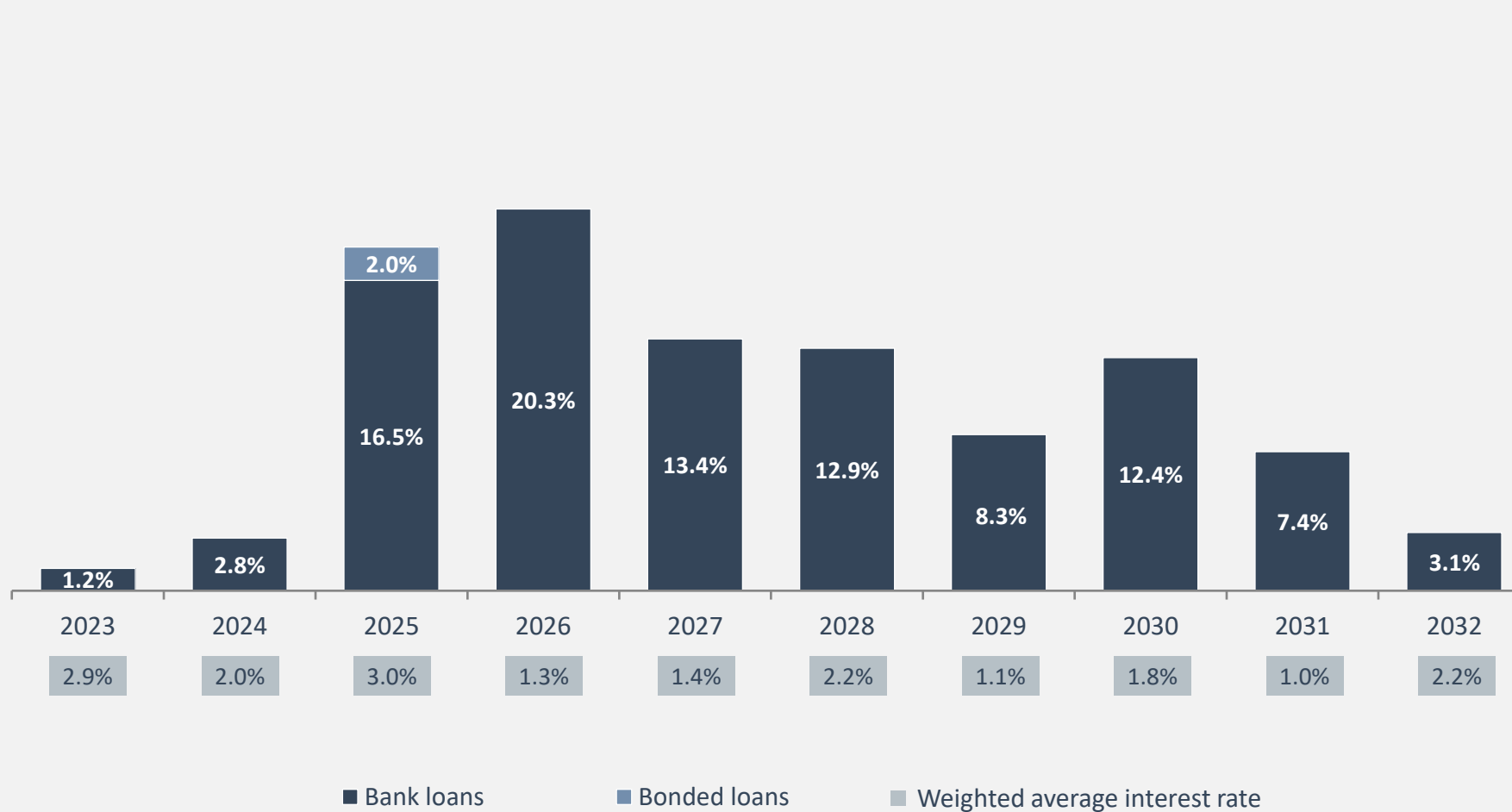


## NAV development H1 2023





## Expiration of financial liabilities (as of 30 June 2023)



**56.4%**  
REIT equity ratio

**42.2%**  
LTV

**9.6x**  
Net debt/EBITDA<sup>(1)</sup>

**5.6x**  
EBITDA/Interest coverage

**€701.0m**  
Financial liabilities

**1.8%**  
Ø Cost of debt

**4.6 years**  
Ø Maturity of debt

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



# Guidance update full-year 2023

**€88.0 – 89.0m**

Rental income

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**€51.0m – €53.0m**

FFO

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**7.0 – 12.0%**

**below previous year's level**

NAV per share

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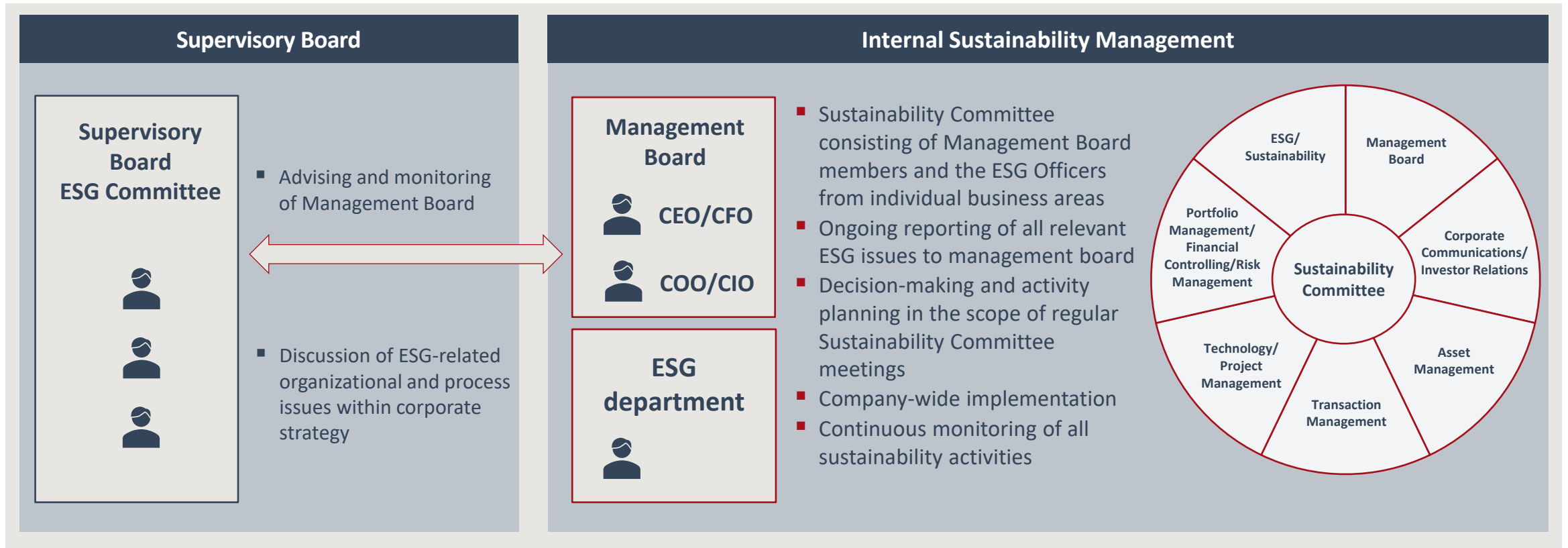


Nachhaltiges Gebäude  
DGNB Zertifikat in Platin

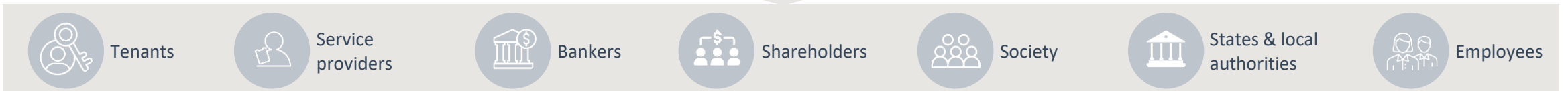
## 5. Sustainability / ESG



Office property Neu-Isenburg



## Stakeholder Engagement







## 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

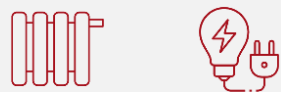


# ESG management | Selected activities in key action areas

Key Action Area	Activities 2023
 <p>Environmental Management &amp; Climate Protection</p>	<ul style="list-style-type: none"> <li>▪ Ongoing <b>data management</b> optimisation and database expansion</li> <li>▪ Extension of <b>carbon footprinting</b> on company and portfolio level</li> <li>▪ Development of <b>decarbonisation strategy</b> including mid-/long-term <b>decarbonisation targets</b></li> </ul>
 <p>Portfolio Quality &amp; Optimisation</p>	<ul style="list-style-type: none"> <li>▪ Implementation of <b>ESG audits</b> on asset level based on carbon footprint analysis</li> <li>▪ Modernisation and <b>energy efficiency</b> measures</li> <li>▪ Continued roll-out of <b>smart metering</b></li> </ul>
 <p>Employee Development</p>	<ul style="list-style-type: none"> <li>▪ Successful positioning as a <b>sustainable employer</b></li> <li>▪ Focus on <b>diversity</b> and <b>health management</b> aspects</li> <li>▪ Continuation of <b>employee development</b> program</li> </ul>
 <p>Corporate Governance &amp; Dialogue</p>	<ul style="list-style-type: none"> <li>▪ <b>Stakeholder Management</b> (Stakeholder Survey &amp; Supply Chain Assessment)</li> <li>▪ Continuous extension of <b>ESG risk management</b></li> <li>▪ Further enhancement of <b>transparency standards</b> (incl. TCFD reporting)</li> </ul>



**Key environmental KPIs 2022 (like for like)**



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

**167.9 kWh/m<sup>2</sup>**

-2.4%  
like-for-like

Energy consumption  
data availability  
**48.0%**



**Water  
intensity**

**360.4 l/m<sup>2</sup>**

+23.6%  
like-for-like

Water consumption  
data availability  
**79.0%**



**Waste  
intensity**

**27.6 kg/m<sup>2</sup>**

+0.8%  
like-for-like

Waste generation  
data availability  
**19.6%**



**Emission data 2022 (Scope 1-3, like for like)**



**Emission intensity  
Total portfolio**

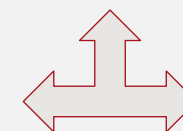
**51.0 kg CO<sub>2</sub>e/m<sup>2</sup>**

-10,3%  
like-for-like

**Office portfolio**

**26.9 kg CO<sub>2</sub>e/m<sup>2</sup>**

-20.5%  
like-for-like



**Retail portfolio**

**64.3 kg CO<sub>2</sub>e/m<sup>2</sup>**

-7.5%  
like-for-like

**Key social KPIs 2022**

**Employee  
satisfaction rate**

**76.9%**

**CPD hours  
per employee**

**55.3**

**Employee  
fluctuation rate<sup>(1)</sup>**

**3.8%**

**Average length  
of service**

**7.8 years**

**Employee  
injury rate<sup>(1)</sup>**

**0%**

**Employee  
sickness rate<sup>(1)</sup>**

**3.3%**

(1) KPIs significantly below statistical averages in Germany

## 6. Appendix





# Portfolio Rotation

## Transactions since strategy update in July 2020<sup>(1)</sup>

Portfolio as of 30 June 2020		Portfolio as of 30 June 2023	
Assets	83	Assets	65
Portfolio Volume	€1,631m	Portfolio Volume	€1,516.4m
Ø value per asset	€19.9m	Ø value per asset	€23.3m (+17%)
Ø age of asset	26.6 years	Ø age of asset	18.5 years (-30%)
<b>24</b> Disposals		<b>6</b> Acquisitions	
<b>+3.7%</b> Ø premium to fair value		<b>5.6%</b> gross initial yield	
<b>€200.6m</b> Total sales volume		<b>€123.0m</b> Total acquisition volume	

## Implementation of adjusted strategy

- ✓ 24 disposals since strategy update in 2020
- ✓ Total sales volume of €200.6 with 3.7% 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 (-30%) and corresponding future maintenance / capex risks
- ✓ Increase in Ø value per asset (+17%) enhancing internal capacities
- ✓ Acquisition of 6 high-quality assets with a total volume of €123m and 5.6% GIY

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

➔ Short-term strategic disposal activities successfully completed










# Top-10 properties (1/2)

	Mannheim	Munich	Cologne	Berlin	Karlsruhe
					
<b>Asset type</b>	Retail	Office	Office	Office	Retail
<b>Year of acquisition</b>	2016	2013	2017	2013	2012
<b>Purchase price</b>	€80.0m	€40.2m	€49.0m	€33.0m	€37.0m
<b>Fair value<sup>(1)</sup></b>	€76.1m	€69.7m	€68.4m	€68.4m	€53.2m
<b>Annual rents</b>	€4.1m	€2.8m	€3.1m	€2.8m	€2.6m
<b>WALT<sup>(1)</sup></b>	11.7 years	4.4 years	7.5 years	3.9 years	12.9 years
<b>Main tenants</b>	Globus	Estée Lauder, Giorgio Armani	Netcologne, Instone Real Estate	Schneider Electric, BLS Energieplan	Edeka

(1) As of 30 June 2023



# Top-10 properties (2/2)

	Hanau	Aachen	Celle	Hallstadt	Tübingen
					
<b>Asset type</b>	Retail	Office	Retail	Retail	Retail
<b>Year of acquisition</b>	2017	2020	2015	2017	2012
<b>Purchase price</b>	€37.5m	€37.4m	€35.2m	€40.4m	€22.2m
<b>Fair value<sup>(1)</sup></b>	€45.9m	€40.7m	€40.6m	€40.4m	€35.6m
<b>Annual rents</b>	€2.1m	€2.1m	€2.0m	€2.6m	€1.8m
<b>WALT<sup>(1)</sup></b>	9.0 years	8.3 years	8.6 years	4.2 years	6.5 years
<b>Main tenants</b>	Rewe, Aldi	AOK, Barmer	Kaufland, Tedox	tegut, Müller	Edeka

(1) As of 30 June 2023

**Quarterly financial statement Q3 2023**

9 November 2023

**Annual Report 2023**

14 March 2024

**Provisional figures for 2023**

8 February 2024

**Quarterly financial statement Q1 2024**

23 April 2024





# Contact

**Niclas Karoff**

CEO/CFO

**E-Mail:** [n.karoff@hamborner.de](mailto:n.karoff@hamborner.de)



**Sarah Verheyen**

COO/CIO

**E-Mail:** [s.verheyen@hamborner.de](mailto:s.verheyen@hamborner.de)



**Christoph Heitmann**

Head of IR & PR

**E-Mail:** [c.heitmann@hamborner.de](mailto:c.heitmann@hamborner.de)



**HAMBORNER REIT AG**

[www.hamborner.de](http://www.hamborner.de)

[info@ir.hamborner.de](mailto:info@ir.hamborner.de)

+49 (0)203/54405-32





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