

INTERIM STATEMENT

FIRST QUARTER
OF 2024

FINANCIAL INDICATORS

€ 23.4 MILLION

INCOME FROM RENTS AND LEASES

€ 14.0 MILLION

FUNDS FROM OPERATIONS

IN € THOUSAND		1. JAN. TO 31. MAR. 2024	1. JAN. TO 31. MAR. 2023
From the income statement			
Income from rents and leases		23,445	22,730 ¹
Net rental income		19,451	18,373
Operating result		7,658	7,685 ¹
Financial result		-2,958	-3,187
EBITDA		16,950	16,821 ¹
EBIT		7,658	7,685 ¹
Funds from operations (FFO)		13,992	13,634 ¹
Period result		4,700	4,498 ¹
		31 MAR. 2024	31 DEC. 2023
From the statement of financial position			
Total assets		1,180,570	1,160,801
Non-current assets		1,105,023	1,114,083
Equity		438,855	434,118
Equity ratio	in %	37.2	37.4
REIT equity ratio	in %	56.1	55.1
EPRA Loan-to-value (LTV)	in %	42.6	43.5
		31 MAR. 2024	31 MAR. 2023
On HAMBORNER shares			
Number of shares outstanding		81,343,348	81,343,348
Basic = diluted earnings per share	in €	0.06	0.06
Funds from operations (FFO) per share	in €	0.17	0.17
Stock price per share (Xetra)	in €	6.55	7.31
Market capitalisation		532,799	594,620
		31 MAR. 2024	31 DEC. 2023
On the HAMBORNER portfolio			
Number of properties		67	67
Fair value of the property portfolio		1,471,000	1,471,000
EPRA vacancy rate	in %	3.0	2.7
Weighted remaining term of leases in years		6.3	6.4
Other data			
Net asset value (NAV)		828,522	814,929
Net asset value per share	in €	10.19	10.02
EPRA Net Tangible Assets (NTA)		828,231	814,629
EPRA Net Tangible Assets per share (NTA)	in €	10.18	10.01
Number of employees including Management Board		50	49

¹ previous year adjusted, see section under IAS 8, page 8



REPORT ON RESULTS OF OPERATIONS, NET ASSET SITUATION AND FINANCIAL POSITION

Results of operations

HAMBORNER generated income from rents and leases of €23,445 thousand (previous year: €22,730 thousand) until the end of March 2024 from managing its properties. On the one hand, the increase is due to rent increases following property additions (€410 thousand). On the other hand, rental income from properties that were in our portfolio both in the first three months of 2023 and in the reporting quarter (like-for-like) was above the previous year's level at €475 thousand (2.1%). This is largely due to index-based rent increases.

The change to the risk provisions formed in the previous years for rent reductions in connection with the COVID-19 pandemic resulted in income €170 thousand lower than the previous year.

The vacancy rate increased slightly in the first three months and remains at a very low level. Including agreed rent guarantees, the vacancy rate was 2.5% (previous year: 1.9%). Not including rent guarantees, the vacancy rate was 2.7% (previous year: 2.1%). The EPRA vacancy rate as at the reporting date is 3.0% (31 December 2023: 2.7%).

Income from incidental costs charged to tenants amounted to €2,804 thousand, €320 thousand lower than in the same period of the previous year (€3,124 thousand). The costs of the management of the properties decreased by €314 thousand to €5,612 thousand (previous year: €5,926 thousand) by the end of March 2024.

The expenses for the maintenance of the land and property portfolio fell by €369 thousand over the previous year period to €1,186 thousand (previous year: €1,555 thousand). The expenses in the first quarter of 2024 relate to minor ongoing maintenance and various, smaller planned measures.

At €19,451 thousand, the net rental income derived from the above items is €1,078 thousand or 5.9% higher than the value for the same period of the previous year (€18,373 thousand).

Administrative and personnel expenses total €2,187 thousand, up €32 thousand or 1.5% on the previous year's level (€2,155 thousand). Administrative expenses decreased by €82 thousand. Personnel expenses rose year-on-year by €114 thousand to €1,768 thousand (previous year: €1,654 thousand). This is mainly the result of higher bonus obligations under the LTI for Management Board members, primarily due to the performance of relevant indicators as at the reporting date.

The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, fell to 9.3% (previous year: 9.5%).

Other operating income amounted to €179 thousand in the first quarter of the reporting year (previous year: €1,132 thousand). In the previous year, the figure primarily stemmed from compensation of €790 thousand for the early termination of a lease by a tenant in the Mainz property.

Other operating expenses amounted to €493 thousand in the first quarter of 2024 (previous year: €529 thousand). The item consists partly of legal and consulting costs of €141 thousand (previous year: €199 thousand), costs of investor relations and public relations work of €155 thousand (previous year: €134 thousand) and membership costs of €60 thousand (previous year: €55 thousand). In addition, the item includes write-downs and loss allowances on trade receivables of €75 thousand (previous year: €37 thousand).

The company's operating result at the end of March 2024 came to €7,658 thousand, thus €27 thousand lower than in the same period of the previous year (€7,685 thousand).

The financial result is €-2,958 thousand in the first quarter of 2024 as against €-3,187 thousand in the same period of the previous year.

Interest income amounts to €446 thousand (previous year: €639 thousand). Interest income in the first three months of the reporting year stems mainly from overnight cash deposits.

Interest expenses of €-3,404 thousand (previous year: €-3,826 thousand) consist mainly of interest expenses on borrowing of €-3,160 thousand (previous year: €-3,575 thousand). These were €415 thousand lower than in the previous year. The decrease is due primarily to the repayment of the floating-rate promissory note loan (€546 thousand) in the previous year. In contrast, refinanced loans with higher loan volumes and higher interest rates led to an increase of €131 thousand.



As a result of the total income and expenses, the net profit for the first quarter of 2024 amounts to €4,700 thousand (previous year: €4,498 thousand). FFO (i.e. the operating result before depreciation and amortisation expenses and not including proceeds from disposals) increased by 2.6% and amounted to €13,992 thousand in the reporting period (previous year: €13,634 thousand). This corresponds to FFO per share of 17 cents (previous year: 17 cents).

Net asset situation and financial position

The updated fair value of the developed property portfolio as at the end of the quarter was €1,471.0 million (31 December 2023: €1,471.0 million). As such, the fair value calculated by an expert as at 31 December 2023 was maintained from a portfolio perspective.

Trade receivables amount to €1.8 million (31 December 2023: €2.2 million). They include gross receivables from rent in arrears and billed incidental costs totalling €1.9 million (31 December 2023: €2.1 million). Expected losses of €0.7 million (31 December 2023: €0.6 million) are recognised on the gross receivables as part of the valuation as at 31 March 2024. The item also includes deferred receivables from future incidental cost invoices of €0.4 million.

Non-current and current other assets amount to €10.3 million (31 December 2023: €9.1 million) and mainly consist of building cost subsidies of €8.4 million paid in the context of new leases for the former “real” locations in Celle, Gießen and Mannheim. Of this amount, the remaining term amounts to €7.8 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.

Non-current and current financial assets amount to €2.9 million (31 December 2023: €2.6 million) and primarily comprise rental deposits of €2.1 million.

The company had cash and cash equivalents of €71.1 million on 31 March 2024 (31 December 2023: €43.3 million).

Equity amounted to €438.9 million as at 31 March 2024, following a value of €434.1 million as at 31 December 2023. The reported equity ratio was 37.2% as at the end of the period after 37.4% as at 31 December 2023. The REIT equity ratio was 56.1% following a value of 55.1% as at 31 December 2023.

Current and non-current financial liabilities increased by €14.8 million as against 31 December 2023 in the first quarter of 2024, and amounted to €697.7 million at the end of the quarter after €682.9 million as at 31 December 2023. The increase resulted primarily from the payment of a refinanced loan in the amount of €20 million. The original loan with a remaining value of €8.4 million was paid off in the previous year using available liquid funds.

The average borrowing rate for all loans in place and those agreed but not yet utilised is 1.9%. The corresponding average remaining term is 4.0 years.

Current and non-current trade payables and other liabilities increased by €0.4 million compared with 31 December 2023, rising from €33.4 million to €33.8 million. The item also includes lease liabilities pursuant to IFRS 16 for leaseholds of €14.8 million (31 December 2023: €14.9 million) and building cost subsidies of €4.4 million (31 December 2023: €4.4 million) that have yet to be disbursed in connection with follow-on leases for the former “real” locations in Celle, Gießen and Mannheim. In addition, the item

includes liabilities from rental deposits of €2.1 million, liabilities from maintenance work of €2.5 million that has been completed but not yet invoiced, and purchase price retentions of €1.1 million.

The company's net asset value (NAV) came to €828.5 million as at the end of the quarter (31 December 2023: €814.9 million). This corresponds to NAV per share of €10.19, down on €10.02 as at 31 December 2023.

HAMBORNER has signed a general contracting and project development contract to plan, obtain planning consent for and complete the turnkey construction of a new building for a KFC restaurant in Kempten, next to a toom DIY store already acquired, and to enter into a tenancy agreement with the operator. A fixed price of €3.5 million was agreed for this. The building work had not yet started as at the reporting date.

There were no other material contingent liabilities or other financial obligations as at the reporting date.



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 2023. The comments made therefore still apply, with the following amendments:

NATIONAL AND INTERNATIONAL MARKET ENVIRONMENT RISKS

The national and international market environment is still dominated by the ongoing conflicts and the global economic slowdown. Sentiment in both companies and private households is gloomy and uncertainty looms large. The resulting restraint in consumer spending continues to have a negative impact on the German economy. The average annual inflation rate in Germany was 5.9% in 2023 compared with the previous year. More modest inflation of below 3.0% is still expected for the current year. GDP developed by -0.3% from 2022 to 2023. In view of the geopolitical uncertainties, GDP forecasts for 2024 currently vary between +0.1% (ifo) and +0.7% (German Council of Economic Experts).

VALUATION RISKS

The market values of properties declined in 2023 across all types of use. The transaction volume remains at a low level. The repricing phase on the market seems to be largely complete, however uncertainty remains on the real estate market. The interest rate environment for property financing also remains volatile, despite the recent decline in financing costs. It seems that interest rates have now peaked. Given these conditions, it is not possible to rule out a further decline in the market values of properties over the course of the year. The risk of further minor valuation adjustments to the portfolio therefore remains. The risk of this occurring is considered to be moderate.



FORECAST REPORT

Regardless of the ongoing difficult macroeconomic conditions and the uncertainties mentioned in the report on risks and opportunities, the company is confident as regards the remainder of 2024 and stands by the business outlook published in the 2023 Annual Report regarding future business performance. Taking into account the forecast assumptions presented in the Annual Report, the company anticipates income from rents and leases of between €91.0 million and €92.5 million in the 2024 financial year. The operating result (FFO) is expected to be between €49.0 million and €50.5 million.



PRINCIPLES OF REPORTING

The HAMBORNER REIT AG interim statement as at 31 March 2024 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 2023. The accounting standards endorsed and revised by the EU, which are mandatory effective from 1 January 2024, were observed. This did not result in any material changes to the interim financial statements as at 31 March 2024.

This report contains forward-looking statements, for example concerning general economic developments in Germany, the future situation of the property industry and the forecast business performance of HAMBORNER REIT AG. These statements are based on current assumptions and estimates by the company, which were made carefully on the basis of information available at the relevant time. If the assumptions on which statements and forecasts are based are not accurate, the actual results may differ from those currently anticipated.

Changes in accordance with IAS 8

Individual adjustments were made in accordance with IAS 8.42 during the preparation of the annual financial statements as at 31 December 2023. These adjustments have a retrospective impact the quarterly statements of previous years.

The restricted funds of €10.9 million shown in cash and cash equivalents as at 31 March 2023 were reclassified to financial assets because they do not qualify as cash and cash equivalents in the definition of IAS 7. This resulted in changes to the cash flow statement in accordance with IAS 7. Since the restricted funds in the form of cash collateral do not meet the definition of IAS 7.6 for financing activities, the cash inflows from cash collateral for financial liabilities (€11.9 million) and cash outflows for cash collateral (€–11.0 million) are now shown in cash flow from investing activities. This alters cash flow from financing activities for the first quarter of 2023 from €–71.8 million to €–72.7 million and cash flow from investing activities from €–0.5 million to €0.4 million. There is now no reconciliation between cash funds and the cash and cash equivalents presented in the statement of financial position.

IAS 7.31 requires that the repayment and interest portion of lease liabilities are shown separately in the cash flow statement. Interest payments on lease liabilities of €136 thousand as at 31 March 2023 are now presented in interest paid.

In accordance with IFRS 16.12 the income from land tax and insurance of €0.6 million presented in the previous year as income from service charges passed on to tenants is reclassified as income from rents and leases. This reduced income from service charges passed

on to tenants from €3.7 million to €3.1 million and increased income from rents and leases from €22.1 million to €22.7 million. IFRS 16. B32 excludes income from activities and costs that do not transfer goods or services to the lessee from the definition of non-lease components. This means the land tax and insurance expenses charged to tenants are not a separate component of the contract, but rather part of the total consideration, which must be allocated to the separate contractual components identified.

In accordance with IAS 1 in conjunction with IAS 24, Supervisory Board remuneration is part of personnel expenses within the meaning of IAS 19. The Supervisory Board remuneration of €109 thousand recognised in administrative expenses in the previous year was reclassified to personnel expenses. This reduced administrative expenses from €0.6 million to €0.5 million and increased personnel expenses from €1.5 million to €1.6 million.

An impairment loss reversal of €0.5 million was recognised in other operating income on the carrying amount to the sale price for a property held for sale in accordance with IFRS 5 in Mosbach as at 31 March 2023. This reversal was withdrawn in this interim statement. This resulted instead in a higher sale gain in the second quarter of 2023 at the time of the transfer of ownership.



SEPARATE FINANCIAL STATEMENTS

Income statement

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2024

IN € THOUSAND	1. JAN. TO 31. MAR. 2024	1. JAN. TO 31. MAR. 2023
Income from rents and leases	23,445	22,730¹
Income from incidental costs passed on to tenants	2,804	3,124 ¹
Real estate operating expenses	-5,612	-5,926
Property and building maintenance	-1,186	-1,555
Net rental income	19,451	18,373¹
Administrative expenses	-419	-501 ¹
Personnel expenses	-1,768	-1,654 ¹
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-9,292	-9,136
Other operating income	179	1,132 ¹
Other operating expenses	-493	-529
	-11,793	-10,688
Operating result	7,658	7,685¹
Earnings before interest and taxes (EBIT)	7,658	7,685¹
Interest income	446	639
Interest expenses	-3,404	-3,826
Financial result	-2,958	-3,187
Period result	4,700	4,498¹
Basic = diluted earnings per share (in €)	0.06	0.06 ¹

¹ previous year adjusted, see section under IAS 8, page 8

Statement of comprehensive income

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2024

IN € THOUSAND	1. JAN. TO 31. MAR. 2024	1. JAN. TO 31. MAR. 2023
Period result as per the income statement	4,700	4,498¹
Items not subsequently reclassified to profit or loss in future:		
Actuarial gains/losses (-) on defined pension obligations	37	40
Other comprehensive income	37	40
TOTAL COMPREHENSIVE INCOME	4,737	4,538¹

¹ previous year adjusted, see section under IAS 8, page 8

Other comprehensive income for the current period relates to the actuarial gains on defined-benefit pension commitments of €37 thousand due to the increase in the actuarial interest rate to 3.57% as at the end of the reporting period (31 December 2023: 3.47%).



Statement of financial position – assets

AS AT 31 MARCH 2024

	31 MAR. 2024	31 DEC. 2023
Non-current assets		
Intangible assets	291	300
Property, plant and equipment	2,675	2,739
Investment property	1,091,655	1,100,554
Financial assets	2,137	2,093
Other assets	8,265	8,397
	1,105,023	1,114,083
Current assets		
Trade receivables	1,752	2,240
Financial assets	725	478
Other assets	1,987	696
Cash and cash equivalents	71,083	43,304
	75,547	46,718
TOTAL ASSETS	1,180,570	1,160,801

Statement of financial position – liabilities

IN € THOUSAND	31 MAR. 2024	31 DEC. 2023
Equity		
Issued capital	81,343	81,343
Capital reserves	335,573	335,573
Retained earnings	21,939	17,202
	438,855	434,118
Non-current liabilities and provisions		
Financial liabilities	643,231	641,403
Trade payables and other liabilities	16,139	16,203
Pension provisions	4,546	4,649
Other provisions	3,369	3,121
	667,285	665,376
Current liabilities and provisions		
Financial liabilities	54,437	41,457
Trade payables and other liabilities	17,637	17,151
Other provisions	2,356	2,699
	74,430	61,307
	1,180,570	1,160,801



Statement of cash flows

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2024

IN € THOUSAND	1. JAN. TO 31. MAR. 2024	1. JAN. TO 31. MAR. 2023
Cash flow from operating activities		
Period result	4,700	4,498 ¹
Financial result	3,205	3,636
Depreciation and amortisation (+)/reversals (-)	9,292	9,137 ¹
Change in provisions	-162	-225
Change in receivables and other assets not attributable to investing or financing activities	-918	-2,574 ¹
Change in liabilities not attributable to investing or financing activities	934	3,339
	17,051	17,811¹
Cash flow from investing activities		
Investments in intangible assets, property, plant and equipment and investment property	-639	-461
Proceeds (+) for cash collateral for financial liabilities	0	11,846 ¹
Payments (-) for cash collateral for financial liabilities	0	-10,973 ¹
	-639	412¹
Cash flow from financing activities		
Proceeds from borrowings of financial liabilities	20,000	0
Repayments of borrowing	-5,371	-68,142
Repayments of lease liabilities	-102	-95 ¹
Interest payments	-3,160	-4,452 ¹
	11,367	-72,689¹
Cash-effective changes to cash funds	27,779	-54,466¹
Cash funds on 1 January	43,304	130,112
Cash funds on 31 March	71,083	75,646

¹ previous year adjusted, see section under IAS 8, page 8

Statement of changes in equity

IN € THOUSAND	ISSUED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	EQUITY TOTAL	
			IAS 19 Reserve Pension provisions	Other retained earnings	
As at 1 January 2023	81,343	346,071	-3,177	49,367	473,604
Net profit for the period 1 Jan. to 31 Mar. 2023				4,498	4,498 ¹
Other comprehensive income 1 Jan. to 31 Mar. 2023			40		40
Total comprehensive income 1 Jan. to 31 Mar. 2023			40	4,498	4,538
As at 31 March 2023	81,343	346,071	-3,137	53,865	478,142¹
Withdrawal from capital reserves		-10,498		10,498	0
Distribution of profit for 2022 (€0.47 per share)				-38,231	-38,231
Net profit for the period 1 Apr. to 31 Dec. 2023				-5,158	-5,158
Other comprehensive income 1 Apr. to 31 Dec. 2023			-635		-635
Total comprehensive income 1 Apr. to 31 Dec. 2023			-635	-5,158	-5,793
As at 31 December 2023	81,343	335,573	-3,772	20,974	434,118
Net profit for the period 1 Jan. to 31 Mar. 2024				4,700	4,700
Other comprehensive income 1 Jan. to 31 Mar. 2024			37		37
Total comprehensive income 1 Jan. to 31 Mar. 2024			37	4,700	4,737
As at 31 March 2024	81,343	335,573	-3,735	25,674	438,855

¹ previous year adjusted, see section under IAS 8, page 8



FINANCIAL CALENDAR/ PUBLICATION DETAILS

FINANCIAL CALENDAR 2024/2025

23 April 2024	Interim statement, 31 March 2024
25 April 2024	2024 Annual General Meeting
8 August 2024	Half-yearly financial report 2024
7 November 2024	Interim statement, 30 September 2024
25 February 2025	Provisional figures for the 2024 financial year
17 April 2025	2024 Annual Report
8 May 2025	Interim statement, 31 March 2025
5 June 2025	2025 Annual General Meeting

PUBLICATION DETAILS

Published by

The Management Board of HAMBORNER REIT AG,
Duisburg, Germany

Published

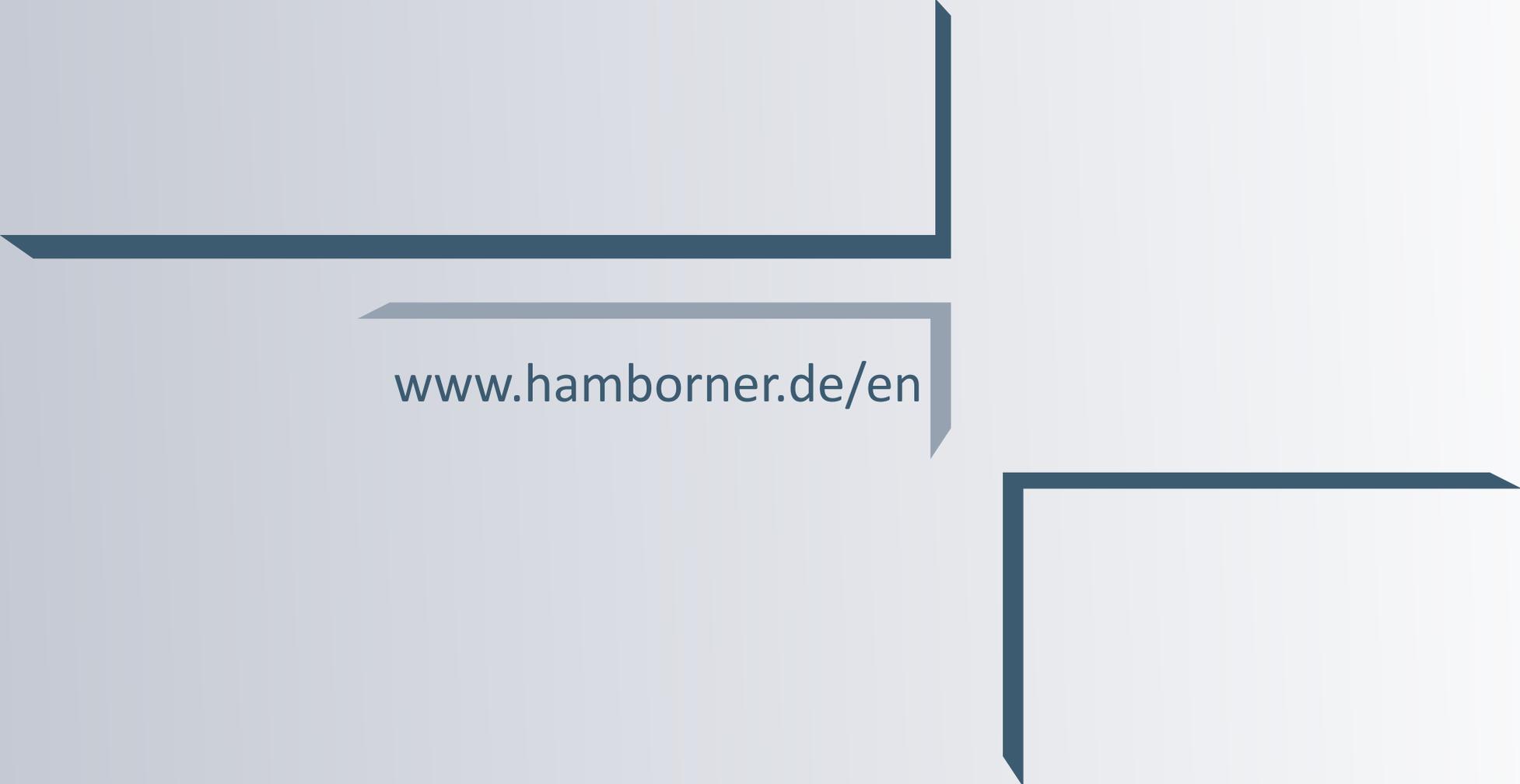
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