

Half-year financial report

Second quarter of 2021

Key financial ratios

42.9 € million

Income from rents and leases

28.4 € million

Funds from operations

IN € THOUSAND		30 June 2021	30 JUNE 2020
From the income statement			
Income from rents and leases		42,928	43,868
Net rental income		38,036	38,630
Operating result		19,690	-797
Financial result		-7,139	-7,802
EBITDA		68,045	34,879
EBIT		52,223	-721
Funds from operations (FFO)		28,373	27,001
Period result		45,084	-8,523
From the balance sheet			
Total assets		1,304,553	1,265,784
Non-current assets		1,148,590	1,200,826
Equity		488,314	474,234
Equity ratio	in %	37.4	37.5
REIT equity ratio	in %	57.5	54.5
Loan-to-value (LTV)	in %	44.6	44.5
On HAMBORNER shares			
Number of shares outstanding		81,343,348	79,717,645
Basic = diluted earnings per share	in €	0.56	-0.11
Funds from operations (FFO) per share	in €	0.35	0.34
Stock price per share (Xetra)	in €	8.98	8.71
Market capitalisation		730,463	694,341
On the HAMBORNER portfolio			
Number of properties		69	80
Fair value of the property portfolio		1,549,360	1,624,785
Vacancy rate (including rent guarantees)	in %	1.8	1.8
Weighted remaining term of leases in years		6.2	6.3
EPRA vacancy rate	in %	1.7	1.9
Other data			
Net asset value (NAV)		896,679	890,721
Net asset value per share	in €	11.02	11.05
EPRA Net Tangible Assets (NTA)		896,206	890,222
EPRA Net Tangible Assets per share (NTA)	in €	11.02	11.05
Number of employees including Management Board		47	44

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Letter from the Management Board

Dear shareholders and readers,

Today in our half-year financial report we will take a look back at the first half of 2021. Despite the ongoing difficult macroeconomic environment, HAMBORNER REIT AG has continued the success it had in 2020 and recorded stable business performance in the first six months of this year.

The first half-year at a glance:

- Income from rents and leases of €42.9 million (-2.1%)
- Increase in funds from operations of 5.1% to €28.4 million
- Solid accounting structure with a REIT equity ratio of 57.5% and an LTV of 44.6%
- Successful portfolio expansion and optimisation
- NAV per share of €11.02
- High leasing performance and extremely low vacancy rate sustained

As part of the portfolio optimisation announced last year, a total of twelve properties no longer in line with the corporate strategy were transferred to the ownership of their respective buyers in the first half of 2021. This significantly reduced the number of city centre retail properties in the portfolio.

In the interests of quickly reinvesting the proceeds from these sales and continuously expanding our portfolio, we pushed ahead with our purchasing activities and signed purchase agreements for three attractive office properties in Mainz, Münster and Stuttgart.

The purchase in Münster is an office development project which is currently being built in an office district showing dynamic growth, and is set to be transferred to our core portfolio by the end of the year.

In addition to expanding our core portfolio, with the acquisition of the office properties in Mainz and Stuttgart we have gained two properties with significant potential for increased value, which is to be leveraged on the basis of comprehensive post-letting concepts as part of the manage-to-core approach.

We can also look back on a very successful first half-year in the area of property letting. Despite the difficult conditions on the letting markets and the significant decline in take-up in some areas, we have closed numerous successful key rentals since the beginning of the year. Among other achievements, we were able to complete ahead of schedule the extension until 2036 of a lease with one of our major office tenants in the 'O³' building in Cologne.

We also concluded long-term follow-on leases for space currently used by the food retailer Real at the specialist retail locations in Mannheim, Celle and Gießen. The conclusion of these leases and the related investments on the part of tenants and landlords will contribute to a further increase in the quality of the property.

On behalf of the entire team at HAMBORNER REIT, we would like to take this opportunity to thank you for keeping faith in us, for your work with our tenants and business partners, and also to wish continuing health and success on all of us in 2021.

Duisburg, 28 July 2021



Niclas Karoff



Hans Richard Schmitz

Interim management report

Macroeconomic conditions

As we near the end of the first half of 2021, the German economy finds itself in a period of recovery after the COVID-19 pandemic led to a 1.8% drop in GDP in the first quarter. The third wave of the pandemic and the lockdown imposed by the government from November 2020 to May 2021 drastically reduced performance in large swathes of brick-and-mortar retail and some service industries. With the vaccination programme and falling infection rates, as well as the gradual easing of restrictions from May 2021, economic activity picked up again considerably and is expected to rise as the year goes on. According to the current forecast by the Ifo Institute, we can expect GDP to rise by 3.3% in 2021 and 4.3% in 2022.

The labour market has also been put under pressure by the COVID-19 pandemic, though this has been kept largely stable with the introduction of labour market policy instruments such as short-time work. Due to the currently positive economic environment, companies are moving away from short-time working arrangements and are increasingly looking for staff once again. Compared to the same period of the previous year, the unemployment rate has fallen by 239 thousand and is now at 5.7% (June 2020: 6.2%).

Consumer prices are up 2.3% in June 2021 compared to last year. This is mostly down to the increase in energy prices at the beginning of the year. An additional increase in the inflation rate is expected in the second half of 2021, partly due to the lower VAT rate in place from 1 July to 31 December 2020. The Bundesbank is forecasting an inflation rate of 1.8% in 2022.

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

RESULT OF OPERATIONS

In the first half of 2021, HAMBORNER REIT generated income from rents and leases of €42,928 thousand (previous year: €43,868 thousand) from managing its properties. The change is the result of rent increases following property additions (€1,879 thousand), rent losses as a result of property disposals (€2,141 thousand) and risk provisions for rent reductions due to COVID-19 (€451 thousand). Rental income from properties that were in our portfolio both in the first six months of 2020 and in the reporting half-year (like-for-like) was slightly below the previous year level at €227 thousand (–0.6%).

The vacancy rate remains at an extremely low level. Including agreed rent guarantees, it was 1.8% in the half-year under review (same period of the previous year: 1.8%). Not including rent guarantees, the vacancy rate was 2.2% (previous year: 2.8%).

Income from incidental costs charged to tenants amounted to €7,183 thousand, €198 thousand (2.8%) higher than the corresponding value in the same period of the previous year (€6,985 thousand).

Real estate operating expenses increased by €248 thousand to €9,867 thousand (previous year: €9,619 thousand) by the end of June 2021.

The expenses for the maintenance of our land and property portfolio came to €2,208 thousand in the first half of the year, €396 thousand below the equivalent value in the previous year (€2,604 thousand).

The expenses relate to minor ongoing maintenance and various planned maintenance measures.

The net rental income derived from the above items is €38,036 thousand (previous year: €38,630 thousand).

Administrative and personnel expenses totalled €3,583 thousand, up €376 thousand or 11.7% on the previous year's level (€3,207 thousand). This is mainly due to expenses for this year's Annual General Meeting (€92 thousand), which was moved to the third quarter last year because of the COVID-19 situation. In addition, expenses for bank charges increased by €136 thousand to €182 thousand, mainly due to increased custody fees resulting from the deposit of cash to redeem mortgaged collateral. The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, rose to 8.3% (previous year: 7.3%).

Depreciation and amortisation decreased by €17,688 thousand to €17,912 thousand in the reporting period (previous year: €35,600). This change is particularly due to the impairment of properties in the previous year based on the valuation as at 30 June 2020 in the amount of €17,134 thousand.

Other operating income amounted to €4,934 thousand in the first half of the reporting year (previous year: €1,032 thousand). The income mainly relates to a contractual agreement with Real for a payment to HAMBORNER REIT in accordance with a lease termination agreement for the location in Mannheim in the amount of €2.2 million to settle all mutual claims. In addition, the revaluation of the Gießen property, which was carried out in relation to a newly con-

cluded long-term follow-on lease with a market-leading provider in the food industry, led to a write-up of €2.1 million.

Other operating expenses amounted to €1,785 thousand in the first half of 2021 (previous year: €1,652 thousand). The item includes write-downs on trade receivables of €1,184 thousand (previous year: €1,001 thousand), costs for investor relations and public relations work of €308 thousand (previous year: €160 thousand) and legal and consulting costs of €184 thousand (previous year: €327 thousand). €1,101 thousand of write-downs on receivables (previous year: €968 thousand) relates to rent reductions that have been granted to tenants for the first half of the year on account of the COVID-19 pandemic, or that reflect the current status of negotiations with tenants, plus further defaults anticipated in conjunction with the COVID-19 pandemic.

The operating result in the first half of 2021 was €19,690 thousand, compared to €-797 thousand in the same period of the previous year.

A result of €32,533 thousand (previous year: €76 thousand) was generated from the disposal of properties. In addition to the sale of properties in Kaiserslautern, Koblenz, Krefeld, Lüdenscheid, Rheine and Wiesbaden in the first quarter, this figure relates to city centre retail properties in Oberhausen, Frankfurt, Hamburg/Fuhlsbüttler Str., Fürth and two properties in Bad Homburg in the second quarter.

The financial result came to €-7,139 thousand in the first half of the year as against €-7,802 thousand in the same period of the previous year and relates entirely to interest expenses. The interest expenses from loans of €-6,766 thousand included in this figure decreased by €662 thousand as against the previous year (€-7,428 thousand). Scheduled repayments and the refinancing of loans on better terms following the expiry of fixed-rate interest agreements caused these to decline by €781 thousand. This illustrates the positive effect of refinancing at better interest rates on funds from operations (FFO). Interest expenses from newly agreed loans, conversely, led to an increase in interest expenses amounting to €119 thousand.

The first half of the year closed with a net profit for the period of €45,084 thousand after €-8,523 thousand in the same period of the previous year. This increase is particularly due to impairment losses recognized in the previous year and the result from the sale of investment property, which was higher in the reporting period. Funds from operations (FFO), i.e. the operating result before depreciation and amortisation expenses and not including proceeds from disposals, increased by 5.1% and amounted to €28,373 thousand in the reporting period (previous year: €27,001 thousand). This corresponds to FFO per share of 35 cents (previous year: 34 cents).

NET ASSET SITUATION AND FINANCIAL POSITION

The transfer of ownership of the office property in Mainz took place on 29 March 2021. The purchase price came to €18.6 million due to annualised rents of €1.3 million.

In the first half of 2021, transfers of ownership took place in connection with the sale of twelve city centre retail properties. At a purchase price volume totalling €106.3 million, annualised rental income comes to around €6.5 million.

As at 30 June 2021, the properties in Villingen-Schwenningen and Langenfeld were reported as “non-current assets held for sale”. The purchase agreements have been concluded for these properties, but the transfer of ownership to the purchasers had not been completed by 30 June 2021. At a purchase price volume totalling €17.9 million, the annualised rental income comes to around €1.3 million.

The updated fair value of the developed property portfolio as at 30 June 2021 was €1,549.4 million (31 December 2020: €1,624.8 million). As such, the fair value calculated by an expert as at 31 December 2020 was maintained for the most part. The fair values of five properties were increased by a total of €6.6 million due to newly concluded leases, construction work that was carried out and deducted from the fair value as part of the property valuation as at 31 December 2020, and the conclusion of a purchase agreement for which the purchase price was higher than the last determined fair value.

Current and non-current trade receivables and other assets increased by €10.1 million and now total €13.2 million (31 December 2020: €3.1 million). This is mainly the result of capitalised building cost subsidies of €7.8 million due to newly concluded leases in connection with follow-up leases for the Real locations in Celle, Gießen and Mannheim. The agreed amounts will in future be spread out on a straight-line basis over the term of the leases in the form of a reduction in rents.

The item also includes gross receivables from rent in arrears and billed incidental costs totalling €4.0 million (31 December 2020: €2.8 million), which were primarily in connection with the COVID-19 pandemic. As part of the measurement as at 30 June 2021, write-downs were recognised in the amount of the expected losses of €2.0 million (31 December 2020: €1.0 million).

The company had cash and cash equivalents of €134.8 million on 30 June 2021 (31 December 2020: €40.5 million). Of the bank balances, a total of €56.3 million were credited to restricted bank accounts which are pledged to replace collateral in the form of property liens for loans from the financing bank for properties that have been sold.

Equity amounted to €488.3 million as at 30 June 2021 after €474.2 million as at 31 December 2020. The reported equity ratio was 37.4% as at the end of the period after 37.5% as at 31 December 2020. The REIT equity ratio was 57.5% after 54.5% as at 31 December 2020.

By resolution of the Supervisory Board on 21 May 2021, as part of a share dividend, the share capital from Authorised Capital I entered into the Commercial Register on 26 May 2021 was increased by issuing 763,781 shares against cash contributions. This action increased the company's issued capital from €80,580 thousand to €81,343 thousand. The amount exceeding the nominal value of €5,839 thousand was allocated to capital reserves.

Current and non-current financial liabilities increased by a net amount of €11.1 million as against 31 December 2020 taking into account scheduled repayments due to the utilisation of loans in the

first half of 2021, and amounted to €770.0 million as at 30 June 2021 after €758.9 million as at 31 December 2020. The average borrowing rate for all loans in place is 1.7%.

Current and non-current trade payables and other liabilities increased against 31 December 2020 from €21.5 million by €14.3 million to €35.8 million. This increase is mainly the result of granted building cost subsidies of €7.8 million due to newly concluded leases in connection with follow-up leases for the Real locations in Celle, Gießen and Mannheim. Real also made an advance rental payment in connection with the termination of a lease in the amount of €3.2 million prior to the anticipated end of the lease term.

In addition to this, an advance purchase price payment of €3.1 million received for the property sold in Villingen-Schwenningen led to an increase in liabilities.

The item also includes lease liabilities in accordance with IFRS 16 of €8.2 million (31 December 2020: €8.3 million).

The net asset value (NAV) of the company was €896.7 million at the end of the first half of the year (31 December 2020: €890.7 million). This corresponds to NAV per share of €11.02 (31 December 2020: €11.05).

Report on risks and opportunities

As a property 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 result of operations, net assets situation and financial position. 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 2020. The comments made in the “Report on risks and opportunities” in the 2020 management report therefore still apply.

Forecast report

The German economy continued to be influenced by the COVID-19 pandemic in the first half of 2021. Despite the current vaccination programme, falling infection rates and easing of restrictions, there is still the risk of a fourth wave of infections, especially due to the viral variants of the COVID-19 pathogen.

HAMBORNER REIT maintains the fundamental assessments of its outlook for future business last published in the 2020 annual report. Taking into account the business performance in the first half of 2021, the company feels able to substantiate its assessment.

The company now expects income from rents and leases in the range of €83 million to €85 million for 2021 as a whole (previous forecast: €82 million to €86 million). The operating result (FFO) is expected to be at the upper end of the most recently communicated range of between €48 million and €50 million (previous forecast: €45 million to €50 million).

Assuming a further stable development in the value of the like-for-like property portfolio, the company still anticipates that the NAV per share for 2021 will remain at around the previous year's level.

Condensed interim financial statements as at 30 June 2021

Income statement

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

IN € THOUSAND	1 January to 30 June 2021	1 JANUARY TO 30 JUNE 2020	1 April to 30 June 2021	1 APRIL TO 30 JUNE 2020
Income from rents and leases	42,928	43,868	21,119	22,061
Income from incidental costs passed on to tenants	7,183	6,985	3,475	3,542
Real estate operating expenses	-9,867	-9,619	-4,192	-4,177
Property and building maintenance	-2,208	-2,604	-1,225	-1,455
Net rental income	38,036	38,630	19,177	19,971
Administrative expenses	-930	-631	-552	-248
Personnel expenses	-2,653	-2,576	-1,241	-1,344
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-17,912	-35,600	-8,876	-25,494
Other operating income	4,934	1,032	4,431	427
Other operating expenses	-1,785	-1,652	-536	-1,167
	-18,346	-39,427	-6,774	-27,826
Operating result	19,690	-797	12,403	-7,855
Result from the sale of investment property	32,533	76	25,755	-3
Earnings before interest and taxes (EBIT)	52,223	-721	38,158	-7,858
Interest income	0	0	0	0
Interest expenses	-7,139	-7,802	-3,519	-3,956
Financial result	7,139	-7,802	-3,519	-3,956
Period result	45,084	-8,523	34,639	-11,814
Basic = diluted earnings per share (in €)	0.56	-0.11	0.43	0.15

Statement of comprehensive income

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

IN € THOUSAND	1 January to 30 June 2021	1 JANUARY TO 30 JUNE 2020	1 April to 30 June 2021	1 APRIL TO 30 JUNE 2020
Period result as per the income statement	45,084	-8,523	34,639	-11,814
Items reclassified to profit or loss in future if certain conditions are met:				
Unrealised gains/losses (-) on the remeasurement of derivative financial instruments	313	287	156	140
Items not subsequently reclassified to profit or loss in future:				
Actuarial gains/losses (-) on defined pension obligations	229	581	20	38
Other comprehensive income	542	868	176	178
TOTAL COMPREHENSIVE INCOME	45,626	-7,655	34,815	-11,636

Other comprehensive income for the period relates to actuarial gains and losses on defined benefit obligations and the effective portion of changes in the fair value of interest rate swaps used to manage the risk of interest rate fluctuations (cash flow hedge).

Statement of financial position – assets

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

IN € THOUSAND	30 June 2021	31 DECEMBER 2020
Non-current assets		
Intangible assets	473	499
Property, plant and equipment	3,001	3,066
Investment property	1,135,839	1,195,468
Financial assets	1,529	1,490
Other assets	7,748	303
	1,148,590	1,200,826
Current assets		
Trade receivables and other assets	5,441	2,763
Cash and cash equivalents	134,767	40,522
Non-current assets held for sale	15,755	21,673
	155,963	64,958
TOTAL ASSETS	1,304,553	1,265,784

Statement of financial position – liabilities

IN € THOUSAND	30 June 2021	31 December 2020
Equity		
Issued capital	81,343	80,580
Capital reserves	346,071	340,508
Retained earnings	60,900	53,146
	488,314	474,234
Non-current liabilities and provisions		
Financial liabilities	706,841	667,075
Trade payables and other liabilities	11,365	9,282
Pension provisions	5,528	5,909
Other provisions	3,118	3,165
	726,852	685,431
Current liabilities and provisions		
Financial liabilities	63,170	91,841
Derivative financial instruments	209	521
Trade payables and other liabilities	24,434	12,182
Other provisions	1,574	1,575
	89,387	106,119
TOTAL EQUITY, LIABILITIES AND PROVISIONS	1,304,553	1,265,784

Statement of cash flows

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

IN € THOUSAND	1 January to 30 June 2021	1 January to 30 June 2020
Cash flow from operating activities		
Period result	45,084	-8,523
Financial result	6,766	7,429*
Depreciation and amortisation (+)/reversals (-)	15,822	35,600
Change in provisions	-200	-417*
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-33,361	-82
Change in receivables and other assets not attributable to investing or financing activities	-10,123	-1,873
Change in liabilities not attributable to investing or financing activities	14,183	3,127*
	38,171	35,261
Cash flow from investing activities		
Investments in intangible assets, property, plant and equipment and investment property	-25,580	-51,372
Proceeds from disposals of property, plant and equipment and investment property	109,436	93
Proceeds from disposals of financial assets	0	0
	83,856	-51,279
Cash flow from financing activities		
Dividends paid	-37,872	0
Proceeds from borrowings of financial liabilities	55,850	78,945
Repayments of borrowing	-44,449	-34,400
Proceeds from increases in capital	6,602	0
Payments for costs from increases in capital	-276	0
Payments (-)/proceeds (+) for cash collateral for financial liabilities	-51,401	0
Cash flow from lease liabilities	-333	-346
Interest payments	-7,313	-7,893
	-79,192	36,306
Cash-effective changes to cash funds	42,835	20,288
Cash funds on 1 January	35,597	8,358
Cash and cash equivalents (with a remaining term of up to three months)	35,597	8,358
Restricted cash and cash equivalents	4,925	0
Cash and cash equivalents on 1 January	40,522	8,358
Cash funds on 30 June	78,441	28,646
Cash and cash equivalents (with a remaining term of up to three months)	78,441	28,646
Restricted cash and cash equivalents	56,326	0
Cash and cash equivalents on 30 June	134,767	28,646

* Previous year adjusted

Statement of changes in equity

IN € THOUSAND	ISSUED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS			EQUITY TOTAL
			Cash flow hedge reserve	IAS 19 Reserve Pension Provisions	Other retained earnings	
As at 1 January 2020	79,718	380,467	-1,110	-4,631	59,118	513,562
Net profit for the period 1 January to 30 June 2020					-8,523	-8,523
Other comprehensive income 1 January to 30 June 2020			287	581		868
Total comprehensive income 1 January to 30 June 2020			287	581	-8,523	-7,655
As at 30 June 2020	79,718	380,467	-823	-4,050	50,595	505,907
Distribution of profit for 2020 (€0.47 per share)					-37,467	-37,467
Increases in capital	862	5,908				6,770
Costs from increases in capital		-359				-359
Withdrawal from capital reserves		-45,508			45,508	0
Net profit for the period 1 July to 31 December 2020					-740	-740
Other comprehensive income 1 July to 31 December 2020			301	-178		123
Total comprehensive income 1 July to 31 December 2020			301	-178	-740	-31,673
As at 31 December 2020	80,580	340,508	-522	-4,228	57,896	474,234
Distribution of profit for 2020 (€0.47 per share)					-37,872	-37,872
Increases in capital	763	5,839				6,602
Costs from increases in capi- tal		-276				-276
Net profit for the period 1 January to 30 June 2021					45,084	45,084
Other comprehensive income 1 January to 30 June 2021			313	229		542
Total comprehensive income 1 January to 30 June 2021			313	229	45,084	45,626
As at 30 June 2021	81,343	346,071	-209	-3,999	65,108	488,314

Notes

INFORMATION ON HAMBORNER REIT

HAMBORNER REIT AG is a listed corporation (SCN A3H233) headquartered in Duisburg, Germany. This HAMBORNER REIT AG interim report for the first half of 2021 will be published on 29 July 2021. The interim financial statements are presented in euros (€). All amounts are presented in thousands of euros (€ thousand) unless stated otherwise. Minor rounding differences can occur in totals and percentages.

PRINCIPLES OF REPORTING

This HAMBORNER REIT interim report as at 30 June 2021 was prepared on the basis of IFRS as applicable in the European Union and insofar as they apply to interim financial statements (IAS 34), and in accordance with the requirements on interim reporting of German Accounting Standard no. 16 of the Accounting Standards Committee of Germany (ASCG) and takes into account the requirements under section 37w of the German Securities Trading Act (WpHG). It contains a condensed version of the individual financial statements prepared in accordance with IFRS as at 31 December 2020.

The interim financial statements as at 30 June 2021 are based on the same accounting policies and principles as the separate financial statements according to IFRS as at 31 December 2020.

This interim report has not been audited by an auditor in accordance with section 317 HGB, nor has it undergone an auditor's review.

In the opinion of the Management Board, the interim report contains all material information necessary for an understanding of the changes to the results of operations, net asset situation and financial position of HAMBORNER REIT AG since the last reporting date of 31 December 2020.

KEY TRANSACTIONS IN THE FIRST HALF OF 2021

The transfer of ownership of the office property in Mainz took place in the first half of 2021 with a purchase price volume of €18.6 million.

Furthermore, transfers of ownership took place in connection with the sale of twelve city centre retail properties in the period up to 30 June 2021. The purchase price volume totalled €106.3 million, and annualised rental income is around €6.5 million.

HAMBORNER REIT concluded long-term follow-on leases in the second quarter of 2021 for space currently used by the food retailer Real at the specialist retail locations in Mannheim, Celle and Gießen. In connection with this, a payment of €22.2 million was received in relation to a lease termination agreement with Real and building cost subsidies to the new tenants totalling €7.8 million were recognised.

Due to the COVID-19 pandemic, there were outstanding payments for trade receivables of €4.0 million as at 30 June 2021 (31 December 2020: €2.8 million). In order to ensure the continuation of existing leases, rent reductions and deferrals have been or will be agreed with tenants badly impacted by the COVID-19 pandemic for a set period of time. In return, many leases have been extended or are being negotiated with the tenants. In addition, write-downs were recognised from the measurement of the remaining trade receivables in the amount of €2.0 million (31 December 2020: €1.0 million).

OTHER SELECTIVE EXPLANATORY NOTES

As at 30 June 2021 the fair value of the property portfolio increased by €6.6 million compared to 31 December 2020. This related to the properties in Celle, Gießen, Mannheim, Villingen-Schwenningen and Darmstadt.

Of the bank balances, a total of €56.3 million was credited to restricted bank accounts, which are pledged to redeem collateral in the form of property liens for loans from the financing banks.

The discount rate used to measure pension obligations was increased to 1.20% as at 30 June 2021 (31 December 2020: 0.86%) due to higher capital market interest rates. This interest rate adjustment caused a €229 thousand decline in pension provisions which was recorded directly in equity under retained earnings.

With the exception of derivatives accounted for at fair value, all assets and liabilities are valued at amortised cost.

With the exception of financial liabilities, the carrying amounts of the financial assets and liabilities recognised at amortised cost in the statement of financial position constitute a reliable approximation of the fair value.

The fair values of financial liabilities are equal to the present values of the payments associated with the liabilities, taking into account the current interest rate parameters (level 2 according to IFRS 13) at the end of the reporting period and total €798,130 thousand as at 30 June 2021 (31 December 2020: €796,840 thousand).

The derivative financial instruments recorded in the statement of financial position are measured at fair value. These are exclusively interest rate hedges. The fair values are calculated by discounting the expected future cash flows over the remaining term of the contracts on the basis of observable market interest rates or yield curves (level 2 according to IFRS 13).

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

There were no reportable transactions with related parties in the first half of the 2021 financial year.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The transfer of ownership of the property sold in Villingen-Schwenningen took place on 1 July 2021. The purchase price is €3.1 million. The carrying amount of the sale is €0.5 million. The annualised rental income of the property is around €0.3 million.

The sale of a city centre retail property in Oldenburg was certified on 15 July 2021. The purchase price came to €8.5 million due to annualised rents of €0.6 million. The transfer of ownership is expected to take place in the third quarter of the current financial year.

An agreement to buy a property in Stuttgart was signed on 22 July 2021. At a purchase price of €18.2 million, annualised rents come to €0.9 million.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-yearly financial reporting, the half-year financial statements give a true and fair view of the net asset situation, financial position and result of operations of the company, and the interim management report of the company includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company for the remainder of the financial year.

Duisburg, 28 July 2021

The Management Board



Niclas Karoff



Hans Richard Schmitz

Additional information

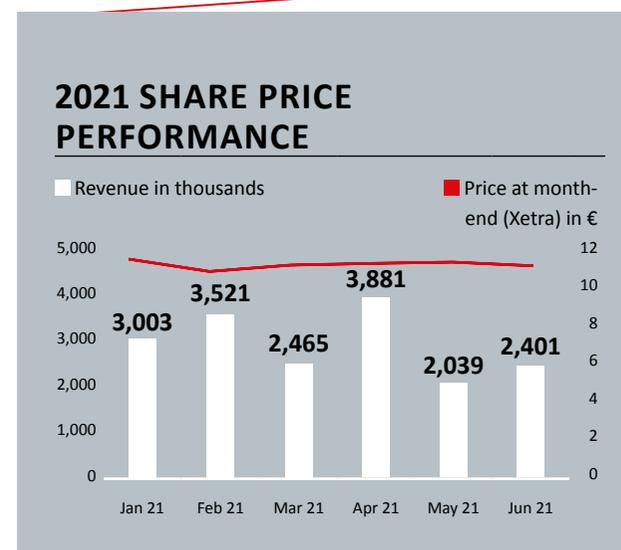
General performance on the capital market

Notwithstanding the far-reaching impact of the COVID-19 pandemic on numerous sectors, the global stock markets have been able to continue the positive performance of the previous year in the first half of 2021. Thanks to ongoing monetary and fiscal support, the markets continued to be unaffected by the restrictions relating to the global pandemic and were able to reach new highs in the first half of 2021.

After closing 2020 at 13,719 points, the German leading index DAX broke through the 15,000-point mark at the end of March 2021, achieving a gain of 9.4% in the first quarter. Driven by positive corporate news, it continued this trend over the following trading weeks and recorded a new all-time high of 15,803 in mid-June. The DAX then closed the first half of 2021 at 15,531 points, 13.2% above the 2020 year-end figure.

The indices that follow the DAX, the MDAX and the SDAX, both also reached interim highs in the course of the first half of 2021, recording gains of 10.6% and 8.5%, respectively.

HAMBORNER REIT AG Shares



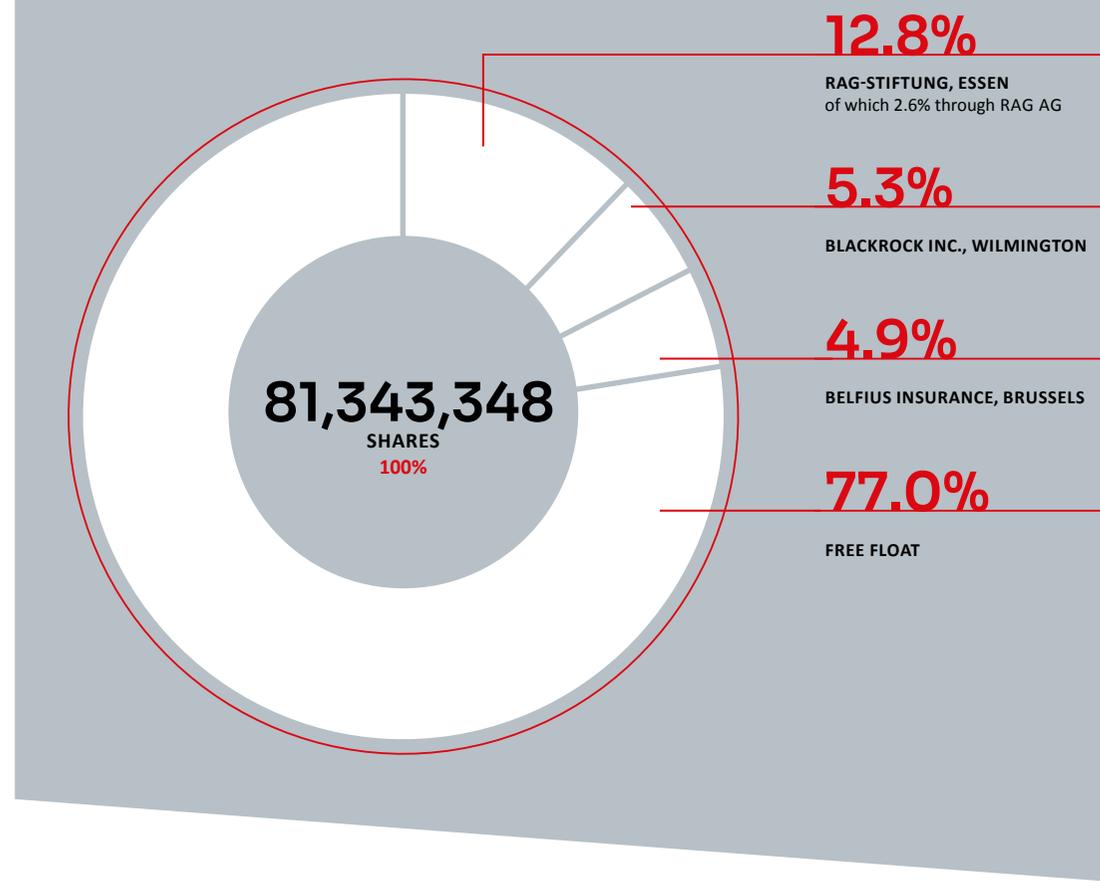
HAMBORNER REIT shares largely plateaued during the first half of 2021. After ending 2020 at €9.01, the price hit an interim high of €9.48 in the first few trading months. In the second quarter the shares did not continue this positive development, however, and price gains plunged once again. By 30 June 2021, the price was €8.98 and almost completely on a par with the 2020 year-end level.

In line with the development of the share price, the trading volumes of HAMBORNER shares also grew moderately in the first half of 2021. With an average of around 136,000 shares traded per trading day, share turnover was below the average level for 2020 (approx. 186,000 per trading day), though this had been influenced by above-average high volatility.

HAMBORNER SHARES	
Name / code	HAMBORNER REIT AG / HABA
Share class	Registered share
SCN / ISIN	A3H233 / DE000A3H2333
Number of shares	81,343,348
Share capital	€81,343,348
Listing segment	Prime Standard
Indices	SDAX / EPRA index
Designated sponsor	HSBC / MM Warburg
Free float	77.0%
Share price as at 30 June 2021 (Xetra)	€8.98
Market capitalisation as at 30 June 2021	€730.5 million

Shareholder structure

SHAREHOLDER STRUCTURE AS AT 30 JUNE 2021



Annual General Meeting & dividend

The Annual General Meeting of the company took place in Mülheim an der Ruhr on 29 April 2021. Because of the ongoing high infection rates and restrictions imposed by the authorities with respect to attendance at events, the Annual General Meeting was once again carried out digitally.

On this occasion, all resolutions proposed by the Management Board and the Supervisory Board were approved by a large majority. The resolutions related, among other things, to the discharging of the Management Board and Supervisory Board for the 2020 financial year, the approval of the remuneration system for Management Board members and the remuneration of Supervisory Board members, and the renewal of the authorisation to buy back treasury shares.

The Annual General Meeting also confirmed the dividend suggested by the Management Board and the Supervisory Board and resolved to pay a dividend of €0.47 per share for the financial year 2020. Based on the Xetra closing price at the end of 2020, this corresponds to a dividend yield of around 5.2%.

Given the high level of acceptance on the part of shareholders last year, the company has once again offered a share dividend scheme with the approval of the Annual General Meeting. This gives shareholders interested in the uncomplicated reinvestment of their dividend claims the option to receive shares in HAMBORNER REIT AG instead of a traditional cash dividend.

Through this scheme, shareholders with a total of 24.8% (previous year: 25.7%) of the shares entitled to dividends made use of this option and chose to draw the dividend in the form of shares. Based on this acceptance rate, 763,781 new shares were issued at a subscription price of €8.646. As a result, the company's share capital grew by around 1.0% and the number of shares rose to 81,343,348.

Financial calendar/publication details

FINANCIAL CALENDAR 2021/2022

29 July 2021	Half-year financial report, 30 June 2021
9 November 2021	Interim statement, 30 September 2021
8 February 2022	Provisional figures for the 2021 financial year
17 March 2022	2021 Annual Report
26 April 2022	Interim statement, 31 March 2022
28 April 2022	2022 Annual General Meeting

Forward-looking statements

This report contains forward-looking statements, for example concerning general economic developments in Germany and the company's own expected performance. These statements are based on current assumptions and estimates by the Management Board, which were made diligently on the basis of all information available at the respective time. If the assumptions on which statements and forecasts are based are not accurate, the actual results may differ from those currently anticipated.

PUBLICATION DETAILS

Published by

The Management Board of HAMBORNER REIT AG, Duisburg

As at:

28 July 2021

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HAMBORNER REIT AG

