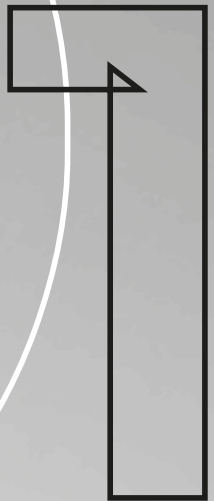


# Interim statement



# Key financial ratios

21.8 € million

Income from rents and leases

12.7 € million

Funds from operations

IN € THOUSAND		31 Mar. 2021	31 Mar. 2020
<b>From the income statement</b>			
Income from rents and leases		21,810	21,807
Net rental income		18,860	18,659
Operating result		7,288	7,058
Financial result		-3,621	-3,846
EBITDA		23,101	17,243
EBIT		14,066	7,137
Funds from operations (FFO)		12,702	13,318
Period result		10,445	3,291
<b>From the balance sheet</b>			
Total assets		1,313,065	1,265,784
Non-current assets		1,160,523	1,200,826
Equity		485,045	474,234
Equity ratio	in %	36.9	37.5
REIT equity ratio	in %	55.6	54.5
Loan-to-value (LTV)	in %	44.0	44.5
<b>HAMBORNER shares</b>			
Number of shares outstanding		80,579,567	79,717,645
Basic = diluted earnings per share	in €	0.13	0.04
Funds from operations (FFO) per share	in €	0.16	0.17
Stock price per share (Xetra)	in €	9.02	8.16
Market capitalisation		726,828	650,496
<b>The HAMBORNER portfolio</b>			
Number of properties		75	80
Fair value of the property portfolio		1,621,441	1,624,785
Vacancy rate (including rent guarantees)	in %	1.8	1.8
Weighted remaining term of leases in years		6.4	6.3
EPRA vacancy rate	in %	1.7	1.9
<b>Other data</b>			
Net asset value (NAV)		907,182	890,721
Net asset value per share	in €	11.26	11.05
EPRA Net Tangible Assets (NTA)		906,694	890,222
EPRA Net Tangible Assets per share (NTA)	in €	11.25	11.05
Number of employees including Management Board		47	44

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

## Result of operations

HAMBORNER generated income from rents and leases of €21,810 thousand (previous year: €21,807 thousand) until the end of March from managing its properties. The change is the result of rent increases following property additions (€971 thousand), rent losses as a result of property disposals (€511 thousand) and risk provisions for rent reductions due to COVID-19 (€442 thousand). Rental income from properties that were in our portfolio both in the first three months of 2020 and in the reporting quarter (like-for-like) was slightly below the previous year level at €15 thousand (0.1%).

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 1.8% (previous year: 1.6%). Not including rent guarantees, the vacancy rate was 2.2% (previous year: 2.5%).

Income from incidental costs charged to tenants amounted to €3,707 thousand, €264 thousand higher than in the same period of the previous year (€3,443 thousand). The costs of the management of the properties increased by €233 thousand to €5,674 thousand (previous year: €5,441 thousand) by the end of March 2021.

The expenses for the maintenance of our land and property portfolio decreased by €167 thousand in the first quarter of 2021 over the previous year period to €983 thousand (previous year: €1,150 thousand). The expenses relate to minor ongoing maintenance and various, smaller planned measures.

At €18,860 thousand, the net rental income derived from the above items is €201 thousand or 1.1% higher than the value for the same period of the previous year (€18,659 thousand).

Administrative and personnel expenses totalled €1,791 thousand, up 10.9% on the previous year's level (€1,615 thousand). The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, rose to 8.2% (previous year: 7.4%).

Depreciation and amortisation decreased by €1,071 thousand to €9,035 thousand after €10,106 thousand in the same period in the previous year. The changes resulted primarily from impairment losses in the previous year of €963 thousand.

Other operating income amounted to €503 thousand in the first quarter of the reporting year (previous year: €605 thousand). This stems primarily from income from the reversal of provisions amounting to €312 thousand. Of this, €223 thousand were from unused funds for advertising. In addition, €37 thousand resulted from compensation and reimbursement in connection with the letting of these properties and €46 thousand from income from incidental costs passed on to tenants. In the previous year, this had primarily been related to contractually agreed compensation due to the delays in transferring ownership of the properties in Aachen and Bonn amounting to €518 thousand.

Other operating expenses amounted to €1,249 thousand in the first quarter of 2021 (previous year: €485 thousand). This item also includes write-downs and amortisation on trade receivables of €933 thousand (previous year: €0). These are primarily connected to

looming defaults related to COVID-19 (€771 thousand) as well as retrospective write-offs due to agreements with tenants (€87 thousand). In addition, there were legal and consulting costs of €98 thousand (previous year: €214 thousand), costs of investor relations and public relations work of €135 thousand (previous year: €145 thousand) as well as membership costs of €58 thousand (previous year: €72 thousand).

The company's operating result at the end of March 2021 came to €7,288 thousand, thus €230 thousand higher than the same period of the previous year (€7,058 thousand).

A result of €6,778 thousand (previous year: €79 thousand) was generated from the disposal of properties. The result in the reporting period stemmed from the sale of properties in Kaiserslautern, Koblenz, Krefeld, Lüdenscheid, Rheine and Wiesbaden.

The financial result is €-3,621 thousand in the first quarter as against €-3,846 thousand in the same period of the previous year and relates entirely to interest expenses. The interest expenses from loans of €-3,433 thousand included in this figure decreased by €228 thousand as against the previous year. Scheduled repayments and the refinancing of loans on better terms following the expiry of fixed-rate interest agreements caused these to decline by €421 thousand. This illustrates the positive effect of refinancing at better interest rates on funds from operations (FFO). The company will benefit from this when refinancing in future as well. Interest expenses from newly agreed loans, conversely, led to an increase in interest expenses amounting to €193 thousand.

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

As a result of the total income and expenses, the net profit for the first quarter of 2021 amounts to €10,445 thousand (previous year: €3,291 thousand). FFO (i.e. the operating result before depreciation and amortisation expenses and not including proceeds from disposals) decreased by 4.6% and amounted to €12,702 thousand in the reporting period (previous year: €13,318 thousand). This corresponds to FFO per share of 16 cents (previous year: 17 cents).

**Net asset situation and financial position**

The risks and rewards of ownership of an office property in Mainz were transferred on 29 March 2021. The investment volume on the basis of the purchase price amounts to €18.6 million with annual rental income of €1.3 million.

In the first quarter of 2021, transfers of ownership took place connected with the sale of the city centre retail properties in Kaiserslautern, Koblenz, Krefeld, Lüdenscheid, Rheine and Wiesbaden. At a purchase price volume totalling €27.7 million, annualised rental income of these properties came to around €2.4 million. The properties had, at the previous year reporting date, been reported under “non-current assets held for sale”.

As at 31 March 2021, six city centre retail properties in Frankfurt, Oberhausen, Hamburg / Fuhlsbüttler Str., Fürth and two properties in Bad Homburg were reported as “non-current assets held for sale”. The purchase price agreements were concluded for these properties, but the transfer of benefits and encumbrances had not been completed by 31 March 2021.

The updated fair value of the developed property portfolio as at the end of the quarter was €1,621.4 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 from a portfolio perspective. The property addition in Mainz that took place after 31 December 2020 was also valued by an expert and included in the reporting.

Current and non-current trade receivables amounted to €5.5 million (31 December 2020: €3.1 million). They include gross receivables from rent in arrears and billed incidental costs totalling €3.8 million (31 December 2020: €2.8 million), which were primarily in connection with the COVID-19 pandemic. As part of the measurement as at 31 March 2021, write-downs were recognised in the amount of the expected losses of €1.8 million (31 December 2020: €1.0 million).

The company had cash and cash equivalents of €94.6 million on 31 March 2021 (31 December 2020: €40.5 million). Of the bank balances, a total of €35.0 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 €485.0 million as at 31 March 2021 after €474.2 million as at 31 December 2020. The reported equity ratio was 36.9% as at the end of the period after 37.5% as at 31 December 2020. The REIT equity ratio was 55.6% after 54.5% as at 31 December 2020.

Current and non-current financial liabilities increased by a net amount of €13.7 million as against 31 December 2020, due chiefly to the utilisation of loans and scheduled repayments in the first quarter of 2021, and amounted to €772.6 million as at the end of the quarter after €758.9 million as at 31 December 2020. The average borrowing rate for all loans in place and those agreed but not yet utilised is 1.7 %.

Current and non-current trade payables and other liabilities increased against 31 December 2020 from €21.5 million by €22.7 million to €44.2 million. The increase resulted primarily from the receipt of purchase price payments for properties that had been sold amounting to €22.2 million. The item also includes lease liabilities in accordance with IFRS 16 of €8.2 million (31 December 2020: €8.3 million) and trade payables totalling €3.7 million (31 December 2020: €3.8 million).

The net asset value (NAV) of the company was €907.2 million at the end of the quarter (31 December 2020: €890.7 million). This corresponds to NAV per share of €11.26, down on €11.05 as at 31 December 2020.

# 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 still apply.

# Events after the end of the reporting period

The transfer of ownership for the sold properties in Bad Homburg, Louisenstr. 66 and Oberhausen took place before this interim report was published. A carrying amount of around €2.5 million results from the sales. The annualised rental income amounts to €707 thousand.

The purchase agreement to sell a retail property in Villingen-Schwenningen was signed on 23 April 2021. The sale price is €3.1 million with annualised rental income of €250 thousand. A carrying amount of around €0.5 million results from the sale.

The purchase of an office property in Münster for a purchase price of €23.9 million was completed on 26 April 2021. The annualised rental income amounts to €1.1 million.

# Forecast report

The German economy continues to be influenced by the COVID-19 pandemic. The development of the economy depends largely on how sustainably the infection rate can be controlled and how quickly further easing of restrictions becomes possible as a result.

HAMBORNER maintains the assessments of future business prognoses made in the 2020 annual report. Taking into account the uncertainties laid out in the annual report, the Management Board expects the operating result (FFO) in the 2021 financial year to be between €45 million and €50 million. Rental income is expected to be between €82 million and €86 million.

# Principles of reporting

The HAMBORNER REIT AG interim statement as at 31 March 2021 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 2020. The accounting standards endorsed and revised by the EU, which are mandatory effective from 1 January 2021, were observed. This did not result in any material changes to the interim financial statements as at 31 March 2021.

This report contains forward-looking statements, for example, on general economic developments in Germany, the future situation of the property industry and the company's overall forecast performance. These statements are based on current assumptions and estimates by the company, 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.



# Separate financial statements

## Income statement

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2021

IN € THOUSAND	1 Jan. to 31 Mar. 2021	1 Jan. to 31 Mar. 2020
Income from rents and leases	21,810	21,807
Income from incidental costs passed on to tenants	3,707	3,443
Real estate operating expenses	-5,674	-5,441
Property and building maintenance	-983	-1,150
<b>Net rental income</b>	<b>18,860</b>	<b>18,659</b>
Administrative expenses	-379	-383
Personnel expenses	-1,412	-1,232
Depreciation and amortisation of intangible assets, property, plant and equipment and investment property	-9,035	-10,106
Other operating income	503	605
Other operating expenses	-1,249	-485
	<b>-11,572</b>	<b>-11,601</b>
<b>Operating result</b>	<b>7,288</b>	<b>7,058</b>
Result from the sale of investment property	6,778	79
<b>Earnings before interest and taxes (EBIT)</b>	<b>14,066</b>	<b>7,137</b>
Interest income	0	0
Interest expenses	-3,621	-3,846
<b>Financial result</b>	<b>-3,621</b>	<b>-3,846</b>
<b>Period result</b>	<b>10,445</b>	<b>3,291</b>
Basic = diluted earnings per share (in €)	0.13	0.04

## Statement of comprehensive income

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2021

IN € THOUSAND	1 Jan. to 31 Mar. 2021	1 Jan. to 31 Mar. 2020
<b>Period result as per the income statement</b>	<b>10,445</b>	<b>3,291</b>
Items reclassified to profit or loss in future if certain conditions are met:		
Unrealised gains/losses (-) on the remeasurement of derivative financial instruments	157	147
Items not reclassified to profit or loss in future:		
Actuarial gains/losses (-) on defined pension obligations	209	543
<b>Other comprehensive income</b>	<b>366</b>	<b>690</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>10,811</b>	<b>3,981</b>

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 31 MARCH 2021

IN € THOUSAND	31 Mar. 2021	31 Dec. 2020
<b>Non-current assets</b>		
Intangible assets	488	499
Property, plant and equipment	3,034	3066
Investment property	1,155,158	1,195,468
Financial assets	1,535	1,490
Other assets	308	303
	<b>1,160,523</b>	<b>1,200,826</b>
<b>Current assets</b>		
Trade receivables and other assets	5,190	2,763
Cash and cash equivalents	94,586	40,522
Non-current assets held for sale	52,766	21,673
	<b>152,542</b>	<b>64,958</b>
<b>TOTAL ASSETS</b>	<b>1,313,065</b>	<b>1,265,784</b>

## Statement of financial position – liabilities

IN € THOUSAND	31 Mar. 2021	31 Dec. 2020
<b>Equity</b>		
Issued capital	80,580	80,580
Capital reserves	340,508	340,508
Retained earnings	63,957	53,146
	<b>485,045</b>	<b>474,234</b>
<b>Non-current liabilities and provisions</b>		
Financial liabilities	709,626	667,075
Trade payables and other liabilities	9,305	9,282
Pension provisions	5,625	5,909
Other provisions	3,162	3,165
	<b>727,718</b>	<b>685,431</b>
<b>Current liabilities and provisions</b>		
Financial liabilities	63,024	91,841
Derivative financial instruments	364	521
Trade payables and other liabilities	34,917	12,182
Other provisions	1,997	1,575
	<b>100,302</b>	<b>106,119</b>
<b>TOTAL EQUITY, LIABILITIES AND PROVISIONS</b>	<b>1,313,065</b>	<b>1,265,784</b>

## Statement of cash flows

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2021

IN € THOUSAND	1 Jan. to 31 Mar. 2021	1 Jan. to 31 Mar. 2020
<b>Cash flow from operating activities</b>		
Period result	10,445	3,291
Financial result	3,433	3,661*
Depreciation and amortisation (+)/reversals (-)	9,035	10,106
Change in provisions	344	-547*
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-7,466	-82
Change in receivables and other assets not attributable to investing or financing activities	-2,432	-893
Change in liabilities not attributable to investing or financing activities	2,468	2,961*
	<b>15,827</b>	<b>18,497</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets, property, plant and equipment and investment property	-21,693	-23,078
Proceeds from disposals of property, plant and equipment and investment property	49,867	93
Proceeds from disposals of financial assets	0	0
	<b>28,174</b>	<b>-22,985</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings of financial liabilities	53,250	56,445
Repayments of financial liabilities	-38,837	-12,153
Payments (-)/proceeds (+) for cash collateral for financial liabilities	-30,103	0
Cash flow from lease liabilities	-168	-175
Interest payments	-4,182	-4,393
	<b>-20,040</b>	<b>39,724</b>
<b>Cash-effective changes to cash funds</b>	<b>23,961</b>	<b>35,236</b>
<b>Cash funds on 1 January</b>	<b>35,597</b>	<b>8,358</b>
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
<b>Cash and cash equivalents on 1 January</b>	<b>40,522</b>	<b>8,358</b>
<b>Cash funds on 31 March</b>	<b>59,558</b>	<b>43,594</b>
Cash and cash equivalents (with a remaining term of up to three months)	59,558	43,594
Restricted cash and cash equivalents	35,028	0
<b>Cash and cash equivalents on 31 March</b>	<b>94,586</b>	<b>43,594</b>

\* 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	
<b>As at 1 January 2020</b>	<b>79,718</b>	<b>380,467</b>	<b>-1,110</b>	<b>-4,631</b>	<b>59,118</b>	<b>513,562</b>
Net profit for the period 1 Jan. to 31 Mar. 2020					3,291	3,291
Other comprehensive income 1 Jan. to 31 Mar. 2020			147	543		690
<b>Total comprehensive income 1 Jan. to 31 Mar. 2020</b>			<b>147</b>	<b>543</b>	<b>3,291</b>	<b>3,981</b>
<b>As at 31 Mar. 2020</b>	<b>79,718</b>	<b>380,467</b>	<b>-963</b>	<b>-4,088</b>	<b>62,409</b>	<b>517,543</b>
Distribution of profit for 2019 (€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 Apr. to 31 Dec. 2020					-12,554	-12,554
Other comprehensive income 1 Apr. to 31 Dec. 2020			441	-140		301
<b>Total comprehensive income 1 Apr. to 31 Dec. 2020</b>			<b>441</b>	<b>-140</b>	<b>-12,554</b>	<b>-43,309</b>
<b>As at 31 December 2020</b>	<b>80,580</b>	<b>340,508</b>	<b>-522</b>	<b>-4,228</b>	<b>57,896</b>	<b>474,234</b>
Net profit for the period 1 Jan. to 31 Mar. 2021					10,445	10,445
Other comprehensive income 1 Jan. to 31 Mar. 2021			157	209		366
<b>Total comprehensive income 1 Jan. to 31 Mar. 2021</b>			<b>157</b>	<b>209</b>	<b>10,445</b>	<b>10,811</b>
<b>As at 31 March 2021</b>	<b>80,580</b>	<b>340,508</b>	<b>-365</b>	<b>-4,019</b>	<b>68,341</b>	<b>485,045</b>

# Financial calendar/publication details

## FINANCIAL CALENDAR 2021 / 2022

29 April 2021	2021 Annual General Meeting
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

## PUBLICATION DETAILS

### Published by

The Management Board of HAMBORNER REIT AG, Duisburg

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