

# INTERIM STATEMENT

First quarter of 2023

# I FINANCIAL INDICATORS

€ 22.2 MILLION

INCOME FROM RENTS AND LEASES

€ 13.6 MILLION

FUNDS FROM OPERATIONS

| IN € THOUSAND  |      | 1. JAN. TO<br>31. MAR. 2022 | 1. JAN. TO<br>31. MAR. 2022 |
|--|------|-----------------------------|-----------------------------|
| <b>From the income statement</b>                           |      |                             |                             |
| Income from rents and leases                               |      | 22,160                      | 20,849                      |
| Net rental income  |      | 18,373                      | 16,789                      |
| Operating result   |      | 8,221                       | 5,262                       |
| Financial result   |      | -3,187                      | -3,166                      |
| EBITDA   |      | 16,821                      | 14,211                      |
| EBIT   |      | 8,221                       | 5,262                       |
| Funds from operations (FFO)                                |      | 13,634                      | 11,045                      |
| Period result  |      | 5,034                       | 2,096                       |
| of which resulting from the sale<br>of investment property |      | 0                           | 0                           |
|  |      | <b>31 MAR. 2023</b>         | <b>31 DEC. 2022</b>         |
| <b>From the statement of financial position</b>            |      |                             |                             |
| Total assets   |      | 1,227,569                   | 1,288,425                   |
| Non-current assets   |      | 1,133,052                   | 1,142,813                   |
| Equity   |      | 478,678                     | 473,604                     |
| Equity ratio   | in % | 39.0                        | 36.8                        |
| REIT equity ratio  | in % | 60.4                        | 59.6                        |
| EPRA Loan-to-value (LTV)                                   | in % | 38.2                        | 39.1                        |
|  |      | <b>31 MAR. 2023</b>         | <b>31 MAR. 2022</b>         |
| <b>On HAMBORNER shares</b>                                 |      |                             |                             |
| Number of shares outstanding                               |      | 81,343,348                  | 81,343,348                  |
| Basic = diluted earnings per share                         | in € | 0.06                        | 0.03                        |
| Funds from operations (FFO) per share                      | in € | 0.17                        | 0.14                        |
| Stock price per share (Xetra)                              | in € | 7.31                        | 9.58                        |
| Market capitalisation                                      |      | 594,620                     | 779,269                     |
|  |      | <b>31 MAR. 2023</b>         | <b>31 DEC. 2022</b>         |
| <b>On the HAMBORNER portfolio</b>                          |      |                             |                             |
| Number of properties                                       |      | 66                          | 66                          |
| Fair value of the property portfolio                       |      | 1,609,150                   | 1,608,600                   |
| Vacancy rate (including rent guarantees)                   | in % | 1.9                         | 2.1                         |
| EPRA vacancy rate  | in % | 3.3                         | 1.9                         |
| Weighted remaining term of leases in years                 |      | 6.5                         | 6.5                         |
| <b>Other data</b>  |      |                             |                             |
| Net asset value (NAV)                                      |      | 978,666                     | 964,829                     |
| Net asset value per share                                  | in € | 12.03                       | 11.86                       |
| EPRA Net Tangible Assets (NTA)                             |      | 978,241                     | 964,383                     |
| EPRA Net Tangible Assets per share (NTA)                   | in € | 12.03                       | 11.86                       |
| Number of employees including Management Board             |      | 51                          | 51                          |

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

## Results of operations

As at the end of March 2023, HAMBORNER had generated income from rents and leases of €22,160 thousand (previous year: €20,849 thousand) from managing its properties. The change is firstly the result of rent increases following property additions (€694 thousand) and rent losses as a result of property disposals (€429 thousand). In addition, rental income from properties that were in our portfolio both in the first three months of 2022 and in the reporting quarter (like-for-like) was 4.3% above the previous year level at €876 thousand. 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 higher than the previous year.

The vacancy rate fell slightly in the first three months and remains at a very low level. Including agreed rent guarantees, the vacancy rate was 1.9% (previous year: 2.1%). Not including rent guarantees, the vacancy rate was 2.2% (previous year: 2.5%). The EPRA vacancy rate as of the reporting date is 3.3% (previous year: 2.3%). The difference to the period-related vacancy rate is mainly due to a lease in the property in Mainz that ended in March. The property has been re-let to the city of Mainz, and the lease will start in the third quarter of 2023.

Income from incidental costs charged to tenants amounted to €3,694 thousand, €273 thousand higher than in the same period of the

previous year (€3,421 thousand). The costs of the management of the properties rose by €298 thousand to €5,926 thousand (previous year: €5,628 thousand) by the end of March 2023.

The expenses for the maintenance of our land and property portfolio fell by €298 thousand over the previous year period to €1,555 thousand (previous year: €1,853 thousand). The expenses in the first quarter of 2023 relate to minor ongoing maintenance and various, smaller planned measures.

At €18,373 thousand, the net rental income derived from the above items is €1,584 thousand or 9.4% higher than the value for the same period of the previous year (€16,789 thousand).

Administrative and personnel expenses total €2,156 thousand, up €213 thousand or 11.0% on the previous year's level (€1,943 thousand). Administrative expenses increased by €60 thousand. Personnel expenses went up year on year by €153 thousand to €1,545 thousand (previous year: €1,392 thousand), primarily due to new recruitment.

The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, rose to 9.7% (previous year: 9.3%).

Other operating income amounted to €1,669 thousand in the first quarter of the reporting year (previous year: €191 thousand). This stems primarily from compensation of €790 thousand for the early termination of a lease by a tenant in the Mainz property. In addition, the revaluation of the property in Mosbach due to a contract con-

cluded for the sale of the property resulted in a write-up of €536 thousand. Other operating expenses amounted to €529 thousand in the first quarter of 2023 (previous year: €826 thousand). The item consists partly of legal and consulting costs of €199 thousand (previous year: €147 thousand), costs of investor relations and public relations work of €134 thousand (previous year: €176 thousand) and membership costs of €55 thousand (previous year: €57 thousand). In addition, the item includes write-downs and loss allowances on trade receivables of €37 thousand (previous year: €169 thousand). The decrease in write-downs on receivables is primarily due to the termination of COVID-19 restrictions on tenants' businesses.

The company's operating result at the end of March 2023 came to €8,221 thousand, thus €2,959 thousand higher than the same period of the previous year (€5,262 thousand).

The financial result is €-3,187 thousand in the first quarter of 2023 as against €-3,166 thousand in the same period of the previous year.

Interest income came to €639 thousand (previous year: €0 million). Interest income in the first three months of the reporting year stems mainly from overnight and fixed-term cash deposits with terms of one to two months.

Interest expenses of €-3,826 thousand consist mainly of interest expenses from loans and have increased by €660 thousand compared to the previous year. This is largely due to higher interest expenses as a result of higher interest rates for floating rate promissory note

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loans (€344 thousand) and loans refinanced in 2022 due to higher loan volumes (€360 thousand).

As a result of the total income and expenses, the net profit for the first quarter of 2023 amounts to €5,034 thousand (previous year: €2,096 thousand). FFO (i.e. the operating result before depreciation and amortisation expenses and not including proceeds from disposals) increased by 23.4% and amounted to €13,634 thousand in the reporting period (previous year: €11,045 thousand). This corresponds to FFO per share of 17 cents (previous year: 14 cents).

### Net asset situation and financial position

As at 31 March 2022, a retail property in Mosbach was reported under "non-current assets held for sale". A purchase agreement was signed for this property on 17 March 2023. Benefits and encumbrances are expected to be transferred to the buyer in the second quarter of 2023. The purchase price is €1.5 million.

The updated fair value of the developed property portfolio as at the end of the quarter was €1,609.2 million (31 December 2022: €1,608.6 million). As such, the fair value calculated by an expert as at 31 December 2022 was maintained for the most part from a portfolio perspective. The fair value for the Mosbach property was increased by €0.5 million as the purchase price for the purchase agreement was higher than the last fair value estimate.

Current and non-current trade receivables and other assets amounted to €14.7 million (31 December 2022: €12.1 million). They include gross receivables from rent in arrears and billed incidental costs totalling €1.9 million (31 December 2022: €1.5 million). Of this, €0.8

million relates to a compensation payment received for the early termination by the tenant of a lease for the property in Mainz.

Expected losses of €0.3 million (31 December 2022: €0.3 million) are recognised on the gross receivables of €1.9 million as part of the valuation as at 31 March 2022.

Other non-current assets comprise granted building cost subsidies due to follow-up leases for the Real locations in Celle, Giessen and Mannheim in the amount of €8.8 million. Of this amount, the remaining term amounts to €8.0 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.

The company had cash and cash equivalents of €86.6 million on 31 March 2023 (31 December 2022: €141.9 million). Of the bank balances, a total of €10.9 million was credited to restricted bank accounts that are pledged to replace collateral in the form of property liens for loans from the financing banks for properties that have been sold.

Equity amounted to €478.9 million as at 31 March 2022, following a value of €473.6 million as at 31 December 2022. The reported equity ratio was 39.0% as at the end of the period after 36.8% as at 31 December 2022. The REIT equity ratio was 60.4% following a value of 59.6% as at 31 December 2022.

Non-current and current financial liabilities decreased by a net amount of €68.8 million as against 31 December 2022, due chiefly to the partial repayment of the promissory note loans taken out in 2018 in the amount of €62.5 million and scheduled repayments in the first quarter of 2022, and amounted to €701.8 million at the end of the

quarter, compared with €770.7 million as at 31 December 2022. The average borrowing rate for all loans in place and those agreed but not yet utilised is 1.8%. The corresponding average remaining term is 4.8 years.

Current and non-current trade payables and other liabilities increased by €3.1 million compared with 31 December 2022, rising from €33.9 million to €37.0 million. The item also includes lease liabilities pursuant to IFRS 16 for leaseholds of €15.0 million (31 December 2022: €15.2 million) and building cost subsidies of €5.9 million (31 December 2022: €5.9 million) that have yet to be disbursed in connection with follow-on leases for the Real locations in Celle, Gießen and Mannheim. In addition, the item includes liabilities from rental deposits of €2.0 million, maintenance work of €2.5 million that has been completed but not yet invoiced, and purchase price retentions of €1.4 million.

The company's net asset value (NAV) came to €978.7 million as at the end of the quarter (31 December 2022: €964.8 million). This corresponds to NAV per share of €12.03, down on €11.86 as at 31 December 2022.

# 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 2022. The comments made therefore still apply, with the following amendments:

## **NATIONAL AND INTERNATIONAL MARKET ENVIRONMENT RISKS**

That national and international market environment remains significantly affected by the ongoing war in Ukraine and its economic consequences. Energy and consumer prices, which rose sharply last year, are now fluctuating less widely than before, but are still at a high level. The average annual inflation rate in Germany was 7.9% in 2022 compared with the previous year. Inflation is expected to stay high in the current year, albeit slightly lower than last year. GDP increased by 1.9% from 2021 to 2022. In view of the geopolitical uncertainties GDP forecasts for 2023 currently vary between -0.1% (ifo) and +0.2% (German Council of Economic Experts).

## **LEASING RISK**

If inflation remains high or continues to increase, there is a chance that the index-based rental and lease increases will be higher than forecast. At the same time, however, there is a risk that tenants will not be able to afford the index increases and that rental increases cannot be realised in practice. Compensation for any waiver of rental increases could take the form of an early renewal of the lease, however.

# I FORECAST REPORT

Despite the ongoing uncertainties described in the report on opportunities, the risks as a result of the war in Ukraine and continued high inflation, HAMBORNER confirms the business outlook published in the 2022 Annual Report. Taking into account the factors presented in the Annual Report, an operating result (FFO) of between €50.0 million and €52.0 million is anticipated for the 2023 financial year. Rental and lease income is expected to be between €88.0 million and €89.5 million. According to current expectations, NAV per share will be slightly below the previous year's level at the end of 2023.



# PRINCIPLES OF REPORTING

The HAMBORNER REIT AG interim statement as at 31 March 2023 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 2022. The accounting standards endorsed and revised by the EU, which are mandatory effective from 1 January 2023, were observed. This did not result in any material changes to the interim financial statements as at 31 March 2023.

This report contains forward-looking statements, for example, on general economic developments in Germany, the future situation of the property industry and the overall forecast 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 all 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.



# I SEPARATE FINANCIAL STATEMENTS

## Income statement

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023

| IN € THOUSAND   | 1. JAN. TO<br>31. MAR. 2023 | 1. JAN. TO<br>31. MAR. 2022 |
|---|-----------------------------|-----------------------------|
| Income from rents and leases  | 22,160                      | 20,849                      |
| Income from incidental costs passed on to tenants   | 3,694                       | 3,421                       |
| Real estate operating expenses  | -5,926                      | -5,628                      |
| Property and building maintenance   | -1,555                      | -1,853                      |
| <b>Net rental income</b>  | <b>18,373</b>               | <b>16,789</b>               |
| Administrative expenses   | -611                        | -551                        |
| Personnel expenses  | -1,545                      | -1,392                      |
| Amortisation of intangible assets, depreciation of property,<br>plant and equipment and investment property | -9,136                      | -8,949                      |
| Other operating income  | 1,669                       | 191                         |
| Other operating expenses  | -529                        | -826                        |
|   | -10,152                     | -11,527                     |
| <b>Operating result</b>   | <b>8,221</b>                | <b>5,262</b>                |
| Result from the sale of investment property   | 0                           | 0                           |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>8,221</b>                | <b>5,262</b>                |
| Interest income   | 639                         | 0                           |
| Interest expenses   | -3,826                      | -3,166                      |
| <b>Financial result</b>   | <b>-3,187</b>               | <b>-3,166</b>               |
| <b>Period result</b>  | <b>5,034</b>                | <b>2,096</b>                |
| Basic = diluted earnings per share (in €)   | 0.06                        | 0.03                        |

## Statement of comprehensive income

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023

| IN € THOUSAND  | 1. JAN. TO<br>31. MAR. 2023 | 1. JAN. TO<br>31. MAR. 2022 |
|--|-----------------------------|-----------------------------|
| <b>Period result as per the income statement</b>                 | <b>5,034</b>                | <b>2,096</b>                |
| Items not subsequently reclassified to profit or loss in future: |                             |                             |
| Actuarial gains / losses (-) on defined pension obligations      | 40                          | 658                         |
| <b>Other comprehensive income</b>                                | <b>40</b>                   | <b>658</b>                  |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                | <b>5,074</b>                | <b>2,754</b>                |

Other comprehensive income for the current period relates to the actuarial gains on defined-benefit pension commitments of €40 thousand due to the increase in the actuarial interest rate to 4.0% as at the end of the reporting period (31 December 2022: 3.89%).



## Statement of financial position – assets

AS OF 31 MARCH 2023

| IN € THOUSAND                      | 31 MAR. 2023     | 31 DEC. 2022     |
|------------------------------------|------------------|------------------|
| <b>Non-current assets</b>          |                  |                  |
| Intangible assets                  | 425              | 446              |
| Property, plant and equipment      | 2,780            | 2,833            |
| Investment property                | 1,119,558        | 1,129,160        |
| Financial assets                   | 2,014            | 1,930            |
| Other assets                       | 8,275            | 8,444            |
|                                    | <b>1,133,052</b> | <b>1,142,813</b> |
| <b>Current assets</b>              |                  |                  |
| Trade receivables and other assets | 6,397            | 3,654            |
| Cash and cash equivalents          | 86,620           | 141,958          |
| Non-current assets held for sale   | 1,500            | 0                |
|                                    | <b>94,517</b>    | <b>145,612</b>   |
| <b>TOTAL ASSETS</b>                | <b>1,227,569</b> | <b>1,288,425</b> |

## Statement of financial position – liabilities

| IN € THOUSAND                                 | 31 MAR. 2023     | 31 DEC. 2022     |
|---|------------------|------------------|
| <b>Equity</b>                                 |                  |                  |
| Issued capital                                | 81,343           | 81,343           |
| Capital reserves                              | 346,071          | 346,071          |
| Retained earnings                             | 51,264           | 46,190           |
|   | <b>478,678</b>   | <b>473,604</b>   |
| <b>Non-current liabilities and provisions</b> |                  |                  |
| Financial liabilities                         | 656,854          | 668,150          |
|   | 16,316           | 16,317           |
| Pension provisions                            | 4,160            | 4,250            |
| Other provisions                              | 3,098            | 3,142            |
|   | <b>680,428</b>   | <b>691,859</b>   |
| <b>Current liabilities and provisions</b>     |                  |                  |
| Financial liabilities                         | 45,029           | 102,555          |
| Trade payables and other liabilities          | 20,699           | 17,540           |
| Other provisions                              | 2,735            | 2,867            |
|   | <b>68,463</b>    | <b>122,962</b>   |
| <b>TOTAL LIABILITIES</b>                      | <b>1,227,569</b> | <b>1,288,425</b> |

## Statement of cash flows

### FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2023

| IN € THOUSAND  | 1. JAN. TO<br>31. MAR. 2023 | 1. JAN. TO<br>31. MAR. 2022 |
|--|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>   |                             |                             |
| Period result  | 5,034                       | 2,096                       |
| Financial result   | 3,636                       | 3,058                       |
| Depreciation and amortisation (+)/reversals (-)  | 8,601                       | 8,949                       |
| Change in provisions   | -225                        | -89                         |
| Change in receivables and other assets not attributable to investing or financing activities | -2,573                      | -1,762                      |
| Change in liabilities not attributable to investing or financing activities                  | 3,339                       | 832                         |
|  | <b>17,812</b>               | <b>13,084</b>               |
| <b>Cash flow from investing activities</b>   |                             |                             |
| Investments in intangible assets, property, plant and equipment and investment property      | -461                        | -20,020                     |
| Proceeds from disposals of property, plant and equipment and investment property             | 0                           | 13,590                      |
|  | <b>-461</b>                 | <b>-6,430</b>               |
| <b>Cash flow from financing activities</b>   |                             |                             |
| Proceeds from borrowings of financial liabilities  | 0                           | 12,000                      |
| Repayments of borrowing  | -68,142                     | -10,101                     |
| Payments (-)/proceeds (+) for cash collateral for financial liabilities                      | 873                         | -6,102                      |
| Cash flow from lease liabilities   | -231                        | -183                        |
| Interest payments  | -4,316                      | -3,637                      |
|  | <b>-71,816</b>              | <b>-8,023</b>               |
| <b>Cash-effective changes to cash funds</b>  | <b>-54,465</b>              | <b>-1,369</b>               |
| <b>Cash funds on 1 January</b>   |                             |                             |
| Cash and cash equivalents (with a remaining term of up to three months)                      | 130,112                     | 83,978                      |
| Restricted cash and cash equivalents   | 11,846                      | 59,429                      |
| <b>Cash and cash equivalents on 1 January</b>  | <b>141,958</b>              | <b>143,407</b>              |
| <b>Cash funds on 31 March</b>  |                             |                             |
| Cash and cash equivalents (with a remaining term of up to three months)                      | 75,647                      | 82,609                      |
| Restricted cash and cash equivalents   | 10,973                      | 65,531                      |
| <b>Cash and cash equivalents on 31 March</b>   | <b>86,620</b>               | <b>148,140</b>              |

## Statement of changes in equity

| IN € THOUSAND  | ISSUED<br>CAPITAL | CAPITAL<br>RESERVES | RETAINED EARNINGS                          |                               | EQUITY<br>TOTAL |
|--|-------------------|---------------------|--|-------------------------------|-----------------|
|  |                   |                     | IAS 19<br>Reserve<br>Pension<br>provisions | Other<br>retained<br>earnings |                 |
| <b>As at 1 January 2022</b>                                  | <b>81,343</b>     | <b>346,071</b>      | <b>-4,324</b>                              | <b>74,284</b>                 | <b>497,374</b>  |
| Net profit for the period<br>1 Jan. to 31 Mar. 2022          |                   |                     |  | 2,096                         | 2,096           |
| Other comprehensive income<br>1 Jan. to 31 Mar. 2022         |                   |                     | 658  |                               | 658             |
| <b>Total comprehensive income<br/>1 Jan. to 31 Mar. 2022</b> |                   |                     | <b>658</b>                                 | <b>2,096</b>                  | <b>2,754</b>    |
| <b>As at 31 March 2022</b>                                   | <b>81,343</b>     | <b>346,071</b>      | <b>-3,666</b>                              | <b>76,380</b>                 | <b>500,128</b>  |
|  |                   |                     |  | -38,231                       | -38,231         |
| Net profit for the period<br>1 Apr. to 31 Dec. 2022          |                   |                     |  | 11,218                        | 11,218          |
| Other comprehensive income<br>1 Apr. to 31 Dec. 2022         |                   |                     | 489  |                               | 489             |
| <b>Total comprehensive income<br/>1 Apr. to 31 Dec. 2022</b> |                   |                     | <b>489</b>                                 | <b>11,218</b>                 | <b>11,707</b>   |
| <b>As at 31 December 2022</b>                                | <b>81,343</b>     | <b>346,071</b>      | <b>-3,177</b>                              | <b>49,367</b>                 | <b>473,604</b>  |
| Net profit for the period<br>1 Jan. to 31 Mar. 2022          |                   |                     |  | 5,034                         | 5,034           |
| Other comprehensive income<br>1 Jan. to 31 Mar. 2022         |                   |                     | 40   |                               | 40              |
| <b>Total comprehensive income<br/>1 Jan. to 31 Mar. 2022</b> |                   |                     | <b>40</b>                                  | <b>5,034</b>                  | <b>5,074</b>    |
| <b>As at 31 March 2023</b>                                   | <b>81,343</b>     | <b>346,071</b>      | <b>-3,137</b>                              | <b>54,401</b>                 | <b>478,678</b>  |

# FINANCIAL CALENDAR / PUBLICATION DETAILS

## FINANCIAL CALENDAR 2023 / 2024

|                 |   |
|-----------------|---|
| 25 April 2023   | Interim statement, 31 March 2023                |
| 27 April 2023   | 2023 Annual General Meeting                     |
| 10 August 2023  | Half-yearly financial report 2023               |
| 9 November 2023 | Interim statement, 30 September 2023            |
| 8 February 2024 | Provisional figures for the 2023 financial year |
| 14 March 2024   | 2023 Annual Report                              |
| 23 April 2024   | Interim statement, 31 March 2024                |
| 25 April 2024   | 2024 Annual General Meeting                     |

## PUBLICATION DETAILS

### Published by

The Management Board of HAMBORNER REIT AG, Duisburg

### Published

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