



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q2 2022

COMMENTARY

BPT Hansa SICAV-SIF is a direct real estate fund investing in commercial properties in Northern Germany, mainly Berlin. The fund is designed for institutional investors, German and international, and should be seen as a long-term investment product.

ACTIVITIES OVER THE QUARTER

During Q2 2022, the NAV remains almost the same as in the previous quarter at EUR 79.79 (March 2022: EUR 79.01).

In June 2022, the Fund has distributed EUR 1.5 million to its shareholders by the way of a redemption of shares on a pro rata basis. Distribution was based on the year-end 2021 NAV (December 2021: EUR 79.59).

The average year-to-date occupancy rate at the end of the quarter slightly decreased to 83.2%. The net rental income reached EUR 253 thousand and was EUR 133 thousand higher compared to the previous quarter. Sizeable construction costs were recognized in NOI during Q1 2022, while in Q2 2022 such costs were drastically reduced corresponding to higher NOI.

The Fund's direct property yield (DPY) increased from 1.7% to 3.8%. The DPY at Walsroder Straße decreased from 6.3% (March 2022) to 5.0%, the DPY at Trachenbergring increased from -0.3% (March 2022) to 3.4%.

In the second quarter, the successful closing of the asset Walsroder Straße took place. The closing date was the 15th of June 2022. The buyer is a family office based in Hanover. The final purchase price is EUR 9,500 thousand and equals into a gross levered IRR of 11.8% (gross unlevered IRR: 6.7%). According to the SPA there is still one CP to be fulfilled. Which is a new amendment with a tenant and therefore an amount of EUR 300 thousand were deposited in an escrow account and will be released after the successful amendment. The team is confident that a final agreement will be closed within the next six months.

Unfortunately, the closing of the asset Trachenbergring had to be stopped. The investor reduced their final pricing by approx. 23%. Even with the changed market conditions, especially in regard to rising interest rates, the team together with the Board decided to decline this

Fund performance

NAV per share (IFRS)	EUR 79.79
Latest dividend per share, EUR (paid out in Q4 2021)	EUR 41.7
Total return since inception	69.1%
Return since inception annualised	3.7%

Portfolio

Number of properties	1
Average gross property value	EUR 20.5m
Occupancy ratio (quarter average)	80.2%

Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2023
Status	Closed-end
Total share capital	EUR 20.1m
Net asset value	EUR 15.7m
Gross property value	EUR 20.5m
Gross asset value (GAV)	EUR 32.5m
Total cash and cash equivalents	EUR 8.6m
Loans	EUR 10.0m
Loan to value	48.8%
Interest coverage	0.06

Top 1 holding

Trachenbergring 93	Office	Berlin
Weight of total gross value		100%

Top 3 holdings based on gross property value.

Fees

Management fee	0.75% p.a. of GAV of the portfolio
Acquisition fee	0.3% of the total acquisition sum
Incentive fee	20% above a hurdle rate of 7% RoE
Subscription fee	max. 1.95% (depending on size)

final offer and start a new process. The team and the consultants, who are marketing the process, decided to restart letting activities and start with the fire protection measures at the property. First very good tenants could be identified already. One tenant is willing to rent approx. 900 sqm for ten years on a rental level of EUR 17.00/ sqm. Another existing tenant, which terminated its agreement in 2020, is willing to close a new lease for five years on a rental level of EUR 15.00/ sqm. These two contracts alone take the property to a whole new level and add a large number of new and interesting investors to the list of potential investors. The team is confident to find an investor for this deal by the end of 2022.

The handover of the external staircase at Bessemerstraße will take place at the beginning of August 2022. After a successful handover, the last CP of the SPA is fulfilled and therefore the deposited amount of EUR 560 thousand (EUR 700 thousand deducted by the amount of the repair of the sprinkler system – which was part of the third amendment of SPA) could be released soon. Further EUR 500 thousand will be released in November after a potential tax burden for the buyer is excluded. The final EUR 500 thousand will be released after 25 months after closing, which will be November 2023.

MARKET REVIEW

In view of the unsettled and uncertain market climate, transaction momentum in the German investment market declined significantly between April and June 2022. Most of the transactions concluded in recent weeks were initiated before the recent interest rate rise. According to JLL, the result for the second quarter was EUR 12.3 billion which is around half the volume of the first quarter. Nevertheless, in the half-yearly review, at EUR 36.1 billion, there has been a rise of 5% compared to the first half of 2021.

The sale of the Sony Center in Berlin to the Norwegian sovereign wealth fund Norges for just under EUR 680 million stands out in the individual transactions in the past quarter. But there were also another twelve transactions above the 100-million-euro mark, mostly in the large, established locations and with a focus on the office and mixed-use asset classes.

The inflation rate in Germany - measured as the change in the consumer price index (CPI) compared to the same month last year - was +7.6% in June 2022. The inflation rate has thus weakened slightly but remains at a high level well above 7%. In May 2022, the inflation rate was still +7.9%.

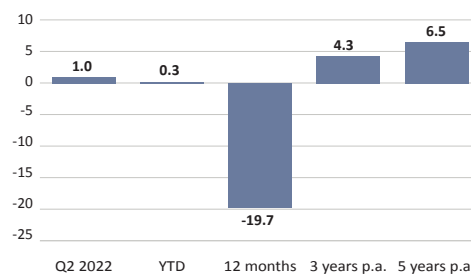
The unemployment rate rose from March to June by 0.1% to 5.2% and is thus 0.5% lower than in the same month last year.

FUND MANAGER



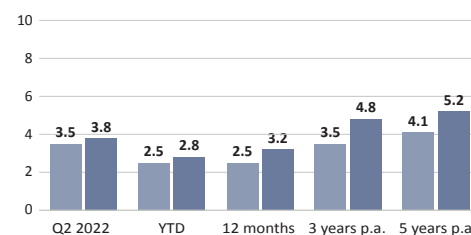
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Total Fund Return



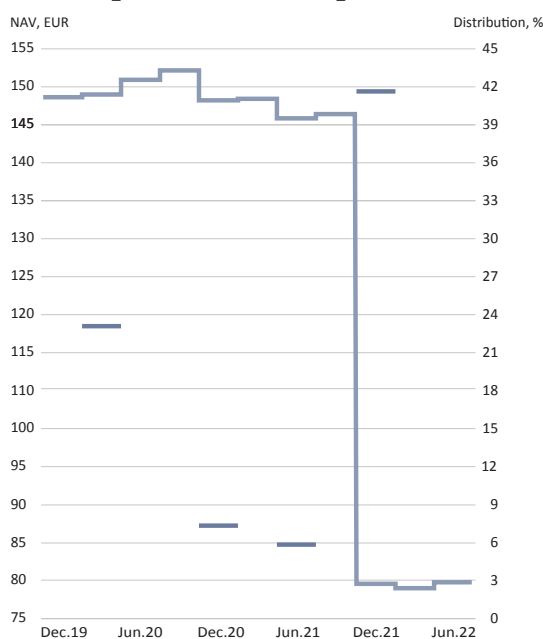
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

Net initial yield (NIY) p.a. and direct property yield (DPY) p.a.



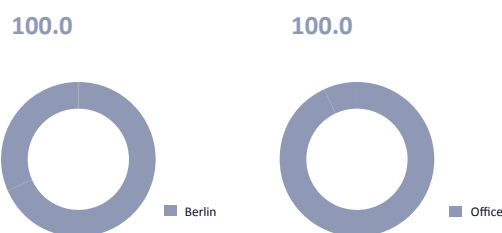
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

Development in NAV per share



Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (dark blue) will be shown at the time they reduced from the NAV per share.

Allocation in percent



Allocation is calculated based on gross property value.