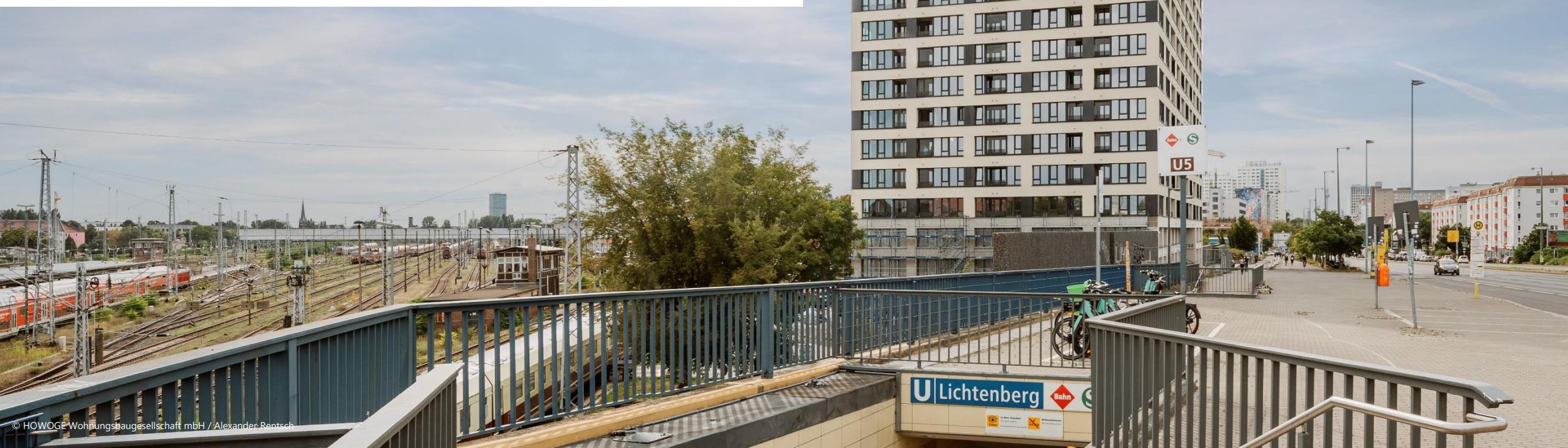


HOWOGE

HOWOGE FY 2023 – Company Presentation





Agenda

Company Presentation

- 01 Overview and Highlights FY 2023
- 02 Market and Portfolio
- 03 Financials and Capital Structure
- 04 Appendix

01 Overview & Highlights FY 2023



HOWOGE is one of the biggest real estate companies in Germany



Our portfolio

~76,400

Residential
units

EUR per sqm

6.46

Ø Net cold rent⁽¹⁾

1.5%

Vacancy
rate
(based on sqm)



~ 1,100

Commercial
units



One of the largest
housing companies
in **Germany**

~17,500

Other units
(parking spaces,
garages etc.)



Highlights FY 2023

HOWOGE shows resilience despite challenging macro environment



1

Strong core business and operations

- Occupancy consistently at >98%
- Rent collection rate of >99%
- Rental and lease revenue up by 3.4% yoy
- New construction of 973 apartments in 2023
- Successful foundation of HOWOGE Reinigung GmbH (cleaning services)

2

Sustainability reporting including EU taxonomy requirements

- 2023 Sustainability Report has been published on 25 April 2024
- HOWOGE is reporting in line with DNK guidelines since 2011



[Link
Sustainability
Report](#)

3

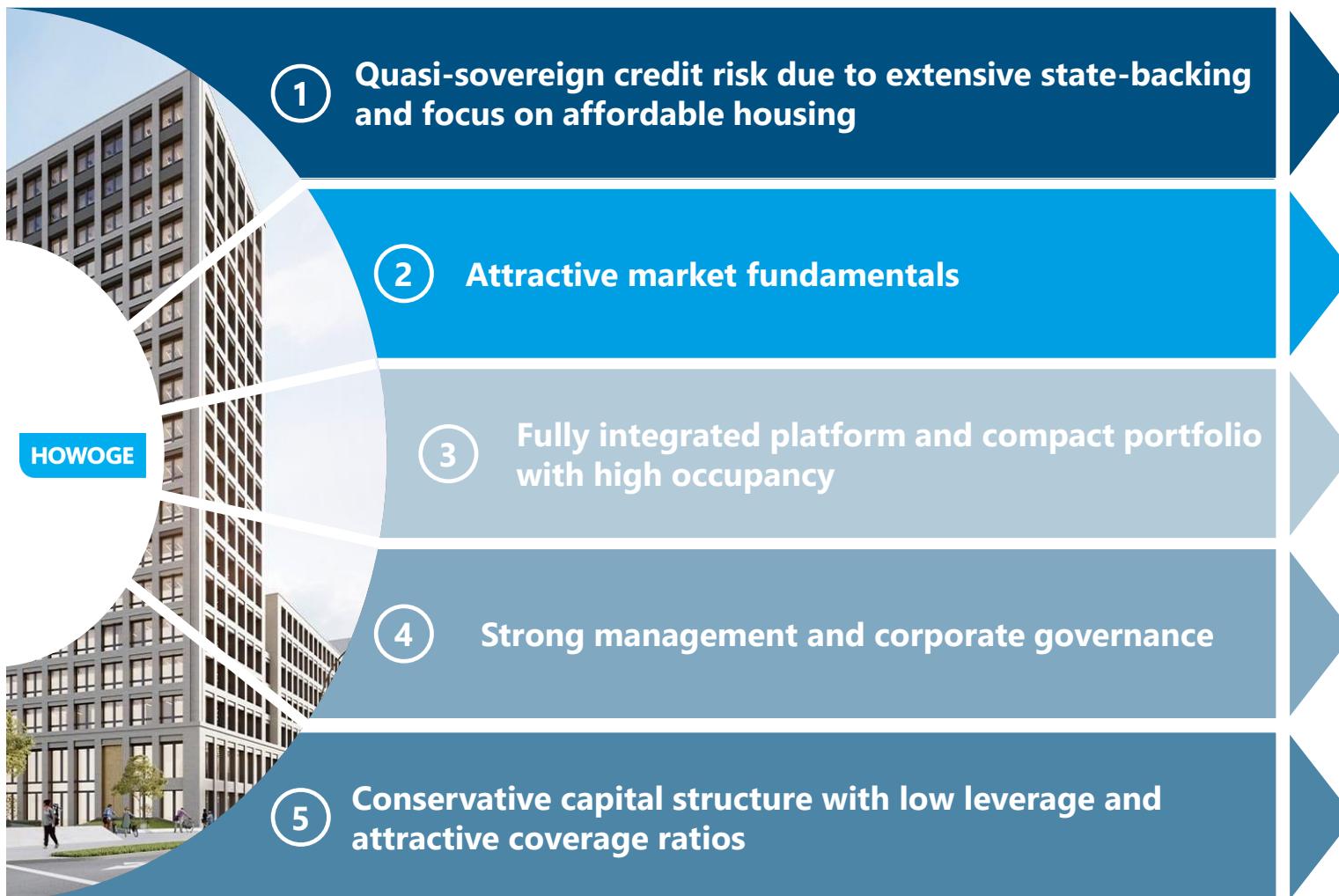
Solid financial results and conservative leverage in FY 2023

- FFO: EUR 197.9m (-7%); upper end of guidance of EUR 180-200m
- Adj. EBITDA: EUR 257.2m
- Equity: EUR 7.4bn (~56% of total balance sheet)
- Net LTV: 32.1% (29.6% housing)

Key Credit Highlights

HOWOGE

HOWOGE is a company with excellent creditworthiness



	A S&P Rating	AA- Fitch Rating
Systemically relevant for the State of Berlin		
+12% population growth (2012-2023)		
Significant supply / demand imbalance		
~76,400 Residential units	>98% Occupancy rate	
E✓ New construction and refurbishments	S✓ Affordable housing	G✓ Two-tier board structure
~30% Net LTV (housing)	~50%	Financial policy ⁽¹⁾ : max. Net LTV



02 Market & Portfolio

Market Fundamentals I

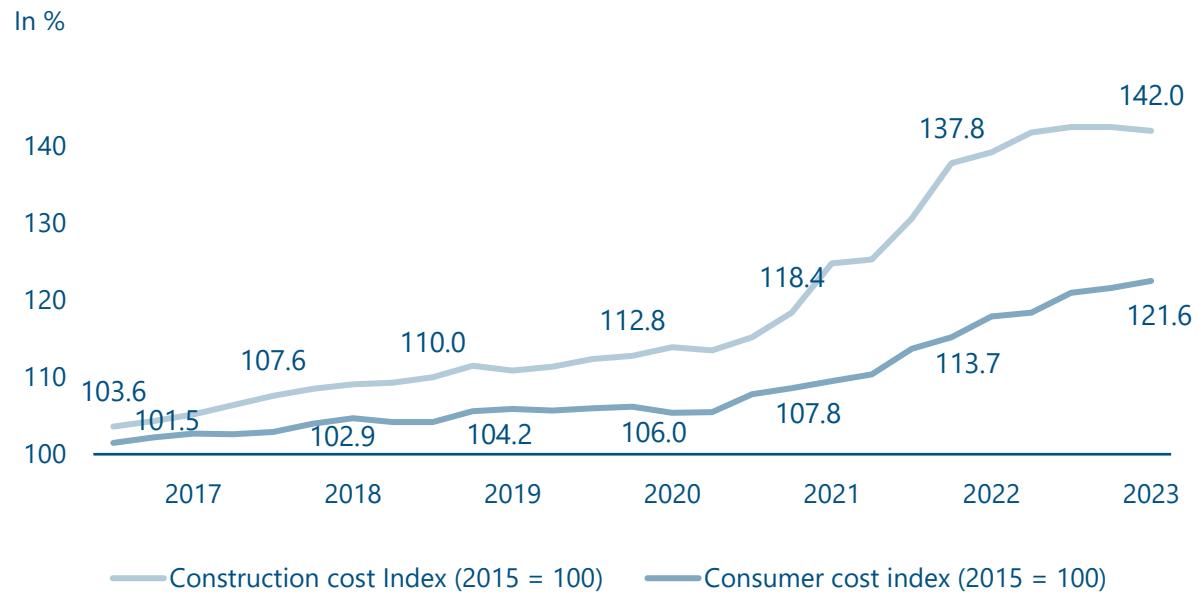
Challenging environment for interest rates and construction costs

Interest rates for mortgage lending



Source: Deutsche Bundesbank

Construction costs have outpaced consumer cost inflation



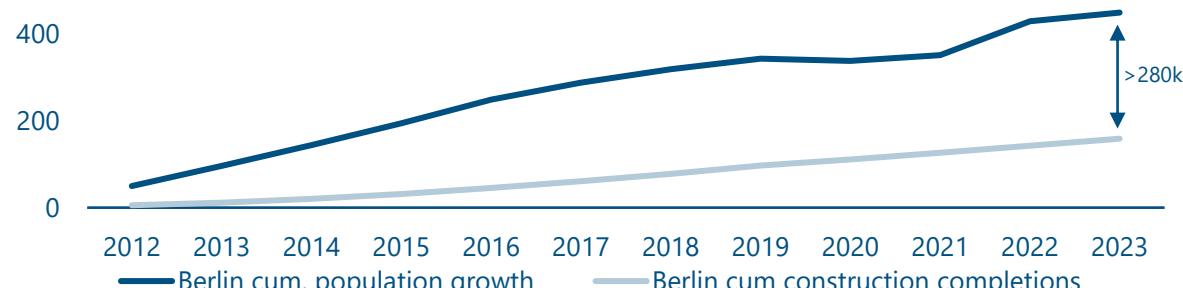
Source: Statistical Office Berlin

Market Fundamentals II

However, Berlin residential market fundamentals remain attractive

Strong population growth and low construction activity ...

In '000s



Source: Statista, Statistical Office Berlin

...lead to +18% increase in asking rent levels.

In EUR per sqm per month



Source: CBRE based on market database by Value AG

House price decline of ~12% driven by higher interest rates

In EUR per sqm



Source: CBRE based on market database by Value AG

Summary:

- **Population grows faster than housing stock:** housing supply is not able to meet strongly increasing demand
- **Strong migration balance:** driven by the strong migration balance, the population has been growing steadily in the last years, while completions are not able to keep up the pace
- **Construction activity:** new construction has become more challenging given inflation and interest rate increase - leading to decreasing building permits and new construction activity
- **Rent levels:** supply / demand gap leads to increasing market rent levels
- **House prices:** higher interest rates resulted in decreasing house price levels in 2023 after a decade of strong price increases

Portfolio

HOWOGE owns a concentrated portfolio with regional focus

Portfolio and operations overview

The real estate portfolio is very efficiently managed due to its regional Berlin focus.

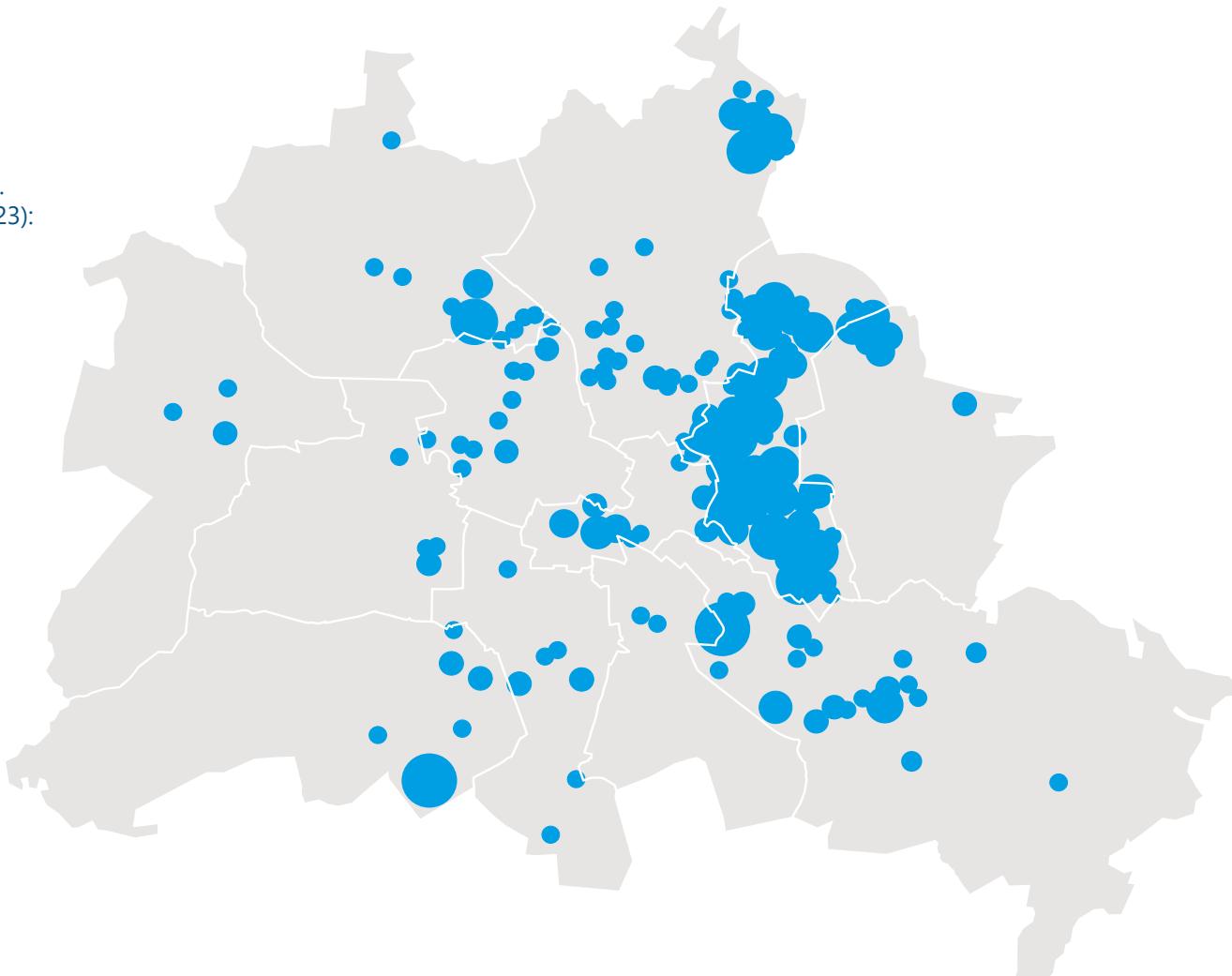
The units are organizationally divided into three different clusters (stock/construction/acquisition).

According to the actual circumstances, the units are distributed as follows (as of 31 December 2023):

- 76,392 residential units,
- 1,150 commercial units,
- several undeveloped properties / undeveloped land

EUR 11.9bn	EUR 12.6bn
Fair value only including existing buildings	Total fair value ⁽¹⁾
~76,400	EUR 2,429
Residential units	Fair value per sqm
30.8x	24.1x
In-place rent multiple	Market-rent multiple

As of 31 December 2023



1. Total portfolio value is the sum of developed land and undeveloped land/ inheritable building rights granted as well as assets under construction and developments.

Portfolio

Overview key figures

Type of use	Units	Rental area (k sqm)	In-place rent ⁽¹⁾ annualized (EUR m)	% of total in-place rent	Avg. Rent (EUR/sqm p.m.)	Vacancy (% in sqm)
Residential	76,392	4,705	364.6	92%	6.46	1.5%
Commercial	1,150	183	19.4	5%	8.85	9.7%
Sub-total	77,542	4,888	384.0	97%	6.55	1.8%
Other ⁽²⁾	17,446	304	13.4	3%	n/a	n/a
Total	94,988	5,192	397.4	100%	n/a	n/a

As of 31 December 2023

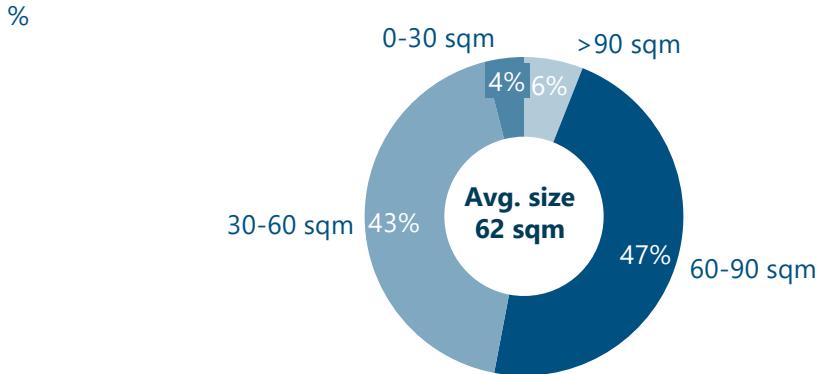
1. In place rent is defined as current gross rent per month as agreed in the corresponding rent agreement before deducting recoverable operating costs.
Residential in place rent is often referred to as "net cold rent"

2. Other mainly includes parking spaces and garages

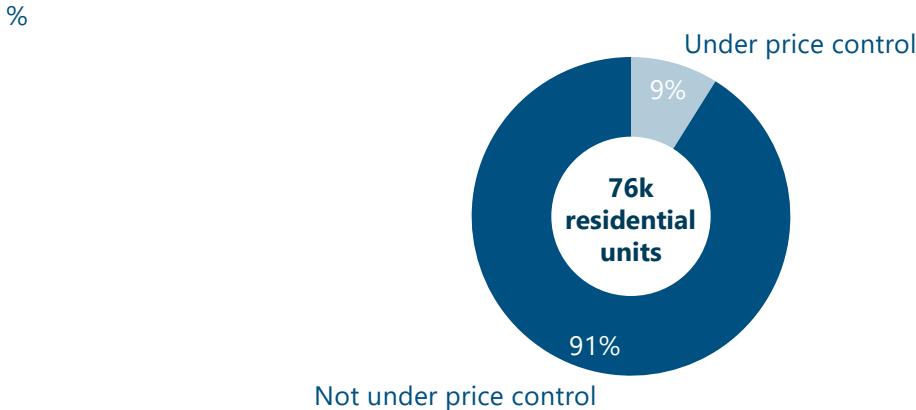
Portfolio statistics

Low in-place rents and relatively young asset base

Apartment size

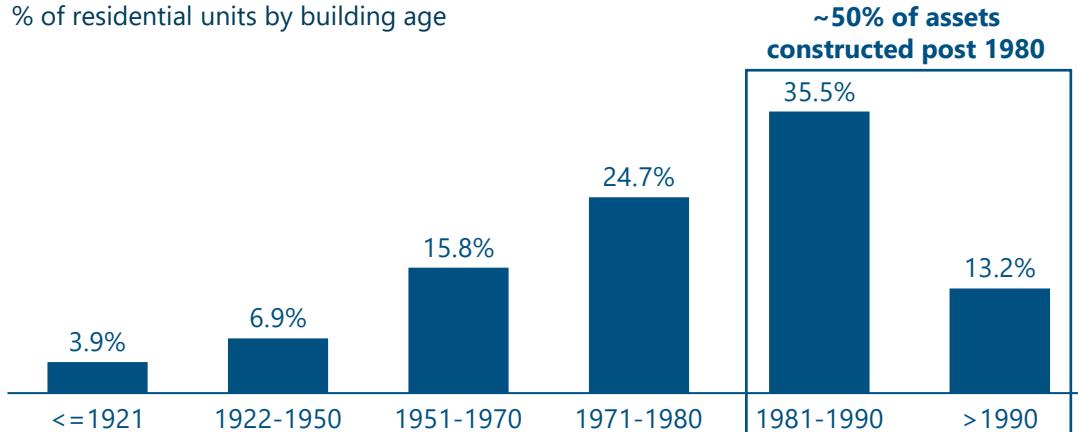


Rental restrictions⁽¹⁾



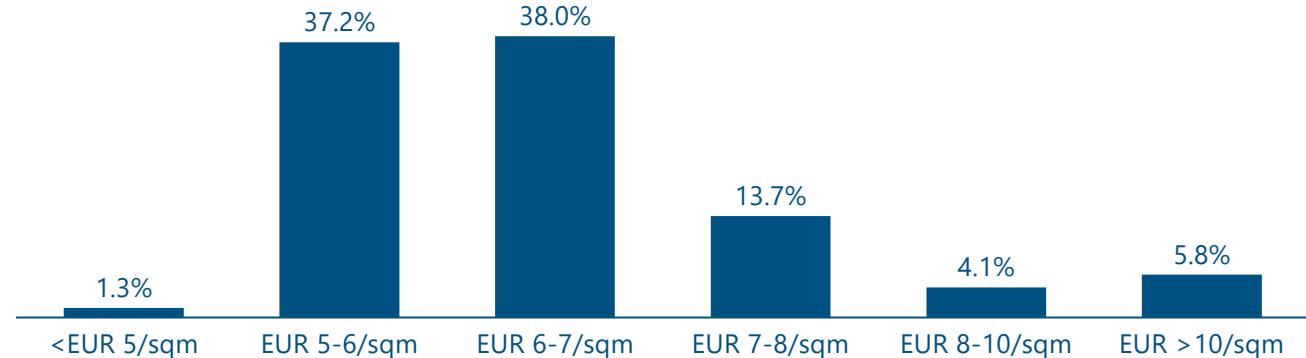
Building age⁽²⁾

% of residential units by building age



Rent distribution

% of total portfolio rent by rental level



1. Rental restrictions refers to "Preisgebundene Wohnungen". HOWOGE is committed to further rental restrictions due to the Cooperation Agreement with the city of Berlin.

2. Building age refers to initial building age of property not considering any refurbishments.

Strategic acquisition

~4,500 apartments and additional land reserves in Berlin

Transaction Highlights

Residential portfolio:

- ~4,500 apartments in Berlin
- 7.04 EUR/sqm net cold rent (Ø)
- <1% vacancy rate
- Located in Berlin (Lichtenberg)
- Comparable to existing HOWOGE stock regarding technical quality and type of asset

Land reserves:

- Acquisition of 74% stake of SEG Buch, a land holding SPV in Berlin with 7 hectares of future building land
- Remaining 26% acquired by Berlinovo

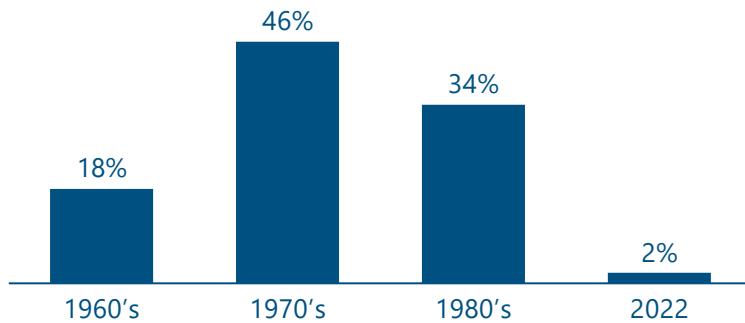
Deal structure:

- Share Deal
- EUR 700m total purchase price
- Transfer of shares scheduled for 1 January 2025
- Financing via existing liquidity and a mix of secured and unsecured debt

Acquisition portfolio perfectly fits with existing HOWOGE portfolio



% of residential units by year of construction



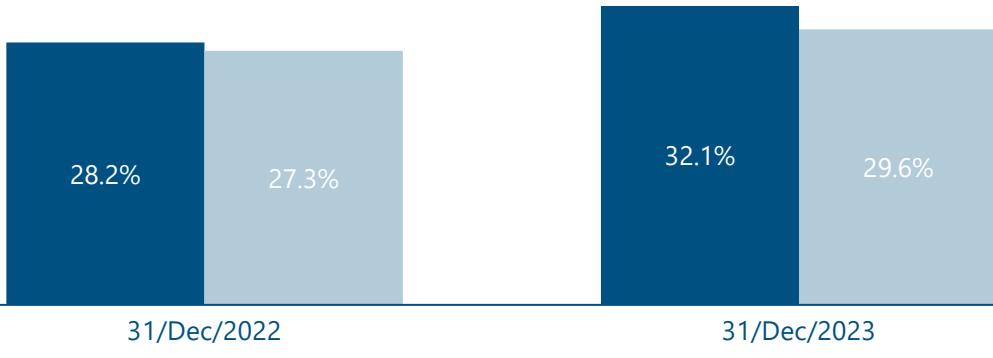
03 Financials and Capital Structure



Conservative capital Structure

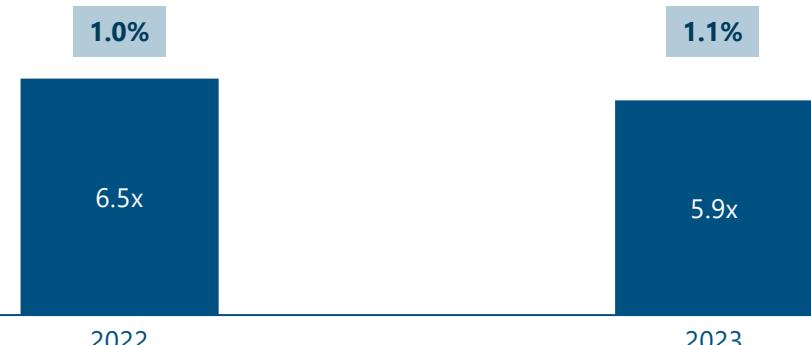
Low leverage and diversified debt structure

Current leverage in the comfort zone



■ Net LTV (in %) ■ Net LTV housing (in %)

Strong coverage ratios and low cost of debt

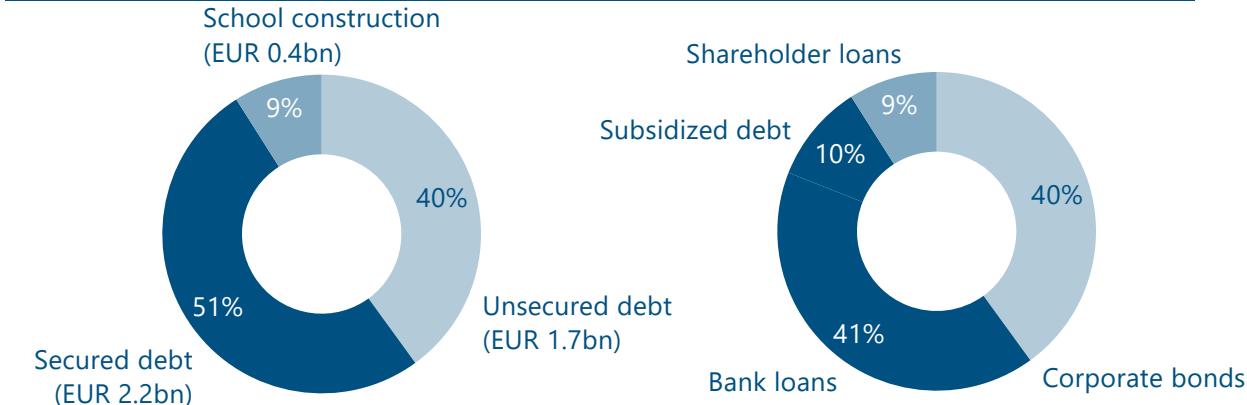


■ ICR¹ ■ Avg. cost of debt

1. ICR defined as Adj. EBITDA / cash interest expenses

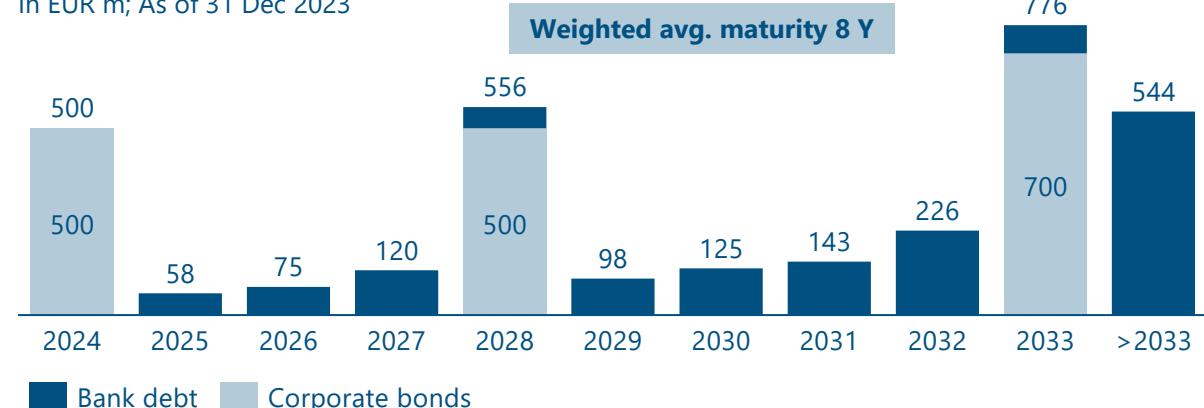
2. Maturity profile is based on end of fixed-rate interest period excl. debt from school construction

Funding and asset mix of EUR 4.3bn total debt (31/Dec/2023)



Long-dated maturity profile⁽²⁾ with 2024 maturity already hedged

In EUR m; As of 31 Dec 2023



■ Bank debt ■ Corporate bonds

Rating and Corporate Bonds

Issue size	Issue date	Maturity date	Coupon p.a.	Issue price	ISIN
EUR 500m	01/Nov/2021	01/Nov/2024	0.000%	99.808%	DE000A3H3GE7
EUR 500m	01/Nov/2021	01/Nov/2028	0.625%	99.829%	DE000A3H3GF4
EUR 700m	01/Nov/2021	01/Nov/2033	1.125%	99.755%	DE000A3H3GG2

HOWOGE has achieved a Long-Term Issuer Rating by Fitch and Standard & Poor's:

Fitch:	AA-	outlook stable	last update: 04/Jul/2023
S&P:	A	outlook stable	last update: 21/Aug/2023

Bond covenants

Current levels offer significant comfort

Bond covenant	Required level	Current level 31/Dec/2023
Consolidated LTV Total debt/ total assets	<60%	29.9%
Consolidated secured LTV Total secured debt/ total assets	<45%	16.5%
Interest coverage ratio Adjusted EBITDA/ cash interest	>1.8x	6.1x
Unencumbered asset ratio Unencumbered assets/ unsecured debt	≥125%	324.6%

Consolidated Balance Sheet

EUR m	31/Dec/2023	31/Dec/2022
Investment property	12,325.1	13,281.1
Other non-current assets	290.8	230.4
Non-current assets	12,615.9	13,511.4
Inventories property and other inventories	283.9	111.1
Receivables and other assets	114.6	136.9
Cash and cash equivalents	273.7	158.3
Assets held for sale	33.9	10.8
Current assets	706.1	417.1
Total assets	13,322.0	13,928.5

EUR m	31/Dec/2023	31/Dec/2022
Equity	7,401.3	8,116.7
Non-current financial liabilities	3,556.7	3,913.8
Other non-current liabilities	1,465.9	1,652.3
Non-current liabilities	5,022.6	5,566.1
Current financial liabilities	701.0	4.7
Other current liabilities	197.2	241.1
Current liabilities	898.2	245.8
Total equity and liabilities	13,322.0	13,928.5

- Investment property ~93% of total assets
- Inventories mainly stem from school construction
- Assets held for sale consists of one commercial property (former headquarters) and one land plot for school construction scheduled for disposal in 2024
- Equity ratio slightly declined to ~56%
- Current financial liabilities of EUR 701m includes EUR 500m Bond maturing in Q4-2024

Adjusted EBITDA

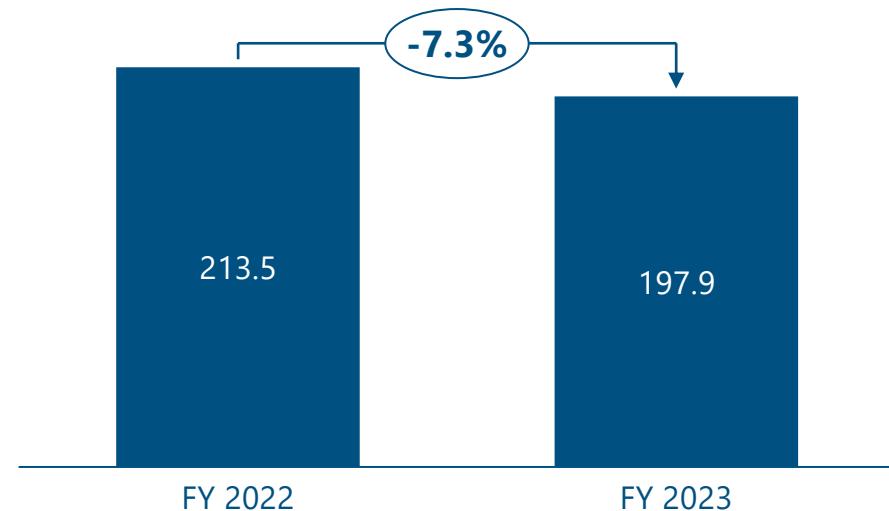
EUR m	FY 2023	FY 2022
Total revenues	541.1	515.3
Change in inventories for real estate and other	172.8	89.7
Own work capitalized	3.8	3.8
Cost of materials	(363.8)	(239.9)
Personnel expenses	(64.6)	(54.6)
Other operating income	57.0	12.9
Impairment of financial assets	(3.6)	(3.9)
Other operating expenses	(36.3)	(30.9)
Financial income	5.3	5.1
Other taxes	(16.6)	(16.4)
One-offs	(37.9)	(13.1)
Adjusted EBITDA	257.2	268.1

- Total revenues increased mainly due to larger asset base (new constructions) and higher prepayments for ancillary costs (heating)
- Higher Cost of materials in 2023 driven by higher maintenance expenses and increased ancillary costs such as heating etc.
- One-offs include EUR 38.4m extraordinary income from first time recognition of technical facilities such as PV plants and combined heat and power units (BHKW)

Funds from Operations

Proving strong operational cashflow

EUR m	FY 2023	FY 2022
Adjusted EBITDA	257.2	268.1
Cash income tax expenses	(21.4)	(10.5)
Cash interest expenses/ income	(35.3)	(41.5)
Insurance policies	(2.9)	(2.7)
Sale of assets	0.2	0.2
FFO	197.9	213.5



→ FFO decreased by 7% YoY mainly due to higher maintenance, personal and income tax expenses.

→ Increase in income tax expenses driven by significantly lower tax loss carryforwards compared to previous years.

Outlook:

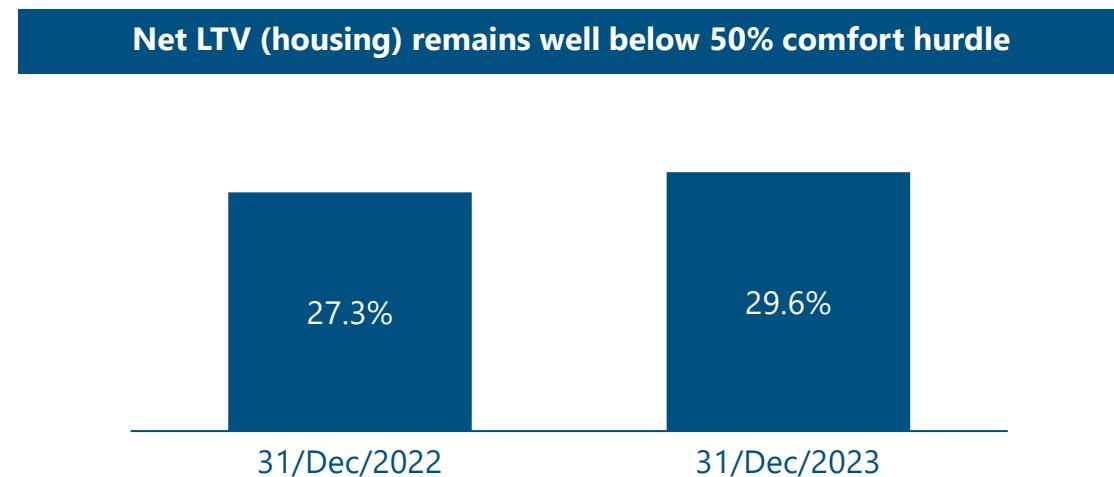
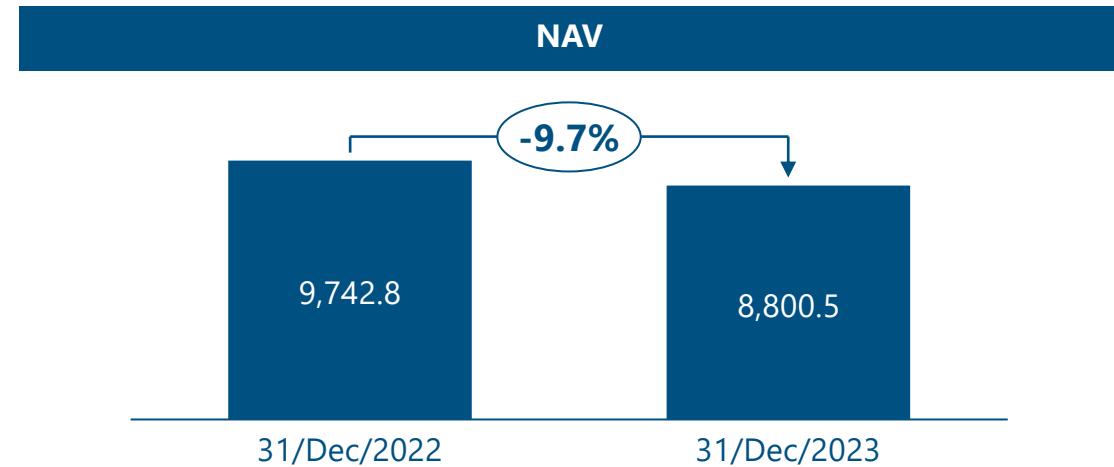
→ Stable FFO of ~EUR 180-200m expected for FY 2024

NAV and Net LTV

Development of balance sheet KPIs

EUR m	31/Dec/2023	31/Dec/2022
Total equity	7,401.3	8,116.7
Deferred tax liability on investment properties	1,399.3	1,626.1
NAV	8,800.5	9,742.8

EUR m	31/Dec/2023	31/Dec/2022
Financial liabilities	4,257.6	3,918.5
Cash and cash equivalents	(273.7)	(158.3)
Net financial liabilities	3,984.0	3,760.2
Fair value of investment property	12,325.1	13,281.1
Prepayments on investment property	96.5	62.6
Net LTV ratio	32.1%	28.2%
Net LTV ratio (housing)	29.6%	27.3%



04 Appendix



Management Board

Experienced team with over 20 years of expertise

Katharina Greis

Managing Director (commercial)

- Managing director since 2023
- Responsibilities:
 - Controlling and Data modelling
 - Treasury and Investor Relations
 - Accounting
 - Human Resources
 - Legal
 - Sustainability
 - Governance, Risk and Compliance
 - Internal Audit

>20 years of professional experience



Ulrich Schiller

Managing Director (operational)

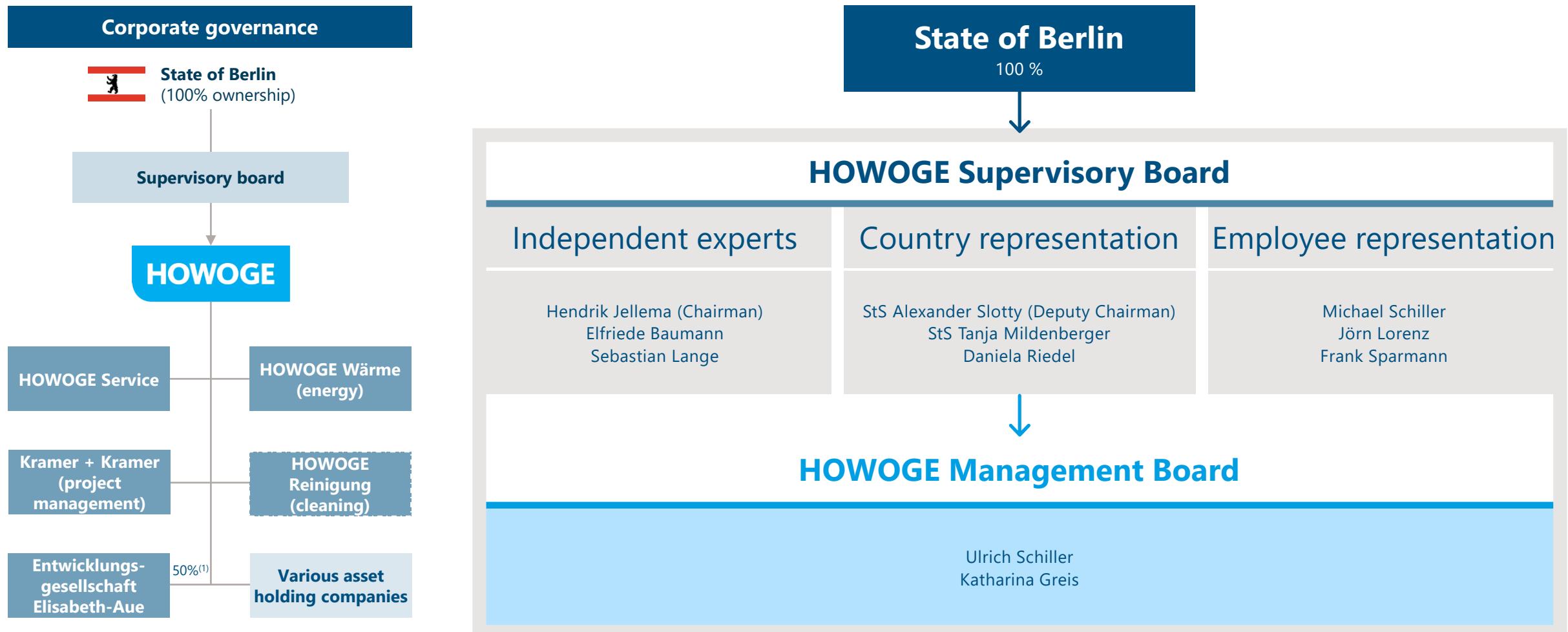
- Managing director since 2019
- Responsibilities:
 - Asset and property management
 - New construction
 - School construction
 - Technical management
 - IT, process and digitization
 - Communication and marketing
 - Corporate office and press relations
 - Procurement

>20 years of experience in the real estate sector

Strong expertise

HOWOGE

For the State of Berlin



Quasi-sovereign Credit Risk

High certainty due to state-backing and affordable housing focus

100% owned by State of Berlin



State of Berlin

100% owned by State of Berlin

- Owned by the State of Berlin since foundation in 1990
- Completed transformational merger with WBL in 1997



Cooperation agreement

- HOWOGE has signed a cooperation agreement ("Leistbare Mieten, Wohnungsneubau und Soziale Wohnraumversorgung") with State of Berlin



Equity contribution

- HOWOGE has received equity injections by way of land reserve contributions from the State of Berlin



HOWOGE's operations



Importance of HOWOGE to Berlin



Affordable housing

- Supply of affordable housing space for low incomes must be ensured
- Successful execution of several new development projects over the past years



School construction

- State of Berlin has selected HOWOGE to execute its school construction initiative
- The initiative makes HOWOGE systemically relevant



Social commitment

- Ensuring social stability within the society by providing essential services
- Through the foundation "StadtKultur" HOWOGE also supports projects in the field of art, culture and education

HOWOGE is acting with the unrestricted support of its sole shareholder, the State of Berlin. Its strategy reflects the political agenda of all ruling parties.

Cooperation Agreement (summary of selected highlights)

"Affordable rents, new construction and the supply of social housing"⁽¹⁾

Strengthening of economic base for municipal housing companies, stimulation of new supply and ensuring affordability of housing

Adjustment of general rent increases (Mietspiegel) up to a maximum of **2.9% p. a. on average**

Hardship policy:
Net cold rent shall not exceed **27%** of the respective WBS⁽²⁾-eligible household's income

Stock: provide **63%** of the apartments coming up for re-let annually for WBS⁽²⁾-eligible households (**thereof 25%** for groups with special requirements)



HOWOGE

New-building:
offer minimum of **50%** to WBS⁽²⁾-eligible households

Maximum of **EUR 15.00 per sqm** (average) applies for initial letting rents of new-building projects without rent restriction

Modernization charge:
max. 8% p. a. of acknowledged cost and with a cap at 2 EUR/sqm within 6 years

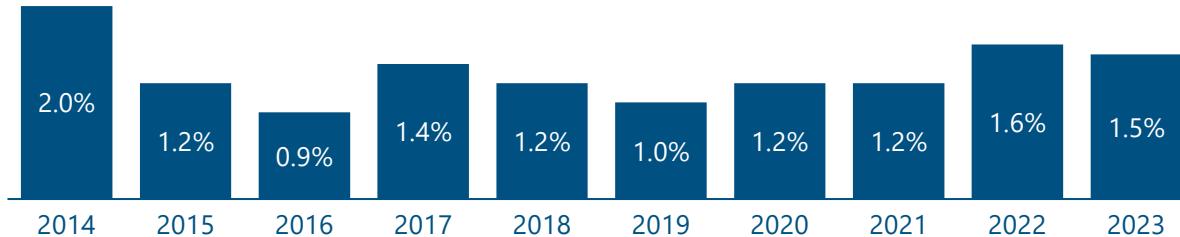
Increase state-owned housing stock by new construction **by 6,500 units p. a** (until 2026)
Long term target: 30% municipal housing stock

Operating Performance

Consistent rental growth and high occupancy level

Portfolio basically fully occupied

Vacancy (residential sqm) (%)



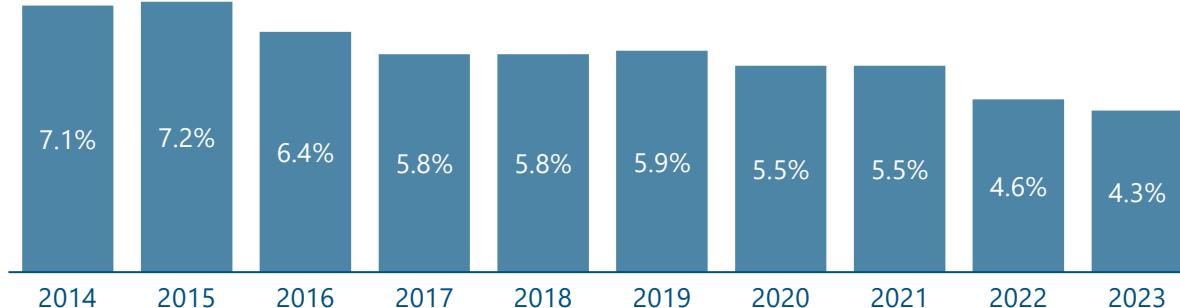
Moderate rental growth

Average residential net cold rent in EUR per sqm per month⁽¹⁾



Record low tenant churn - due to housing shortage

% of residential units



Track record of strong rental income growth

In EUR m



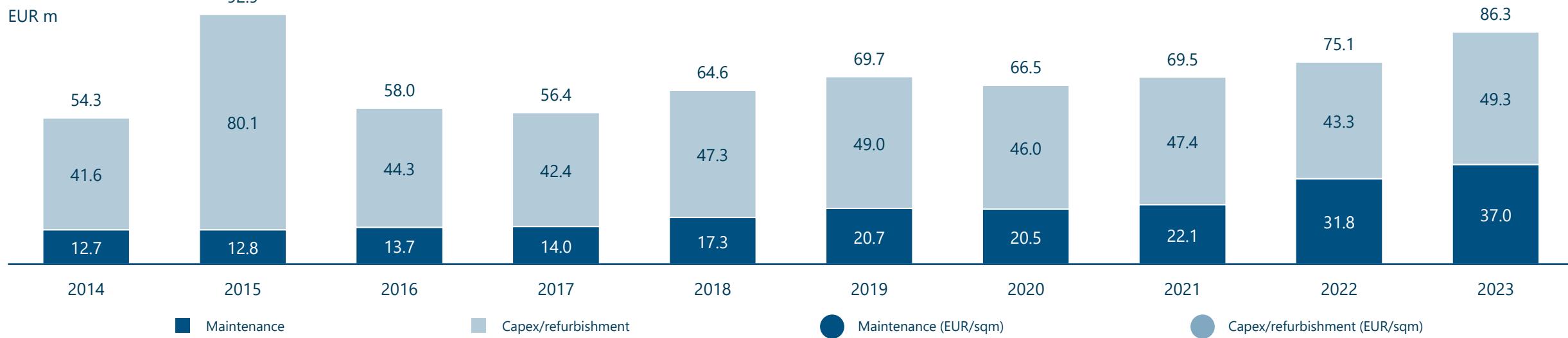
Investment activities

Investing in maintenance and capex secures high quality standards

EUR/ sqm



EUR m



Maintenance

Capex/refurbishment

Maintenance (EUR/sqm)

Capex/refurbishment (EUR/sqm)

Maintenance (fully expensed in P&L): includes ongoing maintenance and repairs

Capex/refurbishment (partly capitalized): includes periodic maintenance (c. 50% capitalized), complex refurbishment projects (100% capitalized) and energetic investments (100% capitalized)

Investment activities

HOWOGE continues developing portfolio through new building activities

~ 7,650

Units completed since 2013¹

~ EUR 2bn

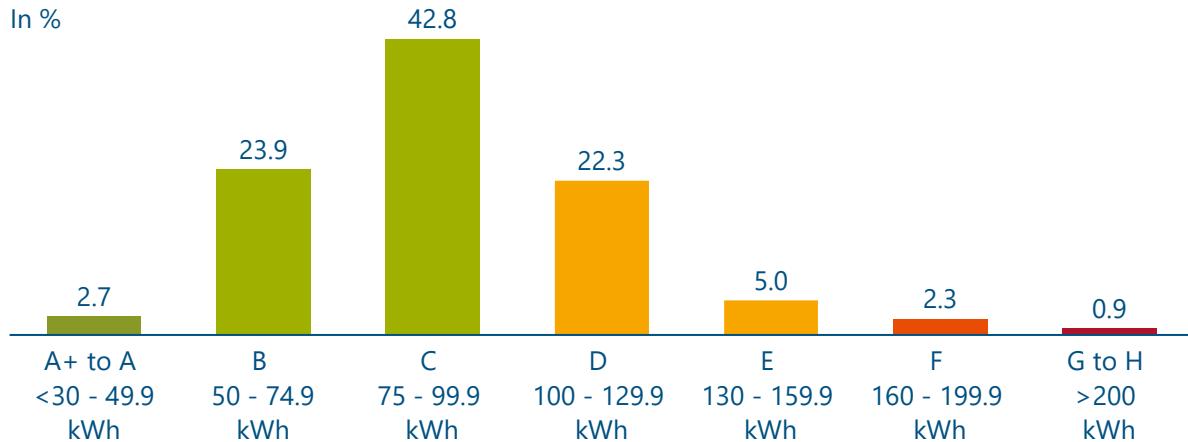
Total invested since 2013¹



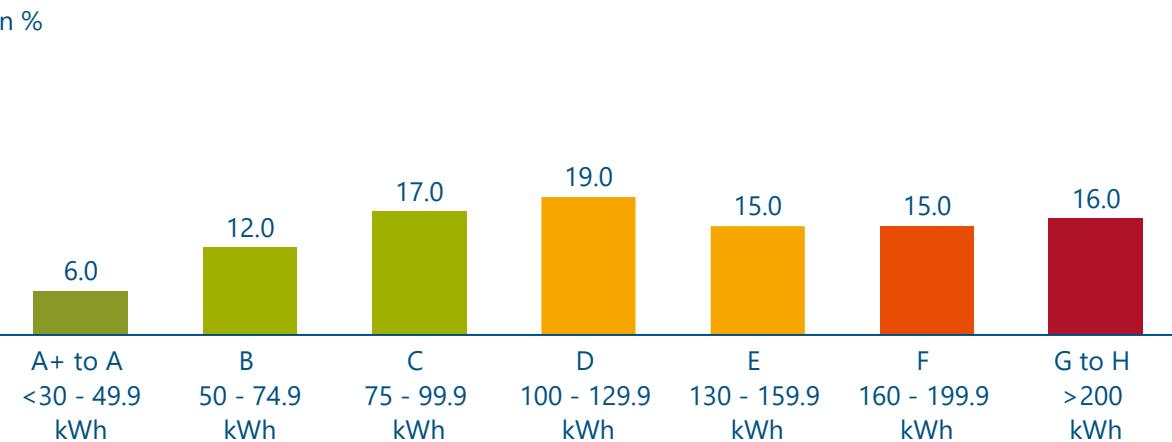
Energy efficiency

HOWOGE with better energy efficiency than the German average

EPC distribution HOWOGE Portfolio (31/Dec/2023)



EPC distribution multi-family homes Germany (2022)



Source: Agora Energiewende (2023): „Die Energiewende in Deutschland: Stand der Dinge 2022“

Summary:

- The average energy consumption of HOWOGE buildings is around 95 kWh/sqm
- >75% of HOWOGE portfolio screen better than the German average of ~125 kWh/sqm
- Only 0.9 % of HOWOGE Portfolio (74 buildings with 629 units) within EPC clusters G and H
- The CO₂ intensity of the HOWOGE portfolio is 17.45 kg CO₂/sqm per year (for the fiscal year 2022)

Sustained attractive growth

New Construction & Housing

HOWOGE

~ 7,650 residential units completed
~ 13,150 residential units in planning
~ 3,950 residential units under construction

We rely on innovative strategies in building:

- Wind energy
- Photovoltaics
- Wood hybrid construction
- Type house

Pilot projects



Urban Wood Construction
Berlin-Adlershof

Award-winning projects



Sewanstraße 20–22
Berlin-Friedrichsfelde



Office tower Stefan-Heym-Platz 1
Berlin-Lichtenberg

Portfolio impressions



Weitlingstraße

Salzmannstraße

Anton-Saefkow-Platz

Landsberger Allee

Ernst-Barlach-Straße



Hauptstraße



Skandinavische Straße



Frankfurter Allee "LIESE"



Wandlitzstraße



Stefan-Heym-Platz



Vulkanstraße



Joseph-Schmidt-Straße



Heinrich-Schlusnus-Straße



Mühlengrund



Treskowstraße

Our commitment for Berlin

HOWOGE

Customer orientation

Efficient portfolio management, letting and tenant services, innovative energy concepts and -supply



Development

New construction and sustainable neighbourhood development, modernisation and comprehensive refurbishment, construction control and project management

Residential



Financing

Long-term oriented, risk-averse and actively managed financing portfolio, diversification with regard to financing instruments, maturities and lenders

Social

Long-term commitment to the neighbourhood, support for associations, institutions and projects, Foundation „StadtKultur“



School construction

New construction, renovation, timber modular construction

with a clear focus

Residential

Growth strategy

We pursue opportunistic approach while maintaining capital discipline and targeting CO₂ reduction

Portfolio management strategy

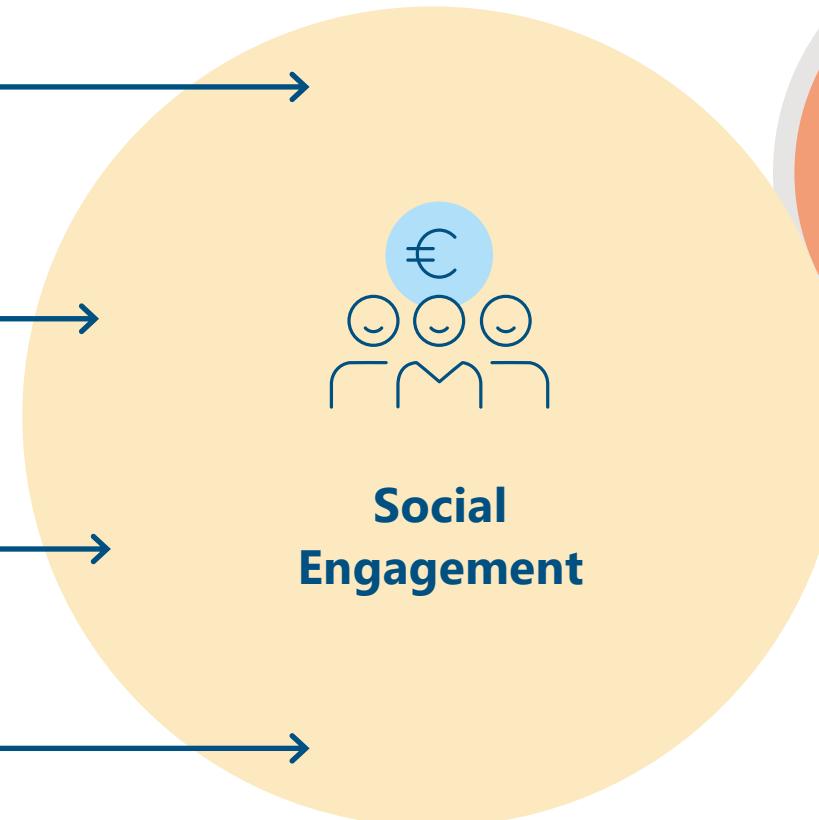
We sustainably expand services to increase customer satisfaction

Financing strategy

We maintain a risk-averse approach: long-term & diversified

Management strategy

We apply a future-oriented portfolio management strategy to reduce costs and increase employee and customer satisfaction



School construction

Service provider for the State of Berlin

We deliver cost-effective according to the specifications and orders of the state

HOWOGE Wohnungsbaugesellschaft mbH (the "Company", and together with its subsidiaries, "HOWOGE") prepared this document solely for use in connection with this presentation. It is furnished solely for your information, should not be treated as giving investment advice and may not be printed, downloaded or otherwise copied or distributed. The information contained in this presentation is not to be viewed from, or for publication or distribution in, the United States of America (the "United States"), Australia, Canada or Japan and does not constitute an offer of securities for sale in any of these jurisdictions.

Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom. The securities of HOWOGE may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. HOWOGE does not intend to register any portion of the offering of the securities described herein in the United States or to conduct a public offering of the securities described herein in the United States.

This presentation nor the information contained herein constitutes neither an offer nor an invitation to subscribe or to purchase securities, nor is this presentation or the information contained herein meant to serve as a basis for any kind of obligation, contractual or otherwise. In all legal systems this document may only be distributed in compliance with the respective applicable laws, and persons obtaining possession of this document should familiarize themselves with, and adhere to, the relevant applicable legal provisions. A breach of these restrictions may constitute a violation of US securities laws or of the laws applicable in other legal systems.

This presentation must not be construed as an offer or invitation or recommendation to, purchase or sell or subscribe for, or any solicitation of any offer to purchase or subscribe for any securities of HOWOGE in any jurisdiction. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such prospectus and not these materials. This document is an advertisement for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and underlying legislation. The base prospectus of the Company is available on the website of the Luxembourg Stock Exchange (www.bourse.lu). Should the Company pursue with an offering of securities, the Final Terms for such securities, when published, will also be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In relation to each Member State of the European Economic Area, this presentation is directed only: (i) to persons who are "qualified investors" within the meaning of the Prospectus Regulation, or (ii) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to the Prospectus Regulation. This presentation is directed at and/or for distribution in the United Kingdom only to (i) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities falling within article 49(2)(a) to (d) of the Order (all such persons are referred to herein as "relevant persons"). This presentation is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

The information contained in this presentation has been provided by HOWOGE and has not been verified independently. Unless otherwise stated, HOWOGE is the source of information. No reliance may be placed for any purpose whatsoever on the information or opinions contained in the presentation or on its completeness, accuracy or fairness. In particular, no representation or warranty is given as to the likelihood of achievement or reasonableness of, and no reliance should be placed on, any projections, targets, ambitions, estimates or forecasts contained in this presentation, and nothing in this presentation is or should be relied on as a promise or representation as to the future.

All features in this presentation are current at the time of publication but may be subject to change in the future. HOWOGE disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments. Statements contained in this presentation regarding past events or performance should not be taken as a guarantee of future events or performance.

Prospective recipients should not treat the contents of this presentation as advice relating to legal, taxation or investment matters, and are to make their own assessments concerning such matters and other consequences of a potential investment in HOWOGE and its securities, including the merits of investing and related risks.

Wir gestalten das Berlin der Zukunft
lebenswert. **Mehr als gewohnt.**

HOWOGE

HOWOGE

investorrelations@howoge.de

Sebastian Jacob

+49 3054642474

Sophia Behnke

+49 3054641071

Thank you.