

HOWOGE FY 2024 – Company Presentation



Agenda

Company Presentation

- 01 Overview & Highlights FY 2024
- 02 Market & Portfolio
- 03 Financials and Capital Structure
- 04 Appendix

01 Overview & Highlights FY 2024



HOWOGE is one of the biggest real estate companies in Germany



Company highlights		Key financial highlights	
Overview	Credit highlights	Key metric	FY 2024
<ul style="list-style-type: none">– State-owned residential real estate company with focus on affordable housing– Strategic target of being climate-neutral by 2045 and taking on a pioneering role in the German housing industry through our sustainability strategy– Total portfolio value of EUR 13.1bn and ~77,100 residential units– Efficient, fully integrated and scalable platform with strong local expertise– Clear strategy and government support to expand its current portfolio to up to 100,000 residential units through a mix of acquisitions and new developments– By supporting the State of Berlin in its school construction initiative, making HOWOGE systemically highly relevant	<p>Issuer Credit Rating: S&P: A (stable) Fitch: AA- (stable)</p> <p>Strong shareholder relationship with the state of Berlin</p> <p>Use of secured and unsecured debt instruments EUR 4bn EMTN programme in place</p> <p>Financial policy: LTV (Residential): max 50% Net Debt/adj. EBITDA (Residential): max. 17x mid- to long term</p>	<p>Total portfolio value⁽¹⁾</p> <p>Net LTV (Residential)</p> <p>Residential rent (EUR per sqm)⁽²⁾</p> <p>Residential vacancy rate (by area)</p> <p>Adj. EBITDA</p> <p>Number of Employees</p>	<p>EUR 13.1bn</p> <p>28.7%</p> <p>6.77</p> <p>1.5%</p> <p>EUR 276.8m</p> <p>1,416</p>



1990: Founding of HOWOGE Wohnungsbaugesellschaft mbH



1997: Merger with Wohnungsbaugesellschaft Lichtenberg mbH



2001: Founding of HOWOGE Servicegesellschaft mbH



2005: Founding of HOWOGE Wärme GmbH



2013: Start of new construction initiative



2017: Acquisition of Kramer & Kramer



2018: Initiation of School Construction Business



2021: Acquisition of ~8,300 residential units



2023: Founding of HOWOGE Reinigung GmbH



2024: Acquisition of ~4,500 residential units and acquisition of ATOZ GmbH

Key figures

~77,100

Residential
units

EUR per sqm

6.77

Ø Net cold rent⁽¹⁾

1.5%

Vacancy
rate
(based on sqm)



~ 1,150

Commercial
units



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

~18,100

Other units
(parking spaces,
garages etc.)



Highlights FY 2024

Solid operational business setting the base for external growth



1

Strong core business and operations

- Occupancy consistently at >98%
- Rent collection rate of ~99%
- Rental and lease revenue up by 4.8% yoy
- Completion of two school buildings and 667 apartments in 2024

2

Acquisition and financing

- Acquisition of c. 4,500 apartments and land reserves with closing in Q1 2025
- Acquisition of development projects in Berlin (2,100 affordable units until 2032)
- Further roll-out of internal services via acquisition of facility management subsidiary ATOZ
- Successful issuance of EUR 300m social bond and EUR 490m of secured debt

3

Solid financial results and conservative leverage in FY 2024

- FFO: EUR 205.8m (+4%); above guidance of EUR 180-200m
- Adj. EBITDA: EUR 276.8m (+7.6%)
- Equity: EUR 7.5bn (~53% of total balance sheet)
- Net LTV: 32.9% (Residential: 28.7%)

Key Credit Highlights

HOWOGE

HOWOGE is a company with excellent creditworthiness



①

Quasi-sovereign credit risk due to extensive state-backing and focus on affordable housing

②

Attractive market fundamentals

③

Fully integrated platform and compact portfolio with high occupancy

④

Strong management and corporate governance

⑤

Conservative capital structure with low leverage and attractive coverage ratios



Systemically relevant for the State of Berlin

A

S&P Rating

AA-

Fitch Rating

+12% population growth (2012-2024)

Significant supply/demand imbalance

~77,100

Residential units

>98%

Occupancy rate

E✓

New construction and refurbishments

S✓

Affordable housing

G✓

Two-tier board structure

~29%

Net LTV (residential)

~50%

Financial policy⁽¹⁾: max. Net LTV



02 Market & Portfolio

Berlin residential market fundamentals I

Persisting housing supply shortage

Strong population growth and low construction activity

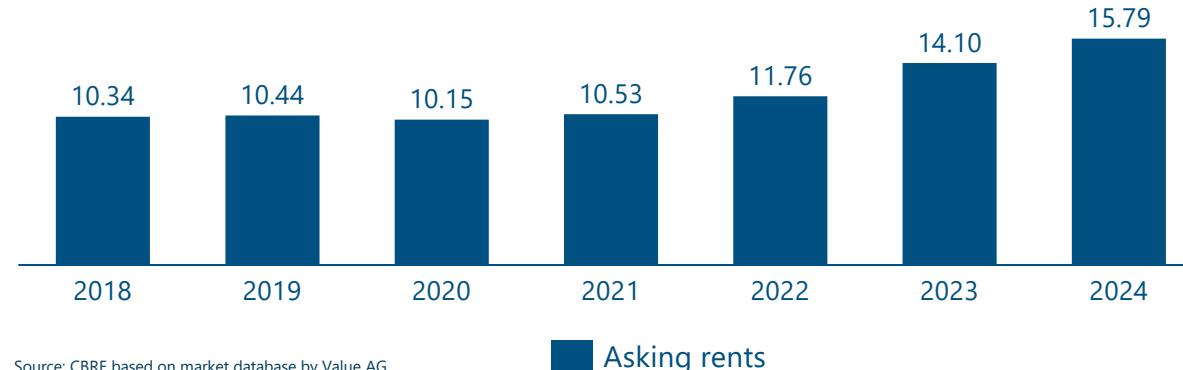
In '000s



Source: Statista, Statistical Office Berlin

Significant increase in asking rent levels

In EUR per sqm per month



Source: CBRE based on market database by Value AG

House price development in Berlin

In EUR per sqm



Source: CBRE based on market database by Value AG

Summary:

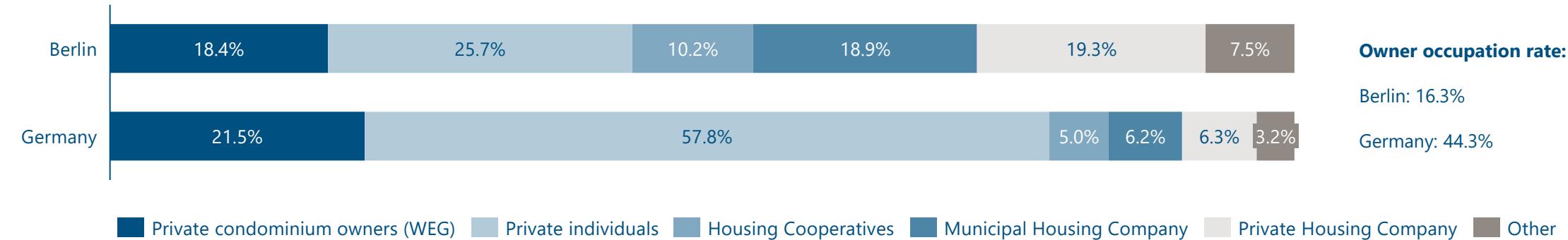
- **Population grows faster than housing stock:** housing supply is not able to cover demand
- **Strong migration balance:** driven by the strong migration balance, the population has been growing steadily in the last years, while completions are not able to keep up the pace
- **Construction activity:** new construction has become more challenging due to costs and interest rates - leading to decreasing building permits and new construction activity
- **Rent levels:** supply/demand gap leads to increasing market rent levels
- **House prices:** stabilization expected after interest rate driven decrease in 2023 and 2024

Berlin residential market fundamentals II

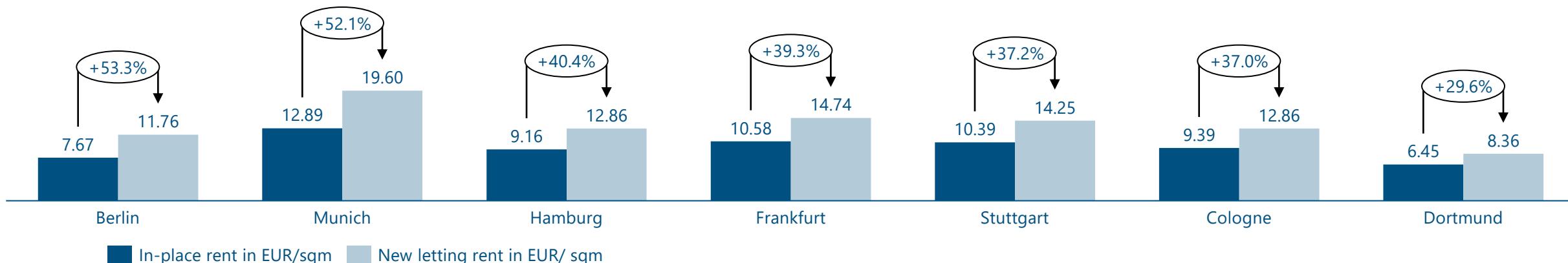
HOWOGE

Low home ownership ratio

Ownership structure in Berlin and Germany (by building)⁽¹⁾ - Berlin is a rental market



In-place rent vs. New letting rent in EUR/sqm⁽²⁾



Portfolio

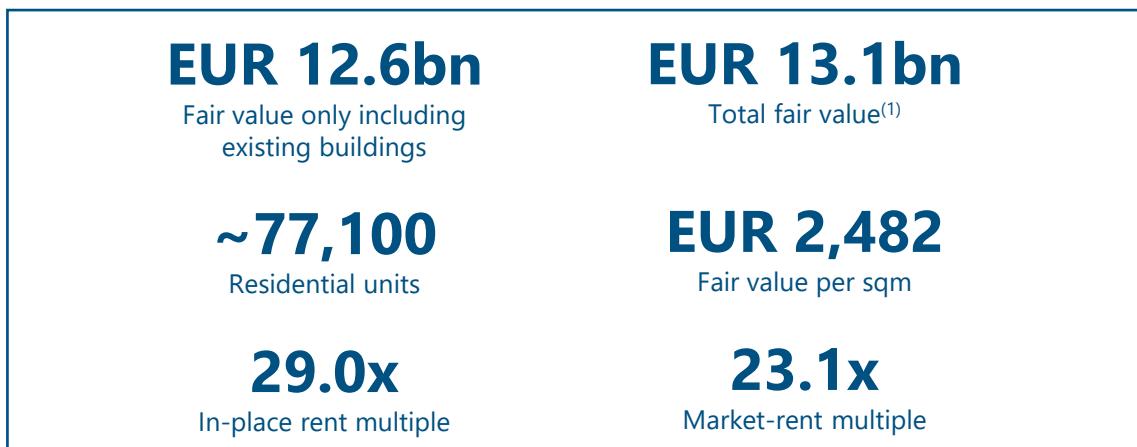
HOWOGE owns a concentrated portfolio with regional focus

Portfolio and operations overview

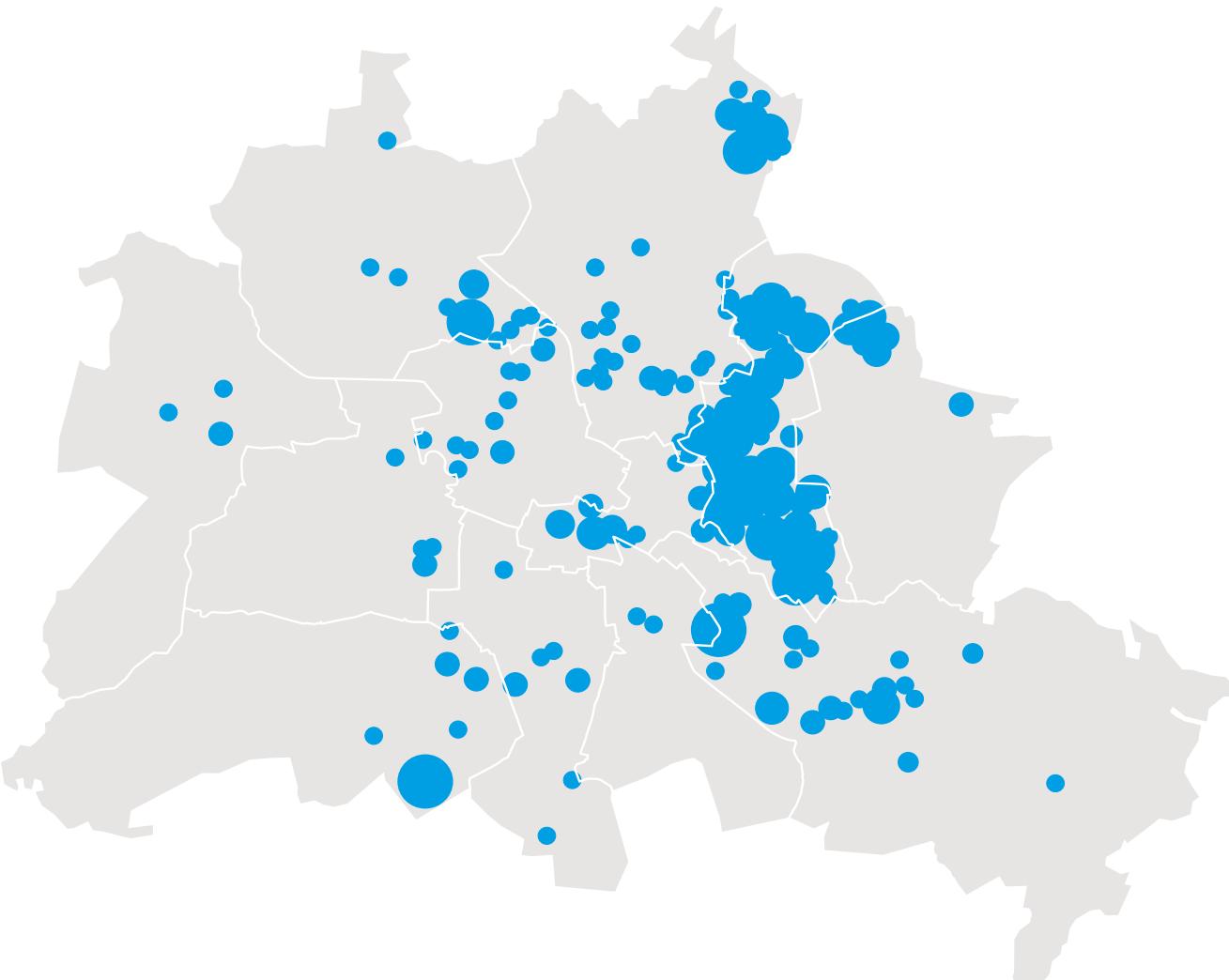
The real estate portfolio is very efficiently managed due to its regional Berlin focus.

The units are distributed as follows (as of 31 December 2024):

- 77,113 residential units,
- 1,158 commercial units,
- several undeveloped properties / undeveloped land



As of 31 December 2024



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 (including school construction).

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	77,113	4,752	386.0	91%	6.77	1.5%
Commercial	1,158	179	20.0	5%	9.31	6.1%
Sub-total	78,271	4,931	406.0	95%	6.86	1.7%
Other ⁽²⁾	18,103	304	19.4	5%	n/a	n/a
Total	94,374	5,236	425.4	100%	n/a	n/a

As of 31 December 2024

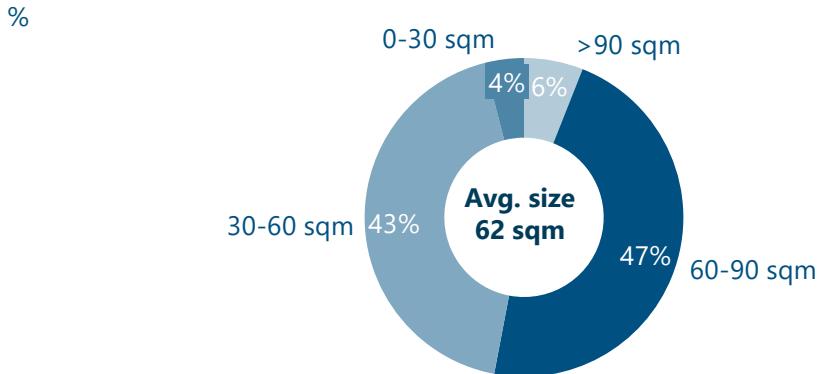
1. In place rent is defined as current gross rent per month as agreed in the corresponding rent agreement before deducting recoverable operating costs.
Residential in place rent is often referred to as "net cold rent"

2. Other mainly includes parking spaces and garages

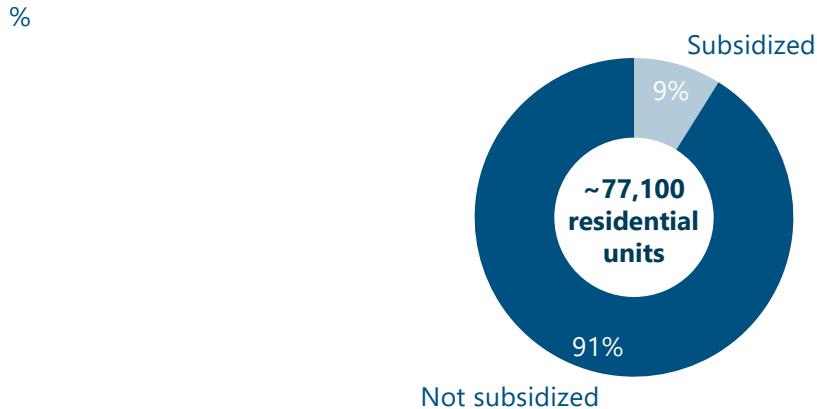
Portfolio statistics

Low in-place rents and relatively young asset base

Apartment size

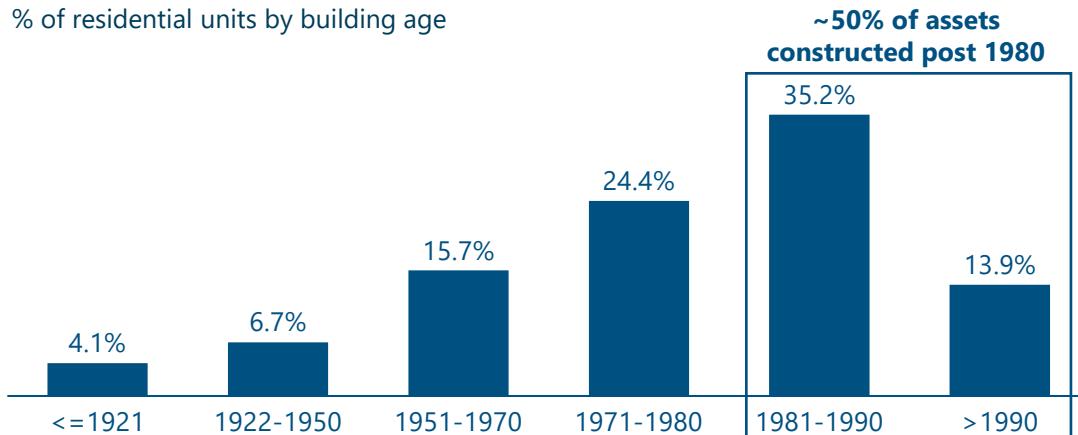


Rental restrictions⁽¹⁾



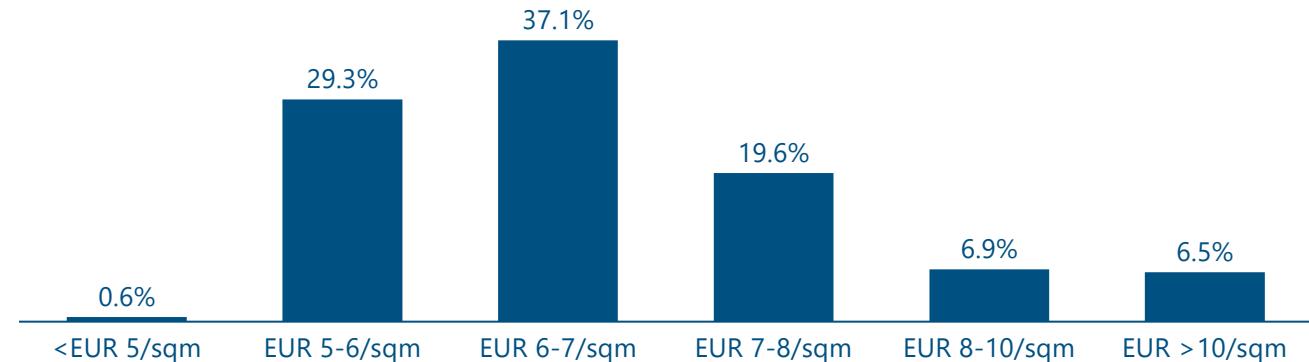
Building age⁽²⁾

% of residential units by building age



Rent distribution

% of total portfolio rent by rental level



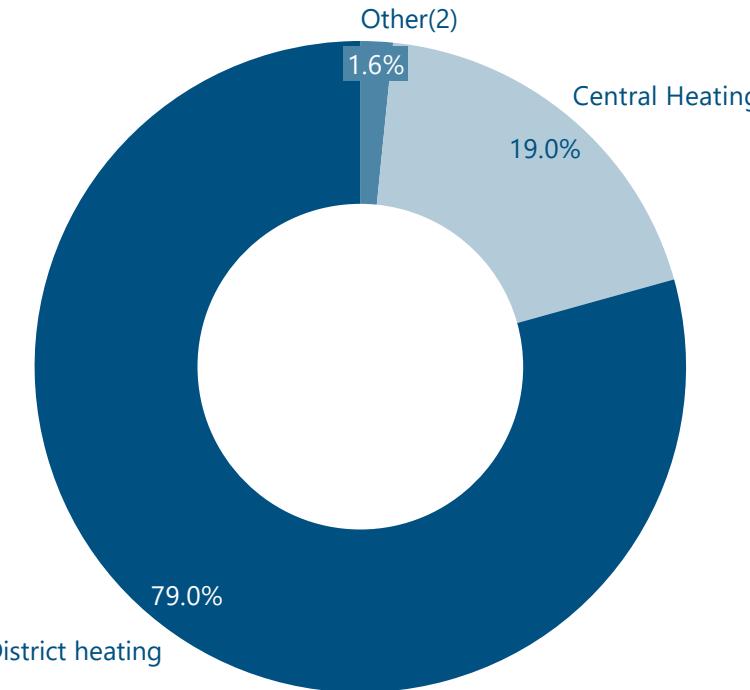
1. Rental restrictions refers to "Preisgebundene Wohnungen". HOWOGE is committed to further rental restrictions due to the Cooperation Agreement with the city of Berlin.

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

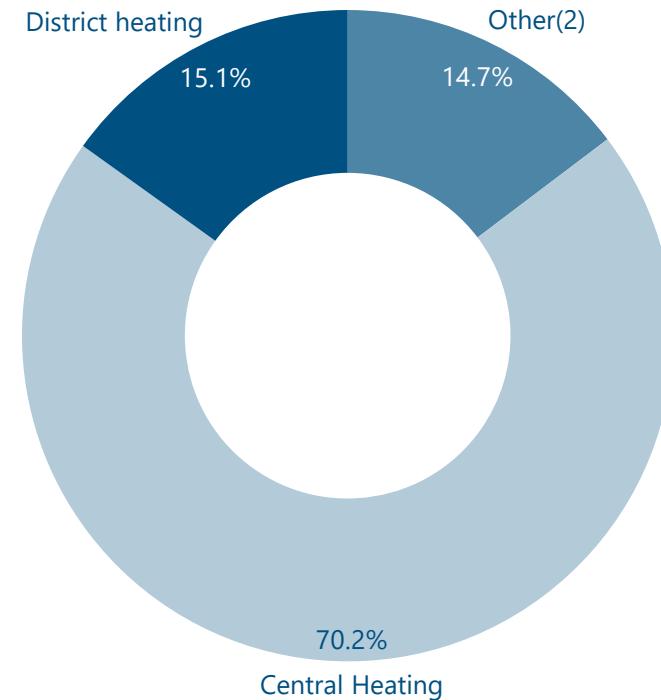
Overview of housing stock by type of heating system

HOWOGE with ~80% of district heating

HOWOGE



Germany⁽¹⁾



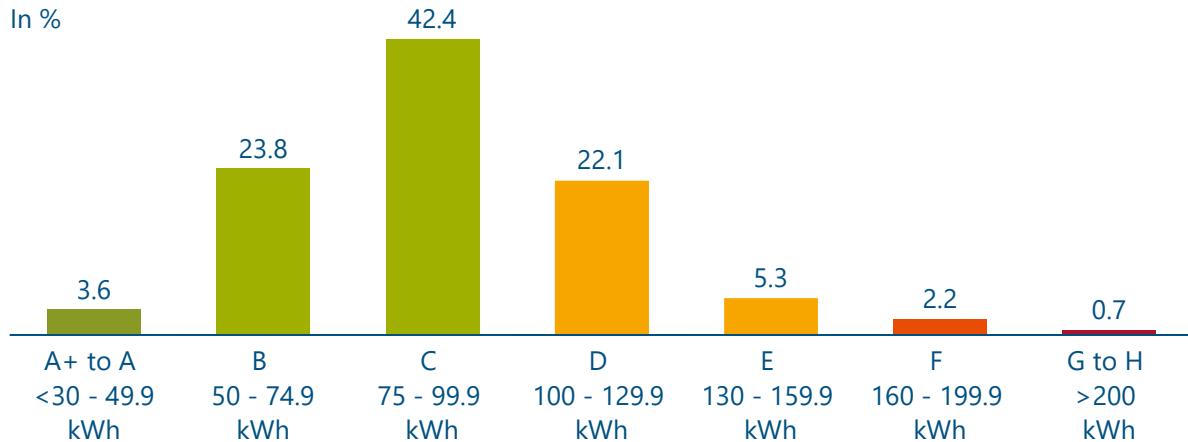
→ Concentrated urban portfolio of HOWOGE allows for very efficient use of district heating

→ The power plants for centralized heat production and pipes for the supply with warm water are owned by the City of Berlin

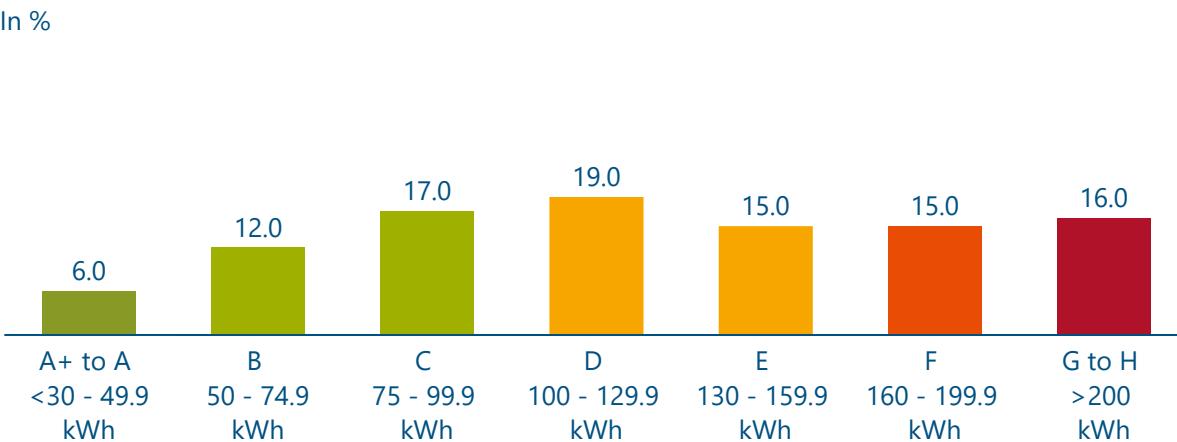
Energy efficiency

HOWOGE with better energy efficiency than the German average

EPC distribution HOWOGE Portfolio (31/Dec/2024)



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 88 kWh/sqm (without climate adjustment)
- >75% of HOWOGE portfolio screen better than the German average of ~125 kWh/sqm
- Only 0.7 % of HOWOGE Portfolio (74 buildings with 503 units) within EPC clusters G and H
- The CO₂ intensity of the HOWOGE portfolio is 15.5 kg CO₂/sqm per year⁽¹⁾

1. This key figure is based on an extrapolation of heat consumption based on the 2023 data and takes into account the weather conditions and portfolio changes in 2024.

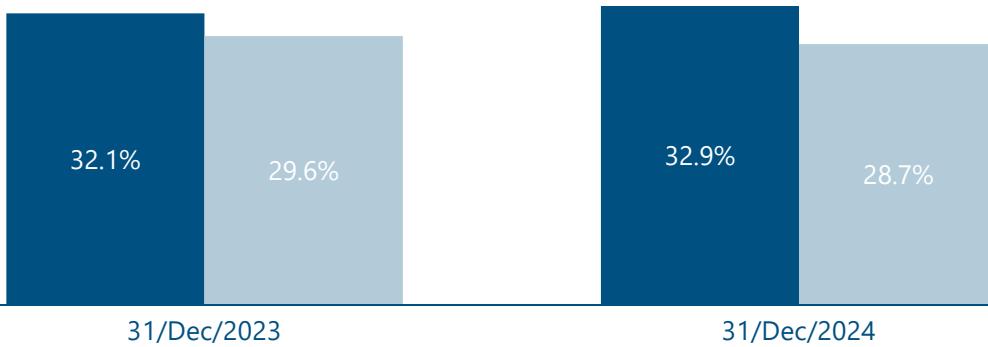


03 Financials and Capital Structure

Conservative capital Structure

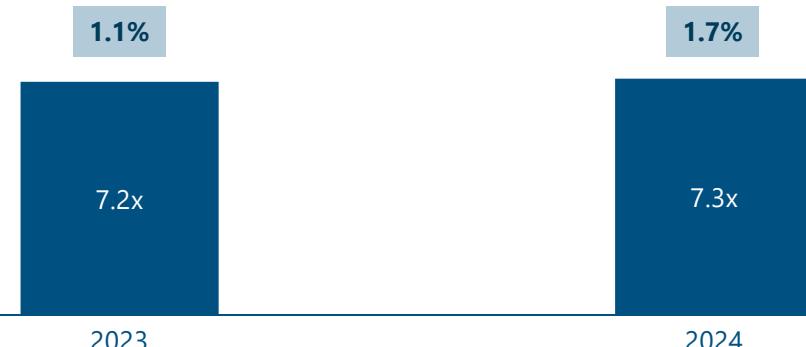
Low leverage and diversified debt structure

Current leverage in the comfort zone



■ Net LTV (in %) ■ Net LTV residential (in %)

Strong coverage ratios and low cost of debt

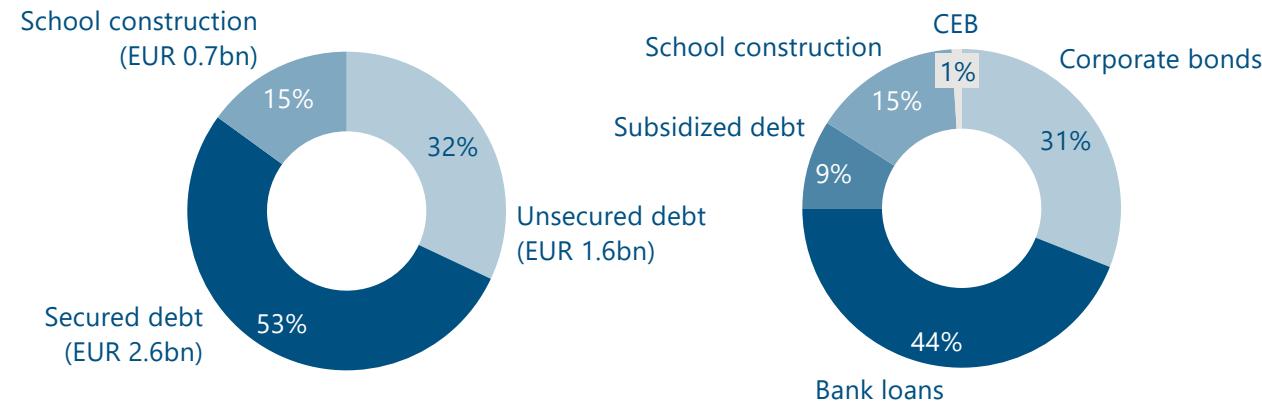


■ ICR residential(1) ■ Avg. cost of debt

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

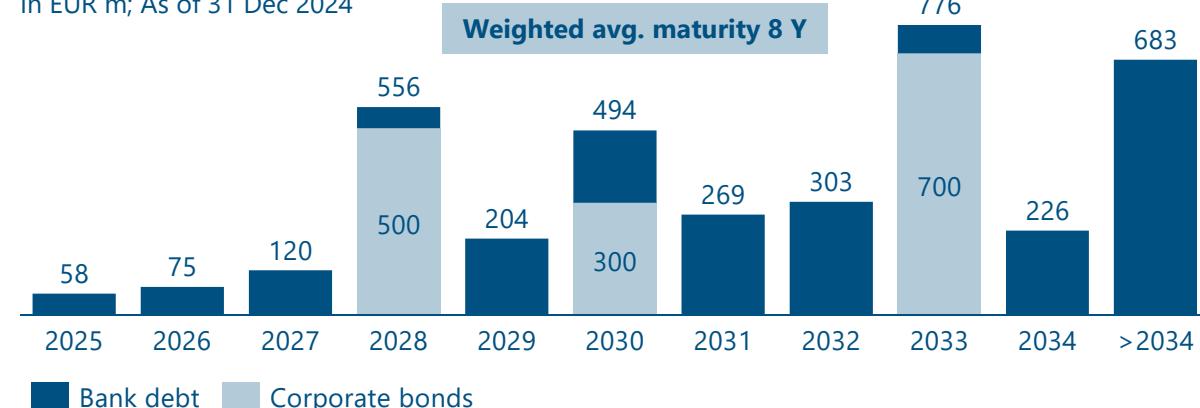
2. Maturity profile is based on end of fixed-rate interest period excl. debt from school construction

Funding and asset mix of EUR 4.9bn total debt (31/Dec/2024)



Long-dated maturity profile⁽²⁾

In EUR m; As of 31 Dec 2024



■ 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/2028	0.625%	99.829%	DE000A3H3GF4
EUR 700m	01/Nov/2021	01/Nov/2033	1.125%	99.755%	DE000A3H3GG2
EUR 300m	05/Jun/2024	05/Jun/2030	3.875%	99.858%	DE000A383PT8

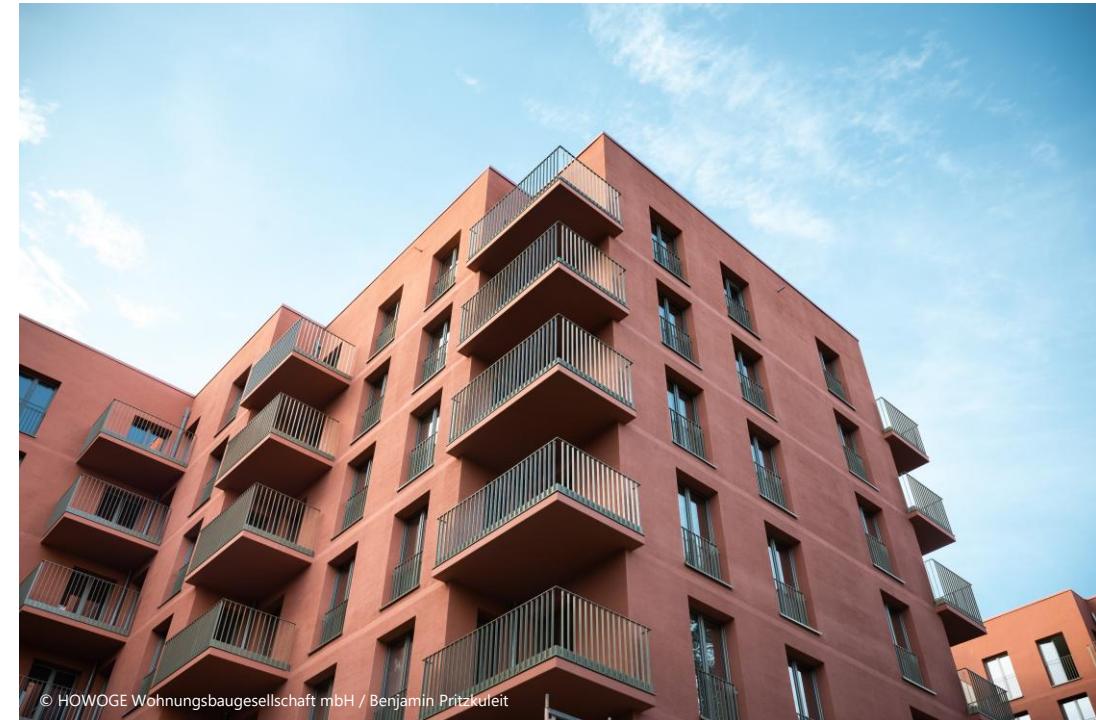
HOWOGE has achieved a Long-Term Issuer Rating by Fitch and Standard & Poor's:

Fitch:	AA-	outlook stable	last update: 03/Jul/2024
S&P:	A	outlook stable	last update: 22/Aug/2024

Bond covenants

Current levels offer significant comfort

Bond covenant ⁽¹⁾	Required level	Current level 31/Dec/2024
Consolidated LTV Total debt/total assets	<60%	30.8%
Consolidated secured LTV Total secured debt/total assets	<45%	18.9%
Interest coverage ratio Adjusted EBITDA/cash interest	>1.8x	7.3x
Unencumbered asset ratio Unencumbered assets/unsecured debt	≥125%	265.1%



Consolidated Balance Sheet

EUR m	31/Dec/2024	31/Dec/2023
Investment property	12,616.9	12,325.1
Other non-current assets	334.7	290.8
Total non-current assets	12,951.6	12,615.9
Inventories for school construction projects	365.8	283.9
Receivables and other assets	124.5	114.6
Cash on hand and bank balances	645.2	273.7
Assets held for sale	23.5	33.9
Total current assets	1,159.0	706.1
Total assets	14,110.6	13,322.0

EUR m	31/Dec/2024	31/Dec/2023 ⁽¹⁾
Equity	7,459.0	7,307.1
Non-current financial liabilities	4,785.6	3,556.7
Other non-current liabilities	1,607.1	1,560.0
Total non-current liabilities	6,392.7	5,116.7
Current financial liabilities	37.6	701.0
Other current liabilities	221.3	197.2
Total current liabilities	259.0	898.2
Total equity and liabilities	14,110.6	13,322.0

- Investment property comprises residential portfolio (~89% of total assets)
- Inventories mainly stem from school construction
- Equity ratio slightly declined to ~53% (2023: 54.8%)

Adjusted EBITDA

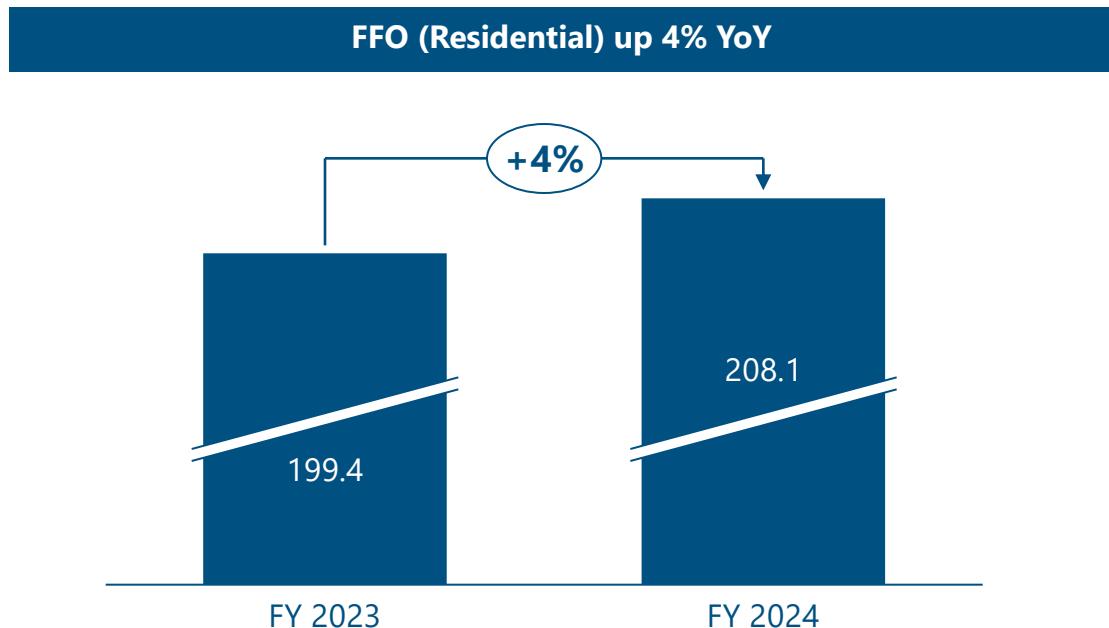
EUR m	Thereof		Thereof	
	FY 2024	Residential	FY 2023	Residential
Total revenues	732.2	564.4	541.1	541.1
Change in inventories for school construction projects	81.9	-	172.8	-
Own work capitalized	11.6	3.0	3.8	2.2
Cost of materials	(412.5)	(174.0)	(363.8)	(191.0)
Personnel expenses	(76.9)	(72.9)	(64.6)	(61.5)
Other operating income	11.8	11.7	57.0	57.0
Impairment and reversals of impairment of financial assets	(0.2)	(0.2)	(3.6)	(3.6)
Other operating expenses	(49.5)	(47.6)	(36.3)	(35.1)
Financial result	(0.5)	(0.5)	5.3	5.3
Other taxes	(16.6)	(16.6)	(16.6)	(16.6)
One-time effects	7.4	7.4	(37.9)	(37.9)
One-time effects from the completion of school buildings	(11.7)	-	-	-
Adjusted EBITDA	276.8	274.6	257.2	259.8

- Total revenues increased mainly due to completion and economic disposal of large school construction project (+ EUR 167.8m). Further contribution from increased portfolio base and higher rent levels
- Higher Cost of materials in 2024 mainly from construction costs for school building projects
- One-offs include changes in provisions (non-cash items)

Funds from Operations

Proving strong operational cashflow

EUR m	FY 2024	Thereof Residential	FY 2023	Thereof Residential
Adjusted EBITDA	276.8	274.6	257.2	259.8
Income tax expenses affecting cash	(29.9)	(29.9)	(21.4)	(21.4)
Net interest expenses affecting cash	(42.3)	(37.7)	(35.3)	(36.2)
Loan repayment policies	1.7	1.7	(2.9)	(2.9)
Income/expense from the sale of non-current assets affecting cash	(0.6)	(0.6)	0	0
FFO	205.8	208.1	197.7	199.4



→ FFO increased by 4% YoY mainly due to positive operating result from residential business

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

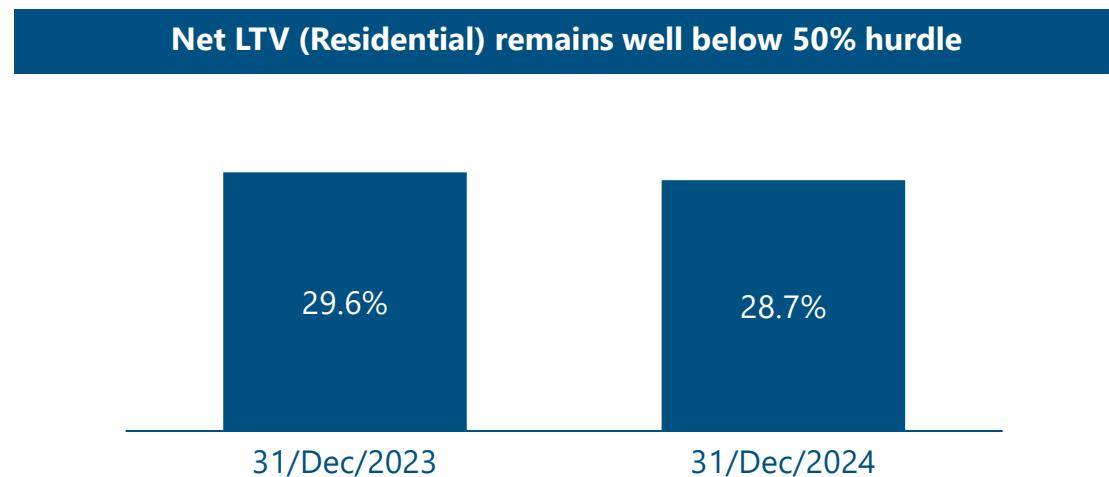
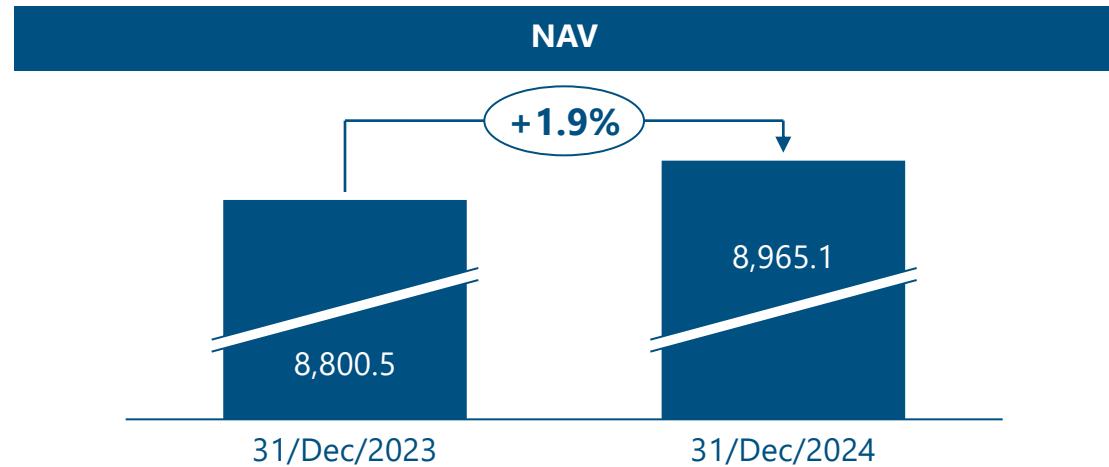
Outlook: slightly lower FFO of ~EUR 180-200m expected for FY 2025 as a result of higher interest costs

NAV and Net LTV

Development of balance sheet KPIs

EUR m	31/Dec/2024	31/Dec/2023 ⁽¹⁾
Equity	7,459.0	7,307.1
Deferred tax liability on investment properties	1,506.1	1,493.4
NAV	8,965.1	8,800.5

EUR m	31/Dec/2024	31/Dec/2023
Financial liabilities	4,823.2	4,257.6
Cash and cash equivalents	(645.2)	(273.7)
Net financial liabilities	4,178.0	3,984.0
Investment property	12,616.9	12,325.1
Prepayments on investment property	69.1	96.5
Net LTV ratio	32.9%	32.1%
Net LTV ratio (Residential)	28.7%	29.6%



04 Appendix



Management Board

Over 20 years of expertise

Ulrich Schiller

(Dipl. Bauingenieur/ Civil Engineer)
Managing Director (operational)

- Managing director since 2019 >20 years of experience in the real estate sector
- Responsibilities:
 - Asset and portfolio management
 - New construction
 - School construction
 - Technical management
 - IT, processes and digitalization
 - Corporate communications and marketing
 - Central procurement
 - Financial control and data modeling
 - Treasury and Investor relations
 - Finance and accounting
 - Human resources
 - Legal
 - Management office and press department
 - Sustainability
 - Governance, Risk and Compliance
 - Internal audit



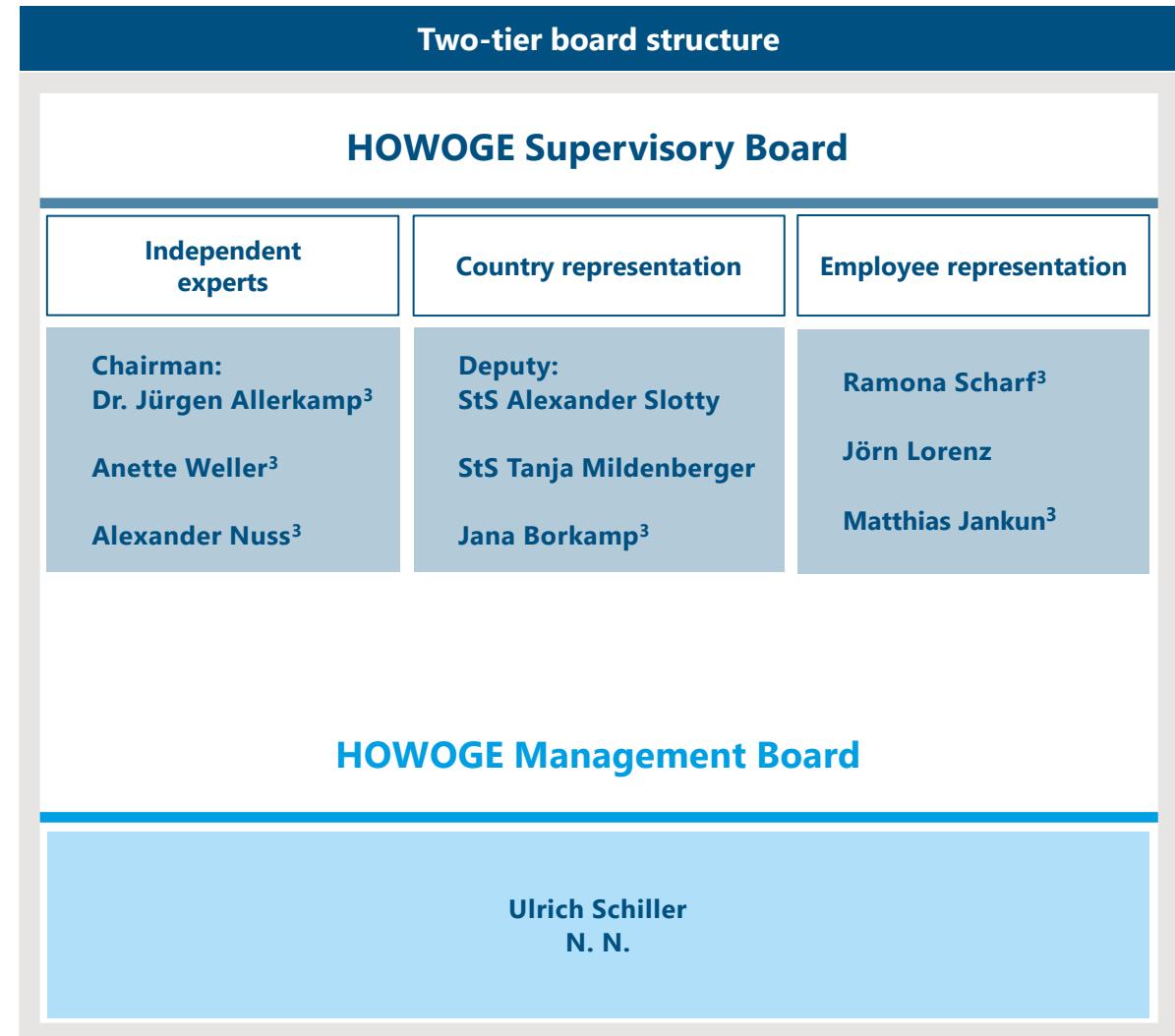
→ CFO position is currently vacant

→ Appointment process is ongoing

Strong expertise and Corporate Governance

HOWOGE

For the State of Berlin



1. Jointly owned by HOWOGE (50% stake) and GESOBAU (50% stake)

2. Jointly owned by HOWOGE (74% stake) and Berlinovo Immobilien Gesellschaft mbH (26% stake)

3. appointed on May 12th 2025

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 part of 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% per year** 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⁽³⁾

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

Modernization charge: **max. 8% per year** 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 per year** (until 2026)
Long term target: 30% municipal housing stock

1. Current agreement between State of Berlin and HOWOGE Wohnungsbaugesellschaft mbH and the other state-owned housing companies. (Jan 2024 – Dec 2027)

2. Housing entitlement certificate ("Wohnberechtigungsschein") applies for households with income under a certain level.

3. As outlined in the current agreement (the "cooperation agreement") between State of Berlin and HOWOGE Wohnungsbaugesellschaft mbH and the other state-owned housing companies. (Jan 2024 – Dec 2027)

Operating Performance

Consistent rental growth and high occupancy level

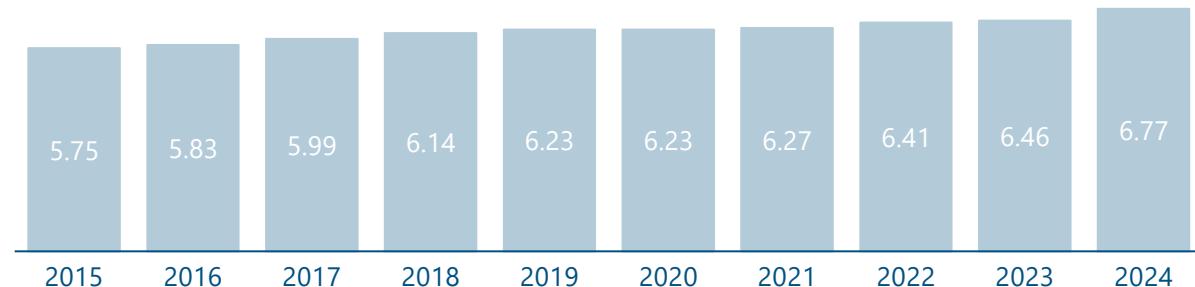
Portfolio basically fully occupied

Vacancy (residential sqm) (%)



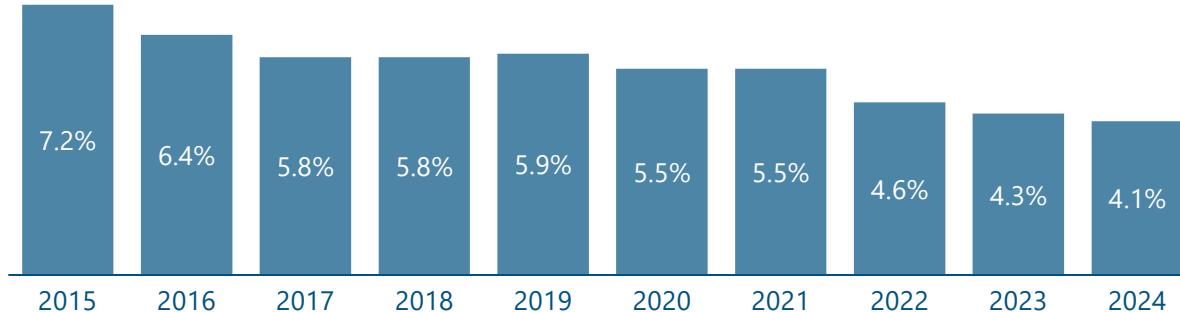
Moderate rental growth

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



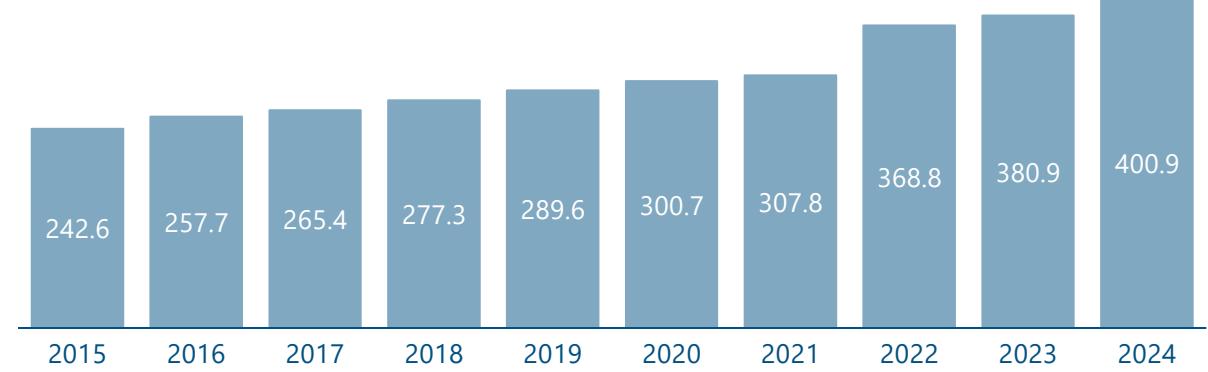
Record low tenant churn - due to housing shortage

% of residential units



Track record of strong rental income growth

In EUR m



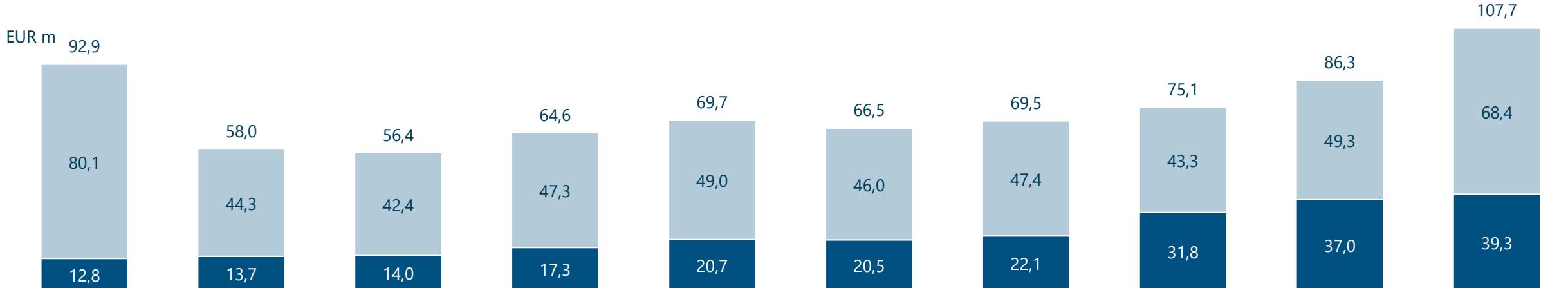
Investment activities

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

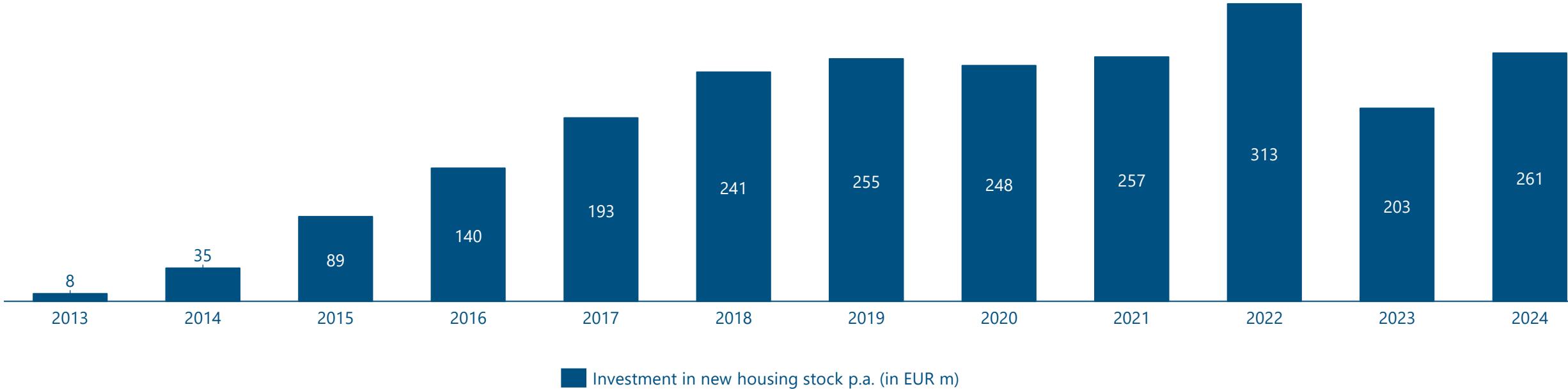
Capex/refurbishment (partly capitalized): includes periodic maintenance (c. 50% capitalized), complex refurbishment projects (100% capitalized) and energetic investments (100% capitalized)

Investment activities

HOWOGE continues developing portfolio through new building activities

~ 8,300
units completed since 2013¹

~ EUR 2.2bn
total investment since 2013⁽¹⁾



1. In 2013 the new construction programme has been started by HOWOGE

Sustained attractive growth

New Construction & Housing

HOWOGE

- ~ 8,300 residential units completed
- ~ 14,400 residential units in planning
- ~ 2,200 residential units under construction

We rely on innovative strategies in building:

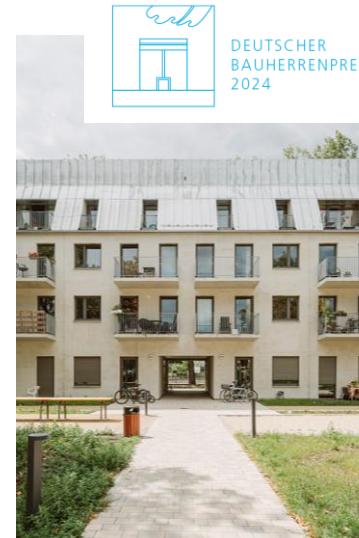
- Wind energy
- Photovoltaics
- Wood hybrid construction
- Type house

Pilot projects



Urban Wood Construction
Berlin-Adlershof

Award-winning projects



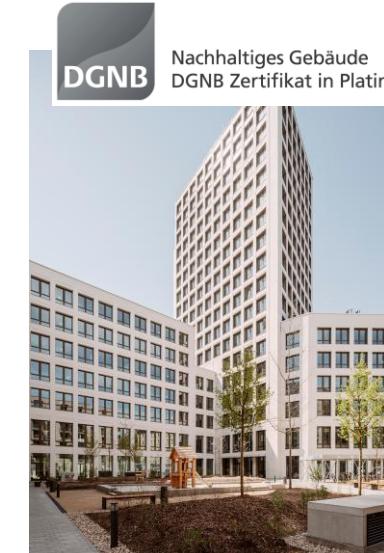
Hauptstraße 41–49c
Berlin-Rummelsburg



Sewanstraße 20–22
Berlin-Friedrichsfelde



DEUTSCHER
BAUHERRENPREIS
2024



Office tower
Stefan-Heym-Platz 1
Berlin-Lichtenberg



Portfolio impressions

HOWOGE



Weitlingstraße

Salzmannstraße

Anton-Saefkow-Platz

Landsberger Allee

Ernst-Barlach-Straße



Hauptstraße



Skandinavische Straße



Frankfurter Allee "LIESE"



Wandlitzstraße



Stefan-Heym-Platz



34



Joseph-Schmidt-Straße



Heinrich-Schlusnus-Straße



Mühlengrund



Treskowstraße

34

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lebenswert. **Mehr als gewohnt.**

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Thank you.