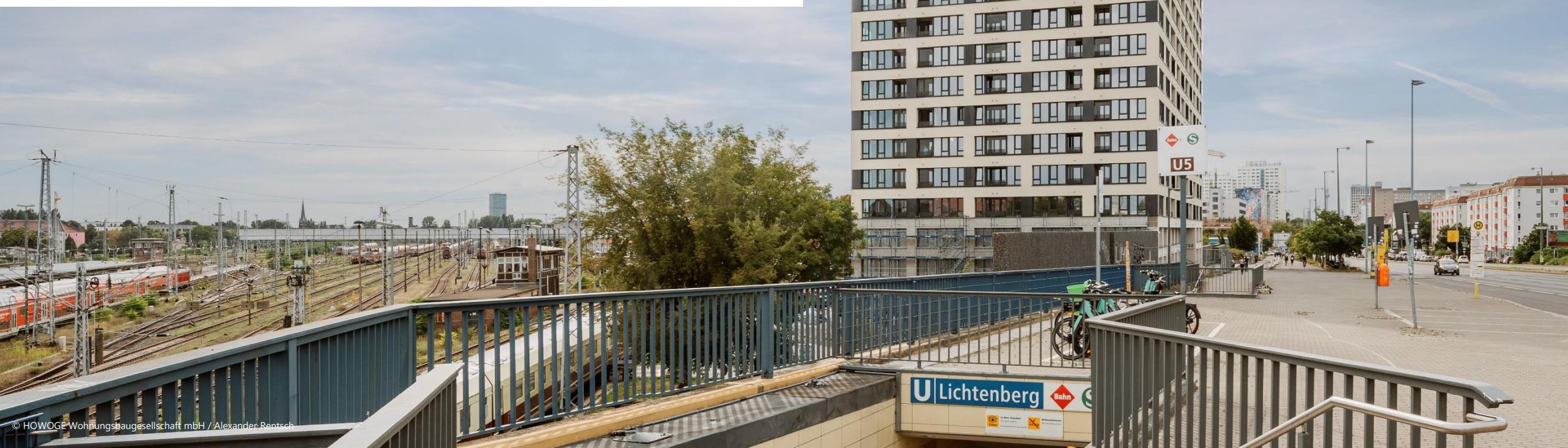


HOWOGE

# HOWOGE H1 2024 – Company Presentation



# Agenda

## Company Presentation

- 01 Overview & Highlights H1 2024
- 02 Portfolio
- 03 Financials and Capital Structure
- 04 Appendix

# 01 Overview & Highlights H1 2024



## HOWOGE is one of the biggest real estate companies in Germany



## Our portfolio

**~76,700**

Residential  
units

EUR per sqm

**6.70**

Ø Net cold rent<sup>(1)</sup>

**1.2%**

Vacancy  
rate  
(based on sqm)



**~ 1,150**

Commercial  
units



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

**~17,600**

Other units  
(parking spaces,  
garages etc.)



# Highlights H1 2024

## HOWOGE continues growth strategy



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 238 apartments in H1 2024

2

### Acquisition and financing

- Acquisition of c. 4,500 apartments and land reserves with closing in Q1 2025
- Further roll-out of internal services via acquisition of a facility management subsidiary
- Successful issuance of EUR 300m social bond
- Upcoming 2024 debt maturities already fully covered

3

### Solid financial results and conservative leverage in H1 2024

- FFO: EUR 105.6m (6%)
- Adj. EBITDA: EUR 139.3m
- Equity: EUR 7.4bn (~53% of total balance sheet)
- Net LTV: 29.3% housing (32.6% incl. debt for school construction)



## 02 Portfolio

# Portfolio

HOWOGE owns a concentrated portfolio with regional focus

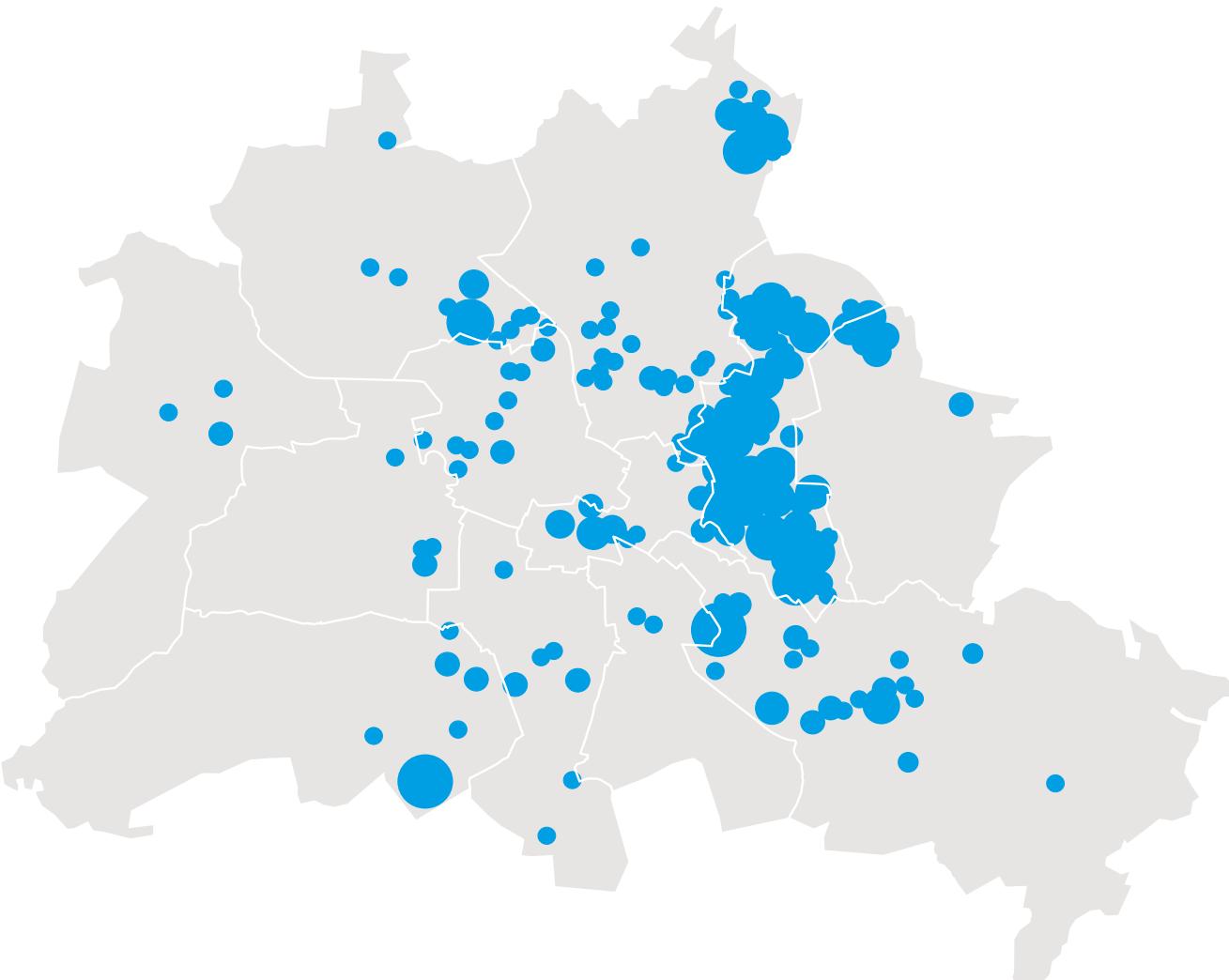
## Portfolio and operations overview

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 30 June 2024):

- 76,684 residential units,
- 1,151 commercial units,
- several undeveloped properties / undeveloped land

<b>EUR 11.9bn</b>	<b>EUR 12.6bn</b>
Fair value only including existing buildings	Total fair value <sup>(1)</sup>
<b>~76,700</b>	<b>EUR 2,412</b>
Residential units	Fair value per sqm
<b>29.0x</b>	<b>23.5x</b>
In-place rent multiple	Market-rent multiple

As of 30 June 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.

# Portfolio

## Overview key figures

Type of use	Units	Rental area (k sqm)	In-place rent <sup>(1)</sup> annualized (EUR m)	% of total in-place rent	Avg. Rent (EUR/sqm p.m.)	Vacancy (% in sqm)
Residential	76,684	4,724	379.9	91%	6.70	1.2%
Commercial	1,151	178	19.6	5%	9.17	6.5%
<b>Sub-total</b>	<b>77,835</b>	<b>4,903</b>	<b>399.5</b>	<b>96%</b>	<b>6.79</b>	<b>1.4%</b>
Other <sup>(2)</sup>	17,590	304	18.7	4%	n/a	n/a
<b>Total</b>	<b>95,425</b>	<b>5,207</b>	<b>418.1</b>	<b>100%</b>	n/a	n/a

As of 30 June 2024

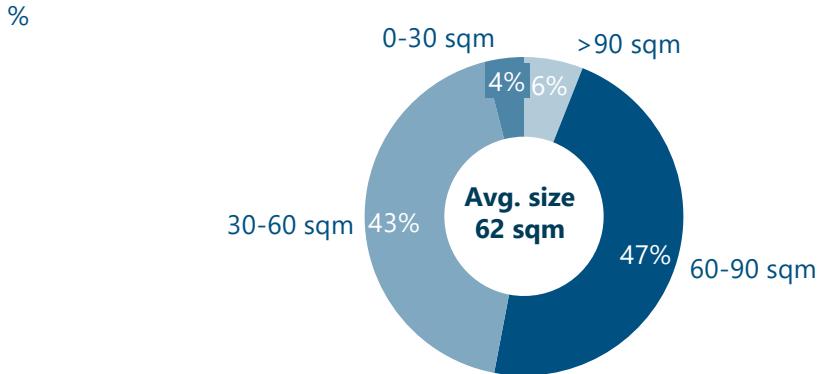
1. In place rent is defined as current gross rent per month as agreed in the corresponding rent agreement before deducting recoverable operating costs.  
Residential in place rent is often referred to as "net cold rent"

2. Other mainly includes parking spaces and garages

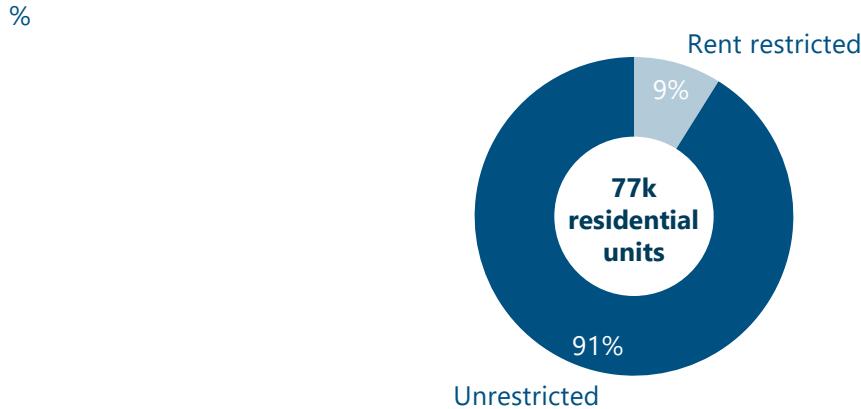
# Portfolio statistics

## Low in-place rents and relatively young asset base

### Apartment size

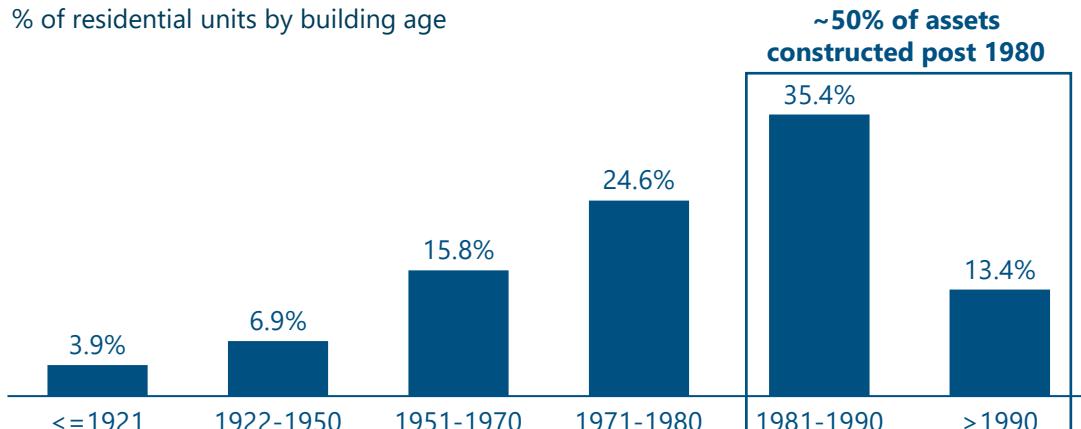


### Rental restrictions<sup>(1)</sup>



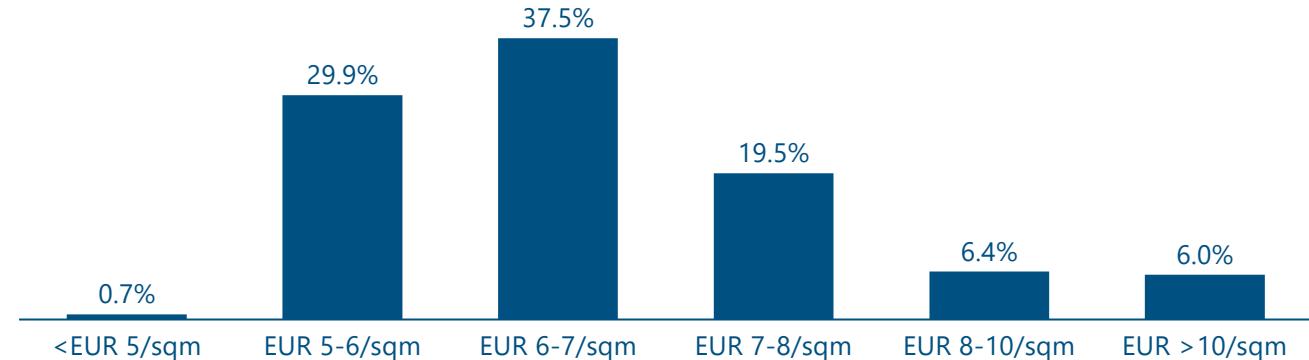
### Building age<sup>(2)</sup>

% of residential units by building age



### Rent distribution

% of total portfolio rent by rental level



As of 30 June 2024

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

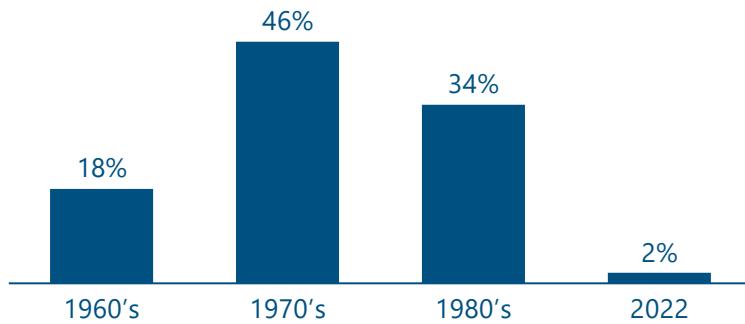
### Deal structure:

- 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



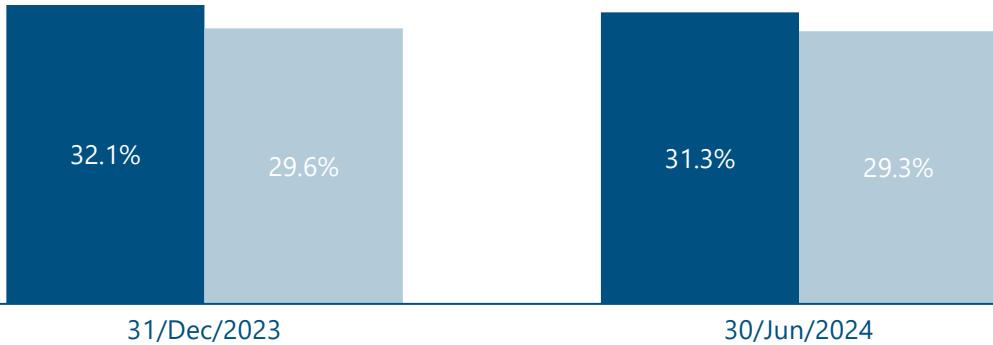
## 03 Financials and Capital Structure



# Conservative capital Structure

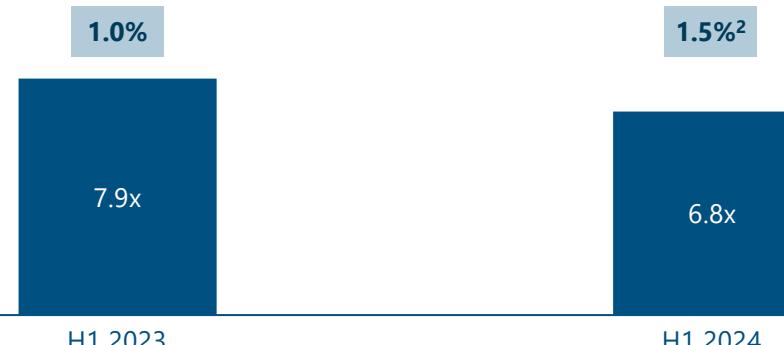
Low leverage and diversified debt structure<sup>2</sup>

## Current leverage in the comfort zone



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

## Strong coverage ratios and low cost of debt



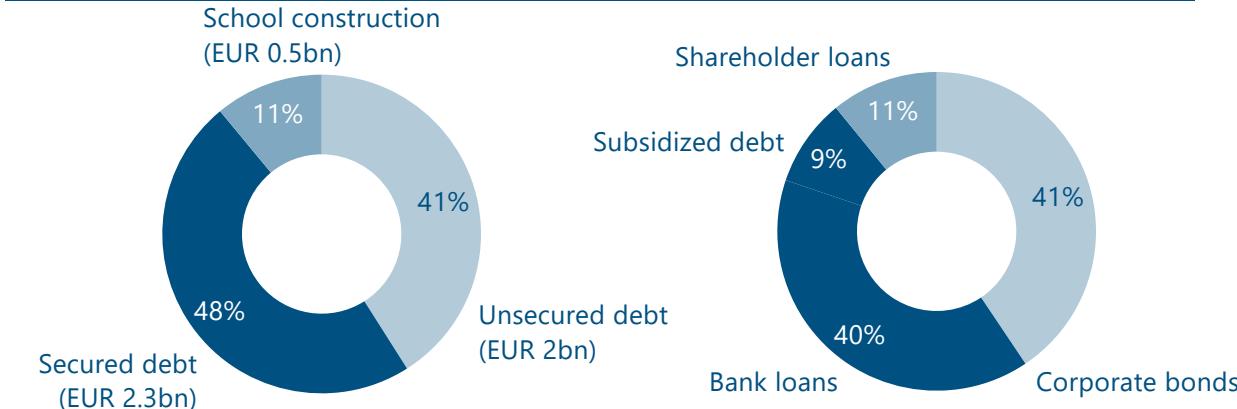
■ ICR<sup>1</sup> ■ Avg. cost of debt

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

2. Including parts of bond refinancing and debt financing for recent acquisition

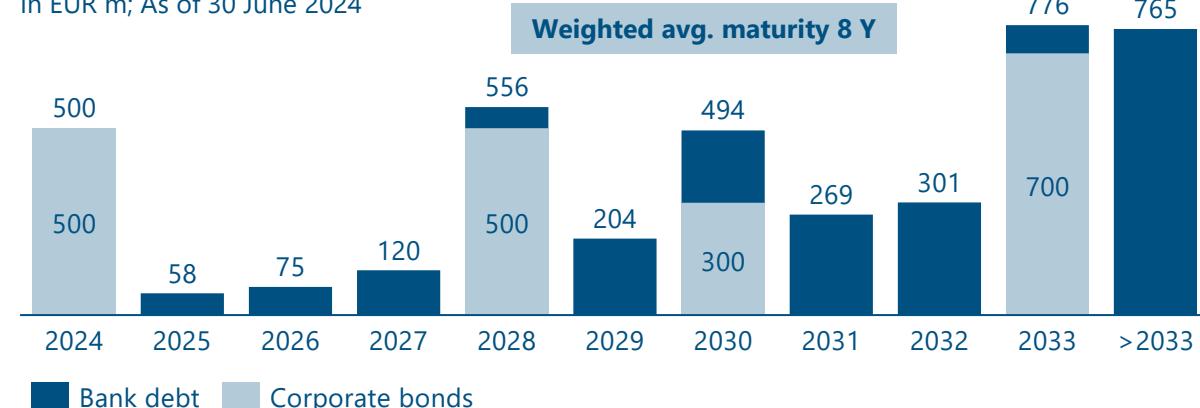
3. Maturity profile is based on end of fixed-rate interest period excl. debt from school construction

## Funding and asset mix of EUR 4.9bn total debt (30/Jun/2024)



## Long-dated maturity profile<sup>(3)</sup> with 2024 maturity already hedged

In EUR m; As of 30 June 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/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
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	Required level	Current level 30/Jun/2024
<b>Consolidated LTV</b> Total debt/ total assets	<60%	32.4%
<b>Consolidated secured LTV</b> Total secured debt/ total assets	<45%	17.1%
<b>Interest coverage ratio</b> Adjusted EBITDA/ cash interest	>1.8x	7.8x
<b>Unencumbered asset ratio</b> Unencumbered assets/ unsecured debt	≥125%	291.0%

# Consolidated Balance Sheet

EUR m	30/Jun/2024	31/Dec/2023
Investment property	12,288.1	12,325.1
Other non-current assets	418.2	290.8
<b>Non-current assets</b>	<b>12,706.3</b>	<b>12,615.9</b>
Inventories property and other inventories	232.7	283.9
Receivables and other assets	81.7	114.6
Cash and cash equivalents	811.8	273.7
Assets held for sale	23.4	33.9
<b>Current assets</b>	<b>1,149.6</b>	<b>706.1</b>
<b>Total assets</b>	<b>13,855.9</b>	<b>13,322.0</b>

EUR m	30/Jun/2024	31/Dec/2023
<b>Equity</b>	<b>7,361.8</b>	<b>7,401.3</b>
Non-current financial liabilities	4,312.9	3,556.7
Other non-current liabilities	1,458.4	1,465.9
<b>Non-current liabilities</b>	<b>5,771.3</b>	<b>5,022.6</b>
Current financial liabilities	531.7	701.0
Other current liabilities	191.1	197.2
<b>Current liabilities</b>	<b>722.8</b>	<b>898.2</b>
<b>Total equity and liabilities</b>	<b>13,855.9</b>	<b>13,322.0</b>

- Investment property ~90% of total assets
- Inventories mainly stem from school buildings during construction phase
- Cash position of EUR 812m partly include the funding of recent portfolio acquisition and upcoming refinancing
- Equity ratio slightly declined to ~53%
- Current financial liabilities of EUR 532m includes EUR 500m Bond maturing in Q4 2024

# Adjusted EBITDA

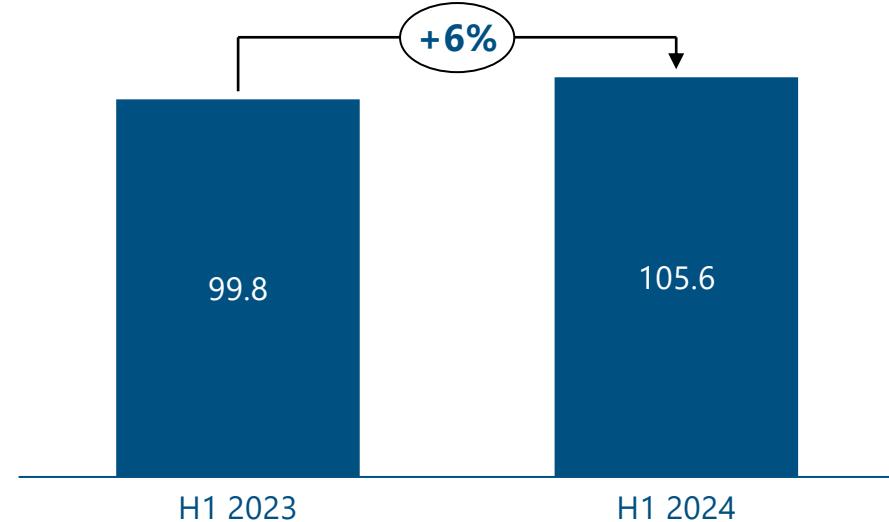
EUR m	H1 2024	H1 2023
<b>Total revenues</b>	<b>449.1</b>	<b>269.1</b>
Change in inventories for school construction	(51.3)	78.4
Own work capitalized	5.3	3.3
Cost of materials	(189.3)	(163.7)
Personnel expenses	(34.4)	(29.6)
Other operating income	2.8	13.7
Impairment of financial assets	(0.4)	0.6
Other operating expenses	(18.6)	(17.1)
Financial income	2.7	2.6
Other taxes	(16.5)	(15.8)
One-offs	1.4	(9.6)
One-offs from completion of school construction projects	(11.3)	-
<b>Adjusted EBITDA</b>	<b>139.3</b>	<b>131.8</b>

- Total revenues increased mainly due to school construction and rental growth. Lease revenues (IFRS 16) increased by EUR 9.3m YoY (5%) as a result of larger asset base (new constructions) and rental growth (mainly Mietspiegel indexation). Total revenues also include EUR 172.6m from finalization of first school construction project and hand over to city of Berlin.
- Change in inventories include school construction investments during the construction phase. The reduction in inventories for school construction is attributed to the disposal of a completed school building project valued at EUR 161.3m and the addition of new school projects under construction valued at EUR 110m – resulting in a total reduction of EUR 51.3m in H1 2024.
- One-offs include various project related costs, mainly driven by acquisitions
- One-offs from completion of school construction projects: non-cash income from school construction business

# Funds from Operations

## Proving strong operational cashflow

EUR m	H1 2024	H1 2023
<b>Adjusted EBITDA</b>	<b>139.3</b>	<b>131.8</b>
Cash income tax expenses	(10.1)	(13.9)
Cash interest result (expenses/ income)	(20.6)	(16.7)
Income from insurance policies	(2.4)	(1.5)
Sale of assets (Cash disposal result)	(0.6)	-
<b>FFO</b>	<b>105.6</b>	<b>99.8</b>



→ FFO increased by 6% YoY mainly driven by rental growth

### Outlook:

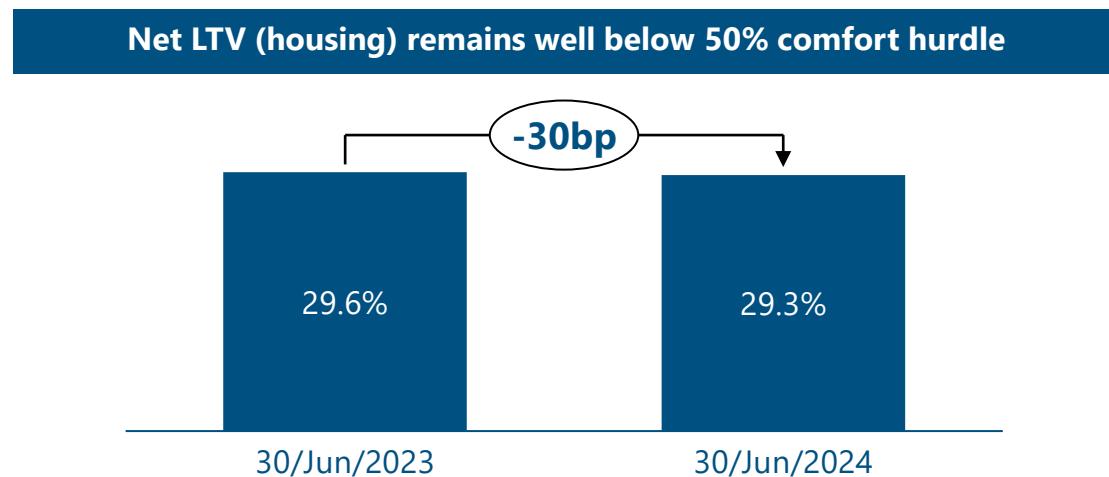
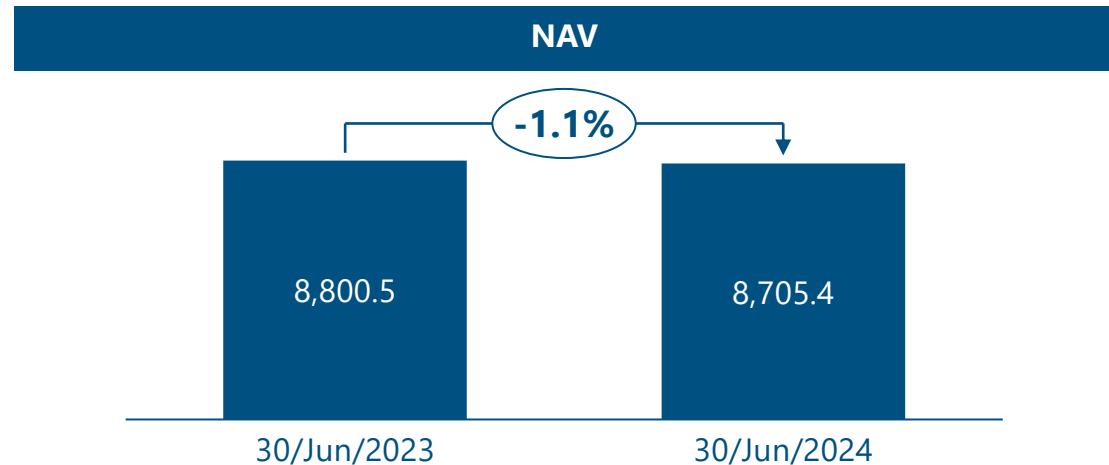
→ Stable FFO of ~EUR 180-200m expected for FY 2024

# NAV and Net LTV

## Development of balance sheet KPIs

EUR m	30/Jun/2024	31/Dec/2023
<b>Total equity</b>	<b>7,361.8</b>	<b>7,401.3</b>
Deferred tax liability on investment properties	1,343.5	1,399.3
<b>NAV</b>	<b>8,705.4</b>	<b>8,800.5</b>

EUR m	30/Jun/2024	31/Dec/2023
Financial liabilities	4,844.6	4,257.6
Cash and cash equivalents	(811.8)	(273.7)
<b>Net financial liabilities</b>	<b>4,032.8</b>	<b>3,984.0</b>
Fair value of investment property	12,288.1	12,325.1
Prepayments on investment property	88.6	96.5
<b>Net LTV ratio</b>	<b>32.6%</b>	<b>32.1%</b>
<b>Net LTV ratio (housing)</b>	<b>29.3%</b>	<b>29.6%</b>



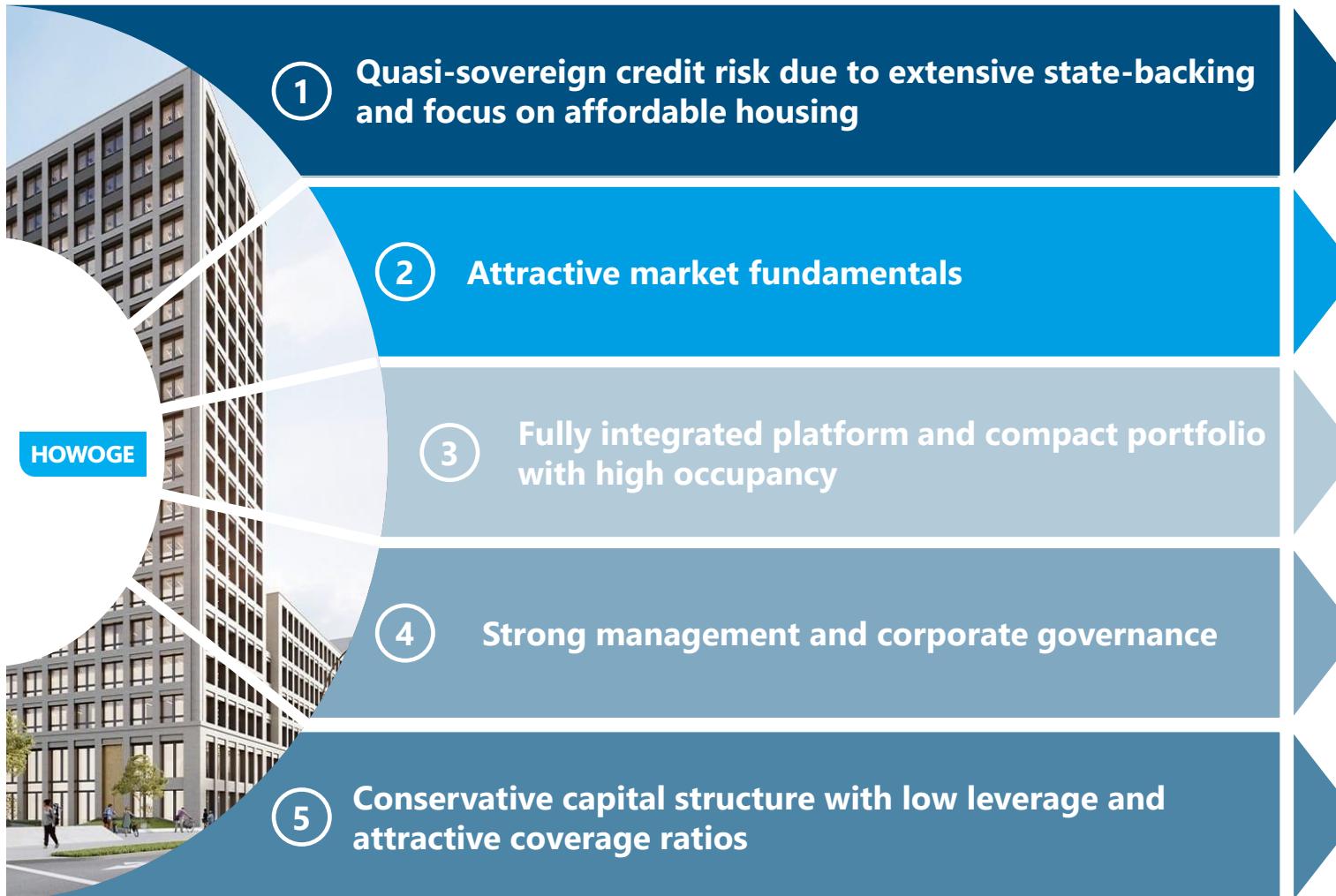
## 04 Appendix



# Key Credit Highlights

HOWOGE

## HOWOGE is a company with excellent creditworthiness



	<b>A</b> S&P Rating	<b>AA-</b> Fitch Rating
Systemically relevant for the State of Berlin		
<b>+12%</b> population growth (2012-2023)		
Significant supply / demand imbalance		
<b>~76,700</b> Residential units	<b>&gt;98%</b> Occupancy rate	
<b>E✓</b> New construction and refurbishments	<b>S✓</b> Affordable housing	<b>G✓</b> Two-tier board structure
<b>~29%</b> Net LTV (housing)	<b>~50%</b>	Financial policy <sup>(1)</sup> : max. Net LTV

# 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



## 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.

# Management Board

## Experienced team with over 20 years of expertise

### Katharina Greis

(Dipl. Betriebswirtin/ Business Economist)  
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

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

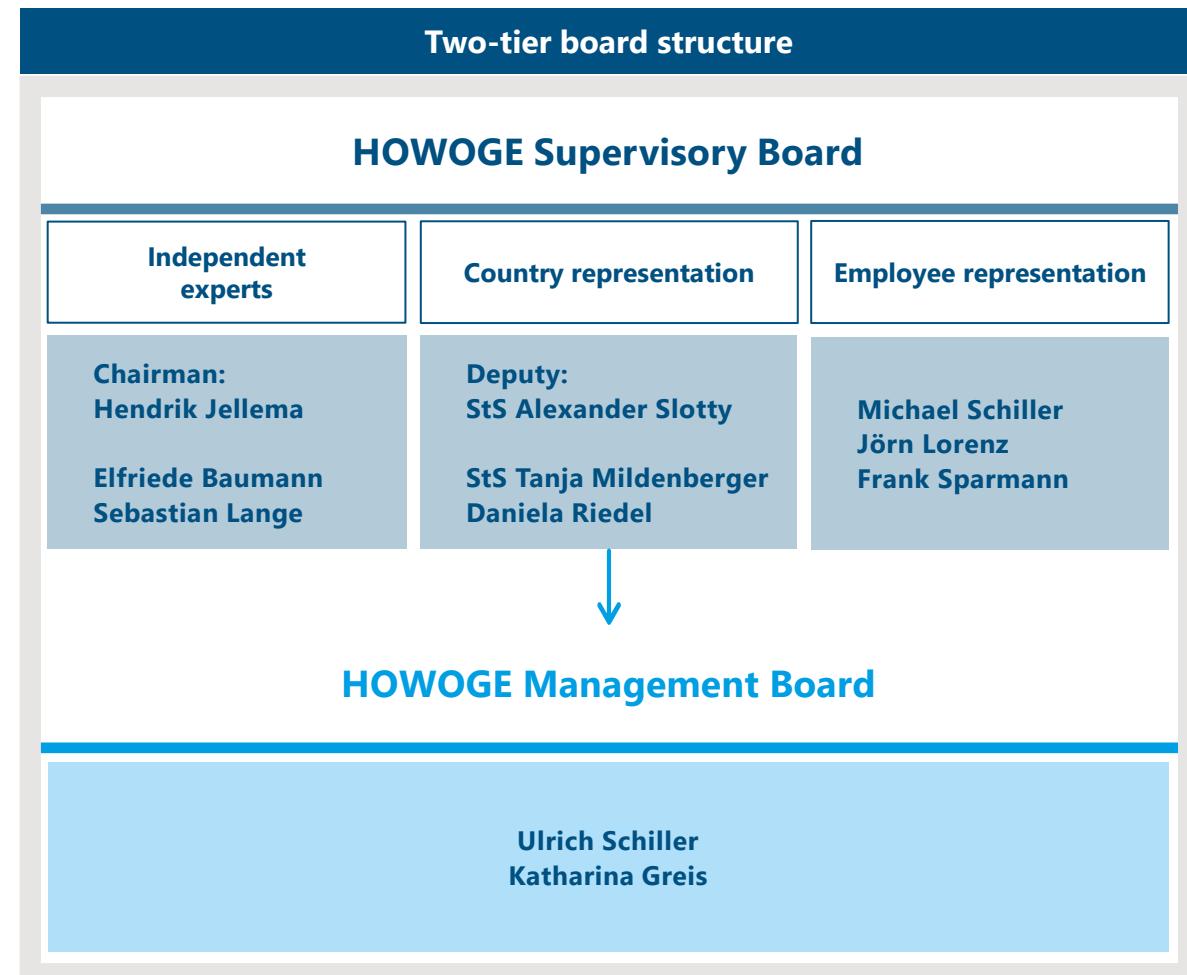
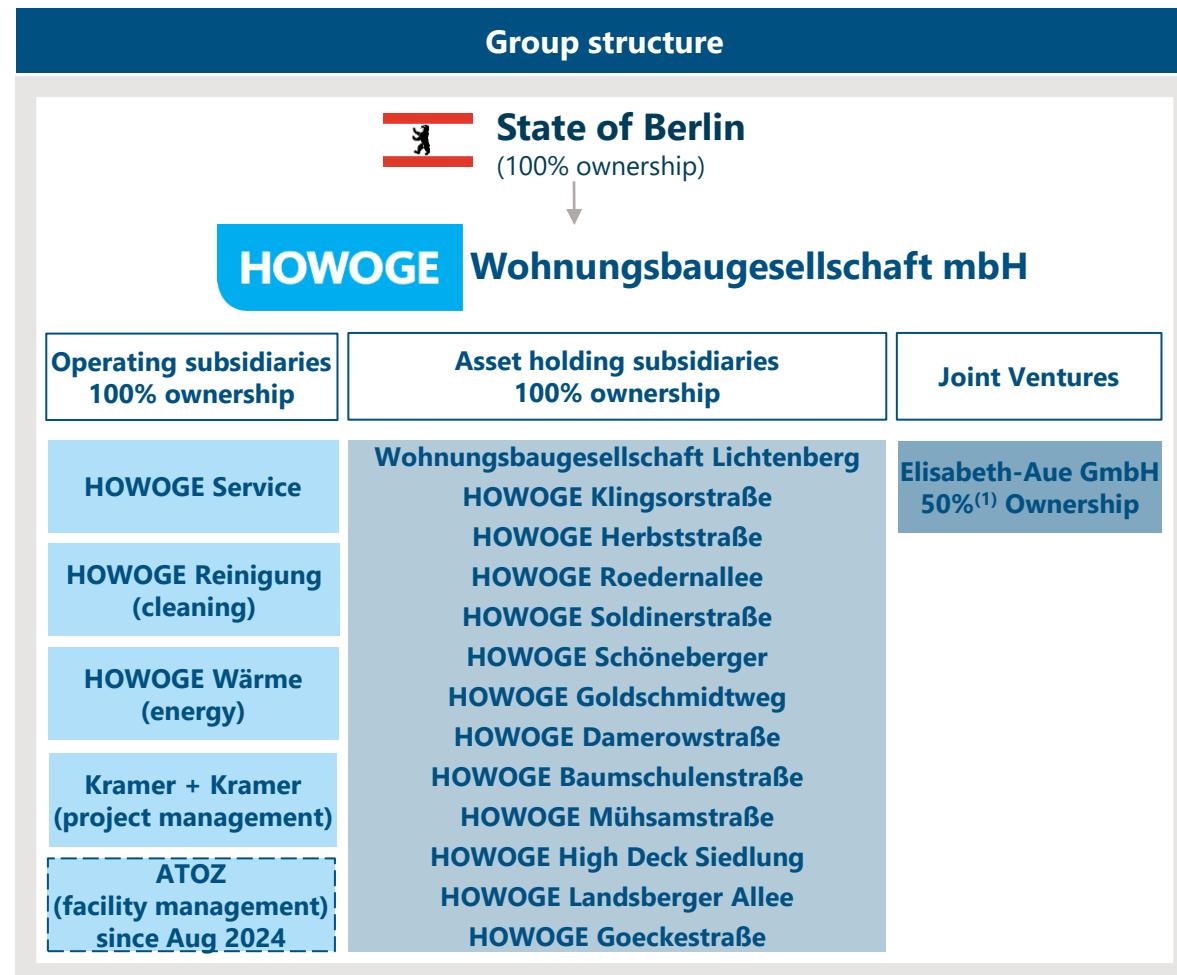
- Managing director since 2019
- Responsibilities:
  - Asset and property management
  - New construction
  - School construction
  - Technical management
  - IT, process and digitization
  - Communication and marketing
  - Corporate office and press relations
  - Procurement

>20 years of experience in the real estate sector

# Strong expertise and Corporate Governance

HOWOGE

## For the State of Berlin



# Cooperation Agreement (summary of selected highlights)

“Affordable rents, new construction and the supply of social housing”<sup>(1)</sup>

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<sup>(2)</sup>-eligible household's income

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



## HOWOGE

New-building:  
offer minimum of **50%** to WBS<sup>(2)</sup>-eligible households<sup>(3)</sup>

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)

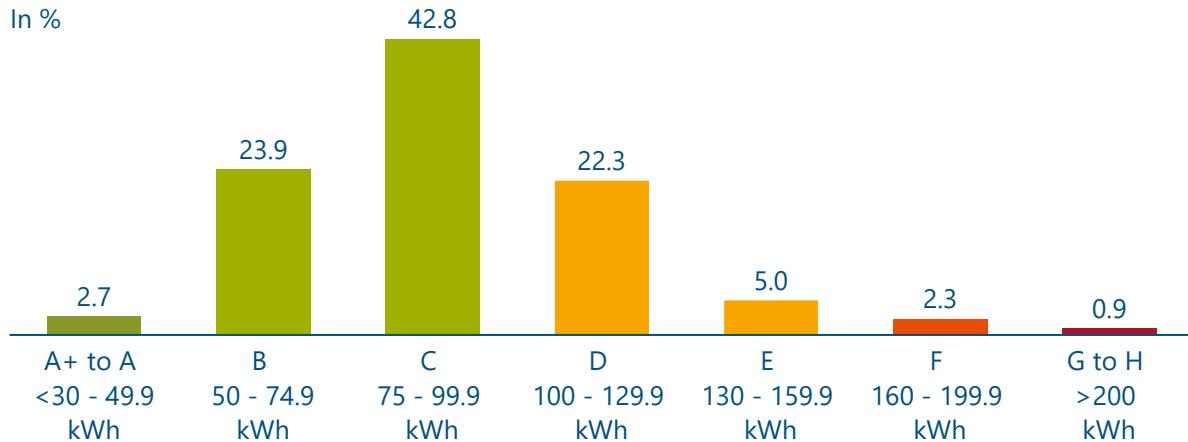
2. Housing entitlement certificate ("Wohnberechtigungsschein") applies for households with income under a certain level.

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)

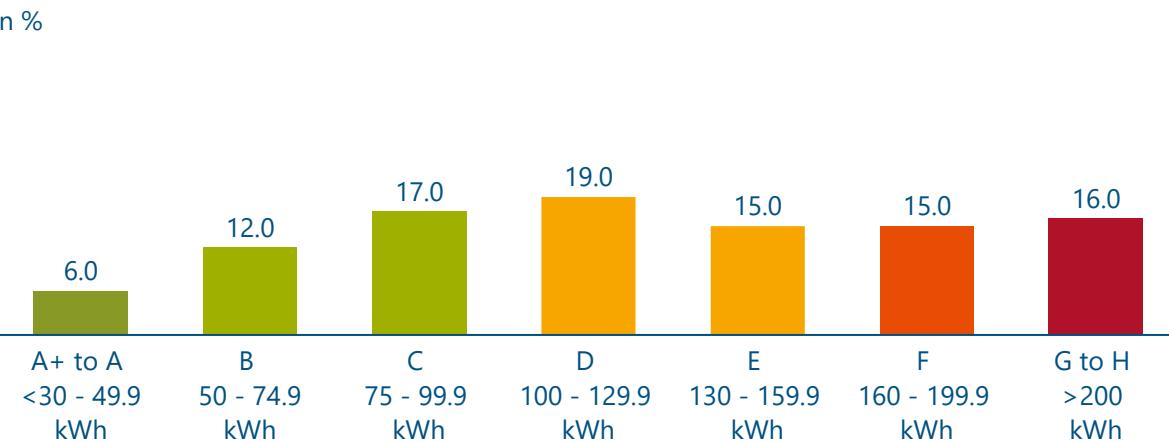
# Energy efficiency

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 CO<sub>2</sub> intensity of the HOWOGE portfolio is 17.45 kg CO<sub>2</sub>/sqm per year (for the fiscal year 2022)

# Sustained attractive growth

HOWOGE

## New Construction & Housing

- ~ 7,900 residential units completed
- ~ 12,850 residential units in planning
- ~ 2,400 residential units under construction

### We rely on innovative strategies in building:

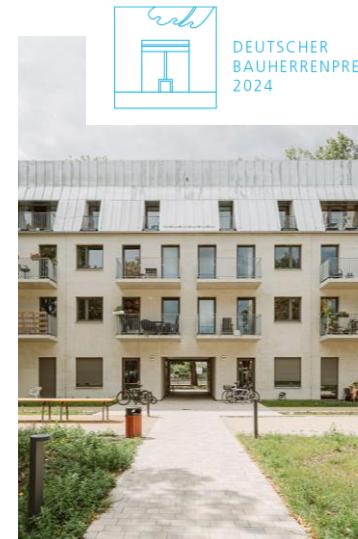
- Wind energy
- Photovoltaics
- Wood hybrid construction
- Type house

#### Pilot projects



**Urban Wood Construction**  
Berlin-Adlershof

#### Award-winning projects



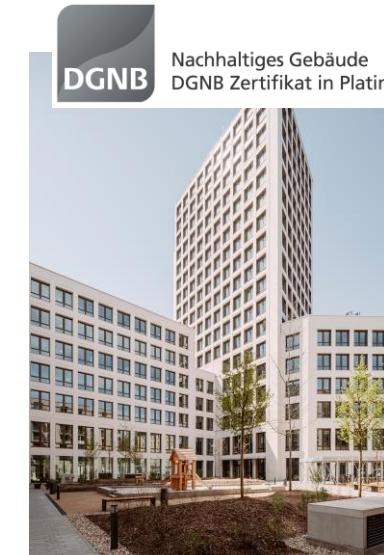
**Hauptstraße 41–49c**  
Berlin-Rummelsburg



**Sewanstraße 20–22**  
Berlin-Friedrichsfelde



DEUTSCHER  
BAUHERRENPREIS  
2024



**Stefan-Heym-Platz 1 (Office)**  
Berlin-Lichtenberg



Nachhaltiges Gebäude  
DGNB Zertifikat in Platin

# 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

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](http://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](http://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](mailto:investorrelations@howoge.de)

**Sebastian Jacob**

+49 3054642474

**Sophia Behnke**

+49 3054641071

**Thank you.**