

Press Release

Annual earnings as at 31 December 2021

Successful financial year in 2021 for Deutsche Wohnen and a positive outlook

- **Stable growth of key performance figures, increase of just under EUR 1.9 billion in value of property portfolio**
- **Sound FFO I, further NAV growth expected in current year**
- **Strong foundation for further development**

Berlin, 31 March 2022. Deutsche Wohnen SE can look back on a successful financial year in 2021 and also anticipates a positive development of its business in 2022. In the past financial year the company achieved important goals in its business operations and posted earnings after taxes of EUR 919 million (previous year: EUR 1,553.1 million). The decrease in annual earnings is attributable to reduced disposals activity, goodwill amortisation, fair value adjustments of convertible bonds, and transaction-related one-off costs in connection with the merger with Vonovia SE. The adjusted EBITDA (without disposals) rose by 1.6% to EUR 715.8 million. Contracted rental income was EUR 843.6 million, which corresponds to a rise of 0.7% compared to the previous year despite the reduction in size of the company's holdings due to disposals. Further key company figures also showed a highly satisfactory development. For example, at EUR 1.54, FFO I per share was just 0.6% down on the previous year and so was within the guidance; the loan-to-value ratio (LTV) fell from 37.0% to 28.6%, and NAV per share rose by 4.7% to EUR 54.39. The portfolio registered an increase in value of a total of approximately EUR 1,862 million (previous year: c. EUR 1,856 million).

Konstantina Kanellopoulos, Co-CEO of Deutsche Wohnen: "Last year, Deutsche Wohnen set the right strategic course for its future development. The most significant event was the successful merger with Vonovia. In addition, Deutsche Wohnen intensified its new-build activities and gave consistent priority in its business activities to sustainability. Together with Vonovia, we can now be a stronger presence and provide viable, long-term solutions to the need for affordable and climate-friendly housing."

Lars Urbansky, Co-CEO of Deutsche Wohnen: "The past financial year was very successful for Deutsche Wohnen despite the ongoing coronavirus crisis. We achieved our operating goals, continued to improve the quality of our portfolio, and strengthened our balance sheet. Moreover, an important milestone was the sale of around 11,000 residential and commercial units to the

State of Berlin, which meant that we were able to make a contribution to expanding the amount of state-owned housing in the city.”

Responsible partner for Berlin and beyond

The sale of selected properties to the State of Berlin, which was announced in September 2021, is part of the ‘Future and Social Housing Pact’ (“Zukunfts- und Sozialpakt Wohnen”) that Deutsche Wohnen and Vonovia presented in May 2021 together with the Berlin Senate. In this context, a total of around 20,000 flats have been offered for sale to the State of Berlin by both companies. In September 2021, an agreement was reached with three state-owned housing companies in Berlin, HOWOGE Wohnungsbaugesellschaft mbH, degewo AG and Berlinovo Immobilien Gesellschaft mbH, regarding the sale of around 14,750 residential and 450 commercial units. This transaction underlines the constructive cooperation that exists with the State of Berlin.

In view of the coronavirus pandemic, Deutsche Wohnen dispensed completely with rent increases during the past two years. Furthermore, average rent increases across the portfolio in Berlin are being limited to one per cent this year and in the next two years as well. Thereafter, rent increases will be limited to the rate of inflation for two further years.

Focus on climate protection

In the financial year just ended, Deutsche Wohnen continued to drive its climate strategy. The company’s climate protection levers include targeted investment in the modernisation of its holdings, the expansion of decentralised heating and hot water supply, the use of renewable energy forms, the building of new, climate-friendly housing, and the development of buildings automation and smart applications for controlling heating systems.

In order to make its activities in the area of sustainability even more transparent, Deutsche Wohnen has introduced a new methodology for evaluating climate risks to its holdings. Indeed, the methodology is precisely tailored to the needs of the property industry and to the business and climate strategy of the company. This new approach is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the internationally recognised initiative on company reporting of climate-related financial opportunities and risks. In the German property sector, Deutsche Wohnen is taking on a pioneering role in adopting this new tool for analysing climate scenarios. In the course of Deutsche Wohnen’s integration into Vonovia, this technical solution will also be deployed in future across the entire Group.

Positive outlook for 2022

Deutsche Wohnen takes a positive view of the financial year 2022 and anticipates that the key company figures will develop soundly. Its forecast envisages an FFO I in the amount of EUR 490 million and further NAV growth. As already announced by the majority shareholder Vonovia SE, it is intended to reinvest liquid capital and not to distribute it in the form of a dividend.

Overview of business development

	2021 (EUR m)	2020 (EUR m)
Earnings from Residential Property Management	733.0	720.4
Earnings from Disposals	2.0	20.4
Earnings from Nursing and Assisted Living	85.7	82.0
Corporate expenses	-115.3	-105.9
Other expenses/revenues	-70.8	-30.2
Operating result (EBITDA)	634.6	686.7
Depreciation	-213.9	-40.0
Fair-value adjustment of investment properties	1,862.3	1,856.4
Gains/ losses from companies valued at equity	-3.3	17.4
Financial result	-503.3	-268.3
Earnings before taxes (EBT)	1,776.4	2,252.2
Current taxes	-113.6	-71.1
Deferred taxes	-743.8	-628.0
Profit for the period	919.0	1,553.1

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed property companies in Europe and is part of the Vonovia Group. The business focus of the company is on managing its own portfolio of residential properties in dynamic metropolitan regions and conurbations in Germany. Deutsche Wohnen sees itself as having both a social responsibility and a duty to maintain and newly develop good-quality and affordable housing in vibrant residential neighbourhoods. As at 31 December 2021, the portfolio comprised a total of around 154,000 units, of which 151,000 were residential and around 3,000 commercial.

Important note

This publication is neither an offer to sell nor a solicitation to buy securities.

To the extent that this document contains forward-looking statements, these are not facts and are recognisable by such words as 'will', 'expect', 'believe', 'estimate', 'intend', 'endeavour', 'assume' and similar expressions. These statements express the intentions, opinions or current expectations and assumptions of Deutsche Wohnen and the individuals acting in concert with it. The forward-looking statements are based on current plans, estimates and forecasts that Deutsche Wohnen and the individuals acting in concert with it have made to the best of their knowledge, but do not make any claims as to their future accuracy. Forward-looking statements are subject to risks and uncertainties that are generally difficult to predict and are usually not within the control of Deutsche Wohnen or the individuals acting in concert with it. It should be remembered that the actual results or consequences may differ considerably from those mentioned or contained in the forward-looking statements.

