

Press Release

Interim result as of 30 June 2020

Deutsche Wohnen sharpens the profile of its portfolio and takes further action on new builds and climate protection in Germany

- **Decisive improvement in quality of portfolio following successful transactions**
- **Significant expansion of project development capacity due to stake in QUARTERBACK Immobilien AG, and increase in volume of new builds to more than EUR 5 billion**
- **Specific drive for more climate protection in the housing sector**

Berlin, 13 August 2020. The first half-year of 2020 was characterised by the corona pandemic for Deutsche Wohnen too. The company adopted measures to protect its staff, tenants and business partners at an early stage and, with its corona support fund, introduced a tool to mitigate the economic impact of the pandemic particularly for its commercial tenants. Fortunately, the consequences of the corona pandemic for Deutsche Wohnen's tenants have been less severe up to now than expected. Around 1% of households in our holdings have turned to the company with enquiries and specific requests for help. Moreover, the situation in Deutsche Wohnen's nursing homes continues to be under control thanks to strict protective measures.

As Michael Zahn, CEO of Deutsche Wohnen, explains, "It is very much in this crisis that Germany's welfare state has demonstrated its strength. But business and, in particular, the housing sector have taken on responsibility in this situation too. Our management of this crisis should not tempt us, however, to neglect other key social policy challenges like climate protection and the housing shortage. This is why, for example, we have presented a specific and practical proposal for achieving a turnaround in climate policy in the housing sector and also doubled our new-build potential."

Stable performance in the first half-year

In the first half-year, Deutsche Wohnen's business performance was stable and largely unaffected by the corona pandemic. At EUR 370.7 million, earnings from Residential Property Management were slightly above the level of the previous year (EUR 365.1 million).

Unlike the previous year, a value uplift of the company's property holdings was not carried out this year, which is reflected in a significantly lower valuation result and consequently in a profit for the period of EUR 216.7 million (H1 2019: EUR 603.1 million). At EUR 0.80 per share, FFO I remained more or less stable compared to the previous year (H1 2019: EUR 0.81). The NAV per share rose by EUR 0.38 to EUR 47.40 compared with 31 December 2019. At 38.6%, the LTV (loan-to-value ratio) continued to be in the planned range of 35-40%. Against the background of the solid business performance during the first 6 months of this year, the forecast for the financial year 2020, for which an FFO I at the level of the previous year is expected, can be confirmed.

Consistent implementation of portfolio strategy through successful transactions

In the first half-year, Deutsche Wohnen carried out value-enhancing transactions in order to further optimise the quality of its portfolio and the efficiency of its property management. For example, in June the sale of approximately 6,400 flats and commercial units to LEG Immobilien AG was announced. At the same time, the company made use of purchasing opportunities in centres of growth in Germany, most recently with the acquisition of around 450 flats and commercial units in central locations in Berlin, Potsdam and Dresden.

Michael Zahn: "Deutsche Wohnen stands out from its competitors particularly because of the high quality of its portfolio and the continuous development in the value of its holdings. These successful transactions underline our ambition to develop a highly attractive property portfolio with a clear focus on Germany's top growth markets, and to be seen as a leading provider of quality in the housing and nursing care sectors in Germany."

Significant expansion of the project development pipeline

Deutsche Wohnen has acquired a minority stake of 40% in QUARTERBACK Immobilien AG. In so doing, the company has secured access to a large number of attractive new-build projects in its core markets, particularly in the Leipzig/Dresden region. Recently, Deutsche Wohnen has reached an agreement with the Munich-based project developer ISARIA to acquire a project development platform. Together with QUARTERBACK Immobilien AG, which is based in Leipzig, Deutsche Wohnen now has a new-build portfolio of around 90 projects in total in the residential and commercial sectors, which corresponds to an investment volume of more than EUR 5 billion. In addition, there is further new-build activity in the nursing care and assisted living sector, which will enable the company to continue to strengthen its position in this segment of the market.

Deutsche Wohnen drives the issue of sustainability in the housing sector

In Germany, buildings are responsible for one third of the country's CO2 emissions. At the same time, public acceptance of energy-efficient refurbishments is dwindling. To improve the level of acceptance, Deutsche Wohnen has developed a model that enables climate protection to be compatible with social responsibility. Our "Plan for socially responsible climate protection in the housing sector" aims to significantly increase the rate of

refurbishment work in the housing sector as a way of helping to achieve national climate protection goals. In essence, the idea is to relieve tenants completely of the costs of modernisation work at first and to close this gap in financing by using resources from the Energy and Climate Fund. Only incrementally over the course of several years do the tenants then contribute to these costs. In this way, they benefit directly from lower energy consumption whilst gradually taking on a share of the associated climate protection costs. This idea is now being discussed and further developed in collaboration with experts from the fields of business, academic research and politics.

Overview business development

	H1 2020 (EUR m)	H1 2019 (EUR m)
Earnings from Residential Property Management	370.7	365.1
Earnings from Disposals	-3.6	23.6
Earnings from Nursing and Assisted Living	42.5	43.9
Corporate expenses	-53.6	-47.4
Other expenses/revenues	-21.8	-3.3
Operating result (EBITDA)	334.2	381.9
Depreciation and amortization	-19.0	-19.7
Changes in fair value of investment properties	177.0	451.3
Earnings from companies valued at equity	1.1	1.9
Financial result	-180.8	-23.8
Earnings before taxes (EBT)	312.5	791.6
Current taxes	-19.1	-20.3
Deferred taxes	-76.7	-168.2
Profit/loss for the period	216.7	603.1

Deutsche Wohnen

Deutsche Wohnen is one of the largest publicly listed residential property companies in Germany and Europe with a business focus on managing and developing its portfolio, which consists mainly of residential properties. As at 30 June 2020, the portfolio comprised a total of 165,000 units, of which 162,000 are residential and 2,900 commercial. The company is listed in the Deutsche Börse's DAX and is also included in the leading indices EPRA/NAREIT, STOXX Europe 600, GPR 250 and DAX 50 ESG.

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

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