

Corporate News

Interim result as at 31 March 2021

Deutsche Wohnen makes positive start to the financial year 2021

- › Increase in FFO I in comparison to previous year of 8.8% to EUR 154.8 million
- › EPRA NTA at EUR 52.50 per share
- › Stable outlook with forecast confirmed
- › Responsible handling of court judgment on rent freeze
- › Investors support sustainability strategy

Berlin, 12 May 2021. Deutsche Wohnen has completed the first quarter of 2021 with its key figures having developed positively. The decision of the Federal Constitutional Court has put an end to the legal uncertainty on Berlin's residential property market and has created scope for investment in existing properties and new builds. And for the first time in its history, Deutsche Wohnen issued green corporate bonds.

Federal Constitutional Court overturns Berlin's rent freeze

On 15 April, the Federal Constitutional Court published its decision that the law on limiting rents in housing in Berlin, the so-called rent freeze, is unconstitutional. Deutsche Wohnen welcomes this prompt decision by the court because it creates the necessary legal certainty for tenants and landlords. Deutsche Wohnen has stated that no tenants will have to lose their flat because of demands for rent arrears. The payment of instalments over the long term, the deferral of payments, and individual solutions in cases of hardship form the basis of our socially responsible handling of the consequences of this law being overturned.

As Michael Zahn, Chief Executive Officer (CEO) of Deutsche Wohnen SE, explains, "The end of the rent freeze should, at the same time, be the beginning of our working together to find long-term solutions to the challenges posed by Berlin's residential property market. So, Deutsche Wohnen was pleased to accept the invitation of the Governing Mayor to take part in a round table discussion about housing and house-building. With our promise to tenants, our coronavirus relief fund or our plan for socially responsible climate protection in the

property sector, however, we too have made proposals of our own for a fair and sustainable residential property market.”

Deutsche Wohnen supports decision on Berlin’s table of representative rents

Following the decision of the Federal Constitutional Court, the Berlin Senate has decided to update its rental table in line with the consumer price index.

Lars Urbansky, Chief Operating Officer (COO) of Deutsche Wohnen: “We support this decision because it will give tenants reliability and predictability concerning the rent they have to pay. An index-linked rent can also be a helpful approach to achieving transparent and consistent nationwide standards.”

As it has up to now, Deutsche Wohnen will in future check rent levels with reference to the table of representative rents. In doing so, the company will continue to dispense with other comparators that are permissible as a justification for rent adjustments, for example the rents of comparable flats in the locality.

And Lars Urbansky goes on to point out, “In response both to the court decision on the rent freeze and the current situation with regard to the corona pandemic, we have also decided not to make any rent increases in the current year.”

Investors support sustainability strategy

In the first quarter, Deutsche Wohnen issued green bonds for the first time and generated proceeds in the amount of EUR 1 billion.

Chief Financial Officer (CFO) Philip Grosse: “Despite the volatile market and interest rate conditions, we succeeded in issuing the bonds to important institutional investors on very attractive conditions. This shows that the company’s ambitious climate strategy has the broad backing of investors.”

In addition, Deutsche Wohnen published its Sustainability Report at the end of April for what is the ninth time now. In the report, the company provides information about the progress it is making in its commitment to sustainability and also sets itself challenging goals for the future.

For example, the company plans for its holdings to be climate-neutral by as early as 2040. Building on its work of previous years, Deutsche Wohnen will invest above all in the energy-efficient modernisation of its properties and in the low-carbon generation of heat and electricity. The interlinking of different segments of the energy sector and the use of solar cell systems are just as important as cornerstones of this strategy as climate-friendly new builds, building automation and smart applications for regulating heating.

Deutsche Wohnen wants to make this journey towards climate-neutral holdings together with its tenants. Against this background, it would like to reinforce the promise it made to its

tenants that no tenant needs to be worried that their flat will become unaffordable in the face of rent adjustments or as a result of refurbishment measures.

Last but not least, customer satisfaction is for Deutsche Wohnen one of the most important cornerstones of the company's success. For this reason, a comprehensive tenants' survey will be conducted this year as well. This will help to put together specific measures with regard to customer service and the design of our residential estates.

Positive start to the financial year

Deutsche Wohnen has made a positive start to the financial year 2021. In comparison to the previous year, FFO I increased by 8.8% to EUR 154.8 million and by 12.5% per share to EUR 0.45. The Net Asset Value (EPRA NTA – Net Tangible Assets) has risen slightly since the end of 2020 by approximately 1% to EUR 52.50 per share. At 37.3% at the end of March, the Loan-to-Value Ratio (LTR) continued to be comfortably within the target range of 35-40%. On this basis, Deutsche Wohnen is staying with its forecast for the financial year 2021.

Overview of business development*

Profit and loss statement		Q1 2021	Q1 2020	Change
Earnings from Residential Property Management	EUR m	193.1	186.4	3.6%
Earnings from disposals before valuation gains due to disposal	EUR m	17.6	4.8	266.7%
Earnings from Nursing and Assisted Living	EUR m	19.6	20.6	-4.9%
EBITDA (adjusted)	EUR m	208.6	187.8	11.1%
Earnings after taxes	EUR m	199.7	125.4	59.3%
FFO I	EUR m	154.8	142.3	8.8%
FFO I per share	EUR	0.45	0.40	12.5%

Balance sheet		31.03.2021	31.12.2020	Change
Investment properties	EUR m	28,243.9	28,069.5	0.6%
Equity	EUR m	14,040.9	13,832.8	1.5%
Loan-to-Value ratio (LTV)	in %	37.3	37.0	0.3pp
EPRA NTA	EUR m	18,054.4	17,844.4	1.2%
EPRA NTA per share	EUR	52.50	51.91	1.1%

Non-financial key figures	31.03.2021	31.03.2020	Change
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Number of residential and commercial units		157,476	164,253	-4.1%
In-place rent (residential)	EUR /sqm	7.12	6.92	2.9%
Vacancy rate (residential)	in %	1.6	1.9	-0.3pp

**The decision of the Federal Constitutional Court to regard the so-called rent freeze as unconstitutional has already been taken into account in these figures.*

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed residential property companies in Europe. 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 March 2021, the portfolio comprised a total of around 157,500 units, of which 154,600 were residential and 2,900 commercial units. Deutsche Wohnen SE 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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