

Press Release

Interim result as at 30 September 2021

Deutsche Wohnen in a strong position following third quarter

- › **Majority of shareholders support merger with Vonovia**
- › **Continuing high level of investment in new builds**
- › **Sale of units to the state of Berlin**
- › **Key figures confirm sustainable development of company**

Berlin, 12 November 2021. Deutsche Wohnen has successfully completed the third quarter in 2021. Substantial factors in this success were once again extensive investment in new-builds, the sale of a large number of units to the state of Berlin and the achievement of the key figures that had been forecast. The merger with Vonovia has found the broad support of the shareholders. And this support has smoothed the path for Deutsche Wohnen to have a successful future within this new corporate group.

Michael Zahn, CEO of Deutsche Wohnen: “Over the past ten years, Deutsche Wohnen has developed extremely successfully. In so doing, we have laid the foundations for being able to make a genuine contribution to meeting the major societal challenges we face: through new builds, climate protection and by providing answers to demographic change. The clear vote from our shareholders strengthens our resolve to continue together with Vonovia on the path we have embarked on.”

Majority of shareholders support merger with Vonovia

Following the end of the acceptance period for Vonovia SE’s takeover offer, just under 88% of the shareholders have followed the recommendation of the management and supervisory boards and have tendered their shares. This shows that the merger of both companies has found exceptionally broad support amongst the shareholders. With Michael Zahn as Deputy CEO and Philip Grosse as CFO, two representatives of Deutsche Wohnen will take their places on the board of management of the Vonovia group. In addition, Lars Urbansky has been appointed to the board of management of Deutsche Wohnen as COO for a further five years.

Continuing high level of investment in new builds

Deutsche Wohnen's new-build activities were bundled together in QUARTERBACK Immobilien AG in 2021, thus creating an effective combination of sustainable project development and the tenant-oriented management of holdings. This platform now serves all the major locations in Germany, from Berlin, Dresden and Hamburg to Cologne and Munich.

In the first nine months of the current year, approximately EUR 262 million was invested in new builds for the company's own portfolio. The entire project pipeline for such holdings envisages a total investment volume of around EUR 5.8 billion and the construction of a total of around 11,300 residential units and 1,200 commercial units. The overall project pipeline on this new-build platform has a total volume of more than 24,000 flats.

Deutsche Wohnen has set itself the ambitious goal of achieving climate-neutral holdings by 2040. This goal is also firmly embedded in the company's new-build programme. Accordingly, it is planned to certificate every project in future with high sustainability standards.

Sale of units to the state of Berlin

In September, Deutsche Wohnen sold approximately 11,000 units to housing corporations that are owned by the state of Berlin. This sale meant that the announcement of a "Social housing pact for the future", which was made in May together with Vonovia, has been successfully put into practice.

In addition to supporting the state of Berlin in expanding its stock of publicly owned housing, this pact envisages further guarantees for the city of rented housing that is Berlin. For example, Deutsche Wohnen and Vonovia have undertaken to limit scheduled rent increases in their Berlin holdings to an average of one per cent a year for three years. In the two years that follow, the limit will be in line with the rate of inflation. In the case of modernisation work for climate protection, the costs passed on to the tenants will be limited to a maximum of EUR 2.00 per sqm. It is also intended to extend particular support to families with young children who are looking for a flat. And flats will be made available to help prevent homelessness too. Finally, the agreement envisages an acceleration of the new-build programme and the construction of 13,000 new units in the capital city during the years to come.

In the first nine months of this year further sales, particularly in Rhineland Palatinate, were conducted. Accordingly, more than 3,000 residential and commercial units were sold to institutional purchasers with the aim of streamlining the company's portfolio.

Key figures confirm sustainable development of company

The third quarter has confirmed that Deutsche Wohnen is firmly on a course of healthy and sustainable growth. For example, at EUR 560.8 million, earnings from residential property management were slightly higher than in the previous year (EUR 553.9 million). At EUR 422.2 million, FFO I was more or less at the same level as the previous year despite disposals. Compared with the reporting date of 31 December 2020 (EUR 51.93), EPRA NTA per share rose by 2.7% to EUR 53.32. The gain from the valuation of properties was

EUR 1,484.8 million. This was mainly due to the revaluation of the portfolio as at 30 September and underscores the attractiveness of our portfolio as well as the level of demand in the market for residential properties. At the end of the third quarter, the Loan-to-Value ratio (LTV) was 35.4%.

Given these figures, the forecast for the financial year 2021, for which an FFO I at the level of the previous year is expected, can be confirmed.

Overview of business development

Profit and loss statement		9M 2021	9M 2020	Change
Earnings from Residential Property Management	EUR m	560.8	553.9	1.2%
Earnings from disposals before valuation gains due to disposal	EUR m	30.5	45.3	-32.7%
Earnings from Nursing and Assisted Living	EUR m	61.7	62.0	-0.5%
EBITDA (adjusted)	EUR m	575.3	589.4	-2.5%
Earnings after taxes	EUR m	840.6	337.9	148.8%
FFO I	EUR m	422.2	420.7	0.4%
FFO I per share (undiluted)	EUR	1.22	1.20	1.7%

Balance sheet		30.09.2021	31.12.2020	Change
Investment properties	EUR m	27,861.5	28,069.5	-208.0
Equity	EUR m	15,498.0	13,841.3	1,656.7
Loan-to-Value Ratio (LTV)	in %	35.4	37.0	-1.6
EPRA NTA	EUR m	21,169.9	17,852.9	18.6%
EPRA NTA per share	EUR	53.32	51.93	2.7%

Non-financial key figures		30.09.2021	30.09.2020	Change
Number of residential and commercial units		157,583	165,659	-4.9%
In-place rent (residential)	EUR pro m ²	7.17	6.93	3.5%
Vacancy rate (residential)	in %	1.6	1.7	-0.1%

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 30 September 2021, the portfolio comprised a total of around 158,000 units, of which 155,000 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.