

Consolidated Interim Statement  
as of 30 September 2021

# For people. For tomorrow.

# Contents

<b>2</b>	<b>GROUP KEY FIGURES</b>
<b>3</b>	<b>GROUP INTERIM MANAGEMENT REPORT</b>
<b>32</b>	<b>CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b>
<b>39</b>	<b>FURTHER INFORMATION</b>

## GROUP KEY FIGURES

Income statement		9M 2021	9M 2020	Change
Contracted rental income	EUR m	634.2	634.5	0.0%
Earnings from Residential Property Management	EUR m	560.8	553.9	1.2%
Earnings from disposals before valuation gains due to disposals	EUR m	30.5	45.3	-32.7%
Earnings from Nursing and Assisted Living	EUR m	61.7	62.0	-0.5%
Corporate expenses	EUR m	-84.4	-78.4	7.7%
EBITDA (adjusted)	EUR m	575.3	589.8 <sup>4</sup>	-2.5%
EBT (adjusted)	EUR m	416.3	466.7 <sup>4, 5, 6</sup>	-10.8%
EBT (as reported)	EUR m	1,471.2	455.9 <sup>5</sup>	222.7%
Earnings after taxes	EUR m	840.6	337.9 <sup>5</sup>	148.8%
Earnings after taxes <sup>1</sup>	EUR per share	2.31	0.95 <sup>5</sup>	144.7%
FFO I	EUR m	422.2	420.7 <sup>6</sup>	0.4%
FFO I (undiluted) <sup>1</sup>	EUR per share	1.22	1.20 <sup>6</sup>	1.7%
FFO I (diluted) <sup>2</sup>	EUR per share	1.12	1.20 <sup>6</sup>	-6.7%
FFO II	EUR m	428.3	449.2 <sup>6</sup>	-4.7%
FFO II (undiluted) <sup>1</sup>	EUR per share	1.24	1.29 <sup>6</sup>	-3.9%
FFO II (diluted) <sup>2</sup>	EUR per share	1.13	1.29 <sup>6</sup>	-12.4%
Balance sheet		30/09/2021	31/12/2020	Change
Investment properties	EUR m	27,861.5	28,069.5	-208.0
Current assets	EUR m	4,671.0	1,745.9	2,925.1
Equity	EUR m	15,498.0	13,841.3 <sup>5</sup>	1,656.7
Net financial liabilities	EUR m	11,235.7	10,840.1	395.6
Loan-to-Value ratio (LTV)	in %	35.4	37.0	-1.6
Total assets	EUR m	33,504.5	30,805.9 <sup>5</sup>	2,698.6
Share		30/09/2021	31/12/2020	Change
Share price (closing price)	EUR per share	52.92	43.69	21.1%
Number of shares (without own shares)	m	366.16	343.77	6.5%
Market capitalisation (without own shares)	EUR bn	19.4	15.0	29.3%
EPRA Net Tangible Assets (NTA)		30/09/2021	31/12/2020	Change
EPRA NTA	EUR m	21,169.9	17,852.9 <sup>5</sup>	18.6%
EPRA NTA	EUR per share	53.32	51.93 <sup>5</sup>	2.7%
Fair values		30/09/2021	31/12/2020	Change
Fair value properties <sup>3</sup>	EUR m	27,610	26,168	1,442
Fair value per sqm living and usable space <sup>3</sup>	EUR per sqm	2,843	2,683	6.0%

1 Based on the weighted average of some 346.71 million shares in circulation in 2021 (without own shares) or some 349.22 million in 2020

2 Based on the weighted average of some 377.55 million shares in circulation in 2021 (without own shares) or some 349.22 million in 2020

3 Only includes residential and commercial buildings, without Nursing and Assisted Living and without right-of-use assets under leases measured according to IFRS 16

4 Calculation method changed in light of valuation gains due to disposal in FFO. Disclosures for prior years have been changed accordingly

5 Previous year's figure changed due to finalisation of the purchase price allocation for the QUARTERBACK transaction

6 Calculation method changed: interest income from loans to the QUARTERBACK Group is no longer included in FFO and is eliminated for adjusted EBT. Disclosures for prior years have been changed accordingly

## GROUP INTERIM MANAGEMENT REPORT

Deutsche Wohnen SE, including its subsidiaries (hereinafter referred to as "Deutsche Wohnen" or "Group") is currently the second-largest publicly listed real estate company in Europe by market capitalisation. The company is listed in the Prime Standard of the German stock exchange.

Its property portfolio comprises approximately 157,600 residential and commercial units and has a fair value of some EUR 27.6 billion<sup>1</sup>. Our property portfolio also includes nursing properties with a fair value of around EUR 1.3 billion comprising approximately 10,300 beds and apartments for assisted living. The focus of our investment is on residential properties in metropolitan areas and conurbations in Germany. Economic growth, positive net immigration and insufficient new construction activity in these areas form the basis for the further development of our portfolio value. We see the addition of the Nursing Assets segment as another growth area, particularly in view of the demographic trends.

### Deutsche Wohnen on the capital market

#### German economy still slowly coming back to life

The effects of the covid pandemic are gradually fading, although another wave of infections in the autumn seems possible. Other risks for the economy still include supply bottlenecks and weaker demand from China. Overall, economic growth in Western countries is forecast to slow.

Despite these somewhat chilling trends, the DIW Berlin (German Institute for Economic Research) anticipates that economic growth in Germany will come to 2.1% in 2021. Inflation has risen to 3.0% over the year to date, particularly due to higher oil prices and a return to the normal rate of VAT, and so is at least temporarily higher than the central bank's inflation target. The expectation is that inflation will remain slightly higher in the year ahead at around 2.0%, since companies are passing on some of their rising production costs caused by a shortage of materials and services.

The labour market has picked up substantially since the summer. The number of employees on short-time work shot up during the lockdown that began in November 2020, reaching a peak well in excess of 3 million, but has fallen by half since spring 2021. Unemployment will fall slightly this year. An unemployment rate of 5.8% is expected for 2021.<sup>2</sup>

#### Stock markets slightly down in third quarter

Share price performance was somewhat more moderate in the third quarter, partly due to rising energy prices. In particular the steep rise in petrol and gas prices led to higher inflation expectations. On the other hand, the lower number of covid infections and absence of new variants of coronavirus had a positive impact.

<sup>1</sup> Excluding advance payments, units under construction and undeveloped land

<sup>2</sup> DIW weekly report 37/2021: Basic economic trends in autumn 2021

### Deutsche Wohnen share stable around the bid price

The Deutsche Wohnen share ended the first nine months of 2021 at a closing price of EUR 52.92, a gain of 23.6% on the closing price for 2020. When the Federal Constitutional Court announced its rent freeze ruling on 15 April 2021, the share price rose dramatically in comparison with the closing price in the first quarter of 2021. The improved takeover offer of EUR 53.00 from Vonovia SE on 23 August 2021 meant that the share price moved closer to this level. As a result, the share is outperforming the German share indices DAX (+11.2%) and MDAX (+11.6%) and the property indices EPRA Europe (+6.9%) and EPRA Germany (-3.8%).

The market capitalisation of Deutsche Wohnen SE saw an increase on the previous year period of approximately 32%, taking it to EUR 19.4 billion.<sup>3</sup> Average daily turnover in Xetra trading increased in the nine-month period by roughly 46% from EUR 42.23 million to EUR 61.56 million. The average Xetra trading volume of the Deutsche Wohnen share in the first nine months of 2021 was around 1.3 million shares per day. Due to the majority takeover by Vonovia SE, Deutsche Wohnen SE was excluded from the German benchmark index DAX with effect from 29 October 2021.

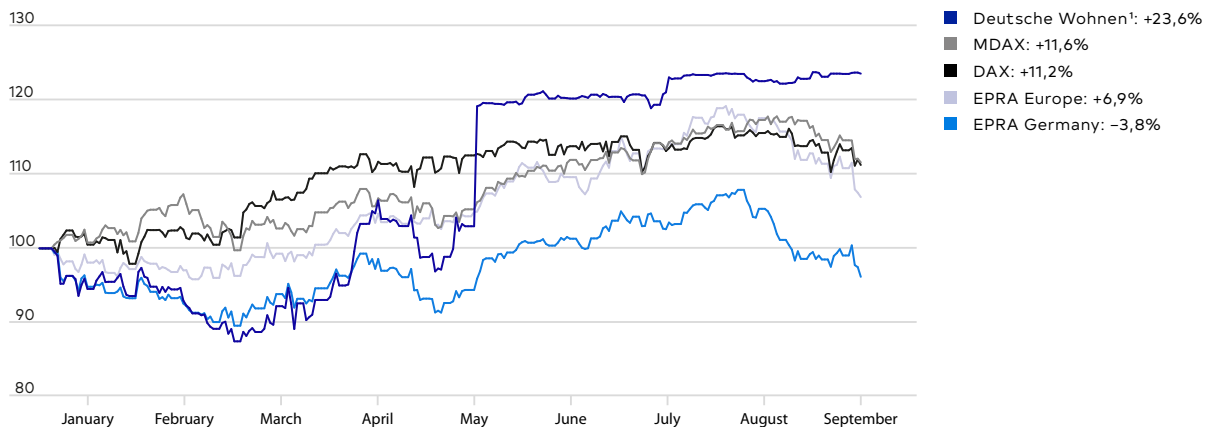
### Improved takeover offer by Vonovia SE successful

On 23 June 2021, Vonovia SE published a voluntary public takeover offer for all outstanding Deutsche Wohnen SE shares. The shareholders of Deutsche Wohnen SE received an offer per share amounting to EUR 52.00 in cash. On 23 July 2021 Vonovia SE announced that it had just missed the minimum acceptance threshold of 50%. Investors were then made a new offer of EUR 53.00 per share, an increase of EUR 1.00 per share. All conditions for the offer were waived on 13 September 2021. The Management Board and Supervisory Board have supported the offer by Vonovia SE and advised shareholders to accept it.

Taking into account dividends for the financial year 2020, the offer price of EUR 53.00 is the equivalent of a premium of 17.8% on the closing price of the Deutsche Wohnen share from 21 May 2021 and a premium of 24.8% based on the weighted average price of the Deutsche Wohnen share over the three months up to 21 May 2021. The Deutsche Wohnen SE joint statement with grounds for the recommendation can be found online at <https://ir.deutsche-wohnen.com/websites/dewohnen/English/1910/takeover-of-fer-of-vonovia-se.html>. Vonovia SE announced on 7 October 2021 that at the end of the first deadline for acceptance it held more than 60% of voting rights (on a fully diluted basis) in Deutsche Wohnen SE. The extended acceptance deadline, which ended on 21 October 2021, resulted in an increase in the voting rights held to 87.71% (on a fully diluted basis). In addition, the convertible bond 2017–2026 with a total nominal amount of EUR 800 million and the convertible bond 2017–2024 with a total nominal amount also of EUR 800 million will be exchanged for shares in the course of the takeover.

<sup>3</sup> Taking into account 369.5 million outstanding shares minus 3.36 million own shares

## Share price performance, 9M 2021 (indexed)



<sup>1</sup> Share price, adjusted for dividend payment

Key figures for the share	9M 2021	9M 2020
Number of shares in m	approx. 369.52	approx. 359.84
Of which own shares in m (as of 30 September)	approx. 3.36	approx. 16.07
Price at end of 9M <sup>1</sup> in EUR	52.92	42.69
Market capitalisation in EUR bn	approx. 19.4 <sup>3</sup>	approx. 14.7 <sup>3</sup>
Nine-month high <sup>1</sup> in EUR	53.00	46.20
Nine-month low <sup>1</sup> in EUR	37.46	27.62
Average daily Xetra trading volume <sup>2</sup>	1,331	1,101,692

<sup>1</sup> Closing price in Xetra trading

<sup>2</sup> Shares traded

<sup>3</sup> Taking into account 369.5 million (9M 2020: 359.8 million) outstanding shares minus 3.36 million (9M 2020: 16.07 million) own shares

Source: Bloomberg, as of 30 September 2021

## Broad analyst coverage continues

A total of 24 equity analysts are currently<sup>4</sup> monitoring the performance of Deutsche Wohnen SE. Current<sup>4</sup> price targets range from EUR 40.10 to EUR 58.00 per share. Eighteen analysts have set a target price equal to or above EUR 53.00 per share. The median of all analyst estimates is EUR 53.00<sup>4</sup> per share, which is the same as the takeover offer by Vonovia SE. Many analysts adjusted their price targets accordingly when the Vonovia SE takeover offer was announced.

Rating	Quantity
Buy/Outperform/Overweight	8
Equal Weight/Hold/Neutral	13
Sell	3

## Intensive dialogue with the capital market

Deutsche Wohnen maintains a transparent, wide-ranging dialogue with its shareholders, analysts and investors. It makes particular use of investor conferences and roadshows on the national and international stage. The ongoing pandemic and the ensuing precautions and travel restrictions meant that virtual meetings and conference calls remained the rule in the first nine months of the year.

<sup>4</sup> As of 7 October 2021

An overview of these dates can be found in the financial calendar on our Investor Relations home page.

## Property portfolio

### Portfolio overview

Deutsche Wohnen manages one of the largest property portfolios in Germany, comprising approximately 154,700 residential and 2,900 commercial units (approximately 4% of its overall floor space). We focus on fast-growing metropolitan areas and conurbations, which are known as Core<sup>+</sup> markets, and make up around 93% of the portfolio.

As of 30 September 2021, the average in-place rent for the properties in Deutsche Wohnen's portfolio amounted to EUR 7.17 per sqm (previous year: EUR 6.93 per sqm), with a consistently low vacancy rate of 1.6% (previous year: 1.7%).

30/09/2021	Residential					Commercial	
Macroclusters and regions	Residential units	Area	Share of residential units	In-place rent <sup>1</sup>	Vacancy rate	Commercial units	Area
	number	in thousand sqm	in %	EUR/sqm	in %	number	in thousand sqm
<b>Core<sup>+</sup></b>	<b>144,141</b>	<b>8,629</b>	<b>93.2</b>	<b>7.24</b>	<b>1.6</b>	<b>2,698</b>	<b>399</b>
Greater Berlin	113,615	6,745	73.4	7.13	1.1	1,830	246
Dresden/Leipzig	10,804	701	7.0	6.49	3.1	552	81
Frankfurt	9,415	564	6.1	9.03	3.4	152	27
Hanover/Brunswick	5,909	367	3.8	6.53	3.0	71	31
Cologne/Düsseldorf	2,787	158	1.8	9.35	3.2	70	8
Other Core <sup>+</sup>	1,611	95	1.0	9.21	0.6	23	5
<b>Core (other)</b>	<b>10,399</b>	<b>662</b>	<b>6.7</b>	<b>6.25</b>	<b>1.8</b>	<b>168</b>	<b>23</b>
<b>Non-Core</b>	<b>177</b>	<b>11</b>	<b>0.1</b>	<b>6.12</b>	<b>3.4</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>154,717</b>	<b>9,303</b>	<b>100.0</b>	<b>7.17</b>	<b>1.6</b>	<b>2,866</b>	<b>422</b>

<sup>1</sup> Contractually owed rent for let apartments divided by let surface area

### Portfolio development

#### Acquisitions

In the first nine months of 2021, contracts were signed for some 280 residential and commercial units for a total purchase price of approximately EUR 32 million. They are largely in Core<sup>+</sup> markets. The acquisitions were mostly late 19th century *Gründerzeit* houses and *Altbau* buildings in central locations, which make a further contribution to improving the quality of our portfolio.

#### Disposals

In the first nine months of 2021, we sold and transferred the risks and rewards for a total of 1,260 residential and commercial units for EUR 197.3 million. Of these, 174 units were sold as part of the privatisation programme while institutional sales accounted for 1,086.

In the process of portfolio streamlining, we also sold two residential property portfolios in Rhineland-Palatinate. On the one hand 2,212 residential and commercial units to the LEG Immobilien AG group for a total of EUR 293 million and on the other hand 930 residential and commercial units to an institutional investor. Transfer of risks and rewards for the properties is expected to take place in the fourth quarter of 2021.

In addition, we sold a total of around 10,700 residential units and a good 200 commercial units in Berlin to the three state-owned housing companies HOWOGE Wohnungsbaugesellschaft mbH, degewo AG and Berlinovo Immobilien Gesellschaft mbH. The sales price of around EUR 1.65 billion is roughly in line with the carrying amounts of the properties. Risks and rewards for the properties are expected to be transferred in the first quarter of 2022. The sale of the apartments was announced at the same time as the merger with Vonovia on 24 May 2021 and forms part of the "Future and Social Housing Pact" for Berlin presented by the companies and the Berlin Senate.

For further details of the segment earnings from disposals, please refer to pages 20 and 21.

## Operating performance

Following the ruling that the Berlin rent freeze for residential properties [Gesetz zur Mietenbegrenzung im Wohnungswesen in Berlin – MietenWoG Bln] was unconstitutional and therefore null and void, Deutsche Wohnen will continue to show the greatest social responsibility as far as the possibility of back payments for reduced rents by our tenants is concerned. In any cases of hardship, we will work with the tenants to find individual solutions.

Deutsche Wohnen has also renewed its promise that no tenants will lose their home as a result of the decision by the Federal Constitutional Court.

Area-based like-for-like rent rose by 1.2% in the past twelve months to EUR 7.16 sqm, whereby the effects of the rent freeze are already no longer included. During the ongoing pandemic, Deutsche Wohnen also did not raise rents.

As of the reporting date, the like-for-like vacancy rate for the overall portfolio was very low, at 1.6%. Of this, 0.5% was due to refurbishment as part of our investment programme.

Like-for-like		30/09/2021	30/09/2020		30/09/2021	30/09/2020
Macroclusters and regions	Residential units	In-place rent <sup>1</sup>	In-place rent <sup>1</sup>	Development	Vacancy rate	Vacancy rate
	number	EUR/sqm	EUR/sqm	in %	in %	in %
<b>Total</b>	<b>153,869</b>	<b>7.16</b>	<b>7.08</b>	<b>1.2</b>	<b>1.6</b>	<b>1.6</b>
<b>Core<sup>+</sup></b>	<b>143,332</b>	<b>7.23</b>	<b>7.15</b>	<b>1.2</b>	<b>1.6</b>	<b>1.5</b>
Greater Berlin	113,228	7.13	7.05	1.1	1.1	1.1
Dresden/Leipzig	10,477	6.46	6.30	2.5	3.2	3.5
Frankfurt	9,412	9.03	8.91	1.4	3.4	2.6
Hanover/Brunswick	5,909	6.53	6.44	1.3	3.0	2.5
Cologne/Düsseldorf	2,696	9.29	9.20	1.0	3.4	4.2
Other Core <sup>+</sup>	1,610	9.21	9.14	0.8	0.6	1.5
<b>Core (other)</b>	<b>10,360</b>	<b>6.25</b>	<b>6.18</b>	<b>1.2</b>	<b>1.8</b>	<b>2.1</b>
<b>Non-Core</b>	<b>177</b>	<b>6.12</b>	<b>6.03</b>	<b>1.5</b>	<b>3.4</b>	<b>2.2</b>

<sup>1</sup> Contractually owed rent for let apartments divided by let surface area



## Portfolio investment

In the first nine months of 2021 we spent some EUR 218.1 million or around EUR 29.91 per sqm on maintenance and refurbishment. Of the total refurbishment costs of EUR 151.0 million, around EUR 79.3 million were for work completed between tenancies and approximately EUR 71.7 million were for complex refurbishment projects.

The following table shows maintenance and refurbishment expenses for the period under review and the same period in the previous year:

EUR m	9M 2021	9M 2020
<b>Maintenance</b>	<b>67.1</b>	<b>72.6</b>
in EUR per sqm	9.20 <sup>1</sup>	9.47 <sup>1</sup>
<b>Refurbishment</b>	<b>151.0</b>	<b>178.2</b>
in EUR per sqm	20.71 <sup>1</sup>	23.26 <sup>1</sup>
<b>Maintenance and refurbishment</b>	<b>218.1</b>	<b>250.8</b>
in EUR per sqm	29.91 <sup>1</sup>	32.73 <sup>1</sup>

<sup>1</sup> Based on the average surface area on a quarterly basis in each period

## Project development

As of 30 September 2021, Deutsche Wohnen has a project pipeline in its own portfolio with a total investment volume of around EUR 5.8 billion, with a total of around 11,300 residential units and 1,200 commercial units. In the first nine months we invested around EUR 260 million in new construction for our own portfolio. This includes building services and purchase prices for building plots.

Deutsche Wohnen also holds a 40% share in QUARTERBACK Immobilien AG. QUARTERBACK Immobilien AG's project developments are primarily sold to institutional investors prior to completion. Increased investment in new residential construction reflects the necessity of tapping into growth potential outside of the increasingly scarce supply of existing portfolios. Deutsche Wohnen is therefore making a growing contribution to tackling the housing shortage.

## Portfolio valuation

The property portfolio was revalued as of 30 September 2021, because demand for investment properties obviously remains strong. This is reflected in a valuation uplift of around EUR 1.0 million in the third quarter. All the markets in which Deutsche Wohnen operates were analysed and the property valuation adjusted in line with the identified market movements. For further details of the property valuation, please refer to pages 12 and 13.

The overview below shows key valuation figures for our property portfolio as of 30 September 2021:

Macroclusters and regions	Residential units	Fair value	Share of fair value	Fair value	Multiple in-place rent <sup>1</sup>
	number	EUR m	in %	EUR/sqm	
<b>Core<sup>+</sup></b>	<b>144,141</b>	<b>26,413</b>	<b>96</b>	<b>2,930</b>	<b>33.6</b>
Greater Berlin	113,615	21,049	76	3,016	34.9
Dresden/Leipzig	10,804	1,900	7	2,429	31.2
Frankfurt	9,415	1,883	7	3,192	30.0
Hanover/Brunswick	5,909	716	3	1,802	22.6
Cologne/Düsseldorf	2,787	593	2	3,584	32.8
Other Core <sup>+</sup>	1,611	274	1	2,735	24.8
<b>Core (other)</b>	<b>10,399</b>	<b>1,183</b>	<b>4</b>	<b>1,727</b>	<b>23.1</b>
<b>Non-Core</b>	<b>177</b>	<b>14</b>	<b>0</b>	<b>1,225</b>	<b>16.9</b>
<b>Total</b>	<b>154,717</b>	<b>27,610</b>	<b>100</b>	<b>2,843</b>	<b>32.9</b>

<sup>1</sup> Rent freeze effects removed

Fair value	30/09/2021		31/12/2020	
	Fair value	Multiple in-place rent	Fair value	Multiple in-place rent
	EUR m		EUR m	
Core <sup>+</sup>	26,413	33.6	25,114	34.0
Core	1,183	23.1	1,039	20.5
Non-Core	14	16.9	15	14.9
<b>Total</b>	<b>27,610</b>	<b>32.9</b>	<b>26,168</b>	<b>33.1</b>

## Nursing Assets

The Nursing and Assisted Living business field consists of 77 nursing properties with a total of some 10,300 beds, of which 76 are owned by Deutsche Wohnen. This makes us one of the largest owners of nursing assets in Germany.

We have two different business models for our nursing properties: 38 nursing facilities (approximately 5,160 beds) are operated by KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH and its subsidiaries, by Hamburger Senioren Domizile GmbH and by PFLEGEN & WOHNEN HAMBURG GmbH. The other 39 facilities (approximately 5,140 beds) are managed by various external operators on long-term contracts.

As in the residential segment, we focus our nursing activities on cities and regions with positive development forecasts, since the need for nursing care and assistance services (full in-patient care and assisted living combined with outpatient and part-time in-patient care) is particularly high there. In this context we always ensure that we secure prime properties and high-quality nursing and residential care.

To streamline our portfolio we signed contracts for the disposal of five nursing assets with some 730 beds or assisted living units in the third quarter 2021. This particularly entailed the disposal of nursing properties that are not situated in our strategic target regions and are subject to structural and regulatory restrictions. The transaction is expected to close by the end of the year.

### Nursing business: assets and operations

#### Nursing properties operated by KATHARINENHOF, Hamburger Senioren Domizile GmbH and PFLEGEN & WOHNEN HAMBURG

Region	Facilities	Nursing	Assisted living	Beds <sup>1</sup>		Fair value 30/09/2021
				Total	Occupancy 30/09/2021	
	number	number	number	number	in %	EUR m
Hamburg region <sup>2</sup>	17	2,860	160	3,020	96.4	383.3
Berlin region	12	1,070	370	1,440	95.6	225.3
Saxony region	9	620	80	700	92.4	47.7
<b>Total participation model</b>	<b>38</b>	<b>4,550</b>	<b>610</b>	<b>5,160</b>	<b>95.6</b>	<b>656.3<sup>3,4</sup></b>

- 1 The figure for beds is rounded to the nearest ten, because assisted living units can be used as care beds and double rooms used as single rooms, depending on market demand.
- 2 Two facilities in Hamburg are being completely overhauled and rebuilt. The occupancy rates were reduced successively as a result. On 1 January 2021, capacity and supply contracts for these and five other facilities which are also undergoing construction changes were adjusted by a total of around 300 beds.
- 3 Relates to 37 facilities
- 4 Excluding advanced payments, units under construction, undeveloped land and rights of use in connection with leases, which are valued in accordance with IAS 16 or IAS 40

#### Nursing assets with other external operators

Federal state	Facilities	Nursing	Assisted living	Beds <sup>1</sup>		Fair value 30/09/2021
				Total	WALT <sup>2</sup>	
	number	number	number	number		EUR m
Bavaria	12	1,480	50	1,530	8.5	125.5
North Rhine-Westphalia	9	1,000	240	1,240	11.8	182.8
Rhineland-Palatinate	3	390	120	510	10.2	53.2
Baden-Württemberg	4	490	10	500	7.6	45.6
Lower Saxony	1	110	0	110	9.0	17.1
Hesse	4	530	0	530	8.0	95.1
Other	6	720	0	720	7.3	83.0
<b>Total external operators</b>	<b>39</b>	<b>4,720</b>	<b>420</b>	<b>5,140</b>	<b>9.3</b>	<b>602.3<sup>3</sup></b>
<b>Total nursing</b>	<b>77</b>	<b>9,270</b>	<b>1,030</b>	<b>10,300</b>		<b>1,258.6</b>

- 1 The figure for beds is rounded to the nearest ten, because assisted living units can be used as care beds and double rooms used as single rooms, depending on market demand.
- 2 Weighted Average Lease Term
- 3 Excluding advance payments, units under construction and undeveloped land

## Notes on the financial performance and financial position

Deutsche Wohnen SE has been majority-owned by Vonovia SE, Bochum, since 30 September 2021. This had various effects on the financial performance and financial position as of 30 September 2021.

In terms of financial performance, the takeover caused one-off advisory expenses and staff expenses, valuation losses on the convertible bonds and higher expenses for deferred and current taxes. The latter are mainly due to the absence of tax loss carryforwards.

In terms of the financial position, the sale of treasury shares to Vonovia SE and the conversion of convertible bonds into shares in Deutsche Wohnen SE had a positive impact on Group equity. Special termination rights in the event of a change of control meant that some loan liabilities, convertible bonds that had not been converted or terminated as of the reporting date, and all liabilities from corporate bonds were presented as current as of 30 September 2021.

The sale of own shares to Vonovia SE increased the group's liquidity.

The takeover had a disparate impact on the key performance figures for the Deutsche Wohnen Group:

- There was no effect on FFO I.
- There was no material effect on EPRA NTA.
- The Loan-to-Value ratio (LTV) fell significantly due to the sale of treasury shares and the conversion of convertible bonds. LTV remained within the range of 35% to 40%.

## Earnings

The following overview shows the consolidated profit and loss statement for the first nine months of the financial year 2021 compared with the previous year:

EUR m	9M 2021	9M 2020
Income	1,326.4	1,532.3
Cost of materials and carrying amounts of properties sold	-594.7	-806.4
Staff expenses	-177.0	-173.1
Other operating expenses	-124.3	-80.9
Other operating income	59.7	39.4
Impairment losses on financial assets	-4.9	-5.2
<b>EBITDA before gains/losses from fair value adjustments of investment properties</b>	<b>485.2</b>	<b>506.1</b>
Depreciation, amortisation and impairment	-29.1	-29.2
Gains/losses from the fair value adjustment of investment properties	1,484.2	171.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,940.3</b>	<b>648.6</b>
Earnings from investments accounted for using the equity method	-16.5	32.1 <sup>1</sup>
Financial result	-452.6	-224.8
<b>Earnings before taxes (EBT)</b>	<b>1,471.2</b>	<b>455.9<sup>1</sup></b>
Income taxes	-630.6	-118.0
<b>Profit/loss for the period</b>	<b>840.6</b>	<b>337.9<sup>1</sup></b>

<sup>1</sup> Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

The profit for the period rose year-on-year by EUR 502.7 million to EUR 840.6 million, particularly due to higher valuation gains.

The coronavirus pandemic has still not had a material impact on the Group's financial performance and earnings to date.

Adjusted earnings before taxes show the standardised earnings performance:

EUR m	9M 2021	9M 2020
<b>Earnings before taxes</b>	<b>1,471.2</b>	<b>455.9<sup>2</sup></b>
Gains/losses from the valuation of properties <sup>1</sup>	-1,484.8	-171.7
Valuation gains on disposal realised in the financial year	29.7	46.9 <sup>3</sup>
Gains/losses from fair value adjustment to financial instruments	347.2	102.1
Non-recurring expenses and income	53.0	33.5 <sup>4</sup>
<b>Adjusted earnings before taxes</b>	<b>416.3</b>	<b>466.7<sup>2, 3, 4</sup></b>

<sup>1</sup> Including IAS 2

<sup>2</sup> Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

<sup>3</sup> Previous year's presentation has been changed

<sup>4</sup> Calculation method changed: interest income from loans to the QUARTERBACK Group is no longer included in adjusted earnings before taxes. Disclosures for prior years have been changed accordingly

Around EUR 1,354.3 million of total gains from the valuation of properties of EUR 1,484.8 million came largely from the revaluation of investment properties. Around EUR 129.9 million of the total came from disposal-related gains arising from the valuation of non-current assets held for sale at agreed sales prices, and EUR 0.6 million from write-ups and write-downs on the carrying amounts of land and buildings held for sale.

The disposal-related valuation gains for property sales with the transfer of risks and rewards in the reporting period have been recognised as disposal gains.

The net income from fair value adjustment to financial instruments (expenses EUR 347.2 million; previous year: expenses of EUR 102.1 million) include the valuation realised through profit or loss of convertible bonds, interest rate hedges and other derivatives. The main non-cash earnings contribution relates to the convertible bonds (expenses of EUR 353.7 million; previous year: expenses of EUR 89.1 million). This measurement loss stems from the takeover offer by Vonovia SE and the resulting positive performance of the Deutsche Wohnen share. Income from the measurement of derivative financial instruments and other derivatives came to EUR 6.5 million (previous year: expenses EUR 13.0 million).

Non-recurring expenses and income in the first nine months of the financial year 2021 primarily comprised expenses related to the takeover offer by Vonovia SE; advisory expenses of around EUR 53 million and staff expenses of EUR 6 million for what were originally long-term remuneration components. One off financial expenses of EUR 11.8 million were also incurred. The non-recurring income included the gain of EUR 10.2 million on the sale of shares in Isaria München Projektentwicklungs GmbH, Munich, and financial income of EUR 19.8 million from the QUARTERBACK Group.

In the same period last year the non-recurring expenses of EUR 20.0 million principally related to land purchase taxes incurred in connection with the takeover of the project business of ISARIA Wohnbau AG.

The following table shows the year-on-year change in income:

EUR m	9M 2021	9M 2020
Income from Residential Property Management	900.5	926.9
Income from Nursing Operations	172.7	169.6
Rental income from Nursing Assets	25.3	30.0
Other income	16.4	14.8
Income from sold properties	197.3	386.3
Income from sold properties (development)	14.2	4.7
<b>Income</b>	<b>1,326.4</b>	<b>1,532.3</b>

Income from Residential Property Management fell by around 2.8% to EUR 900.5 million. They included, at around EUR 29.5 million, the back payment claims arising as of 31 May 2021 due to the invalidity of the Berlin rent freeze for residential properties [Gesetz zur Mietenbegrenzung im Wohnungswesen in Berlin – MietenWoG Bln] of which around EUR 11.0 million relates to rental periods prior to 1 January 2021. Rents permitted in accordance with the German Civil Code [Bürgerliches Gesetzbuch – BGB] have been collected from tenants again from 1 June 2021 onwards. Due to disposals, income fell slightly in comparison to the previous year period.

At EUR 172.7 million, Nursing Operations income were at the same level as the previous year. In the periods shown the Nursing Operations had a comparable number of facilities.

Rental income from Nursing Assets fell due to disposals by around 15.7% from EUR 30.0 million to EUR 25.3 million.

Other income went up by 10.8% from EUR 14.8 million to EUR 16.4 million. They consisted mainly of revenue from multimedia and other services by the SYNVA Group (EUR 10.1 million; previous year: EUR 8.7 million) and from the rental of broadband connections (EUR 3.7 million; previous year: EUR 4.1 million).

Income from sold properties fell by EUR 189.0 million from EUR 386.3 million to EUR 197.3 million. The lower sales volume year-on-year largely came from institutional sales, with EUR 152.8 million (previous year: EUR 348.2 million). The previous year period mainly included income from the disposal of twelve nursing assets, while income from sold properties in the financial year 2021 exclusively concerned land with residential and commercial buildings.

Income from sold properties (development) consisted solely of income for ongoing development projects that have already been sold to third parties.

The following table shows the year-on-year change in the cost of materials and carrying amounts of properties sold:

EUR m	9M 2021	9M 2020
Carrying amount of properties sold	-192.6	-379.4
Carrying amount of properties sold (development)	-13.5	-4.7
Cost of materials and services	-388.6	-422.3
<b>Cost of materials and carrying amounts of properties sold</b>	<b>-594.7</b>	<b>-806.4</b>

The carrying amounts of properties sold fell by EUR 186.8 million from EUR 379.4 million to EUR 192.6 million. They stem from the sale of properties with the associated transfer of risks and rewards, accounted for and measured in accordance with IAS 40, IAS 2 or IFRS 5. The year-on-year decrease in the carrying amount of properties sold is due to the lower volume of disposals.

Carrying amounts of properties sold (development) relate to ongoing development projects at the ISARIA Group that have already been sold to third parties.

The cost of materials and services changed as follows:

EUR m	9M 2021	9M 2020
Operating costs	-266.7	-293.9
Maintenance	-91.9	-95.1
Other cost of materials	-30.0	-33.3
<b>Cost of materials and services</b>	<b>-388.6</b>	<b>-422.3</b>

Operating costs and maintenance related to the corresponding expenses in all segments.

Other cost of materials mainly related to deliveries of goods and services for the nursing operations (EUR 23.0 million; previous year: EUR 19.5 million), sales costs (EUR 1.6 million; previous year: EUR 6.2 million) and input services at the SYNIA Group (EUR 4.8 million; previous year: EUR 4.8 million).

Staff expenses incurred in all segments and Group functions were made up as follows:

EUR m	9M 2021	9M 2020
Wages and salaries	-147.3	-144.1
Social security contributions, retirement and other benefits	-29.7	-29.0
<b>Staff expenses</b>	<b>-177.0</b>	<b>-173.1</b>

Staff expenses rose by 2.3% from EUR 173.1 million to EUR 177.0 million, the majority of which was for the nursing operations (EUR 106.8 million; previous year: EUR 105.3 million). In addition, changes in variable remuneration and the measurement of share-based remuneration led to a slight increase in staff expenses.

The following table shows the year-on-year change in other operating expenses:

EUR m	9M 2021	9M 2020
Operating and corporate expenses	-40.1	-47.6
Miscellaneous other operating expenses	-84.2	-33.3
<b>Other operating expenses</b>	<b>-124.3</b>	<b>-80.9</b>

Operating and corporate expenses in all segments and Group functions are made up as follows:

EUR m	9M 2021	9M 2020
IT costs	-11.3	-14.5
Communication costs	-7.6	-6.3
Legal, advisory and audit costs, insurance	-8.1	-11.4
Other staff costs	-3.4	-3.3
Cost of premises	-3.8	-3.2
Other operating and corporate expenses	-5.9	-8.9
<b>Operating and corporate expenses</b>	<b>-40.1</b>	<b>-47.6</b>



The other operating expenses are mainly one-off expenses that are eliminated in the adjusted earnings and explained there.

Other operating income rose by EUR 20.3 million from EUR 39.4 million to EUR 59.7 million. It mainly included insurance payments in property management and capitalised own work for the management of construction projects. Profits of EUR 10.2 million from the sale of the shares in Isaria München Projektentwicklungs GmbH and compensation of EUR 12.4 million (previous year: EUR 5.7 million) from nursing care funds for loss of income and additional expenses as a result of the coronavirus pandemic were also included in the first nine months of the financial year 2021.

Depreciation, amortisation and impairment was as follows:

EUR m	9M 2021	9M 2020
Depreciation and amortisation of property, plant and equipment	-9.0	-8.1
Depreciation and amortisation of intangible assets	-4.2	-5.3
Depreciation and amortisation of right-of-use assets	-15.9	-15.8
<b>Depreciation, amortisation and impairment</b>	<b>-29.1</b>	<b>-29.2</b>

Depreciation and amortisation mainly consisted of depreciation of right-of-use assets held as property, plant and equipment in the context of lease accounting, as well as depreciation of level 4 broadband cable networks and the amortisation of customer contracts acquired in the course of the business combination with the PFLEGEN & WOHNEN HAMBURG Group.

Impairment losses on financial assets fell by EUR 0.3 million from EUR 5.2 million to EUR 4.9 million and were mainly incurred in the Property Management segment for loss allowances and derecognition of rent receivables.

The financial result is made up as follows:

EUR m	9M 2021	9M 2020
Current interest expenses	-110.2	-106.9
Accrued interest on liabilities and pensions	-16.8	-27.9
Capitalised interest expenses	11.0	6.0
Non-recurring expenses in connection with financing	-11.8	-3.3
Fair value adjustment to financial instruments	6.5	-13.0
Fair value adjustment to convertible bonds	-353.7	-89.1
	<b>-475.0</b>	<b>-234.2</b>
Interest income	22.4	7.5
<b>Financial result</b>	<b>-452.6</b>	<b>-226.7</b>

Current interest expenses went up largely due to the higher financing volume of financial liabilities and corporate bonds.

Accrued interest on liabilities and pensions consisted mainly of expenses for the early repayment of loans.

Deutsche Wohnen made use of the option according to IAS 23 of capitalising borrowing costs for qualifying assets accounted for at fair value for the first time from the second half of 2020 for the investment properties. The context for this is the increasing significance of project development for the company's own portfolio.

In the first nine months of financial year 2021, the one-off expenses from financing included a positive contribution to the amount of EUR 2.0 million from the rollback of provisions for statutory default interest in the ongoing appraisal proceeding in conjunction with the domination agreement signed in 2014 between Deutsche Wohnen SE and GSW Immobilien AG. Other non-recurring expenses of EUR 12.8 million stemmed from earnings from disposals attributable to external limited partners at subsidiaries structured as limited partnerships.

Changes in long-term interest rates caused the negative fair values of derivative financial instruments (interest rate hedges) to fall. To the extent that these financial instruments do not form part of an effective hedging relationship, the fair value adjustment is recognised as revenue in the financial result. In 2020 valuation changes for other derivatives were also included.

The year-on-year changes in the financial result are principally due to the increase in expenses from the fair value adjustment of convertible bonds above the original total nominal value of EUR 1,600.0 million. As of the reporting date a nominal amount of EUR 379.0 million had been converted into shares in Deutsche Wohnen SE and EUR 1,221.0 million are still outstanding. Conversion declarations for a nominal EUR 894.8 million of these outstanding convertible bonds had been received as of the reporting date. For convertible bonds with a nominal amount of EUR 326.2 million neither conversion declarations nor terminations had been received as of the reporting date.

The price development of the convertible bonds tracks the share price of Deutsche Wohnen SE. The convertible bonds are held at fair value in the consolidated balance sheet. The rise in the Deutsche Wohnen share price therefore resulted in a valuation loss of EUR 353.7 million (previous year: valuation loss of EUR 89.1 million). This is due to the takeover offer by Vonovia SE and the ensuing increase in the Deutsche Wohnen share price, as well as to the conversion prices defined in the terms of the bond in the event of a change of control.

Interest income rose year-on-year due to higher interest income from investee companies, particularly the QUARTERBACK Group.

The ratio of current interest expenses less interest income to EBITDA (adjusted) before disposals is as follows.

EUR m	9M 2021	9M 2020
EBITDA (adjusted) before disposals	547.4	546.9
Current interest expenses and interest income <sup>1</sup>	88.8	100.5
<b>Interest cover ratio (ICR)</b>	<b>6.2</b>	<b>5.4</b>

<sup>1</sup> Current interest expenses and interest income do not include interest income from finance leases for broadband cable networks

Earnings from investments accounted for using the equity method fell by EUR 48.6 million from EUR 32.1 million to EUR -16.5 million and included the contributions of joint ventures and associates attributable to Deutsche Wohnen. The change is mainly due to equity investments in companies in the QUARTERBACK Group. In the previous year this item also included income from the first-time measurement of individual QUARTERBACK investments.

The following table shows the year-on-year change in income taxes:

EUR m	9M 2021	9M 2020
Current income taxes	-23.0	-23.1
Income taxes due to disposals	-9.6	-14.4
Non-recurring income taxes	-12.2	0.0
Deferred taxes	-585.8	-80.5
<b>Income taxes</b>	<b>-630.6</b>	<b>-118.0</b>

Income taxes resulted in expenses of EUR 630.6 million in the first nine months of 2021 (previous year period: expenses of EUR 118.0 million). This consists of EUR 585.8 million in expenses from deferred taxes (previous year period: expenses of EUR 80.5 million) and expenses for current and sales-related income taxes of EUR 32.6 million (previous year period: EUR 37.5 million). The amount of deferred taxes was particularly due to adjusting the fair values of investment properties and convertible bonds, and to the absence of tax loss carryforwards as a result of the takeover by Vonovia SE. Current income taxes were also affected to a lesser extent by the takeover, because losses incurred at parents in the tax group in the current financial year 2021 up to the takeover were lost.

The following table shows the earnings contributions of the individual segments:

EUR m	9M 2021	9M 2020
Segment earnings		
Earnings from Residential Property Management	560.8	553.9
Earnings from Disposals	0.8	-1.6
Earnings from Nursing Operations	38.4	34.1
Earnings from Nursing Assets	23.3	27.9
Earnings not attributable to a segment	-138.1	-108.2
Depreciation, amortisation and impairment	-29.1	-29.2
Gains/losses from the fair value adjustment of investment properties	1,484.2	171.7
<b>Earnings before interest and taxes (EBIT)/ Segment earnings</b>	<b>1,940.3</b>	<b>648.6</b>

### Earnings from Residential Property Management

Earnings from Residential Property Management rose year-on-year by EUR 6.9 million or 1.2% to EUR 560.8 million.

EUR m	9M 2021	9M 2020
Contracted rental income	634.2	634.5
Income from operating costs	268.7	295.0
<b>Rental income</b>	<b>902.9</b>	<b>929.5</b>
Operating costs	-263.2	-288.0
Rental loss	-7.9	-8.5
Maintenance	-67.1	-72.6
Other	-3.9	-6.5
<b>Earnings from Residential Property Management</b>	<b>560.8</b>	<b>553.9</b>
Staff, general and administration expenses	-41.4	-40.2
<b>Operating results (NOI)</b>	<b>519.4</b>	<b>513.7</b>
NOI margin in %	81.9	81.0
NOI in EUR per sqm and month <sup>1</sup>	5.93	5.59
Change in NOI in EUR per sqm and month in %	6.1	

<sup>1</sup> Based on average floor space in the relevant period on a quarterly basis (annualised)

Published on 15 April 2021, the decision of the Second Senate of the Federal Constitutional Court dated 25 March 2021 declared the Berlin rent freeze for residential properties [Gesetz zur Mietenbegrenzung im Wohnungswesen in Berlin – MietenWoG Bln] unconstitutional and therefore null and void. Proceeds from contracted rental income included, at around EUR 29.5 million, the back payment claims arising as of 31 May 2021 due to the invalidity of the Berlin rent freeze (MietenWoG), of which around EUR 11.0 million relates to rental periods prior to 1 January 2021. Rents permitted in accordance with the German Civil Code [Bürgerliches Gesetzbuch – BGB] have been collected from tenants again from 1 June 2021 onwards. Proceeds from contracted rental income and operating costs fell year-on-year due to disposals.

For changes in contracted rental income and capital expenditure, please see our property portfolio information on pages 6 to 9.

Income from operating costs exceeded the expenses for operating costs, because accounting for leases meant that various expenses were not included in the operating costs. In the first nine months of the financial year 2021 these related to lease expenses for metering and heat contracting of EUR 13.8 million (previous year: EUR 14.5 million). As a proportion of contracted rental income this represents an NOI margin of around 2.2% (previous year: 2.3%).

The amount of rental losses largely relates to the increase in rent receivables due to the back payment claims recognised as of the reporting date arising from the invalidity of the Berlin rent freeze, some of which were deferred in the context of payment plans.

### Earnings from Disposals

A total of 4,729 units were sold up to 30 September 2021. The transfer of risks and rewards is expected to take place in 2021. Of the total, 1,119 units were sold on the basis of contracts signed by the financial year 2020.

	Units	Transaction volume	IFRS carrying amount of properties sold <sup>1</sup>	Gross margin	
	number	EUR m	EUR m	EUR m	in %
Privatisation	225	62.4	44.8	17.6	39
Institutional sales (incl. nursing)	4,504	720.9	553.3	167.6	30
	<b>4,729</b>	<b>783.3</b>	<b>598.1</b>	<b>185.2</b>	<b>31</b>

<sup>1</sup> IFRS carrying amounts of properties sold without valuation gains due to disposal

The gross margins in the Disposal segment remain high, despite the valuation uplifts in recent years.

Of the 4,729 units in institutional sales, 2,212 are attributable to a portfolio transaction in Rhineland-Palatinate, which was registered in May 2021 and whose corresponding transfer of risks and rewards is scheduled for December 2021. This portfolio transaction with a volume of EUR 293 million will result in a gross margin of around EUR 90 million. This gross margin was realised as a valuation gain on disposal in the gains/losses from fair value adjustments of investment properties in the first nine months of the financial year. Institutional sales also include a portfolio transaction notarised in August 2021 for the sale of 914 apartments spread across Rhineland-Palatinate for a price of EUR 144 million, for which the transfer of risks and rewards is expected to take place at the end of December 2021. A gross margin of around EUR 49 million is expected. To the extent that the properties are not carried as current assets in line with IAS 2, this gross margin was realised as a valuation gain on disposal in the gains/losses from fair value adjustments to investment properties in the first nine months of the financial year.

Institutional sales include the contracts for five nursing facilities operated by third parties, which were signed in the third quarter of 2021 and for which the transfer of risks and rewards is scheduled for 31 December 2021.

Contracts were signed in the third quarter 2021 for the sale of some 10,700 residential units and 200 commercial units to housing companies owned by the state of Berlin for approximately EUR 1.65 billion. The transfer of risks and rewards for the great majority of them is planned for January 2022, so they are mostly not included in the table on page 20 for 2021.

Of the 4,729 units sold, the transfer of risks and rewards for 1,260 took place in the first nine months of the 2021 financial year (previous year period: 1,585) and so are recognised in earnings from Disposals.

EUR m	9M 2021	9M 2020
Income from sold properties	197.3	386.3
Cost of sales	-3.9	-8.5
<b>Net income from sold properties</b>	<b>193.4</b>	<b>377.8</b>
Carrying amount of properties sold	-192.6	-379.4
<b>Earnings from Disposals</b>	<b>0.8</b>	<b>-1.6</b>
Valuation gains due to disposal	29.7	46.9
<b>Earnings from disposals before valuation gains due to disposal</b>	<b>30.5</b>	<b>45.3</b>

Income from sold properties consisted of proceeds from privatisation (EUR 44.5 million; previous year: EUR 38.1 million) and institutional sales (EUR 152.8 million; previous year: EUR 348.2 million). While two portfolio transactions for residential and commercial buildings were completed in institutional sales in the first nine months of 2021, the comparatively higher transaction volume in the first nine months of 2020 was attributable to the transfer of risks and rewards for 13 nursing assets.

Of the two portfolio transactions in the first nine months of 2021, one was a portfolio sale to the state-owned housing company degewo AG. This portfolio transaction concerned 2,143 residential and 32 commercial units in Berlin, for which the transfer of risks and rewards took place for 1,578 residential units in the second half of 2020 and for another 565 residential units in the first quarter of 2021. The second transaction was a portfolio sale of 6,379 residential units and 38 commercial units in Brunswick, Hanover, Cologne and the RhineNeckar region to the LEG Immobilien AG Group, of which the transfer of risks and rewards for 6,066 residential units took place in the fourth quarter of 2020 and for 164 residential units in the first quarter of 2021 and is expected for another 149 residential units in early 2022.

Sales prices for privatisation came to an average of EUR 3,683 per sqm in the first nine months of 2021 (previous year period: average EUR 2,893 per sqm).

The valuation gains due to disposal related to the measurement of non-current assets held for sale at the agreed sales price, to the extent that this effect was included in the carrying amounts of properties sold for the current period.

### Earnings from Nursing Operations

EUR m	9M 2021	9M 2020
<b>Income</b>		
Nursing services	111.9	112.5
Rental income	45.3	44.4
Other	30.8	20.1
	<b>188.0</b>	<b>177.0</b>
<b>Costs</b>		
Nursing and corporate expenses	-36.9	-32.8
Staff expenses	-112.7	-110.1
Internal lease expenses	-21.8	-19.7
	<b>-171.4</b>	<b>-162.6</b>
<b>Earnings from Nursing Operations</b>	<b>16.6</b>	<b>14.4</b>
without internal rental expenses	38.4	34.1

A total of 25 nursing facilities are managed by the KATHARINENHOF Group and 13 nursing facilities are managed by the PFLEGEN & WOHNEN HAMBURG Group. Both are wholly owned subsidiaries of Deutsche Wohnen. Of the 38 facilities, 37 are owned by Deutsche Wohnen.

The slight decrease in income from nursing services was largely due to reduced occupancy rates resulting from the full renovation and reconstruction of two Hamburg facilities. The increase in other income includes compensation of EUR 12.4 million (previous year period: EUR 5.7 million) from nursing care funds for loss of income and additional expenses as a result of the pandemic.

The internal lease expenses resulted from the switch from triple-net to double-net contracts, in which the property owner has greater liability for maintenance.

For changes in the number of beds managed and occupancy rates within facilities, please see our portfolio information.

Earnings from Nursing Operations before internal lease expenses (EBITDAR<sup>1</sup>) came to EUR 38.4 million for the first nine months of 2021 (previous year period: EUR 34.1 million). This represents an EBITDAR margin of 20.4% (previous year: 19.3%).

### Nursing Assets

EUR m	9M 2021	9M 2020
<b>Income</b>		
Rental income	25.9	30.1
Intragroup leasing income	21.8	19.7
	<b>47.7</b>	<b>49.8</b>
<b>Costs</b>	<b>-2.6</b>	<b>-2.2</b>
<b>Earnings from Nursing Assets</b>	<b>45.1</b>	<b>47.6</b>
without internal rental income	23.3	27.9

<sup>1</sup> EBITDAR is EBITDA from the operation of nursing facilities before internal rental and lease expenses. External rental and lease expenses are not included in the EBITDA calculation in accordance with IFRS 16 and are therefore not eliminated to obtain EBITDAR.

The decrease in external income on the previous year period resulted from the sale of 13 nursing facilities. The transfer of risks and rewards took place for twelve facilities in May 2020 and for one of the facilities in June 2020.

The internal leasing income results from the switch from triple-net to double-net contracts, in which the property owner has greater liability for maintenance.

### **Earnings not attributable to a segment**

Earnings not attributable to a segment totalled EUR -138.1 million (previous year: EUR -108.2 million). This consists primarily of corporate expenses and other transaction-related operating expenses and income:

EUR m	9M 2021	9M 2020
Corporate expenses	-84.4	-78.4
Other income	16.4	14.8
Cost of materials and services	-5.1	-7.5
Miscellaneous staff costs	-2.6	-4.2
Miscellaneous other operating expenses	-80.0	-41.4
Miscellaneous other operating income	17.6	8.5
<b>Earnings not attributable to a segment</b>	<b>-138.1</b>	<b>-108.2</b>

Corporate expenses include staff and operating expenses, without the Nursing Operations segment:

EUR m	9M 2021	9M 2020
Staff expenses	-54.4	-50.8
Long-term remuneration component (share-based)	0.2	0.2
Operating costs	-30.2	-27.8
<b>Total corporate expenses</b>	<b>-84.4</b>	<b>-78.4</b>

The change in staff costs was due particularly to variable remuneration and the valuation of the long-term remuneration component (LTI) for the Management Board members and managers.

The long-term remuneration component (share-based) related solely to non-cash changes from the AOP 2014 share option programme.

Staff, general and administration expenses in connection with disposals amounted to EUR 2.6 million, on a par with last year (EUR 2.4 million).

Other income, the cost of materials and miscellaneous staff costs were mainly related to revenues from multimedia and similar services at the SYN VIA Group.

For the non-recurring and transaction-related miscellaneous other operating expenses and income we refer to the comments on adjusted earnings on pages 12 to 13.



## Assets and financial position

Selected figures from the consolidated balance sheet:

	30/09/2021		31/12/2020	
	EUR m	in %	EUR m	in %
Investment properties	27,861.5	83	28,069.5	91
Other non-current assets	972.0	3	990.5 <sup>1</sup>	3
<b>Total non-current assets</b>	<b>28,833.5</b>	<b>86</b>	<b>29,060.0<sup>1</sup></b>	<b>94</b>
Current assets	3,923.0	12	1,162.6	4
Cash and cash equivalents	748.0	2	583.3	2
<b>Total current assets</b>	<b>4,671.0</b>	<b>14</b>	<b>1,745.9</b>	<b>6</b>
<b>Total assets</b>	<b>33,504.5</b>	<b>100</b>	<b>30,805.9<sup>1</sup></b>	<b>100</b>
<b>Equity</b>	<b>15,498.0</b>	<b>46</b>	<b>13,841.3<sup>1</sup></b>	<b>45</b>
Financial liabilities	6,308.8	19	6,525.1	21
Convertible bonds	1,619.1	5	1,768.7	6
Corporate bonds	4,055.8	12	3,129.6	10
Tax liabilities	62.1	0	60.5	0
Employee benefit liabilities	102.7	0	109.6	1
Deferred tax liabilities	4,998.3	15	4,412.0	14
Other liabilities	859.7	3	959.1	3
<b>Total liabilities</b>	<b>18,006.5</b>	<b>54</b>	<b>16,964.6</b>	<b>55</b>
<b>Total assets</b>	<b>33,504.5</b>	<b>100</b>	<b>30,805.9<sup>1</sup></b>	<b>100</b>

<sup>1</sup> Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

Investment properties remain the largest balance sheet item. They increased compared with 31 December 2020, mainly due to revaluation, acquisitions and capitalised refurbishment expenses, which were offset by disposals and reclassifications as current assets.

Current assets increased compared with 31 December 2020, mainly due to the presentation within current assets of non-current assets held for sale (EUR 2,197.0 million; previous year: EUR 163.6 million). The figure also went up because further loans were made to the QUARTERBACK Group to buy land for project development.

For changes in cash and cash equivalents, please see the notes on cash flow on page 27.

Group equity rose by EUR 1,656.7 million in the first nine months of the financial year 2021, taking the equity ratio up to around 46%. In the reporting period, some 9,580,800 bearer shares were issued in exchange for convertible bonds with a nominal value of EUR 379.0 million and a current value of around EUR 507.2 million. In addition, some 48,600 bearer shares of Deutsche Wohnen SE were issued through the exercise of share options and another approximately 47,600 bearer shares of Deutsche Wohnen SE were issued in exchange for some 20,200 bearer shares of GSW Immobilien AG. This share swap took place in accordance with the provisions of the domination agreement between the two companies on the put options held by external shareholders.

In the third quarter Deutsche Wohnen SE sold 12,708,600 treasury shares to Vonovia SE at a purchase price of EUR 660.8 million. In addition, Deutsche Wohnen's capital increased by total comprehensive income for the first nine months of the financial year 2021 of EUR 849.9 million. Group equity fell by EUR 354.1 million due to the payment of the dividend of Deutsche Wohnen SE.

Financial liabilities were reduced by the repayment of EUR 229.3 million in loans. Some of the loan agreements included special termination rights in the event of a change of control, with a result that previously categorised as non-current financial liabilities with a nominal amount of EUR 730.8 million, are presented as current in the consolidated balance sheet as of 30 September 2021. However, as of the reporting date, Deutsche Wohnen assumes on the basis of its discussions with the lenders that they will not exercise their termination right.

Liabilities from convertible bonds changed due to conversions and market fluctuations. Convertible bonds with a nominal value of EUR 379.0 million were converted into shares in Deutsche Wohnen SE in the reporting period. The nominal amount of outstanding convertible bonds came to EUR 1,221.0 million as of the reporting date (previous year: EUR 1,600.0 million). Conversion declarations for a nominal EUR 894.8 million of these outstanding convertible bonds had been received as of the reporting date. They are presented at fair value as non-current liabilities in the consolidated balance sheet. For convertible bonds with a nominal amount of EUR 326.2 million neither conversion declarations nor terminations had been received as of the reporting date, so these are presented at fair value as current liabilities in the consolidated balance sheet in view of the special termination rights in the event of a change of control.

Liabilities from corporate bonds fell by EUR 250.0 million due to scheduled redemptions and increased by EUR 1,200.1 million due to the proceeds of new issues. Proceeds of new issues in the first nine months of 2021 included the issuance of two long-term green bonds (EUR 500.0 million each) of short-term bearer bonds (EUR 100.0 million) and short-term commercial papers (EUR 100.1 million).

The terms of all the corporate bonds issued by Deutsche Wohnen SE include special termination rights in the event of a change of control, so that all the corporate bonds have been presented as current in the consolidated balance sheet as of 30 September 2021. No termination rights had been exercised as at the reporting date. In the opinion of Deutsche Wohnen, the fair values of these corporate bonds, compared with the redemption amount in the event of a termination, mean that in most cases it would not make economic sense for the bondholders to exercise their termination right.

The average interest rate on the credit portfolio, including the convertible bonds and corporate bonds, was approximately 1.25% p.a. as of 30 September 2021, with a hedging ratio<sup>2</sup> of around 91%.

2 The ratio of financial liabilities, convertible bonds and corporate bonds at fixed interest rates or with interest rate hedges to the total nominal value of financial liabilities, convertible bonds and corporate bonds

Deutsche Wohnen SE received a long-term issuer rating from the two international rating agencies Standard&Poor's and Moody's. The rating from Standard&Poor's was unchanged at BBB+ (as of 25 October 2021) a stable outlook and that from Moody's was unchanged at A3 (as of 22 December 2020) with negative outlook.

Deferred tax liabilities rose by EUR 586.3 million from EUR 4,412.0 on 31 December 2020 to EUR 4,998.3 million. This was mainly due to valuation gains and the absence of tax loss carryforwards following the takeover by Vonovia SE.

### Loan-to-Value ratio

The Loan-to-Value ratio was 35.4% as of the reporting date. It changed as follows compared with 31 December 2020:

EUR m	30/09/2021	31/12/2020
Financial liabilities	6,308.8	6,525.1
Convertible bonds	1,619.1	1,768.7
Corporate bonds	4,055.8	3,129.6
	<b>11,983.7</b>	<b>11,423.4</b>
Cash and cash equivalents	-748.0	-583.3
<b>Net financial liabilities</b>	<b>11,235.7</b>	<b>10,840.1</b>
Investment properties	27,861.5	28,069.5
Less right-of-use assets held as investment properties from leases	-48.7	-51.6
Non-current assets held for sale	2,197.0	163.6
Land and buildings held for sale	462.9	472.2
Investments in property and land companies	365.4	370.4 <sup>1</sup>
Loans to property and land companies	926.9	252.3
	<b>31,765.0</b>	<b>29,276.4<sup>1</sup></b>
<b>Loan-to-Value ratio in %</b>	<b>35.4</b>	<b>37.0</b>

<sup>1</sup> Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

The other liabilities presented in the financial position are made up as follows:

EUR m	30/09/2021	31/12/2020
Derivative financial instruments	30.7	57.3
Trade payables	340.0	429.9
Other	489.0	471.9
<b>Total other liabilities</b>	<b>859.7</b>	<b>959.1</b>

## Cashflow

The Group's cash flow was as follows:

EUR m	9M 2021	9M 2020
Net cash flow from operating activities	307.8	258.2
Net cash flow from investing activities	-1,130.2	-1,356.8
Net cash flow from financing activities	987.1	741.2
<b>Net change in cash and cash equivalents</b>	<b>164.7</b>	<b>-357.4</b>
Opening balance cash and cash equivalents	583.3	685.6
<b>Closing balance cash and cash equivalents</b>	<b>748.0</b>	<b>328.2</b>

In the reporting period, cash flow from investing activities in the first nine months of financial year 2021 included payments for investments in property of EUR 529.1 million (previous year: EUR 826.1 million) and in other assets of EUR 755.1 million (previous year: EUR 527.3 million). EUR 195.6 million of the property investments were for acquisitions (previous year: EUR 583.1 million), EUR 153.5 million for refurbishment (previous year: EUR 180.1 million) and EUR 180.0 million for new building (previous year: EUR 62.9 million). This was offset by proceeds from the disposal of properties sold of EUR 92.9 million (previous year: EUR 502.5 million). Other proceeds of investing activities consisted mainly of loan repayments. In the previous year period a net total of EUR 517.1 million was paid for the acquisition of the ISARIA Group after deducting cash holdings.

Cash flow from financing activities essentially comprises all payments in connection with refinancing (loan repayments and new borrowing, convertible bonds and corporate bonds together with the related one-off payments), cash inflows from equity activities, outflows for the purchase of treasury shares and dividend payments.

Cash flow from financing activities in the reporting period comprises issue proceeds from corporate bonds to the amount of EUR 1,200.1 million (previous year: 1,998.2 million). Capital repayments related to loans (EUR 229.3 million; previous year: EUR 484.1 million), bearer bonds to the amount of EUR 200.0 million; (previous year: EUR 200.0 million) and commercial papers to the amount of EUR 50.0 million (previous year: none). The sale of own shares generated proceeds of EUR 660.8 million, whereas EUR 505.7 million was paid in the same period last year to buy own shares. Deutsche Wohnen SE also paid a dividend of EUR 354.1 million (previous year: EUR 312.6 million) for 2020 in the first half-year 2021.

## FFO

Funds from operations without disposals (FFO I) is the key figure for us. Deutsche Wohnen decided to no longer include interest income from loans to the QUARTERBACK Group in FFO as of 30 September 2021. The figures in the consolidated financial statements for the previous year were adjusted accordingly in line with IAS 8. This led to an absolute reduction of EUR 1.7 million in FFO I for the first nine months of 2020 on the originally reported amount of EUR 422.4 million.

FFO I went up year-on-year by around 0.4% in absolute terms and by around 1.7% per share (undiluted).

EUR m	9M 2021	9M 2020
<b>EBITDA before gains/losses from fair value adjustments of investment properties</b>	<b>485.2</b>	<b>508.0</b>
Measurement of current assets (properties)	-0.6	0.0
Valuation gains due to disposal	29.7	46.9 <sup>3</sup>
Other non-recurring expenses and income	52.9	33.2
Restructuring and reorganisation expenses	8.1	1.7
<b>EBITDA (adjusted)</b>	<b>575.3</b>	<b>589.8<sup>3</sup></b>
Earnings from Disposals	-0.8	1.6
Valuation gains due to disposal	-29.7	-46.9 <sup>3</sup>
Staff, general and administration expenses of Disposals	2.6	2.4
<b>EBITDA (adjusted) before disposals</b>	<b>547.4</b>	<b>546.9</b>
Long-term remuneration component (share-based)	-0.2	-0.2
Finance leasing broadband cable networks	2.3	2.3
At-equity valuation	1.0	2.1
Interest income/expenses	-98.3	-100.1 <sup>4</sup>
Income taxes	-23.0	-23.1
Minority interests	-7.0	-7.2
<b>FFO I</b>	<b>422.2</b>	<b>420.7<sup>4</sup></b>
Earnings from Disposals	0.8	-1.6
Staff, general and administration expenses of Disposals	-2.6	-2.4
At-equity valuation	-12.2	0.0
Valuation gains due to disposals	29.7	46.9
Income taxes due to disposals	-9.6	-14.4
<b>FFO II</b>	<b>428.3</b>	<b>449.2<sup>4</sup></b>
FFO I per share in EUR (undiluted) <sup>1</sup>	1.22	1.20 <sup>4</sup>
FFO I per share in EUR (diluted) <sup>2</sup>	1.12	1.20 <sup>4</sup>
FFO II per share in EUR (undiluted) <sup>1</sup>	1.24	1.29 <sup>4</sup>
FFO II per share in EUR (diluted) <sup>2</sup>	1.13	1.29 <sup>4</sup>

- 1 Based on the weighted average of some 346.71 million shares in circulation in 2021 (without own shares) or some 349.22 million in 2020
- 2 Based on the weighted average of some 377.55 million shares in circulation in 2021 (without own shares) or some 349.22 million in 2020
- 3 Calculation method changed in light of valuation gains due to disposal in FFO. Disclosures for prior years have been changed accordingly
- 4 Calculation method changed: interest income from loans to the QUARTERBACK Group is no longer included in FFO. Disclosures for prior years have been changed accordingly

All rental income from broadband cable networks is included in the calculation of FFO, regardless of whether the corresponding contracts are classified in the IFRS consolidated financial statements as finance leases or operating leases with Deutsche Wohnen as lessor. To this extent, the liquidity rental payments agreed under civil law are presented as rental income, whereas in the consolidated financial statements they are recognised as interest and capital repayments.

### EPRA NTA

EPRA NTA reflects current net asset value including acquisitions and disposals. Deferred taxes for investment properties are adjusted accordingly. NTA largely corresponds to the EPRA NAV previously communicated, adjusted for goodwill, and is particularly relevant for Deutsche Wohnen. Deutsche Wohnen did not exercise the option of adding land transfer tax and so works from the (net) IFRS carrying amounts.

EUR m	EPRA NTA 30/09/2021	EPRA NTA 31/12/2020
Equity (before non-controlling interests)	15,025.0	13,400.2 <sup>1</sup>
i) Dilution effects from the conversion of in-the-money convertible bonds	1,587.2	0.0
<b>Diluted NAV</b>	<b>16,612.2</b>	<b>13,400.2<sup>1</sup></b>
Plus		
iv) Revaluation of inventory properties after deferred taxes	62.2	43.9
<b>Diluted NAV at fair values</b>	<b>16,674.4</b>	<b>13,444.1<sup>1</sup></b>
Less		
v) Deferred taxes for valuation gains on investment properties	4,820.7	4,711.8
vi) Fair value of derivative financial instruments	29.0	54.7
viii.a) Goodwill accounted for in the IFRS consolidated financial statements	-319.6	-319.7
viii.b) Intangible assets as accounted for in the IFRS consolidated financial statements	-34.6	-38.0
<b>NAV</b>	<b>21,169.9</b>	<b>17,852.9<sup>1</sup></b>
Number of shares (diluted) in millions (without own shares)	397.00	343.77
<b>NAV in EUR per share</b>	<b>53.32</b>	<b>51.93<sup>1</sup></b>

<sup>1</sup> Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

EPRA NTA rose by EUR 3,317.0 million in absolute terms and by EUR 1.39 per share (diluted). Equity (before non-controlling interests) increased by EUR 507.2 million from the conversion of convertible bonds, by EUR 660.8 million from the sale of own shares, and by EUR 811.3 million from the total comprehensive income attributable to shareholders of the parent company for the first nine months of financial year 2021. It was reduced by EUR 354.1 million by the payment of a dividend for the 2020 financial year. Both outstanding convertible bonds are in the money as of the reporting date (the conversion prices exceeded the reporting date price of the Deutsche Wohnen share), resulting in dilutions.

The previously reported EPRA NAV rose by EUR 2.21 per share from EUR 52.82 per share as of 31 December 2020 to EUR 55.03 per share (diluted) as of 30 September 2021.

## Events after the reporting date

After the reporting date and before 2 November 2021 Deutsche Wohnen SE received conversion declarations for a nominal EUR 323.1 million of the two outstanding convertible bonds. After the reporting date and before 2 November 2021 Deutsche Wohnen SE issued 30,763,000 bearer shares in the course of converting convertible bonds.

Convertible bonds	As of	As of
	30/09/2021	02/11/2021
	nominal EUR m	nominal EUR m
Conversion declaration and shares issued	379.0	1,596.9
Conversion declaration but no shares yet issued	894.8	0.0
Unconverted, not terminated	326.2	3.1
<b>Total</b>	<b>1,600.0</b>	<b>1,600.0</b>
	units	units
Number of shares issued	9,580,782	40,344,203

The rating agency Standard & Poor's adjusted its long-term issuer rating for Deutsche Wohnen SE on 25 October 2021 from A- with outlook negative to BBB+ with outlook stable. This occurred following the successful completion of the voluntary takeover offer by Vonovia SE. Integration with the Vonovia group of companies meant that the rating of Deutsche Wohnen SE was aligned with that of Vonovia SE. Standard & Poor's gives Deutsche Wohnen SE a stand-alone credit profile of a-.

Due to the majority takeover by Vonovia SE, Deutsche Wohnen SE was excluded from the German benchmark index DAX with effect from 29 October 2021.

We are not aware of any other material events after the reporting date.

## Risk report

For the risks of future business performance and a description of the risk management system (RMS), we refer to the risk report in the consolidated financial statements as of 31 December 2020.

Published on 15 April 2021, the decision of the Second Senate of the Federal Constitutional Court dated 25 March 2021 declared the Berlin rent freeze for residential properties [Gesetz zur Mietenbegrenzung im Wohnungswesen in Berlin – MietenWoG Bln] unconstitutional and therefore null and void. Risks arising from potential rent limits for new lettings and other rent rises classed as material as of 31 December 2020 and negative impacts on the value of affected properties therefore lapsed.

Material costs for new construction and maintenance projects are rising due to simultaneously high demand and limited supply resulting from reasons relating to the economy, particularly the pandemic, trade restrictions, container shortages and current natural events. The associated investment risks are deemed significant. These risks are deemed temporary in the assumption that the supply situation will improve.

There have been no material changes in the overall risk assessment compared with the previous year. There are no concrete risks to the company's continued existence.

## Forecast

The first nine months of 2021 went according to plan for Deutsche Wohnen. We therefore stand by the forecast made when we published our performance figures for 2020 in March 2021 and are anticipating FFO I at the same level as last year.

Berlin, 2 November 2021

Deutsche Wohnen SE  
Management Board



Michael Zahn  
Chairman of the  
Management Board



Philip Grosse  
Management Board



Henrik Thomsen  
Management Board



Lars Urbansky  
Management Board



## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

<b>33</b>	<b>CONSOLIDATED BALANCE SHEET</b>
<b>35</b>	<b>CONSOLIDATED PROFIT AND LOSS STATEMENT</b>
<b>36</b>	<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>
<b>37</b>	<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>
<b>38</b>	<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>

## CONSOLIDATED BALANCE SHEET

as of 30 September 2021

EUR m	30/09/2021	31/12/2020 adjusted	31/12/2020 as reported
<b>Assets</b>			
Investment properties	27,861.5	28,069.5	28,069.5
Property, plant and equipment	190.5	197.0	197.0
Intangible assets	354.2	357.7	357.7
Trade receivables	2.2	0.0	0.0
Derivative financial instruments	1.6	2.3	2.3
Other financial assets	423.5	433.5 <sup>1</sup>	425.0
Deferred tax assets	0.0	0.0	0.0
<b>Non-current assets</b>	<b>28,833.5</b>	<b>29,060.0<sup>1</sup></b>	<b>29,051.5</b>
Land and buildings held for sale	462.9	472.2	472.2
Other inventories	12.4	12.3	12.3
Trade receivables	63.6	35.9	35.9
Income tax receivables	142.5	125.6	125.6
Derivative financial instruments	0.1	0.3	0.3
Other financial assets	1,033.9	343.6	343.6
Other non-financial assets	10.6	9.1	9.1
Cash and cash equivalents	748.0	583.3	583.3
Non-current assets held for sale	2,197.0	163.6	163.6
<b>Current assets</b>	<b>4,671.0</b>	<b>1,745.9</b>	<b>1,745.9</b>
<b>Total assets</b>	<b>33,504.5</b>	<b>30,805.9<sup>1</sup></b>	<b>30,797.4</b>

1 Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

EUR m	30/09/2021	31/12/2020 adjusted	31/12/2020 as reported
<b>Equity and liabilities</b>			
Equity attributable to shareholders of the parent company			
Issued share capital	369.6	359.9	359.9
Own shares	-3.4	-16.1	-16.1
<b>Issued capital</b>	<b>366.2</b>	<b>343.8</b>	<b>343.8</b>
Capital reserve	2,836.0	1,688.1	1,688.1
Accumulated other comprehensive income	-38.7	-47.8	-47.8
Retained earnings	11,861.5	11,416.1 <sup>1</sup>	11,407.6
<b>Total equity attributable to the shareholders of the parent company</b>	<b>15,025.0</b>	<b>13,400.2<sup>1</sup></b>	<b>13,391.7</b>
Non-controlling interests	473.0	441.1	441.1
<b>Total equity</b>	<b>15,498.0</b>	<b>13,841.3<sup>1</sup></b>	<b>13,832.8</b>
Financial liabilities	5,226.2	6,444.7	6,444.7
Convertible bonds	1,183.0	1,762.8	1,762.8
Corporate bonds	0.0	2,875.5	2,875.5
Employee benefit liabilities	102.7	109.6	109.6
Other provisions	37.0	29.9	29.9
Trade payables	19.2	67.9	67.9
Derivative financial instruments	23.1	48.7	48.7
Other financial liabilities	313.4	289.9	289.9
Deferred tax liabilities	4,998.3	4,412.0	4,412.0
<b>Total non-current liabilities</b>	<b>11,902.9</b>	<b>16,041.0</b>	<b>16,041.0</b>
Financial liabilities	1,005.1	80.4	80.4
Convertible bonds	436.1	5.9	5.9
Corporate bonds	4,055.8	254.1	254.1
Other provisions	26.7	27.5	27.5
Trade payables	320.8	362.0	362.0
Derivative financial instruments	7.6	8.6	8.6
Tax liabilities	62.1	60.5	60.5
Other financial liabilities	98.3	108.7	108.7
Other non-financial liabilities	13.6	15.9	15.9
Financial liabilities in connection with non-current assets held for sale	77.5	0.0	0.0
<b>Total current liabilities</b>	<b>6,103.6</b>	<b>923.6</b>	<b>923.6</b>
<b>Total equity and liabilities</b>	<b>33,504.5</b>	<b>30,805.9<sup>1</sup></b>	<b>30,797.4</b>

1 Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

## CONSOLIDATED PROFIT AND LOSS STATEMENT

for the period from 1 January to 30 September 2021

EUR m	9M 2021	9M 2020	Q3 2021	Q3 2020
Income from Residential Property Management	900.5	926.9	274.6	290.1
Income from Nursing Operations	172.7	169.6	59.7	57.1
Rental income from Nursing Assets	25.3	30.0	8.4	8.4
Other income	16.4	14.8	5.3	4.8
Income from sold properties	197.3	386.3	24.6	166.4
Carrying amount of properties sold	-192.6	-379.4	-22.3	-162.6
Income from sold properties (development)	14.2	4.7	3.3	4.7
Carrying amount of properties sold (development)	-13.5	-4.7	-3.4	-4.7
<b>Earnings from Disposals</b>	<b>5.4</b>	<b>6.9</b>	<b>2.2</b>	<b>3.8</b>
Cost of materials and services	-388.6	-422.3	-105.1	-122.6
Staff expenses	-177.0	-173.1	-58.1	-60.0
Other operating expenses	-124.3	-80.9	-66.3	-21.4
Other operating income	59.7	39.4	15.4	14.6
	<b>490.1</b>	<b>511.3</b>	<b>136.1</b>	<b>174.8</b>
Depreciation, amortisation and impairment	-29.1	-29.2	-9.6	-10.2
Gains/losses from the fair value adjustment of investment properties	1,484.2	171.7	1,003.5	-2.5
Impairment losses on financial assets	-4.9	-5.2	-0.2	-1.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,940.3</b>	<b>648.6</b>	<b>1,129.8</b>	<b>160.4</b>
Finance income	22.4	7.7	11.5	5.8
Finance expenses	-127.8	-130.4	-54.3	-39.8
Gains/losses from fair value adjustments financial instruments	-347.2	-102.1	-64.5	-14.0
Earnings from investments accounted for using the equity method	-16.5	32.1 <sup>1</sup>	-7.5	31.0 <sup>1</sup>
<b>Earnings before taxes (EBT)</b>	<b>1,471.2</b>	<b>455.9<sup>1</sup></b>	<b>1,015.0</b>	<b>143.4<sup>1</sup></b>
Income taxes	-630.6	-118.0	-430.8	-22.2
<b>Profit/loss for the period</b>	<b>840.6</b>	<b>337.9<sup>1</sup></b>	<b>584.2</b>	<b>121.2<sup>1</sup></b>
Of which attributable to:				
Shareholders of the parent company	802.3	330.2 <sup>1</sup>	560.7	118.1 <sup>1</sup>
Non-controlling interests	38.3	7.7	23.5	3.1
	<b>840.6</b>	<b>337.9<sup>1</sup></b>	<b>584.2</b>	<b>121.2<sup>1</sup></b>
<b>Earnings per share</b>				
Undiluted in EUR	2.31	0.95 <sup>1</sup>	1.61	0.34 <sup>1</sup>
Diluted in EUR	2.31	0.95 <sup>1</sup>	1.61	0.34 <sup>1</sup>

1 Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2021

EUR m	9M 2021	9M 2020	Q3 2021	Q3 2020
Profit/loss for the period	<b>840.6</b>	<b>337.9<sup>1</sup></b>	<b>584.2</b>	<b>121.2<sup>1</sup></b>
Other comprehensive income				
Items subsequently reclassified to profit or loss				
Net gain/loss from derivatives of cash flow hedges	9.7	-6.2	3.7	-0.3
Income tax effects	-1.8	1.5	-0.2	0.1
	<b>7.9</b>	<b>-4.7</b>	<b>3.5</b>	<b>-0.2</b>
Items subsequently not reclassified to profit or loss				
Net change in the fair value of equity instruments	0.0	-2.0	0.0	0.0
Income tax effects	0.0	0.0	0.0	0.0
Actuarial gains/losses on pensions and effect of asset ceilings in pension plans	6.9	-1.3	0.6	-7.8
Income tax effects	-0.6	0.2	0.6	1.7
Net gain/loss from convertible bonds	-6.9	21.8	0.0	-13.9
Income tax effects	2.0	-5.9	0.0	4.2
	<b>1.4</b>	<b>12.8</b>	<b>1.2</b>	<b>-15.8</b>
Other comprehensive income after taxes	<b>9.3</b>	<b>8.1</b>	<b>4.7</b>	<b>-16.0</b>
Total comprehensive income after taxes	<b>849.9</b>	<b>346.0<sup>1</sup></b>	<b>588.9</b>	<b>105.2<sup>1</sup></b>
Of which attributable to:				
Shareholders of the parent company	811.3	338.5 <sup>1</sup>	565.3	102.1 <sup>1</sup>
Non-controlling interests	38.6	7.5	23.6	3.1

<sup>1</sup> Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January to 30 September 2021

EUR m	9M 2021	9M 2020
<b>Operating activities</b>		
Profit/loss for the period	840.6	337.9 <sup>1</sup>
Finance income	-22.4	-7.5
Finance expenses	127.8	132.1
Gains/losses from fair value adjustments of financial instruments	347.2	102.1
Earnings from investments accounted for using the equity method	16.5	-32.1 <sup>1</sup>
Income taxes	630.6	118.0
<b>Profit/loss for the period before interest and taxes</b>	<b>1,940.3</b>	<b>650.5</b>
Non-cash income and expenses		
Fair value adjustment of investment properties	-1,484.2	-171.6
Depreciation, amortisation and impairment	29.1	29.2
Other non-cash income and expenses	-6.0	-1.2
Change in net working capital		
Change in receivables, inventories and other current assets	-24.5	-46.5
Change in operating liabilities	10.6	-62.0
<b>Net operating cash flow</b>	<b>465.3</b>	<b>398.4</b>
Proceeds from the disposal of land and buildings held for sale	12.2	20.9
Investments in land and buildings held for sale	-10.7	-10.0
Interest paid	-121.0	-131.2
Interest received	2.7	3.7
Taxes paid	-52.2	-45.8
Taxes received	11.5	22.2
<b>Net cash flow from operating activities</b>	<b>307.8</b>	<b>258.2</b>
<b>Investing activities</b>		
Proceeds from the disposal of investment properties and properties held for sale	92.9	502.5
Payments for investments in properties	-529.1	-826.1 <sup>2</sup>
Payments for investments in other assets	-755.1	-527.3 <sup>2</sup>
Proceeds from dividends from shareholdings and joint ventures	0.1	0.1
Proceeds from sale of subsidiaries less cash and cash equivalents	9.7	0.0
Payments for business combinations less cash and cash equivalents acquired	0.0	-517.1
Other proceeds of investing activities	51.3	11.1
<b>Net cash flow from investing activities</b>	<b>-1,130.2</b>	<b>-1,356.8</b>
<b>Financing activities</b>		
Proceeds of new borrowing	4.0	562.4
Loan repayments	-229.3	-484.1
Proceeds from the issue of corporate bonds	1,200.1	1,998.2
Repayment of corporate bonds	-250.0	-478.8
One-off financing payments	-21.3	-15.3
Repayment of lease liabilities	-16.1	-16.1
Proceeds for the sale of own shares	660.8	0.0
Payments for the purchase of own shares	0.0	-505.7
Proceeds of the capital increase	0.0	0.1
Other payments for financing activities	-2.2	-2.1
Dividends paid to shareholders of Deutsche Wohnen SE	-354.1	-312.6
Dividends paid to shareholders of non-controlling interests	-4.8	-4.8
<b>Net cash flow from financing activities</b>	<b>987.1</b>	<b>741.2</b>
<b>Net change in cash and cash equivalents</b>	<b>164.7</b>	<b>-357.4</b>
<b>Opening balance cash and cash equivalents</b>	<b>583.3</b>	<b>685.6</b>
<b>Closing balance cash and cash equivalents</b>	<b>748.0</b>	<b>328.2</b>

1 Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

2 Previous year's figure amended

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as of 30 September 2021

EUR m	Share capital	Own shares	Issued capital	Capital reserve	Pensions and convertible bonds	Cash flow hedge reserve	Total other comprehensive income	Retained earnings company	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Equity as of 1 January 2020	359.7	-2.6	357.1	2,555.5	-33.9	-12.4	-46.3	9,834.1	12,700.4	406.9	13,107.3
Profit/loss for the period								330.2 <sup>1</sup>	330.2 <sup>1</sup>	7.7	337.9 <sup>1</sup>
Other comprehensive income					12.8	-4.5	8.3		8.3	-0.2	8.1
<b>Total comprehensive income</b>					<b>12.8</b>	<b>-4.5</b>	<b>8.3</b>	<b>330.2<sup>1</sup></b>	<b>338.5<sup>1</sup></b>	<b>7.5</b>	<b>346.0<sup>1</sup></b>
Capital increase	0.2		0.2	2.2					2.4		2.4
Purchase of treasury shares		-13.4	-13.4	-486.1					-499.6		-499.6
Contribution in connection with Management Board remuneration			0.0	-0.2					-0.2		-0.2
Change in non-controlling interests			0.0					0.2	0.2	-7.3	-7.1
Dividend			0.0					-312.6	-312.6		-312.6
Other			0.0					-2.1	-2.1		-2.1
<b>Equity as of 30 Sept. 2020</b>	<b>359.9</b>	<b>-16.1</b>	<b>343.8</b>	<b>2,071.4</b>	<b>-21.1</b>	<b>-16.9</b>	<b>-38.0</b>	<b>9,849.8<sup>1</sup></b>	<b>12,227.0<sup>1</sup></b>	<b>407.1</b>	<b>12,634.1<sup>1</sup></b>
Equity as of 1 January 2021 as reported	359.9	-16.1	343.8	1,688.1	-31.2	-16.6	-47.8	11,407.6	13,391.7	441.1	13,832.8
Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction			0.0					8.5	8.5		8.5
<b>Equity as of 1 January 2021 adjusted</b>	<b>359.9</b>	<b>-16.1</b>	<b>343.8</b>	<b>1,688.1</b>	<b>-31.2</b>	<b>-16.6</b>	<b>-47.8</b>	<b>11,416.1</b>	<b>13,400.2</b>	<b>441.1</b>	<b>13,841.3</b>
Profit/loss for the period								802.3	802.3	38.3	840.6
Other comprehensive income					1.4	7.6	9.0		9.0	0.3	9.3
<b>Total comprehensive income</b>					<b>1.4</b>	<b>7.6</b>	<b>9.0</b>	<b>802.3</b>	<b>811.3</b>	<b>38.6</b>	<b>849.9</b>
Capital increase	9.7		9.7	500.1	0.1		0.1	-0.1	509.8		509.8
Costs of capital increase without tax effects			0.0	-0.1					-0.1		-0.1
Sale of treasury shares		12.7	12.7	648.1					660.8		660.8
Contribution in connection with Management Board remuneration			0.0	-0.2					-0.2		-0.2
Change in non-controlling interests			0.0					-0.5	-0.5	-6.7	-7.2
Dividend			0.0					-354.1	-354.1		-354.1
Other			0.0					-2.2	-2.2		-2.2
<b>Equity as of 30 Sept. 2021</b>	<b>369.6</b>	<b>-3.4</b>	<b>366.2</b>	<b>2,836.0</b>	<b>-29.7</b>	<b>-9.0</b>	<b>-38.7</b>	<b>11,861.5</b>	<b>15,025.0</b>	<b>473.0</b>	<b>15,498.0</b>

1 Previous year's figure amended due to finalisation of purchase price allocation for the QUARTERBACK transaction

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