

DEUTSCHE WOHNEN SE

Interim Statement Q3 2024



Key Figures

Financial Key Figures in € million	9M 2023*	9M 2024	Change in %	12M 2023
Adjusted EBITDA Total (continuing operations)*	496.8	489.2	-1.5	634.8
Adjusted EBITDA Rental	480.4	473.6	-1.4	638.1
Adjusted EBITDA Value-add	7.9	17.5	>100	10.6
Adjusted EBITDA Recurring Sales	1.4	1.2	-14.3	1.3
Adjusted EBITDA Development*	7.1	-3.1	-	-15.2
Adjusted EBITDA from discontinued operations	38.5	37.6	-2.3	44.6
Adjusted EBT (continuing operations)*	428.7	384.1	-10.4	546.1
Adjusted EBT (continuing operations) per share in €**	1.08	0.97	-10.4	1.38
Adjusted EBT (continuing operations) after minorities	427.8	380.7	-11.0	539.3
Adjusted EBT (continuing operations) after minorities per share in €**	1.08	0.96	-11.0	1.36
Income from fair value adjustments of investment properties*	-2,153.7	-518.7	-75.9	-3,722.2
Earnings before tax (EBT)*	-1,878.1	-319.5	-83.0	-3,419.3
Profit for the period	-1,300.5	-255.5	-80.4	-2,761.1
Operating Free Cash-Flow	242.6	386.6	59.4	267.2
Cash flow from operating activities	333.3	505.7	51.7	384.8
Cash flow from investing activities	256.3	173.8	-32.2	291.3
Cash flow from financing activities	-572.5	-350.1	-38.8	-658.9
Total Sum of Maintenance, Modernization, Portfolio Investments and New Construction	328.6	280.2	-14.7	448.6
thereof for maintenance measures*	109.7	114.6	4.5	149.0
thereof for modernization & portfolio investments*	79.9	84.8	6.1	114.4
thereof for new construction*	139.0	80.8	-41.9	185.2

Key Balance Sheet Figures/Financial Covenants in € million	Dec. 31, 2023	Sep. 30, 2024	Change in %
Fair value of the real estate portfolio	24,461.1	24,143.0	-1.3
NAV	16,976.6	16,606.0	-2.2
NAV per share in €***	42.77	41.84	-2.2
LTV (%)	30.4	29.5	-0.9 pp
Net debt/EBITDA	12.3x	12.4x	0.1x
ICR	6.8x	5.4x	-1,4x

Non-financial Key Figures	9M 2023	9M 2024	Change in %	12M 2023
Number of own apartments	140,178	139,743	-0.3	139,847
Number of apartments sold	34	867	>100	374
thereof Recurring Sales	34	81	>100	57
thereof Non Core/other	-	786	-	317
Number of new apartments completed	285	899	>100	328
thereof own apartments	113	547	>100	113
thereof apartments for sale	172	352	>100	215
Vacancy rate (in %)	1.7	1.6	-0.1 pp	1.5
Monthly in-place rent in €/m ²	7.66	7.91	3.3	7.72
Organic rent increase (in %)	2.8	3.7	0.9 pp	3.4
Number of employees*	805	745	-7.5	796

* Previous year's values (2023) adjusted to current key figure and segment definition.

** Based on the weighted average number of shares carrying dividend rights.

*** Based on the shares carrying dividend rights on the reporting date.

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Business Development in the First Nine Months of 2024

Overview

- > Real estate values appear to be bottoming out.
- > Ongoing positive rent trend in the core Rental business, with high customer satisfaction levels and virtually full occupancy.
- > Higher real estate transaction volumes in the third quarter.

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Deutsche Wohnen SE on the Capital Market

Shares in Deutsche Wohnen

The assessment of macroeconomic development in general and interest rates in particular was the dominant factor driving the stock markets in the first nine months of 2024. In particular, the first moves by the US Federal Reserve and the European Central Bank to cut key rates provided a boost to DAX 40 share prices. What is more, further rate cuts are generally expected by the market, fueling an overall positive mood on the stock markets.

By contrast, the SDAX trend was much more moderate at +1.4%. Shares in Deutsche Wohnen showed relatively volatile development, trading at € 24.85 on September 30, up by 3.8% as against the start of the year. The comparatively low trading volume makes shares in Deutsche Wohnen more susceptible to volatility overall.

The residential property markets in which we operate are characterized by a high level of excess demand, which is increasingly having a positive impact on rental growth.

As a result, we remain confident that the fundamental conditions in our markets will ensure positive development in the long run. Besides the favorable relationship (from an owner's point of view) between supply and demand in urban regions, the relevant factors here include, above all, structural momentum on the revenue side as well as support from the key megatrends.

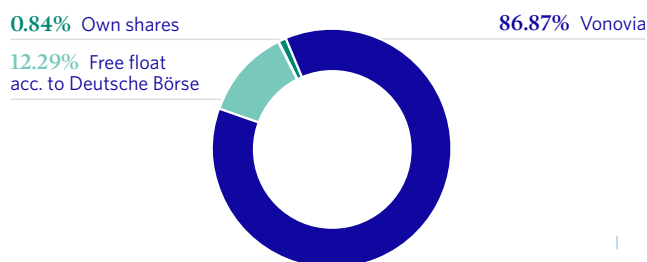
Deutsche Wohnen's market capitalization amounted to around € 9.9 billion as of September 30, 2024.

Shareholder Structure

The chart displayed below shows the voting rights pursuant to Sections 33 and 34 of the German Securities Trading Act (WpHG) as notified by the shareholders in relation to the current share capital. It is important to note that the number of voting rights reported could have changed within the respective thresholds without triggering an obligation to notify the company.

Vonovia SE holds 86.87% of the shares in Deutsche Wohnen as of September 30, 2024. On September 30, 2024, 12.3% of Deutsche Wohnen's shares were in free float as defined by Deutsche Börse. The underlying [voting rights notifications](#) and corresponding financial instruments reported by shareholders or other instruments pursuant to Sections 38, 39 WpHG can be found online.

Major Shareholders (as of September 30, 2024)



Share Information (as of September 30, 2024)

Total number of shares	400,296,988
Thereof treasury shares	3,362,003
Share capital	€ 400,296,988
ISIN	DE000A0HN5C6
WKN	A0HN5C
Ticker symbol	DWNI
Share class	Bearer shares
Official Market	General Standard, Frankfurt Stock Exchange, Xetra
Indices	SDAX, EPRA/NAREIT, STOXX® Europe 600, GPR 250

Economic Development in the First Nine Months of 2024

Key Events During the Reporting Period

The core Rental business was characterized by a high level of demand for rental apartments and a positive rent trend in the first nine months of 2024. With a vacancy rate of 1.6% at the end of the third quarter of 2024 (end of the third quarter of 2023: 1.7%), Deutsche Wohnen's residential real estate portfolio was virtually fully occupied.

The second and third quarters of 2024 saw higher real estate transaction volumes and a bottoming out of real estate values. The ECB key rate cuts favored transactions, particularly in the Recurring Sales and Development segments.

On September 18, 2024, Deutsche Wohnen SE and Vonovia SE initiated a process to conclude a control and profit and loss transfer agreement between the two companies. This process will involve Vonovia making an offer to external shareholders of Deutsche Wohnen SE to acquire their shares in return for compensation in the form of newly issued shares in Vonovia SE, or to grant the remaining shareholders of Deutsche Wohnen SE an annual compensation payment for the term of the intercompany agreement. The necessary approval is to be obtained at extraordinary general meetings organized by the companies in January 2025.

In August 2024, Deutsche Wohnen sold eight development projects for around € 270 million to a fund launched by HIH Invest. Further QUARTERBACK Immobilien AG project developments were also sold to the fund for € 150 million.

After the third quarter of 2024, on October 14, 2024 and October 15, 2024, Deutsche Wohnen sold four additional development projects for around € 139 million to another fund launched by HIH Invest.

On September 30, 2024, Deutsche Wohnen concluded purchase agreements to acquire land to build on from the QUARTERBACK Immobilien Group. The land it owns leaves Deutsche Wohnen well positioned for future development projects that will help to alleviate the shortage of housing. In the same context, selective purchase agreements were also

concluded to acquire property management units from QUARTERBACK Immobilien AG via Deutsche Wohnen. This transaction has a total volume of around € 510 million. These transactions are due to be closed by December 31, 2024.

Further transactions in order to acquire land to build on are planned up to the end of 2024. Additional purchase contracts with a volume of around € 275 million have already been signed in this respect following the September 30, 2024, reporting date.

The loan receivables from the QUARTERBACK Immobilien Group included in the financial assets have been offset against the outstanding purchase price components within the scope of these transactions.

Deutsche Wohnen assumes that the outstanding receivables following the closing of the transactions will not be recoverable and has therefore recognized a corresponding impairment loss in the third quarter of 2024 of € 153.2 million on these receivables and of € 26.2 million on the interest receivables included.

The impairment loss recognized in interest receivables relates to the interest income already collected in the first six months of 2024, but not yet paid. The impairment loss recognized for this interest income is shown netted against the interest income.

The additional impairment loss recognized for loan receivables is shown in the line item "Impairment losses on financial assets" in the consolidated income statement.

In the context of the endeavors to sell the Care segment, contracts were concluded after the end of the third quarter of 2024 for the sale of a total of 27 nursing care properties and the sale of the Katharinenhof nursing care business on October 2, 2024.

In addition, Deutsche Wohnen successfully concluded a notarized sales contract for around 1,089 residential units and six commercial units on July 26, 2024. The purchase

price of around € 160 million is higher than the carrying amounts of the properties sold recognized at the time of the negotiations.

The Annual General Meeting held on May 6, 2024, resolved to pay a dividend for the 2023 fiscal year in the amount of € 0.04 per share. The total amount of the dividend distributed in cash came to € 15,877,399.40.

From the 2024 fiscal year onwards, a modified management system has been introduced. This uses the Adjusted EBT indicator and is thus more clearly focused on profitability and internal financing. The Adjusted EBT will be used as a basis for a reconciliation to the operating free cash flow (OFCF) as the leading indicator of internal financing. This operating free cash flow is a measure of the Group's operational capacity to generate cash surpluses and, as a result, of its internal financing power.

Results of Operations

Overview

Overall, Deutsche Wohnen's business development was consistent with expectations in the third quarter of 2024.

Core business in the Rental segment was characterized by high demand for rental apartments and positive rental price development. The Value-add segment posted a marked increase in earnings, which was mainly due to a positive effect resulting from the leasing of our coax network, which will not be reflected to the same extent next year. Earnings contributions from the Recurring Sales segment were in the low single-digit millions, on a par with the previous year. The Development segment is dominated by low demand and a supply chain environment that remains challenging in 2024. The overall conditions are expected to improve slightly now that real estate values on the market appear to be bottoming out. This is additionally supported by the successful sales to the fund managed by HIH.

Any analysis of the figures reported has to consider the fact that the prior-year figures are reported based on the current segmentation to facilitate a comparison.

The sale of the Care business activities was initiated by the Management Board of Deutsche Wohnen, and this segment is still expected to be sold before December 2024. After a contract regarding six properties was concluded in mid-April, the sale of a further tranche comprising 27 care homes was agreed in early October 2024. The transaction is expected to be closed at the start of 2025. Accordingly, the majority of the Care segment is presented as a discontinued operation. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 17.3 million in segment revenue in the first nine months of 2024 (9M 2023: € 17.7 million).

In detail, Adjusted EBT developed as follows in the reporting period:

Adjusted EBT

in € million	9M 2023*	9M 2024	Change in %	12M 2023
Revenue in the Rental segment	605.5	621.4	2.6	811.4
Expenses for maintenance	-68.9	-80.2	16.4	-91.7
Operating expenses in the Rental segment	-56.2	-67.6	20.3	-81.6
Adjusted EBITDA Rental	480.4	473.6	-1.4	638.1
Revenue in the Value-add segment	21.1	29.6	40.3	29.0
thereof external revenue	19.6	28.9	47.4	26.7
thereof internal revenue	1.5	0.7	-53.3	2.3
Operating expenses in the Value-add segment	-13.2	-12.1	-8.3	-18.4
Adjusted EBITDA Value-add	7.9	17.5	>100	10.6
Revenue in the Recurring Sales segment	8.4	17.1	>100	12.8
Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment	-6.2	-14.6	>100	-10.3
Adjusted result Recurring Sales	2.2	2.5	13.6	2.5
Selling costs in the Recurring Sales segment	-0.8	-1.3	62.5	-1.2
Adjusted EBITDA Recurring Sales	1.4	1.2	-14.3	1.3
Revenue from disposal of Development to sell properties	154.6	16.3	-89.5	155.0
Cost of Development to sell	-141.2	-17.9	-87.3	-142.0
Gross profit Development to sell	13.4	-1.6	-	13.0
Rental revenue Development	2.2	3.2	45.5	3.0
Operating expenses in the Development segment	-8.5	-4.7	-44.7	-31.2
Adjusted EBITDA Development*	7.1	-3.1	-	-15.2
Adjusted EBITDA Total (continuing operations)*	496.8	489.2	-1.5	634.8
Adjusted net financial result	-50.8	-88.2	73.6	-67.3
Straight-line depreciation**	-17.3	-16.9	-2.3	-21.4
Adjusted EBT (continuing operations)	428.7	384.1	-10.4	546.1
Adjusted EBT (continuing operations) per share in €***	1.08	0.97	-10.4	1.38
Minorities	0.9	3.4	>100	6.8
Adjusted EBT (continuing operations) after minorities	427.8	380.7	-11.0	539.3
Adjusted EBT (continuing operations) after minorities per share in €***	1.08	0.96	-11.0	1.36

* Previous year's values (2023) adjusted to current key figure and segment definition.

** Depreciation on concessions/property rights/licenses, self-developed software, self-used real estate, technical equipment and machinery, as well as other equipment/operating and business equipment.

*** Based on the weighted average number of shares carrying dividend rights.

As of September 30, 2024, Deutsche Wohnen employed 745 people (September 30, 2023: 805).

10,609) and 2,502 commercial units (end of the third quarter of 2023: 2,555).

As of the end of the third quarter of 2024, Deutsche Wohnen managed a portfolio comprising 139,743 of its own residential units (end of the third quarter of 2023: 140,178), 10,521 garages and parking spaces (end of the third quarter of 2023:

Details on results of operations by segment

Rental segment

At the end of September 2024, the portfolio in the Rental segment had a vacancy rate of 1.6% (end of September 2023: 1.7%), meaning that it was nearly fully occupied.

The segment revenue in the Rental segment increased by 2,6% (9M 2023: 2,2%) from € 605,5 million in the first nine months of 2023 to € 621,4 million in the first nine months of 2024.

Organic rent growth (twelve-month rolling) totaled 3,7% (9M 2023: 2.8%). This is the result of **like-for-like rent increases** of 2.9% (9M 2023: 2.7%) and a 0.8% (9M 2023: 0.1%) increase in rent resulting from the construction of new apartments and the addition of stories to existing properties.

The average monthly in-place rent within the Rental segment at the end of September 2024 came to € 7.91 per m² compared to € 7.66 per m² at the end of September 2023.

The overview below provides details on maintenance, modernization and new construction.

Maintenance, Modernization and New Construction

in € million	9M 2023	9M 2024	Change in %	12M 2023
Expenses for maintenance	68.9	80.2	16.4	91.7
Capitalized maintenance	40.8	34.4	-15.7	57.3
Maintenance measures	109.7	114.6	4.5	149.0
Modernization & Portfolio Investments	79.9	84.8	6.1	114.4
New construction (to hold)	139.0	80.8	-41.9	185.2
Modernization, Portfolio Investments and New Construction	218.9	165.6	-24.3	299.6
Total Sum of Maintenance, Modernization, Portfolio Investments and New Construction	328.6	280.2	-14.7	448.6

Operating expenses in the Rental segment in the first nine months of 2024 were up by 20.3% on the figures for the first nine months of 2023, from € 56.2 million to € 67.6 million. All in all, the **Adjusted EBITDA Rental** came to € 473.6 million in the third quarter of 2024, 1.4% below the prior-year value of € 480.4 million.

Value-add segment

Our business activities in the **Value-add segment** show positive year-on-year development in the first nine months of the 2024 fiscal year versus 2023. In the multimedia business, the conclusion of an agreement to lease the existing coax network had an effect of € 7.1 million in the first nine months of 2024.

All in all, revenue from the Value-add segment came to € 29.6 million in the 2024 reporting period, 40.3% above the value of € 21.1 million seen in the first nine months of 2023. External revenue from our Value-add activities with our end customers in the first nine months of 2024 were € 28.9 million or 47.4% above the value of the first nine months of 2023 of € 19.6 million. Intra-Group revenue came to € 0.7 million in the first nine months of 2024, 53.3% lower than the value of € 1.5 million for the first nine months of 2023.

Operating expenses in the Value-add segment in the first nine months of 2024 amounted to € 12.1 million (9M 2023: € 13.2 million). **Adjusted EBITDA Value-add** came to € 17.5 million in the first nine months of 2024, significantly above the figure of € 7.9 million reported for the first nine months of 2023.

Recurring Sales segment

In the third quarter of 2024, income from the disposal of properties in the Recurring Sales segment came to € 17.1 million with 81 (9M 2023: 34) apartments sold, above the value for the third quarter of 2023 (€ 8.4 million). The fair value step-up came in at 16.6% in the third quarter of 2024, down considerably on the comparative value of 36.4% for the first nine months of 2023.

Selling costs in the Recurring Sales segment came in at € 1.3 million in the third quarter of 2024, 62.5% above the value of € 0.8 million for the first nine months of 2023.

Adjusted EBITDA Recurring Sales came in at € 1.2 million in the first nine months of 2024, below the value of € 1.4 million seen in the third quarter of 2023.

In the 2024 reporting period, 786 units from the Non-core/Other portfolio (9M 2023: 0) were also sold as part of our portfolio adjustment measures, with proceeds totaling € 128.5 million (9M 2023: € 1.1 million). The fair value step-up for Non-core/Other disposals came to 1.7% in the 2024 reporting period (9M 2023: 0.0%).

Development segment

In the Development to sell area, a total of 352 units were completed in the 2024 reporting period (9M 2023: 172 units). In the third quarter of 2024, income from the disposal of Development to sell properties amounted to € 16.3 million (9M 2023: € 154.6 million). The resulting gross profit for "Development to sell" came to € -1.6 million in the first nine months of 2024 (9M 2023: € 13.4 million).

Development operating expenses came to € 4.7 million in the first nine months of 2024, down considerably on the value of € 8.5 million seen in the first nine months of 2023 due to lower depreciation and amortization recognized on real estate inventories.

Adjusted **EBITDA in the Development** segment amounted to € -3.1 million in the 2024 reporting period (9M 2023: € 7.1 million).

Adjusted EBT

The Adjusted EBITDA Total for continuing operations

amounted to € 489.2 million in the first nine months of 2024 and was thus 1.5% below the value of € 496.8 million seen in the first nine months of 2023.

Reconciliations

The **adjusted net financial result** changed from € -50.8 million in the first nine months of 2023 to € -88.2 million in the first nine months of 2024. The increase is primarily due to the impairment losses recognized on interest receivables from the QUARTERBACK Immobilien Group related to interest income already collected in the first six months of 2024 but not yet paid. In the third quarter of 2024, the impairment loss recognized for this interest income is shown netted against the interest income for the first six months of 2024 in the amount of € 26.2 million.

Reconciliation of adjusted net financial result

in € million	9M 2023	9M 2024	Change in %	12M 2023
Income from non-current securities and non-current loans	43.1	11.3	-73.8	58.6
Interest income finance lease	0.2	0.2	-	-
Other interest and similar income from affiliated companies	14.2	5.4	-62.0	18.0
Interest received and similar income	1.8	8.2	>100	3.3
Interest expense from non-derivative financial liabilities	-121.6	-130.0	6.9	-165.3
Swaps (current interest expense for the period)	11.3	16.7	47.8	17.1
Capitalization of interest on borrowed capital Development	0.2	-	-100.0	0.3
Income from investments	-	-	-	0.7
Adjusted net financial result	-50.8	-88.2	73.6	-67.3
Accrued interest	-34.1	-25.3	-25.8	-26.7
Net cash interest	-84.9	-113.5	33.7	-94.0

Depreciation and amortization changed from € 17.3 million in the first nine months of 2023 to € 16.9 million in the first nine months of 2024.

Overall, **Adjusted EBT for continuing operations** came to € 384.1 million in the first nine months of 2024, compared to € 428.7 million in the first nine months of 2023.

In the first nine months of 2024, **profit for the period** came to € -255.5 million (9M 2023: € -1,300.5 million).

The reconciliation of the profit for the period to Adjusted EBT (continuing operations) is as follows:

Reconciliation of Profit for the Period/Adjusted EBT/Adjusted EBITDA

in € million	9M 2023*	9M 2024	Change in %	12M 2023
Profit for the period	-1,300.5	-255.5	-80.4	-2,761.1
Profit from discontinued operations	-11.7	26.4	-	333.5
Profit from continuing operations	-1,312.2	-229.1	-82.5	-2,427.6
Income taxes	-565.9	-90.4	-84.0	-991.7
Earnings before tax (EBT)	-1,878.1	-319.5	-83.0	-3,419.3
Non-recurring items	15.5	1.9	-87.7	17.0
Net income from fair value adjustments of investment properties	2,153.7	518.7	-75.9	3,722.2
Non-scheduled depreciation/value-adjustments (incl. impairment of financial assets)	101.1	144.5	42.9	111.2
Valuation effects and special effects in the financial result	12.8	15.7	22.7	37.6
Net income from investments accounted for using the equity method	24.0	25.8	7.5	75.1
Earnings contribution from non-core/other sales	-0.5	2.9	-	2.0
Period adjustments from assets held for sale	0.2	-5.9	-	0.3
Adjusted EBT (continuing operations)	428.7	384.1	-10.4	546.1
Straight-line depreciation	17.3	16.9	-2.3	21.4
Adjusted net financial result	50.8	88.2	73.6	67.3
Adjusted EBITDA Total (continuing operations)	496.8	489.2	-1.5	634.8

* Previous year's values (2023) adjusted to current key figure and segment definition.

The reconciliation of Adjusted EBT (continuing operations) to operating free cash flow is as follows:

Reconciliation of Adjusted EBT/Operating Free Cash-Flow

in € million	9M 2023	9M 2024	Change in %	12M 2023
Adjusted EBT (contineud operations)	428.7	384.1	-10.4	546.1
Straight-line depreciation	17.3	16.9	-2.3	21.4
Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)	-149.6	74.4	-	-219.9
Carrying amount of recurring sales assets sold	6.2	14.6	>100	10.3
Capitalized maintenance	-40.8	-34.4	-15.7	-57.3
Dividends and payouts to non-controlling shareholders (minorities)	-6.0	-6.3	5.0	-6.2
Income tax payments according to cash flow statement (w/o taxes on non-core sales)	-13.2	-62.7	>100	-27.2
Operating Free Cash-Flow	242.6	386.6	59.4	267.2

Assets

Consolidated Balance Sheet Structure

	Dec. 31, 2023		Sept. 30, 2024	
	in € million	in %	in € million	in %
Non-current assets	24,066.4	88.5	22,982.1	86.5
Current assets	3,119.6	11.5	3,576.9	13.5
Total assets	27,186.0	100.0	26,559.0	100.0
Equity	13,998.2	51.5	13,746.0	51.7
Non-current liabilities	12,394.3	45.6	10,833.9	40.8
Current liabilities	793.5	2.9	1,979.1	7.5
Total equity and liabilities	27,186.0	100.0	26,559.0	100.0

The main development in **non-current assets** is the € 489.3 million decrease in investment properties, largely on account of the negative result from remeasurement. The value of non-current financial assets accounted for using the equity method had decreased by € 25.8 million as of September 30, 2024, mainly due to earnings adjustments. In addition, non-current financial assets decreased by € 470.9 million from € 561.6 million to € 90.7 million due to the premature repayment of the loan granted to Vonovia SE in the amount of € 320.0 million in May 2024.

Within **current assets**, real estate inventories increased by € 48.3 million, from € 752.6 million to € 800.9 million. Current financial assets increased by € 40.5 million from € 686.1 million to € 726.6 million due to the reclassification of loans from non-current to current assets. **Cash and cash equivalents** rose to € 472.0 million as against € 157.1 million as of December 31, 2023.

As of September 30, 2024, the gross asset value (GAV) of Deutsche Wohnen's property assets came to € 24,318.1 million. This corresponds to 91.6 % of total assets, compared to € 24,658.4 million or 90.7 % at the end of 2023.

Total equity fell by € 252.2 million from € 13,998.2 million to € 13,746.0 million, largely as a result of the profit for the period of € -255.5 million.

The **equity ratio** came to 51.8% as of September 30, 2024, compared with 51.5% at the end of 2023.

Liabilities went down by € 374.8 million from € 13,187.8 million to € 12,813.0 million. Total non-current non-derivative financial liabilities declined by € 1,371.9 million from € 8,248.3 million to € 6,876.4 million. Current non-derivative financial liabilities increased by € 1,214.5 million from € 234.0 million to € 1,448.5 million.

Deferred tax liabilities decreased by € 148.7 million from € 3,799.4 million to € 3,650.7 million.

Net Assets (NAV)

At the end of September 2024, the NAV came to € 16,606.0 million, 2.2% down on the value of € 16,976.6 million seen at the end of 2023.

NAV per share changed from € 42.77 at the end of 2023 to € 41.84 at the end of September 2024.

Net Tangible Assets (NAV)

in € million	Dec. 31, 2023	Sept. 30, 2024	Change in %
Total equity attributable to Deutsche Wohnen shareholders	13,611.1	13,371.0	-1.8
Deferred tax in relation to fair value gains of investment properties*	3,398.6	3,254.8	-4.2
Fair value of financial instruments	-32.6	-19.4	-40.5
Intangibles	-0.5	-0.4	-20.0
NAV	16,976.6	16,606.0	-2.2
NAV per share in €	42.77	41.84	-2.2

* Proportion of hold portfolio.

Fair Values

Major market developments and valuation parameters that have an impact on the fair values of Deutsche Wohnen are assessed on an ongoing basis.

The evaluation of the market trend with a view to September 30, 2024, showed a general sideways trend in fair values for Deutsche Wohnen's real estate portfolios in the third quarter. The fair values recalculated at the end of the first half of the year have been adjusted to reflect the investments made up to September 30, 2024.

A complete remeasurement of the entire portfolio, taking into account the updated portfolio data, market developments and in particular the discounting and capitalized interest rates, will be performed again for the annual financial statements.

The recognition and valuation of investment properties are explained in detail in the consolidated financial statements for 2023.

Financial Position

Cash Flow

The Group cash flow is as follows:

Key Data from the Statement of Cash Flows

in € million	9M 2023	9M 2024
Cash flow from operating activities	333.3	505.7
Cash flow from investing activities	256.3	173.8
Cash flow from financing activities	-572.5	-350.1
Net changes in cash and cash equivalents	17.1	329.4
Cash and cash equivalents at the beginning of the period (excl. discontinued operation)	184.3	157.1
Cash and cash equivalents at the beginning of the period from discontinued operations	-	44.4
Cash and cash equivalents at the beginning of the period (incl. discontinued operation)	184.3	201.5
Cash and cash equivalents at the end of the period (incl. discontinued operation)	201.5	530.9
Less cash and cash equivalents of discontinued operation	-	58.9
Cash and cash equivalents at the end of the period	201.5	472.0

The cash flow from **operating activities** came to € 505.7 million for the first nine months of 2024, compared with € 333.3 million for the first nine months of 2023, mainly due to proceeds from the disposal of real estate inventories.

The cash flow from **investing activities** shows net proceeds of € 173.8 million for the first nine months of 2024, as against net proceeds of € 256.3 million for the first nine months of 2023. This figure includes payments for the acquisition of investment properties of € 286.7 million (9M 2023: € 258.0 million). It also includes, with the opposite effect, proceeds from the premature repayment of the loan granted to Vonovia SE in the amount of € 320.0 million in the first nine months 2024.

The cash flow from **financing activities** in the amount of € -350.1 million (9M 2023: € -572.5 million) includes payments for regular and unscheduled repayments on financial liabilities in the amount of € 186.6 million (9M 2023: € 435.8 million). Interest paid in the first nine months of 2024 amounted to € 127.9 million (9M 2023: € 124.3 million).

Net changes in **cash and cash equivalents** came to € 329.4 million.

in € million	Dec. 31, 2023	Sept. 30, 2024	Change in %
Non-derivative financial liabilities	8,518.0	8,324.9	-2.3
Cash and cash equivalents	-201.6	-530.9	>100
Net debt	8,316.4	7,794.0	-6.3
Sales receivables	-495.9	-431.2	-13.0
Adjusted net debt	7,820.5	7,362.8	-5.9
Fair value of the real estate portfolio	24,461.1	24,143.0	-1.3
Loans to companies holding immovable property and land	1,134.3	712.0	-37.2
Shares in other real estate companies	160.1	133.2	-16.8
Adjusted fair value of the real estate portfolio	25,755.5	24,988.2	-3.0
LTV	30.4%	29.5%	-0.9 pp
Adjusted net debt	7,820.5	7,362.8	-5.9
Adjusted EBITDA total*	634.8	595.2	-6.2
Adjusted Net debt/Adjusted EBITDA total	12.3x	12.4x	0.1x

* Total over four quarters.

The financial covenants have been fulfilled as of the reporting date.

in € million	Threshold	Dec. 31, 2023	Sept. 30, 2024	Change in %
Total financial debt/		8,316.4	7,794.0	-6.3
Total assets		27,186.0	26,559.0	-2.3
LTV	< 60.0%	30.6%	29.3%	-1.2 pp
LTM Adjusted EBITDA/		634.8	595.2	-6.2
LTM Net Cash Interest		94.0	110.1	17.1
ICR	> 1.8x	6.8x	5.4x	-1.4x

Business Outlook

The forecast was based on the accounting principles used in the consolidated financial statements, with the adjustments described elsewhere in the management report being made. The forecast does not take account of any larger acquisitions of real estate portfolios.

Our forecast for the 2024 fiscal year is based on determined and updated corporate planning for the Deutsche Wohnen Group as a whole, and considers current business developments as well as possible opportunities and risks. It also includes the key overall macroeconomic developments and the economic factors that are relevant to the real estate industry and our corporate strategy. Further information is provided in the 2023 Annual Report in the sections entitled **Development of the Economy and the Industry** and **Fundamental Information About the Group**.

Compared to the opportunities and risks set out in the interim report for H1 2024, the following changes in the assessment of the overall risk position had arisen at the end of the third quarter of 2024: The overall number of risks has decreased from 72 in H1 2024 to 70 at the end of the third quarter. This reflects the fact that three green, non-significant risks are no longer applicable, while one new green risk has been added. The evaluation of the nine amber significant risks was unchanged in a quarter-on-quarter comparison.

We expect the price increases on the construction and commodity markets, in particular, to continue to have a moderate impact on Deutsche Wohnen and our customers. While these will have a direct impact on ancillary expenses, they will also have an indirect effect on all areas of the economy due to general price increases. We also expect prices for construction materials to remain high, which will affect our construction projects as well. Unchanged high interest rates and inflation are creating increased volatility on the equity and debt capital markets. We therefore assess the overall economic situation and developments on an ongoing basis, particularly with regard to the return requirements for investment and divestment decisions.

All in all, we expect Adjusted EBITDA Total to be on a par with the previous year. The rise in interest rates over the last two years is resulting in increased borrowing costs. Impairment losses were also recognized on interest income in the context of the transaction with the QUARTERBACK Immobilien Group, resulting in a marked increase in the negative adjusted net financial result. Based on stable depreciation and amortization, we therefore expect Adjusted EBT to be moderately below the previous year's level. Both key figures are influenced to a considerable degree by the sales risks on the transaction market.

In addition, we expect the value of our company to increase further and, as a result, predict a slight increase in NAV per share, leaving any further market-related changes in property value out of the equation.

Based on the investments we plan to make in our real estate portfolio, we expect the CO₂ intensity of our portfolio to be down slightly year-on-year in 2024.

Berlin, October 30, 2024

The Management Board

Condensed Interim Consolidated Financial Statements

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Consolidated Income Statement

in € million	Jan. 1-Sept. 30, 2023 (adjusted)	Jan. 1-Sept. 30, 2024	Jul. 1- Sept. 30, 2023 (adjusted)	Jul. 1- Sept. 30, 2024
Revenue from property letting	984.9	981.4	329.3	328.1
Other revenue from property management	62.0	63.1	20.4	28.3
Revenue from property management	1,046.9	1,044.5	349.7	356.4
Income from disposal of properties	4.0	145.7	2.0	46.8
Carrying amount of properties sold	-3.6	-144.4	-1.6	-46.5
Revaluation of assets held for sale	0.5	9.2	0.5	1.7
Profit from the disposal of properties	0.9	10.5	0.9	2.0
Revenue from disposal of real estate inventories	160.0	16.2	7.9	10.3
Cost of sold real estate inventories	-144.9	-17.9	-3.0	-12.0
Profit from disposal of real estate inventories	15.1	-1.7	4.9	-1.7
Net income from fair value adjustments of investment properties	-2,153.7	-518.7	21.4	-0.2
Capitalized internal expenses	0.1	0.7	-	0.3
Cost of materials	-459.6	-463.9	-155.8	-158.4
Personnel expenses	-40.9	-26.7	-12.7	-10.9
Depreciation and amortization	-105.3	-23.2	-40.4	-6.9
Other operating income	45.7	66.6	10.4	35.2
Impairment losses on financial assets	-1.5	-180.2	-1.2	-155.1
Net income from the derecognition of financial assets measured at amortized cost	-1.2	1.9	0.2	1.2
Other operating expenses	-137.1	-101.9	-37.9	-37.0
Net income from investments accounted for using the equity method	-24.0	-25.8	-11.9	-7.4
Interest income	61.4	27.9	25.9	-17.7
Interest expenses	-121.7	-131.8	-40.4	-55.4
Other financial result	-3.2	2.3	0.6	0.5
Earnings before tax	-1,878.1	-319.5	113.7	-55.1
Income taxes	565.9	90.4	-29.7	7.2
Profit for the period of continuing operations	-1,312.2	-229.1	84.0	-47.9
Profit for the period of discontinued operations	11.7	-26.4	6.6	-4.8
Profit for the period	-1,300.5	-255.5	90.6	-52.7
Attributable to:				
Deutsche Wohnen's shareholders	-1,265.0	-248.3	92.9	-55.3
Non-controlling interests	-35.5	-7.2	-2.3	2.6
Earnings per share of continuing operations (diluted) in €	-3.22	-0.56	0.22	-0.13
Earnings per share of continuing operations (basic) in €	-3.22	-0.56	0.22	-0.13
Earnings per share total (diluted) in €	-3.19	-0.63	0.23	-0.14
Earnings per share total (basic) in €	-3.19	-0.63	0.23	-0.14

Consolidated Statement of Comprehensive Income

in € million	Jan. 1- Sept. 30, 2023	Jan. 1- Sept. 30, 2024	Jul. 1- Sept. 30, 2023	Jul. 1- Sept. 30, 2024
Profit for the period	-1,300.5	-255.5	90.6	-52.7
Change in unrealized gains/losses	-2.0	-3.5	0.6	-1.4
Taxes on the change in unrealized gains/losses	1.0	0.9	0.2	-0.1
Profit on cash flow hedges	-1.0	-2.6	0.8	-1.5
Items which will be recognized in profit or loss in the future	-1.0	-2.6	0.8	-1.5
Change in actuarial gains/losses, net	3.6	-2.7	5.4	-6.4
Tax effect	-2.2	0.1	-2.4	2.3
Profit on actuarial gains and losses from pensions and similar obligations	1.4	-2.6	3.0	-4.1
Items which will not be recognized in profit or loss in the future	1.4	-2.6	3.0	-4.1
Other comprehensive income	0.4	-5.2	3.8	-5.6
Total comprehensive income	-1,300.1	-260.7	94.4	-58.3
Attributable to:				
Deutsche Wohnen shareholders	-1,264.6	-253.4	96.6	-239.5
thereof from continuing operations	-1,277.2	-223.6	88.1	-234.0
thereof from discontinued operations	12.6	-29.8	8.5	-5.5
Non-controlling interests	-35.5	-7.3	-2.2	-2.3

Consolidated Balance Sheet

in € million	Dec. 31, 2023	Sept. 30, 2024
Assets		
Intangible assets	0.5	0.4
Property, plant and equipment	151.5	148.0
Investment properties	23,021.5	22,532.2
Financial assets	561.6	90.7
Investments accounted for using the equity method	126.3	100.5
Other assets	203.9	109.2
Deferred tax assets	1.1	1.1
Total non-current assets	24,066.4	22,982.1
Inventories	2.7	2.3
Trade receivables	140.3	57.8
Financial assets	686.1	726.6
Other assets	391.1	429.0
Income tax receivables	145.6	114.9
Cash and cash equivalents	157.1	472.0
Real estate inventories	752.6	800.9
Assets held for sale	74.0	280.3
Assets of discontinued operations	770.1	693.1
Total current assets	3,119.6	3,576.9
Total assets	27,186.0	26,559.0

in € million	Dec. 31, 2023	Sept. 30, 2024
Equity and liabilities		
Subscribed capital	396.9	396.9
Capital reserves	4,174.7	4,174.7
Retained earnings	9,034.6	8,797.0
Other reserves	4.9	2.4
Total equity attributable to Deutsche Wohnen shareholders	13,611.1	13,371.0
Non-controlling interests	387.1	375.0
Total equity	13,998.2	13,746.0
Provisions	63.9	53.4
Trade payables	2.6	2.6
Non-derivative financial liabilities	8,248.3	6,876.4
Derivatives	7.7	8.4
Lease liabilities	91.3	83.6
Liabilities to shareholders	181.0	154.7
Other liabilities	0.1	4.1
Deferred tax liabilities	3,799.4	3,650.7
Total non-current liabilities	12,394.3	10,833.9
Provisions	90.4	83.7
Trade payables	174.7	172.6
Non-derivative financial liabilities	234.0	1,448.5
Lease liabilities	13.8	13.5
Liabilities to shareholders	9.5	4.7
Current income taxes	92.1	61.0
Other liabilities	37.0	108.2
Liabilities of discontinued operations	142.0	86.9
Total current liabilities	793.5	1,979.1
Total liabilities	13,187.8	12,813.0
Total equity and liabilities	27,186.0	26,559.0

Consolidated Statement of Cash Flows

in € million	Jan. 1-Sept. 30, 2023	Jan. 1-Sept. 30, 2024
Profit for the period	-1,300.5	-255.5
Net income from fair value adjustments of investment properties	2,154.4	540.9
Revaluation of assets held for sale	-0.5	-9.2
Depreciation and amortization	130.8	62.5
Interest expenses/income and other financial result	64.9	105.5
Income taxes	-566.2	-89.3
Profit on the disposal of investment properties	-0.5	1.8
Results from disposals of other non-current assets	-0.3	0.1
Other expenses/income not affecting cash	24.0	161.4
Change in working capital	-149.6	74.4
Income tax paid	-23.2	-86.9
Cash flow from operating activities	333.3	505.7
Proceeds from disposals of investment properties and assets held for sale	3.6	195.3
Proceeds from disposals of other assets	1,103.1	323.9
Payments for investments in investment properties	-258.0	-286.7
Payments for investments in other assets	-631.7	-73.1
Interest received	39.4	14.4
Cash flow from investing activities	256.3	173.8

in € million	Jan. 1-Sept. 30, 2023	Jan. 1-Sept. 30, 2024
Cash paid to shareholders of Deutsche Wohnen SE	-14.6	-14.6
Cash paid to non-controlling interests	-6.0	-6.3
Proceeds from issuing financial liabilities	20.0	-
Cash repayments of financial liabilities	-435.8	-186.6
Cash repayments of lease liabilities	-11.8	-11.5
Payments in connection with the disposal of shares in non-controlling interests	-	-3.2
Interest paid	-124.3	-127.9
Cash flow from financing activities	-572.5	-350.1
Cash and cash equivalents at the beginning of the period (excl. discontinued operations)	184.3	157.1
Cash and cash equivalents at the beginning of the period from discontinued operations	-	44.4
Cash and cash equivalents at the beginning of the period	184.3	201.5
Net changes in cash and cash equivalents	17.2	329.4
Cash and cash equivalents at the end of the period (incl. discontinued operations)	201.5	530.9
Less cash and cash equivalents of discontinued operation	-	58.9
Cash and cash equivalents at the end of the period	201.5	472.0

Financial Calendar

Contact

November 8, 2024

Publication of the interim statement for the first nine months of 2024

For information on all of the reporting dates that are already set, please also refer to our [financial calendar](#).

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Note

This interim financial report is originally published in German. The interim financial report can be found on the website at www.deutsche-wohnen.com.

Disclaimer

This interim financial report contains forward-looking statements. These statements are based on the current experiences, assumptions and forecasts of the Management Board as well as information currently available to the Management Board. The forward-looking statements are not guarantees of the future developments and results mentioned therein. The future developments and results depend on a large number of factors. They involve certain risks and uncertainties and are based on assumptions that may prove to be inaccurate. These risk factors include but are not limited to those discussed in the risk report of the 2023 Annual Report. We do not assume any obligation to update the forward-looking statements contained in this interim report. This interim report does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities of Deutsche Wohnen SE.

Imprint

Published by
The Management Board of Deutsche Wohnen SE

Concept and Realization:
Berichtsmanufaktur GmbH, Hamburg

As of: November 2024
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