DEUTSCHE WOHNEN SE

Annual Report 2024

DEUTSCHE WOHNEN

Key Figures

Financial Key Figures in € million	2023	2024	Change in %
Adjusted EBITDA Total (continuing operations)	634.8	643.8	1.4
Adjusted EBITDA Rental	638.1	626.4	-1.8
Adjusted EBITDA Value-add	10.6	20.7	95.3
Adjusted EBITDA Recurring Sales	1.3	1.4	7.7
Adjusted EBITDA Development	-15.2	-4.7	-69.1
Adjusted EBITDA from discontinued operations	44.6	50.4	13.0
Adjusted EBT (continuing operations)	546.1	504.2	-7.7
Adjusted EBT (continuing operations) per share in €**	1.38	1.27	-8.0
Adjusted EBT (continuing operations) after minorities	539.3	498.8	-7.5
Adjusted EBT (continuing operations) after minorities per share in €**	1.36	1.26	-7.5
Income from fair value adjustments of investment properties	-3,722.2	-639.9	-82.8
Earnings before tax (EBT)	-3,419.3	-567.9	-83.4
Profit for the period	-2,761.1	-591.0	-78.6
Operating Free Cash-Flow	267.2	552.6	>100
Cash flow from operating activities	384.8	725.5	88.5
Cash flow from investing activities	291.3	-77.8	–
Cash flow from financing activities	-658.9	-417.1	-36.7
Total sum of maintenance, modernization, portfolio investments and new construction*	450.1	455.1	1.1
thereof for maintenance measures	149.0	160.5	7.7
thereof for modernization & portfolio investments*	115.9	121.9	5.2
thereof for new construction	185.2	172.7	-6.7

Key Balance Sheet Figures/Financial Covenants in € million	Dec. 31, 2023	Dec. 31, 2024	Change in %
Fair value of the real estate portfolio	24,461.1	23,971.9	-2.0
NAV	16,976.6	16,575.4	-2.4
NAV per share in €***	42.77	41.76	-2.4
LTV (%)	30.4	29.3	-1.0 pp
Adjusted Net debt/Adjusted EBITDA total*	12.3x	11.2x	-1.1x
ICR	6.8x	5.1x	-1.7x

Non-financial Key Figures	2023	2024	Change in %
Number of own apartments	139,847	139,507	-0.2
Number of apartments sold	374	1,389	>100
thereof Recurring Sales	57	131	>100
thereof Non Core/other	317	1,258	>100
Number of new apartments completed*	339	1,929	>100
thereof own apartments*	122	1,033	>100
thereof apartments for sale*	217	896	>100
Vacancy rate (in %)	1.5	1.4	-0.1 pp
Monthly in-place rent in €/m²	7.72	8.02	3.9
Organic rent increase (in %)	3.4	4.4	1.0 pp
Number of employees	796	723	-9.2

* Previous year's figures (2023) comparable according to current key figure definition for 2024.
** Based on the weighted average number of shares carrying dividend rights.
*** Based on the shares carrying dividend rights on the reporting date.

Contents

REFERENCES

→ to page(s) in the Report

to website

NOTE

To improve legibility, not all parts of this report use gender-neutral wording.

In the interests of equal treatment, these terms are designed to apply to all genders.
The use of these pronouns does not imply any value judgment.

For mathematical reasons, tables and explanations may contain rounding differences to the precisely stated values (euro, percent, etc.). Furthermore, amounts below the rounding threshold are shown as “0.0”. “-” means that information is not available.

The Company and its Shares

Property Prices Bottomed Out in 2024.

Ongoing positive rent trend in the core Rental business, with high customer satisfaction levels and virtually full occupancy.

Sale of Care segment being implemented successfully.

Dear Shareholders, Dear Employees, Dear Readers,

Deutsche Wohnen navigated its way back to calmer waters in the 2024 fiscal year. In previous years, falling property values and a sharp rise in interest rates had demanded all of our attention, and we responded with a stringent focus on cost and capital discipline. Home prices have since bottomed out.

Performance in our core Rental business was in line with expectations in 2024. Demand for homes remains high, particularly in the major cities in which we operate. Our customers remain satisfied with our work, and we would like to thank our employees for making this possible. This high level of customer satisfaction serves as additional motivation for us to remain fully committed to being there for our customers this year, too.

One of the main projects we dealt with last year was the planned sale of our Care segment: A strategic review resulted in us concluding that nursing care activities were no longer part of our strategy. We then embarked on, and forged ahead efficiently with, the related sale process, which was concluded successfully this January. In the fall of 2024, we sold 27 nursing care properties belonging to the Katharinenhof Group, along with the associated operating platform, in Berlin, Hamburg, Brandenburg and Saxony. At the start of 2025, an additional 13 nursing care locations in Hamburg under the “Pflegen and Wohnen” umbrella followed. This means that we have successfully disposed of the entire nursing care portfolio that we operated ourselves.

Alongside the nursing care portfolio, we sold a total of 1,389 residential and commercial units accounting for a sales volume of around € 275.7 million and real estate inventories of € 248.3 million in 2024. Overall, the proceeds generated from the sales were above the carrying amount, which is also testimony to the value of our properties.

Now we want to start focusing more on development projects again. Securing access to additional plots to build on last year marks another step as we seek to position ourselves for the future. We will build new apartments on these plots and make an effective contribution to alleviating the shortage of housing in the process.

We also merged our development activities with Vonovia’s at the same time. Bundling our expertise will make us more focused and efficient, not to mention quicker, in addressing the challenges facing the residential real estate sector.

Let’s take a look at our business development in 2024:

Our core business showed positive development in line with expectations. The demand for housing remains high and rents are moving in a positive direction. The average in-place rent was up by 3.9% year-on-year to € 8.02 per m². The organic increase in rent totaled 4.4%. With a vacancy rate of only 1.4%, our portfolio was once again virtually fully occupied. In line with this trend, revenue in the **Rental** segment rose by 2.6% as against the previous year to € 832.8 million. Our operating costs were higher than in the previous year due to special effects and general price increases. As a result, Adjusted EBITDA Rental was down slightly in a year-on-year comparison to € 626.4 million.

Our activities relating to the provision of cable television, Internet, telephone and energy supply to our customers showed positive development in 2024. The leasing of our coax network produced a special effect, pushing segment revenue in the **Value-add** segment up by 26.2% year-on-year to € 36.6 million. Adjusted EBITDA Value-add doubled to € 20.7 million.

In the **Recurring Sales** segment, too, we increased our revenue to € 29.1 million. Including adjusted fair values of

Olaf Weber
CFO

Eva Weiß
CDO

Lars Urbansky
CEO

properties sold, the remaining Adjusted EBITDA Recurring Sales came in at € 1.4 million, which is on a par with the previous year.

The overall environment for the **Development** segment remained difficult in 2024: Commercial viability and the challenging procurement environment continued to impact our business figures. Nonetheless, we once again completed 1,929 residential units in sought-after urban areas in 2024. We invested € 294.6 million in new construction and modernization, spending € 160.5 million on maintenance.

The positive segment development also drove very satisfactory development in the consolidated figures: Our Adjusted EBITDA Total for our continuing operations increased by 1.4% year-on-year to € 643.8 million. The corresponding Adjusted EBT was moderately down in a year-on-year comparison at € 504.2 million.

The company continues to have stable financing structures in place. The LTV ratio improved slightly (-1.0 percentage points) and remained at a low level of 29.3%. The fair value of our real estate portfolio dropped by 2.0% to € 23,971.9 million and the NAV by 2.4% to € 16,575.4 million. This had a negative earnings effect of € 639.9 million in the 2024 fiscal year, although the trend slowed considerably as the year progressed. After a marked downward trend, the development in the value of our properties has since bottomed out.

Dear Shareholders,

At the extraordinary general meeting of Deutsche Wohnen SE on January 23, 2025, you approved a control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE. This means that, in future, Deutsche Wohnen SE will transfer its annual result to Vonovia SE in full. Should our company report a loss, it will be covered by Vonovia SE. As shareholders, you can opt to either receive a guaranteed dividend of € 1.03 (net) per share p.a. or tender your shares at an exchange ratio of 0.7947 shares in Vonovia for each share in Deutsche Wohnen.

We would like to thank you for approving the agreement in a vote that was unanimous with around 99% of the share capital present at the extraordinary general meeting. This agreement brings us even closer as a group and will foster our joint development on the market.

So what lies ahead for 2025? We are confident as we look ahead to 2025 and beyond: Deutsche Wohnen SE is operating in a market that is driven by megatrends. Affordable housing in urban areas looks set to remain in short supply for some time to come. We will have our hands full meeting this high demand with our existing and new apartments. We are doing our bit to help alleviate the shortage of housing. As we have proven in the past and will continue to prove going forward, Deutsche Wohnen is a company you can rely on.

We are also constantly developing our comprehensive business model. We are putting the experience we have gained from our integration into the Vonovia Group in recent years into practice and exploiting the opportunities that this offers. Together, we are operating on a very structured and efficient platform.

This year, we expect business development to remain largely stable and Adjusted EBITDA Total to be up considerably year-on-year. Good performance will be driven by positive rental growth and rising price expectations in the Development segment. Adjusted EBT will be moderately higher than in the previous year, also due to the marked increase in borrowing costs.

In addition, we expect the value of our company to increase slightly in 2025 and predict a slight increase in NAV per share, leaving any further market-related changes in value out of the equation.

We would like to thank you, our shareholders, employees and business partners, for your trust and collaboration last year. We are delighted to have you on board to support us this year, too.

Berlin, March 2025

Best regards,

Lars Urbansky
Chief Executive Officer (CEO)

Olaf Weber
Chief Financial Officer (CFO)

Eva Weiß
Chief Development Officer (CDO)

Report of the Supervisory Board

Dear Shareholders,

In an environment characterized by ongoing sociopolitical and economic challenges, the Management Board guided Deutsche Wohnen SE through another successful fiscal year in 2024. Debate was once again dominated by the topics of the supply of housing and the environment. Despite all of the challenges that these issues create for the housing industry, the environment provides the Group with a stable foundation upon which to implement its business model successfully. As social megatrends continue to evolve, the overall regulatory and economic framework conditions remain demanding.

Against this backdrop, the segments showed solid performance overall: In the core Rental business, sustained high demand translated into a stable cash flow. Meanwhile, developments in the Value-add, Recurring Sales and Development segments continued to mirror the complex overall conditions. The decision made after an in-depth strategic analysis to sell the company's nursing care activities had, for the most part, been completed successfully by the start of the current financial year.

At the extraordinary general meeting held on January 23, you, our shareholders, representing 98.93% of the share capital present at the meeting, approved a control and profit-transfer agreement with Vonovia SE. This brings us even closer as a group, simplifies management decisions and will foster Deutsche Wohnen's operational and strategic development.

Collaboration Between the Supervisory Board and the Management Board

In the 2024 fiscal year, the Supervisory Board performed the duties incumbent upon it by the law, under the Articles of Association, the rules of procedure and the German Corporate Governance Code, applying the utmost care. We provided the Management Board with regular advice on its management of the company and monitored its activities on an ongoing basis. As the company's supervisory body, we were directly involved in all decisions of fundamental importance to the company early on.

The Management Board provided us with regular, prompt and comprehensive written and verbal information on all relevant issues relating to business policy, corporate planning and strategy, the company's position, including opportunities and risks, and all matters related to business development, risk management and compliance. Any deviations between actual and planned developments were explained in detail by the Management Board. The Management Board consulted us on all significant business transactions.

I, as Chair of the Supervisory Board, and the other Supervisory Board members also maintained regular contact with the Management Board members outside of the Supervisory Board and committee meetings. The topics discussed included the company's strategic focus, business development, and operational decisions.

Further Training Within the Supervisory Board

On December 3, 2024, all members of the Supervisory Board attended a training session on the topic of ESG. At the meeting, partners from the auditing firm Deloitte GmbH presented the current regulations and impact of the Corporate Sustainability Reporting Directive (CSRD) to the participants in detail, including the associated changes to sustainability reporting. The matters discussed also included reporting in accordance with the European Sustainability Reporting Standards (ESRS) with regard to the risk management process. Once the regulations have been transposed into German law, risk management will have to pay even greater attention to identifying and assessing the material impacts of the company's activities on people and the environment, as well as managing and reporting on sustainability-related risks and opportunities for the company.

Supervisory Board Meetings and Committees

In the 2024 fiscal year, the Supervisory Board met a total of ten times to consult and pass resolutions: twice at face-to-face meetings (March and May), five times via conference call (February, July, August, September and December), and three times at hybrid meetings (August, September and December). The Supervisory Board made decisions using the written procedure in four cases (April, June, July and December).

Attendance at the total of ten Supervisory Board meetings and six committee meetings in the past fiscal year is presented in the table below. All members of the body concerned took part in all resolutions that used the written procedure. In preparation for the meetings, the Management Board submitted timely, comprehensive and valid written reports and resolution proposals to the Supervisory Board.

Meetings of the Supervisory Board* and Committees in the 2024 Fiscal Year

Member	Supervisory Board	Executive and Nomination Committee	Audit Committee	Quota (%)
Dr. Heß	10/10	2/2	–	100
Coners	10/10	–	4/4	100
Hohlbein	10/10	–	4/4	100
Schauerte	8/10	2/2	–	83
Dr. Stetter	9/10	2/2	4/4	92
Trapp**	8/10	2/2	4/4	88

* The Finance Committee deliberated and made decisions by circular resolution.
** Formerly Schumacher.

Main Remit

Our Supervisory Board work in the fiscal year under review focused on monitoring business planning, business development and the corporate strategy. We also explored the financial and liquidity situation, ongoing and planned construction measures, sustainability processes and the organizational development of Deutsche Wohnen SE in detail.

Two topics that called for our particular attention last year were the investment in the QUARTERBACK Group and the implementation of the strategic sale of the Care portfolio.

Meetings

On February 27, 2024, the Supervisory Board used a conference call to discuss Deutsche Wohnen's investment in QUARTERBACK Immobilien AG. Given the tense market situation, we discussed the potential implications for project developments and discussed a plan to adjust the strategic direction. Other topics related to the QUARTERBACK Group included restructuring strategies to turn around the Real Estate segment and the realignment of the New Energy segment.

On March 19, we met to adopt the balance sheet. We approved the company's annual and consolidated financial statements as of December 31, 2023, including the management report, and adopted the Report of the Supervisory Board. We also adopted the dependent company report and the corporate governance declaration. As part of our analysis of operational and economic business development, we discussed the advantages for Deutsche Wohnen resulting from business being handled by the Vonovia Group. One strategic topic that we discussed related to the future of the Care segment. In preparation for the Annual General Meeting, we discussed the agenda and resolution proposals. HR topics that we discussed and passed resolutions on included the target achievement for the STI 2023, the remuneration report for 2023, the setting of targets for the LTI 2024 to 2027, the adjustment of the Management Board remuneration system to reflect the change in the Group's key performance indicators, amendments to Management Board contracts and the extension of CFO Olaf Weber's contract.

On April 8, we passed a resolution by written circular to conclude a service agreement with an external broker and to engage that broker to sell properties from the nursing care portfolio.

After the Annual General Meeting, the Supervisory Board held its inaugural meeting on May 6. The Supervisory Board elected its Chair and discussed the composition of the committees.

On June 10, we continued our discussion on the composition of our committees and made the corresponding decisions by written circular.

A video meeting held on July 3 focused on discussions and resolutions regarding QUARTERBACK Immobilien AG and the sustainable restructuring of the investment: With regard to the Real Estate segment, the committee discussed the plan drawn up by QUARTERBACK to sell the rental portfolio and selected projects to strengthen QUARTERBACK Immobilien AG's liquidity as well as the role that Deutsche Wohnen SE could play as a potential buyer. Another option was to carve out the energy business from the QUARTERBACK Group, exploiting the positive overall conditions in the new energy sector. We passed a resolution on the acquisition of 40% minority interest and the granting of a loan to QUARTERBACK New Energy in proportion to the stake of the co-shareholder.

On July 26, the Supervisory Board elected Ms. Simone Trapp as Chair of the Audit Committee on the basis of a resolution passed by circulation.

Following intensive discussions, the Supervisory Board approved the sale of 25 care homes managed by the company itself, as well as the care home under construction in Berlin-Pankow and the operating platforms of Katharinenhof, Hamburger Senioren Domizile and Deutsche Wohnen Care SE, during a conference call on August 15.

On August 26, we approved the sale of seven residential real estate project developments of the Deutsche Wohnen Group in Leipzig, Dresden, Halle and Böblingen at a hybrid meeting. We also approved the establishment of a joint venture that acquired these project developments, four further properties belonging to the Vonovia Group and three properties belonging to the QUARTERBACK Group and in which GSW Immobilien AG holds a minority interest.

At the hybrid meeting held on September 12, the Supervisory Board discussed the report on business performance and the progress made in restructuring the investment in the QUARTERBACK Group, the main aims being to continue QUARTERBACK's business activities while making appropriate adjustments to the volume of the current development platform and repaying the shareholder loans. Another topic was an update to the rules of procedure for the Management Board of Deutsche Wohnen SE by adjusting the value thresholds for legal transactions requiring approval.

Following on from previous discussions, the Supervisory Board passed a resolution on September 29 to acquire significant assets and shares in subsidiaries of QUARTERBACK Immobilien AG in return for the assumption/repayment of financial liabilities and the payment of a purchase price that was offset against existing shareholder loans.

On December 3, we discussed the report on business performance, the budget for 2025 and the company's five-year plan. We sought information on the progress of the QUARTERBACK asset purchase and acknowledged and approved the share and asset deals that had to be concluded within this context, including the necessary adjustments with regard to nature, scope and financing. We discussed the report on the integration and management of the development projects acquired from QUARTERBACK. We also discussed the imminent conclusion of a control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE, including the compensation to be offered to the company's shareholders with a ratio for exchange for shares in Vonovia based on the stock market price/income value. We acknowledged the auditor's certificate on the EMIR audit pursuant to Section 32 of the German Securities Trading Act (WpHG) for Deutsche Wohnen as of December 31, 2023.

On December 11, we used a resolution passed by circulation to approve the start of work on the new construction project at Schlichtallee 1 in Berlin-Lichtenberg in the first quarter of 2025 as a Development to hold project comprising 158 residential units and a living area of around 11,666 m² as well as 35 parking spaces.

At a video meeting on December 14, we approved the control and profit-transfer agreement with Vonovia SE after detailed discussions with the expert and the contracted auditor. We acknowledged the contractual reports of the companies' Management Boards and adopted the proposed resolution for the extraordinary general meeting on the intercompany agreement.

Work of the Committees

In order to perform its duties efficiently, the Supervisory Board has set up committees, each comprising four members. There were three committees in the reporting year:

> The Executive and Nomination Committee with the members Dr. Fabian Heß as Chair, Peter Hohlbein (since June 10, 2024), Christoph Schauerte, Simone Trapp, Dr. Florian Stetter (until June 10, 2024)
> The Audit Committee with the members Simone Trapp as Chair, Catrin Coners, Peter Hohlbein, Dr. Florian Stetter
> The Finance Committee with the members Christoph Schauerte as Chair, Catrin Coners, Peter Hohlbein (until June 10, 2024), Dr. Florian Stetter (since June 10, 2024)

The remit of the individual committees is described in detail in the corporate governance declaration.

In general, the committees prepare the resolutions of the Supervisory Board and the topics to be discussed by the Supervisory Board at its plenary sessions. To the extent permitted by law, decision-making powers have been delegated to individual committees under the rules of procedure or in accordance with resolutions passed by the Supervisory Board.

The committee chairs provided regular and extensive information at the Supervisory Board meetings on the content and results of the committee meetings held.

Executive and Nomination Committee

The Executive and Nomination Committee met twice in the reporting year (March 12 and 19), once at a hybrid meeting and once at a face-to-face meeting. The committee discussed the adjustment to the Management Board remuneration system, as the overall conditions in the real estate sector required a distinction to be made between return-oriented and liquidity-oriented key performance indicators. As a result, it recommended to the Supervisory Board that the key figures Adjusted Earnings Before Taxes (EBT) and Operating Free Cash-Flow (OFCF) be used in future. Other topics of discussion and recommendations related to an update of the distribution of duties within the Management Board and the submission of the updated Declaration of Conformity. As regards HR-related matters, the committee discussed the reappointment of CFO Olaf Weber, the determination of the Management Board's target achievement level for the STI 2023, the target agreement for the STI 2024, the remuneration report for 2023 and the setting of the targets for the long-term incentive plan 2024 to 2027 in accordance with the new remuneration system. The committee also prepared the proposal to be made to the Annual General Meeting regarding the reelection of the Supervisory Board members Simone Trapp, Dr. Fabian Heß and Dr. Florian Stetter.

Audit Committee

The Audit Committee held four meetings in the reporting year (March 12, May 2, August 5 and November 7). At the meetings, two of which were held as face-to-face events and two via video conference, the committee addressed topics on the Supervisory Board relevant to its work. These included the preliminary review of the annual financial statements, the consolidated financial statements and the interim reports of Deutsche Wohnen SE as well as the discussion of the risk management and internal audit system. The committee monitored the activities of the auditor and discussed the key audit matters. It also developed the recommendation to be made to the Supervisory Board proposing that PwC PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin, be proposed to the Annual General Meeting as the auditor to be selected. It also took a detailed look at the introduction of a case management system, the compliance program and the review and introduction of an intra-Group AI system. Other topics discussed included the financial situation of the QUARTERBACK Group, the restructuring within the Group using portfolio sales and loan repayments as well as the planning and implementation of the sale of the Care segment.

Finance Committee

The Finance Committee passed five resolutions by written circular in the reporting year (March 13, April 22, May 2, July 25 and October 10): It approved the sale of three externally managed care homes. It approved the sale of land for development in Berlin as part of a share deal. It also approved the refinancing of a loan secured by a real estate lien, and consented to the sale of a portfolio comprising 1,095 residential and commercial units.

The Finance Committee also approved the sale of four development projects to a company structured as a "GmbH & Co. KG" (limited partnership (KG) in which the general partner is a limited liability company (GmbH)), in which the subsidiary GSW Immobilien AG holds a minority interest as a limited partner. This limited partnership also acquired six further properties from the Vonovia Group.

Corporate Governance

The Management Board and Supervisory Board of Deutsche Wohnen SE are committed to the principles of good corporate governance. The members of the Supervisory Board once again carefully addressed the German Corporate Governance Code (GCGC) in the reporting year. The Board adopted the latest Declaration of Conformity on March 2, 2025. Since the last Declaration of Conformity was made in March 2024, the company has complied with all of the recommendations made by the Government Commission on the German Corporate Governance Code in the version published on June 27, 2022, as published in the official section of the federal gazette by the German Federal Ministry of Justice, with the exception of G.10, and will comply with the recommendations set out in the Code with the exception of G.10.

In accordance with recommendation G.10 sentence 1, the variable remuneration amounts granted to a member of the Management Board should be invested by that member predominantly in shares in the company, taking into account the relevant tax obligation, or should be granted by the company as share-based remuneration. In accordance with the remuneration system approved by the Annual General Meeting held on June 2, 2022 and the adjusted remuneration system presented to the Annual General Meeting on May 6, 2024, the members of the Management Board receive their remuneration entirely in cash **www.deutsche-wohnen.com/entsprechenserklaerung**.

Three out of the six members of the Supervisory Board were considered independent in the reporting year. In the 2024 fiscal year, there were no potential conflicts between the individual interests of members of executive bodies and the interests of the company that the members of the Supervisory Board would have to disclose immediately.

The Supervisory Board looked at the appropriateness of the internal control system that has been set up and evaluated its effectiveness. Within this context, it verified, also based on discussions with the auditor of the annual financial statements – with regard to accounting – and the Internal Audit department, that the technical and organizational safeguards put in place for control purposes were suitable for the purposes of ensuring that the company is protected from material damage resulting from financial losses, fraudulent acts or mismanagement in all key matters. Among other things, the principles set out in the German Corporate Governance Code, based on the most recent publication from 2022, served as the benchmark here. As a result, the Supervisory Board concluded that the internal control system is appropriate and effective in all key aspects.

Audit of the Annual and Consolidated Financial Statements

The annual financial statements of Deutsche Wohnen SE as of December 31, 2024 prepared by the Management Board and the consolidated financial statements and combined management report of the company were audited by the auditor appointed by the Annual General Meeting held on May 6, 2024 and engaged by the Supervisory Board, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin, which expressed an unqualified opinion thereon. The responsible audit partners were Michael Preiß and Dr. Frederik Mielke.

The annual financial statements of Deutsche Wohnen SE and the consolidated financial statements, the combined management report of Deutsche Wohnen SE and the Group as well as the auditor's reports were made available to all members of the Supervisory Board immediately after their preparation. The auditor attended the meetings of the Audit Committee to discuss the documents making up the financial statements in preparation for the Supervisory Board meeting dealing with the financial statements. The auditor reported on the key audit findings, with particular regard to this year's focal points, the key audit matters, and provided additional information.

The Chair of the Audit Committee provided the Supervisory Board with a comprehensive report on the annual financial statements and the audit at the latter's meeting held on March 24, 2025. The auditor also explained the key findings of the audit and was available to answer additional questions and provide further information to the members of the Supervisory Board.

The Supervisory Board conducted a careful review of the annual financial statements, the consolidated financial statements, the combined management report, the proposal for the appropriation of profit and the auditor's report. It did not raise any objections. In accordance with the recommendation put forward by the Audit Committee, the Supervisory Board then approved the annual and consolidated financial statements prepared by the Management Board as of December 31, 2024. This means that the annual financial statements have been adopted.

The adopted annual financial statements report a net profit. The Supervisory Board concurs with the Management Board's proposal on the appropriation of profit. A proposal will be made to the Annual General Meeting to distribute a dividend of € 0.04 per bearer share for the 2024 fiscal year, to allocate a portion to other retained earnings and to carry the remaining net profit for the year forward to the new account.

The Supervisory Board also reviewed the report prepared by the Management Board on relationships with affiliated companies of Deutsche Wohnen SE and the auditor's corresponding report.

No objections were raised. The auditor has issued the following unqualified audit opinion on the Management Board's report on relationships with affiliated companies in accordance with Section 313 (3) of the German Stock Corporation Act (AktG):

"Based on our audit and assessment performed in accordance with our professional duties, we confirm that

1. the factual statements made in the report are correct,

2. in respect of the legal transactions included in the report, the consideration paid by the company was not inappropriately high,

3. in respect of the measures listed in the report, there were no circumstances supporting an assessment significantly different to that made by the Management Board."

We concur with this opinion. Based on our own review, there are no objections to be raised to the declaration made by the Management Board at the end of the report on relationships with affiliated companies.

Personnel

At the Annual General Meeting held on May 6, 2024, Dr. Fabian Heß, Dr. Florian Stetter and Simone Trapp (formerly Schumacher) were reelected to the company's Supervisory Board. At its inaugural meeting held after the Annual General Meeting, the Supervisory Board reelected Dr. Fabian Heß as its Chair.

Concluding Remarks

On behalf of the Supervisory Board, I would like to thank the members of the Management Board and all employees of Deutsche Wohnen SE and all Group companies for what was, once again, considerable commitment and performance by them over the past year.

Berlin, March 24, 2025
On behalf of the Supervisory Board

Dr. Fabian Heß

Management Board

The Management Board of Deutsche Wohnen SE consisted of three members as of December 31, 2024.

Lars Urbansky
Chairman of the Management Board (CEO)

Lars Urbansky was appointed member of the Management Board of Deutsche Wohnen SE effective April 1, 2019 and served as Chief Operating Officer until the end of 2021. He was appointed Chief Executive Officer (CEO) with effect from September 1, 2023.

Lars Urbansky graduated in real estate management from Gelsenkirchen University of Applied Sciences in 2006. He worked at GEHAG GmbH in Berlin from 1996 to 2008, where he also headed up the Controlling department. He has held various management positions within the Deutsche Wohnen Group since 2008. Lars Urbansky was Head of Portfolio Management from 2008 to 2013. In the period from 2009 to 2012, this also included the areas of acquisitions and sales. He has also been Managing Director of Deutsche Wohnen Immobilien Management GmbH since 2014 and is jointly responsible for the Deutsche Wohnen Group's nationwide service network. This network covers the entire rental process as well as commercial and technical neighborhood services.

Olaf Weber
Member of the Management Board (CFO)

Olaf Weber was appointed member of the Management Board (Chief Financial Officer) of Deutsche Wohnen effective January 1, 2022.

After training as a bank clerk, Olaf Weber studied at the Frankfurt School of Finance, graduating in 2002 with a degree in banking business administration. In the period from 1998 to 2007, he held the position of Vice President of Capital Market Sales at Deutsche Bank AG. Mr. Weber joined OBI Group Holding in 2007 as Deputy Head of Group Treasury and then headed up the Treasury and Risk Controlling departments at EDE GmbH from 2011 to 2013. He has been in leadership roles within finance at Vonovia SE since 2013 and was appointed Head of Investment Management for Climate Investments in January 2025.

Eva Weiß
Member of the Management Board (CDO)

Eva Weiß was appointed member of the Management Board (Chief Development Officer) with effect from September 1, 2023.

Eva Weiß is a trained bank clerk and has been a qualified real estate specialist since 1993. In 2015, Ms. Weiß moved to real estate project developer BUWOG Bauträger GmbH, initially as Head of Development and then, from 2020 onwards, as Managing Director. Eva Weiß previously held management positions at various residential construction companies, also as an authorized signatory and Head of Development. Ms. Weiß is responsible for BUWOG's successful strategic expansion and positioning as a leading German residential real estate developer. She is a member of the Executive Board of the regional association of the German Property Federation (ZIA) for the East region, member of the BfW Landesverband Berlin-Brandenburg board, and active in the IHK (Chamber of Commerce and Industry) General and Budget Assembly and in the German Chamber of Commerce and Industry (DIHK) – Construction and Real Estate Industry Committee.

Supervisory Board

The current Supervisory Board consists of six members.

Dr. Fabian Heß
Chair
General Counsel/Head of Legal, Vonovia SE

Dr. Florian Stetter
Deputy Chair
Self-employed residential real estate investor

Catrin Coners
Head of Sustainability, Vonovia SE

Peter Hohlbein
Managing Partner, Hohlbein & Cie. Consulting

Christoph Schauerte
Head of Accounting, Vonovia SE

Simone Trapp
Senior Specialist Structured Finance, BMW AG

Supervisory Board Committees

Executive and Nomination Committee
Dr. Fabian Heß, Chair
Peter Hohlbein (since June 10, 2024)
Christoph Schauerte
Simone Trapp
Dr. Florian Stetter (until June 10, 2024)

Audit Committee
Simone Trapp, Chair
Catrin Coners
Peter Hohlbein
Dr. Florian Stetter

Finance Committee
Christoph Schauerte, Chair
Catrin Coners
Dr. Fabian Heß
Peter Hohlbein (until June 10, 2024)
Dr. Florian Stetter (since June 10, 2024)

Corporate Governance

In the corporate governance declaration (also known as the Corporate Governance Report), the Management Board and the Supervisory Board report on the principles of management and corporate governance for the last fiscal year in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC, in the current version published on April 28, 2022).

The declaration contains the Declaration of Conformity, information on corporate governance practices, a description of how the Management Board and Supervisory Board work and key corporate governance structures. The declaration is also available to the public on our **website**. Pursuant to Section 317 (2) (6) HGB, the disclosures pursuant to Sections 289f and 315d HGB are not included in the audit performed by the auditor of the annual financial statements.

Foundation

Fundamental Understanding

In order for a company to be successful, its business model has to be accepted by all relevant stakeholder groups, from its customers through to civil society and the public, investors or business partners. Managing with integrity, the sustainability of business models and the extent to which a company is perceived as living up to its social responsibilities are playing an increasingly important role. This applies no less to the real estate sector.

Any misconduct by a company's management also tends to result in the corporate governance regulations being tightened up, as was the case with the Financial Market Integrity Strengthening Act (FISG). Among other measures, the obligation to establish an appropriate and effective internal control system (ICS) as well as a corresponding risk management system (RMS) for listed stock corporations was introduced in a quest to strengthen trust in the German financial market.

This is why, here at Deutsche Wohnen, the Management Board and the Supervisory Board see corporate governance as the responsible management and supervision of a company. The Management Board and the Supervisory Board have made a comprehensive commitment to the principles of corporate governance as set out in the German Corporate Governance Code.

Standards of Corporate Governance

These principles are the basis for the sustainable success of the company and therefore serve as guidelines for conduct in the company's daily management and business. Good corporate governance strengthens the trust of our shareholders, business associates, customers, employees and the general public in Deutsche Wohnen SE. It increases the company's transparency and strengthens the credibility of our group of undertakings. With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Deutsche Wohnen SE's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value. Corporate governance, acting in accordance with the principles of responsible management aimed at increasing the value of the business on a sustainable basis, is an essential requirement for the Deutsche Wohnen Group embracing all areas of the business.

As a major real estate company, we are aware of the particular significance of our entrepreneurial actions for society at large. Our corporate culture is founded on transparent reporting and corporate communications, on corporate governance aimed at the interests of all stakeholders, on fair and open dealings between the Management Board, the Supervisory Board and employees as well as on compliance with the law.

A Code of Conduct provides the ethical and legal framework within which we act and want to ensure our commercial success. The focus is on dealing fairly with each other but also in particular on dealing fairly with our customers, business partners and investors. The Code of Conduct specifies how we assume our ethical and legal responsibility as a company and is the expression of our company values.

Information on the Company's Governing Constitution

The designation Deutsche Wohnen comprises Deutsche Wohnen SE and its Group companies. Deutsche Wohnen is a European company (SE) in accordance with the German Stock Corporation Act (AktG), the SE Act and the SE Regulation. Its registered headquarters are in Berlin. It has three governing bodies: the Annual General Meeting, the Supervisory Board and the Management Board. The duties and authority of those bodies derive from the SE Regulation (SE-VO), the AktG and the Articles of Association. Shareholders, as the owners of the company, exercise their rights at the Annual General Meeting.

According to the two-tier governance system, Deutsche Wohnen SE has a Management Board and a Supervisory Board. In the two-tier governance system, the management of business and the monitoring of business are strictly separated from each other, meaning that individuals cannot be members of both bodies at the same time. The duties and responsibilities of these two bodies are clearly specified by law in the AktG. In accordance with the governing laws, in particular the SE Regulation and the German SE Employee Participation Act (SEBG), the Supervisory Board is only made up of representatives of the shareholders. Employee interests are represented by the works councils established by law within Deutsche Wohnen and, since 2023, also by the responsible Group Works Council of the Vonovia Group.

The Management Board and Supervisory Board of a company listed in Germany are obliged by law (Section 161 AktG) to report once a year on whether the officially published and relevant recommendations issued by the government commission German Corporate Governance Code, as valid at the date of the declaration, have been, and are being, complied with. Companies affected are also required to state which of the recommendations of the Code have not been, or will not be, applied and, if not, why. The most recent Declaration of Conformity is valid for at least the next five years and the Declarations of Conformity that are no longer valid can be found on the company's website.

The Management Board reports in its declaration, also on behalf of the Supervisory Board, on important aspects of corporate governance pursuant to Section 289f of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC) 2022.

Declaration of Conformity to the GCGC Pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Management Board and the Supervisory Board of Deutsche Wohnen SE carefully assessed compliance with the standards set out in the German Corporate Governance Code (the "Code") and issued the following Declaration of Conformity in March 2025 pursuant to Section 161 (1) AktG:

Since the last Declaration of Conformity was made in March 2024, the company has complied with all of the recommendations made by the Government Commission on the German Corporate Governance Code in the version published on June 27, 2022, as published in the official section of the federal gazette by the German Federal Ministry of Justice, with the exception of G.10, and will comply with the recommendations set out in the Code with the exception of G.10.

Recommendation G.10 has not been, and will not be, complied with. In accordance with recommendation G.10 sentence 1, the variable remuneration amounts granted to a member of the Management Board should be invested by that member predominantly in shares in the company, taking into account the relevant tax obligation, or should be granted by the company as share-based remuneration. In accordance with the remuneration system approved by the Annual General Meeting held on June 2, 2022, and the adjusted remuneration system presented to the Annual General Meeting on May 6, 2024, the members of the Management Board receive their remuneration entirely in cash.

Shareholders and Annual General Meeting

Shareholder Information: Shareholders can obtain full and timely information about our company on our website and can access current as well as historical company data. Among other information on its website, Deutsche Wohnen regularly posts all financial reports, important information on the company's governing bodies (including current resumes), its corporate governance documentation (declaration of conformity and governance-related guidelines and voluntary commitments), information requiring ad hoc disclosure and press releases.

Directors' Dealings: Information on directors' dealings/managers' transactions notifiable pursuant to Article 19 of the Market Abuse Regulation is published by Deutsche Wohnen without delay in accordance with the Regulation and is made available on the company's website.

Financial Calender: Shareholders and interested members of the financial community can use the regularly updated financial calendar on the website to obtain information on publication and information dates, and the timing of the Annual General Meeting, early on.

Annual General Meeting and Voting: The Annual General Meeting decides in particular on the appropriation of profit, the ratification of the acts of the members of the Management Board and of the Supervisory Board, the appointment of the external auditor, amendments to the Articles of Association as well as specific capital measures and individually elects the shareholders' representatives to the Supervisory Board.

Our shareholders can exercise their voting rights at the meeting or instruct a proxy of their choice or one of the proxies provided for that purpose by the company. Our shareholders are also able to submit a postal vote. The details regarding the postal voting procedure are in the respective shareholder's invitation to the Annual General Meeting.

The entire documentation for the Annual General Meeting and opportunities to authorize, and issue instructions to, the company's proxies as well as to submit a postal vote are available to shareholders at all times on the Vonovia website.

Based on positive experience in recent years, Deutsche Wohnen made use of the option provided by law of holding the 2024 Annual General Meeting as a virtual event. Deutsche Wohnen still considers this to be a very successful concept. In the spirit of digitalization and sustainability, a proposal was made to, and a corresponding resolution passed by, the 2023 Annual General Meeting to authorize the Management Board to hold the Annual General Meeting as a virtual event over the next five years.

Remuneration Paid to Executive Bodies: In line with the German Stock Corporation Act and the GCGC, the Supervisory Board presented the amended remuneration system it had adopted for the Management Board members to the 2024 Annual General Meeting for approval, which was granted with 95.2% of the votes cast.

The remuneration report for the 2023 fiscal year, which was audited by the auditor, was approved by 98.5% of the votes cast before being published on Deutsche Wohnen SE's website.

The remuneration system of the Supervisory Board of Deutsche Wohnen SE is governed by the Articles of Association. It was confirmed by a 99.3% majority by the 2021 Annual General Meeting.

The Supervisory Board

Duties and Responsibilities

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the company. The Supervisory Board performs its work in accordance with the legal provisions, the Articles of Association, its rules of procedure and its resolutions. It consists of six members, three of whom were reelected by the 2024 Annual General Meeting. The terms of office range from two to three years.

The Supervisory Board examines and adopts the annual financial statements and the combined management report, including the Non-financial Group Declaration. It assesses and confirms the proposal for the appropriation of profit as well as the consolidated financial statements and the combined management report on the basis of the report prepared by the Audit Committee. The Supervisory Board reports in writing to the shareholders at the Annual General Meeting on the result of its examination.

Given Deutsche Wohnen SE's status as a dependent company pursuant to Section 17 AktG, the Supervisory Board considers it appropriate for at least half of the members of the Supervisory Board to now be independent. The newly appointed Supervisory Board meets this requirement, as Peter Hohlbein, Simone Trapp and Dr. Florian Stetter are to be considered independent. The same applies to the Executive and Nomination Committee and the Audit Committee.

The Chairman of the Supervisory Board chairs the meetings and coordinates communications. The members of the Supervisory Board generally have the same rights and obligations. Supervisory Board resolutions are above all passed in the Supervisory Board meetings but also, if necessary, using the written procedure or by other communication means. At least two meetings are held every six months. In addition, if necessary and on the basis of the rules of procedure of the Supervisory Board, a meeting of the Supervisory Board or its committees can be convened at any time at the request of a member or the Management Board.

The Supervisory Board is composed in such a way that its members as a group have the knowledge, ability and specialist experience, also in those sustainability matters that are significant to the company, required to properly complete its tasks. All of them are familiar with the real estate sector as the segment in which the company operates. At least one member of the Supervisory Board has expertise in the field of accounting and another member has expertise in the field of auditing.

Each Supervisory Board member shall ensure that they have enough time to carry out their mandate.

At the time at which this declaration was prepared, no Supervisory Board members exercised directorships or advisory tasks for important competitors of the company (see → **Conflicts of Interest**).

Since 2020, a standard process for related party transactions has been firmly established within the company. This includes reporting on a regular basis to the Annual General Meeting as part of the Supervisory Board report. As Deutsche Wohnen SE has been majority-owned by Vonovia SE since September 30, 2021, a system for assessing related party transactions has been established in parallel with the process for recording legal transactions and measures with affiliated companies, information that is to be presented in the dependent company report. Members of the Supervisory Board, for their part, immediately report any transactions that they or parties related to them conclude with the company. The relevant data is also collected at the end of the fiscal year. The Supervisory Board will make a decision itself on any transaction requiring approval or delegate the decision to one of its committees in line with the statutory requirements. For an overview of transactions between related parties and the Deutsche Wohnen Group, please refer to → **[F42] Related Party Transactions**.

Supervisory Board Self-Assessment

The Supervisory Board is committed to conducting regular efficiency reviews in line with the recommendation set out in the GCGC. A self-evaluation was most recently conducted using a written survey of its members in December 2023. The Supervisory Board, which has been largely composed of new members since 2022, discussed the nature of its cooperation and the fulfillment of the tasks assigned to it intensively on the basis of a qualified questionnaire. Both the Supervisory Board as a whole and the committees were found to work effectively and comprehensively in accordance with the supervisory and consultancy requirements that its activities have to meet (see → **Report of the Supervisory Board**).

Supervisory Board Committees

The Supervisory Board forms an Executive and Nomination Committee, an Audit Committee and a Finance Committee from among its members. Additional committees are formed as needed. Committees are made up of at least three members of the Supervisory Board (see → **Report of the Supervisory Board**). The committees prepare topics to be discussed or resolved by the Supervisory Board. In addition, they pass resolutions on behalf of the entire Supervisory Board. The basis for committee work was the delegation of tasks and responsibilities within the scope of statutory requirements.

The Executive and Nomination Committee is made up of the Chairman of the Supervisory Board and at least two other members to be elected by the Supervisory Board. The Chairman of the Supervisory Board is the Chairman of the Executive and Nomination Committee. The tasks of this committee are, in particular, to prepare the appointment of Management Board members and propose candidates for election as Supervisory Board members, to advise on the remuneration system, to assign responsibilities and to decide in cases of legal and loan transactions with members of the Management Board and conflicts of interest.

The Supervisory Board appoints one of the members of the Audit Committee as the Chairman of the Audit Committee. When electing the committee members, the Supervisory Board shall ensure that the Chairman of the Audit Committee has specialist knowledge and experience in the application of accounting principles and internal control and risk management systems and/or in audits. The Committee Chairman should be independent and not be a former member of the company's Management Board whose appointment ended less than two years before their appointment as Chairman of the Audit Committee. The Supervisory Board Chairman should not be the Chairman of the Audit Committee. One committee member must have experience in accounting and one in auditing. With Simone Trapp, who has long-standing experience in accounting and finance in global and multinational companies, Dr. Florian Stetter, who, as CEO and managing director of major corporations subject to mandatory audits, has fundamental and in-depth practical knowledge of auditing, the Audit Committee's members include experts in the field of accounting and auditing (see table → **Supervisory Board Qualifications Profile**). The Audit Committee handles, in particular, the monitoring of the accounting process, the effectiveness of the internal control system, risk management system and internal audit system, the audit of the annual financial statements and – unless another committee is entrusted therewith – compliance. Accounting and auditing also include the sustainability report and the auditing of this report. Each member of the Audit Committee can obtain information directly from the heads of those central departments that are relevant to the Audit Committee via the Committee's Chairman.

The Audit Committee prepares the resolutions of the Supervisory Board on the annual financial statements (and, if applicable, the consolidated financial statements), and, in place of the Supervisory Board, reaches the agreements with the auditor (in particular the issuing of the audit mandate to the auditor, the determination of strategic audit objectives and the fee agreement). The Audit Committee takes suitable action to assess and monitor the independence of the auditor and the audit quality and is responsible for discussing the assessment of the audit risk, audit strategy, planning and results with the auditor. The Audit Committee also makes decisions on behalf of the Supervisory Board on the approval of contracts with auditors for non-assurance services.

The **Finance Committee** consists of the Supervisory Board Chairman or the latter's Deputy Chairman and at least two other members. The Finance Committee prepares the resolutions of the Supervisory Board on the following matters:

> Financing and investment principles, including the capital structure of the Group companies and dividend payments
> Principles of the acquisition and disposal policies, including the acquisition and disposal of individual shareholdings of strategic importance

In place of the Supervisory Board, the Finance Committee adopts resolutions in particular on general guidelines and principles for the implementation of this financial strategy, including the handling of currency risks, interest, liquidity and other financial risks, the handling of credit risks and the implementation of external financing principles, and also on important transactions regarding the acquisition and disposal of properties and shares in companies as well as corporate financing.

The Management Board

Duties and Responsibilities

The Management Board members are jointly accountable for independently managing the company in the company's best interests while complying with the applicable laws and regulations, the Articles of Association and the rules of procedure. In doing so, they must take the interests of the shareholders, the employees and other stakeholders into account.

The Management Board is monitored and advised by the Supervisory Board. It has adopted the rules of procedure in consultation with the Supervisory Board. The Management Board has a Chairman who coordinates the work of the Management Board and represents it in dealings with the Supervisory Board.

The Management Board informs the Supervisory Board regularly, in due time and comprehensively in line with the principles of diligent and faithful accounting in accordance with the law and the reporting duties specified by the Supervisory Board.

The Management Board develops the company's strategy, coordinates it with the Supervisory Board and implements it. It ensures that all statutory provisions and the company's internal policies are complied with. The Management Board also ensures appropriate risk management and risk controlling in the company. The Chief Development Officer is responsible for the social and environmental factors to be taken into account in this process, as well as for the associated risks, opportunities and impacts.

The Management Board submits the corporate planning for the coming fiscal year to the Supervisory Board as well as the medium-term and strategic planning, which also includes sustainability targets. The Chairman of the Management Board informs the Supervisory Board Chairman without delay of important events that are essential for the assessment of the situation and the development of the company or for the management of the company as well as of any shortcomings that occur in the monitoring systems.

The Management Board requires the approval of the Supervisory Board for certain important transactions. Transactions and measures that require Supervisory Board approval are submitted in good time to the Supervisory Board, or to one of its committees where particular powers are delegated to them. The Management Board members are obliged to disclose any conflicts of interest to the Supervisory Board without delay and to inform the other Management Board members accordingly.

The Management Board members are subject to a comprehensive non-competition obligation. Management Board members may only take up sideline activities, in particular positions on supervisory boards in companies outside the Group, with the approval of the Supervisory Board.

Important transactions between the company, on the one hand, and the Management Board members as well as persons they are close to or companies they have a personal association with, on the other, require the approval of the Supervisory Board. The internal procedure put in place by the Supervisory Board to evaluate these transactions is set out in the section entitled → **"The Supervisory Board."**

Recruitment of Members of Executive Bodies

In accordance with the German Corporate Governance Code, the Supervisory Board and the Management Board must be composed in such a way that these bodies/their members as a group have the knowledge, ability and specialist experience required to properly complete their tasks. The requirements were extended and set out by law with the entry into force of the CSR Directive Implementation Act. The Supervisory Board has adopted the following criteria and objectives for recruiting individuals to the Management and Supervisory Boards, taking the above-mentioned requirements into account:

Recruitment of Members of the Supervisory Board

Composition: As a listed company that is not subject to codetermination, the Supervisory Board of Deutsche Wohnen SE is to include six members, an appropriate number of whom are to be independent within the meaning of the Code. All members should have sufficient time available to perform the duties associated with their mandate with due regularity and care.

When proposing candidates to fill new Supervisory Board positions to the Annual General Meeting, the Supervisory Board should have performed an extensive review to ensure that the candidates standing for election meet the corresponding professional and personal requirements (see below) and must disclose the candidates' personal and business-related relationships with the company, the governing bodies of the company and any shareholders with a material interest in the company. Shareholders are deemed to hold a material interest if they hold more than 10% of the voting shares in the company, either directly or indirectly. The proposals are not based on the candidate's affiliation to any particular party that is interested in the company.

Other general criteria, and criteria defined in the GCGC that applied in the fiscal year under review, governing composition include:

> No more than two former members of the Management Board shall be members of the Supervisory Board.
> Supervisory Board members shall not exercise directorships or similar positions or advisory tasks for important competitors of the company.
> If a (designated) member belongs to the Management Board of a listed company, this member shall not accept more than a total of two supervisory board mandates in non-Group listed companies or on supervisory bodies of non-Group entities that make similar requirements.
> The age limit has been set at 75 at the time of appointment to the Supervisory Board.

Skills profile: The Supervisory Board of Deutsche Wohnen SE should be composed so as to ensure qualified supervision of, and provision of advice to, the Management Board. The candidates nominated for election to the Supervisory Board should be able, on the basis of their knowledge, skills and professional experience, to perform the duties of a Supervisory Board member of a listed residential real estate company that is active on the international capital market. In terms of their personality, the candidates nominated for election should show integrity, professionalism and commitment. The aim is to ensure that the Supervisory Board as a whole offers all of the knowledge and experience that the Group considers to be important for ensuring Deutsche Wohnen's operational and financial further development.

Independence: Given Deutsche Wohnen SE's status as a dependent company pursuant to Section 17 AktG, the Supervisory Board considers it appropriate for at least half of the members of the Supervisory Board to be independent. Material conflicts of interest that are not merely of a temporary nature, e.g., arising from functions on executive bodies or advisory roles performed at the company's major competitors, should be avoided. A Supervisory Board member is, in particular, not to be considered independent if they have personal or business relations with the company, its bodies, a controlling shareholder or a company associated with such a shareholder that may cause a substantial and not merely temporary conflict of interest.

Diversity: When nominating candidates for election, the Supervisory Board should also take diversity into account. In accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in Privatwirtschaft und im öffentlichen Dienst), the Supervisory Board should comprise at least 30% women and 30% men. Deutsche Wohnen intends for the Nomination Committee to continue to have at least one female member. Deutsche Wohnen's Supervisory Board should meet both criteria in the current target period. When assessing potential candidates for reelection or to fill a Supervisory Board position that has become vacant, qualified women are to be included in the selection process and given appropriate consideration when the nominations are made.

Target achievement: The objectives regarding the composition of the Supervisory Board set out above have been met. There are two female members of the Supervisory Board (33%). Simone Schumacher is a member of the Executive and Nomination Committee. Three out of six members of the Supervisory Board are considered by the latter to be independent within the meaning of C.6 and C.7 of the GCGC. No member of the Supervisory Board was a member of the company's Management Board or has a personal relationship with a significant competitor of the company as defined by C.12 of the GCGC. The Chair of the Audit Committee is an expert in the field of accounting. The main knowledge, skills and professional experience of the Supervisory Board members are summarized in the table below.

Supervisory Board Qualifications Profile

					Key skills & areas of experience*							
Name	Independent	Year of birth	Year appointed	Nationality	Finance, accounting, financial planning and analysis	Real estate	Strategy	Legal and regulation	International experience, M&A, capital markets	Investment expertise	Digitalization	Sustainability
Dr. Fabian Heß (Chairman)	no**	1974	2022	German		x	x	x	x			x
Dr. Florian Stetter (Deputy Chairman)	yes	1964	2006	German and Austrian	x	x	x			x		x
Catrin Coners	no**	1968	2023	German	x	x	x			x		x
Peter Hohlbein	yes	1959	2022	German		x	x	x		x		x
Christoph Schauerte	no**	1962	2022	German	x		x		x		x	x
Simone Trapp	yes	1983	2022	German	x				x	x	x	x

* The members of the Supervisory Board can specify up to five areas of experience.
** Independent of the company and the Management Board, not independent of a controlling shareholder.

Recruitment of Members of the Management Board

Composition: In accordance with the Articles of Association, the Management Board of Deutsche Wohnen SE consists of at least two members. The Supervisory Board appoints the Management Board members in accordance with the Articles of Association and the law. The Supervisory Board can appoint a Chairman of the Management Board and a Deputy Chairman of the Management Board. The decisions made by the Supervisory Board on the composition of the Management Board should be based on a careful analysis of the existing and future challenges facing the company. The Management Board of Deutsche Wohnen SE should be composed so as to ensure that, as the management body, it can perform the duties set out above reliably and in full. When taken as a whole, it should combine all of the knowledge and experience required to ensure that the Group can pursue its operational and financial objectives in an effective and sustainable manner in the interests of the shareholders and other stakeholders. While membership of the Management Board is not limited to a certain period of time, the contract of employment of a Management Board member ends when the member turns 67 and no later.

Skills profile: Newly appointed Management Board members should be able, on the basis of their knowledge, skills and professional experience, to reliably perform the duties assigned to them in a listed residential real estate company that is active on the international capital market. In addition to having good professional and fundamental general qualifications, they should also show integrity, professionalism and commitment.

Independence: The Management Board should perform its management duties in a manner that is free of any conflicts of interest. Functions on executive bodies or advisory roles performed at major competitors of the company should be avoided.

Diversity: When looking for candidates to fill a Management Board position that has become vacant, the Supervisory Board should include qualified women in the selection process and give them appropriate consideration. Gender should be irrelevant when it comes to filling Management Board positions. The Supervisory Board has adopted a target of at least 20% women on the Management Board for the current period, which is set to run until June 30, 2025. For the target achievement period running until June 30, 2025, the Management Board has set a target of 30% women for the two levels of management below the Management Board.

Target achievement: The objectives regarding the composition of the Management Board set out above have been met in full. The Management Board consists of one female and two male members who are able to manage the Group appropriately on the basis of their experience and skills. At the time at which this declaration was made, the first two levels of management below Deutsche Wohnen's Management Board comprised 28.6% women. Achieving the target for the proportion of women at both management levels will continue to require even more systematic succession planning and recruitment efforts in order to actively support women and open up opportunities for them to assume both commercial and technical/trades-related leadership roles at Deutsche Wohnen.

Succession planning: The Management Board and the Supervisory Board address long-term succession planning for the Management Board on an ongoing basis. Last year, the Supervisory Board once again discussed positions to be filled in the Management Board and long-term workforce planning, taking the ideas explored by the Management Board into account.

Cooperation Between the Management Board and the Supervisory Board

The Management and Supervisory Boards vote on the strategic direction of the company and discuss the current status of implementation of the corporate strategy, which also includes sustainability topics (see → **Strategy**), at regular intervals. Furthermore, the Management Board regularly informs the Supervisory Board in written or verbal reports of topics including the development of business and the situation of the company.

In this way, the Supervisory Board receives detailed documents from the Management Board regularly and in a timely manner on the economic development and the company's current situation as well as the risk management and compliance reports that deal with the most important risks to the business as well as compliance management at Deutsche Wohnen SE. On the basis of these reports, the Supervisory Board monitors the company's management by the Management Board as well as via its committees where particular powers are delegated to these committees. The Supervisory Board meets on a regular basis without the Management Board if personnel matters relating to the Management Board are to be discussed. For information on the remuneration agreements that reflect this cooperation, please refer to the **Remuneration Report**.

Avoidance of Conflicts of Interest

In the reporting year, there were no conflicts of interest of Management Board or Supervisory Board members, which are to be reported immediately to the Supervisory Board. No legal matters giving rise to concerns as to the partiality of individual Supervisory Board members were discussed. There were no legal matters, in particular lending transactions with members of executive bodies or individuals related to them, in the context of the loan to Vonovia SE published pursuant to Section 111c of the German Stock Corporation Act (AktG).

Accounting and Audits

The Annual General Meeting selected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin as auditor for the annual financial statements and consolidated financial statements.

We prepare the annual financial statements of Deutsche Wohnen SE in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) and the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU. In addition, we prepare a combined management report as required by the German Commercial Code and the German Stock Corporation Act (AktG). The Management Board is responsible for financial accounting. The Supervisory Board examines and adopts or approves the annual financial statements, the consolidated financial statements and the combined management report.

In addition to our annual financial statements, we also prepare interim statements for the first and third quarters as well as an interim financial report for the first half-year in accordance with the German Securities Trading Act.

Both the interim statements and the interim financial report are presented to, and discussed with, the Audit Committee of the Supervisory Board by the Management Board. The interim financial report is then published.

Under German stock corporation and commercial law, there are special requirements for internal risk management that apply to Deutsche Wohnen. Therefore, our risk management system covers risk inventory, analysis, handling and limitation. In accordance with Section 317 (4) HGB applicable to listed companies, PwC assesses in its audit the risk early warning system as part of the risk management system. Furthermore, we maintain standard documentation of all our internal control mechanisms throughout the Group and continually evaluate their effectiveness.

In the combined management report, we provide comprehensive information on the main features of the internal control and risk management system with regard to the accounting process and the Group accounting process in accordance with our reporting duties pursuant to Sections 289 (4) and 315 (4) HGB.

The company is obliged to prepare a report pursuant to Section 312 AktG on relationships with affiliated companies (dependent company report) and to have it reviewed by the auditor (see → **Report of the Supervisory Board** and → **Report on Economic Position**).

Deutsche Wohnen SE on the Capital Market

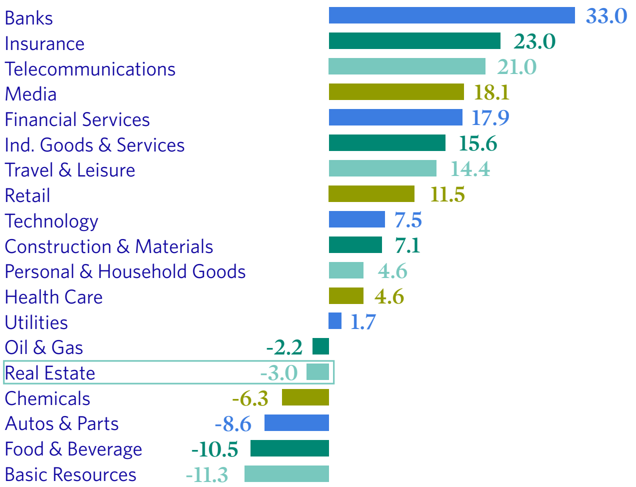
Capital Market Development and Shares in Deutsche Wohnen

In 2024, the international capital markets were yet again dominated by the interest rate policy pursued by the world's leading central banks, and by investor expectations regarding interest rate trends. The first interest rate cuts by the U.S. and European central banks then also sent prices on an upward trajectory into the third quarter. When it became apparent, in the fourth quarter of the year, that the next set of interest rate cuts could be a long time coming or might even fail to materialize entirely, particularly in the United States, sentiment deteriorated and put increasing pressure on the stock markets.

In this environment, the MDAX closed 5.7% down, with the EPRA Europe real estate index down by 7.1%. After a fairly volatile 2024, Deutsche Wohnen's shares closed the year down by 3.7%. The comparatively low trading volume makes shares in Deutsche Wohnen more susceptible to volatility overall. The share price performance of shares in Deutsche Wohnen in the fourth quarter of 2024 was dominated by the start of the process to conclude a control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE, published on September 18, 2024. With effect from December 27, 2024, shares in Deutsche Wohnen are listed in the MDAX.

Performance GICS-Sectors

in %

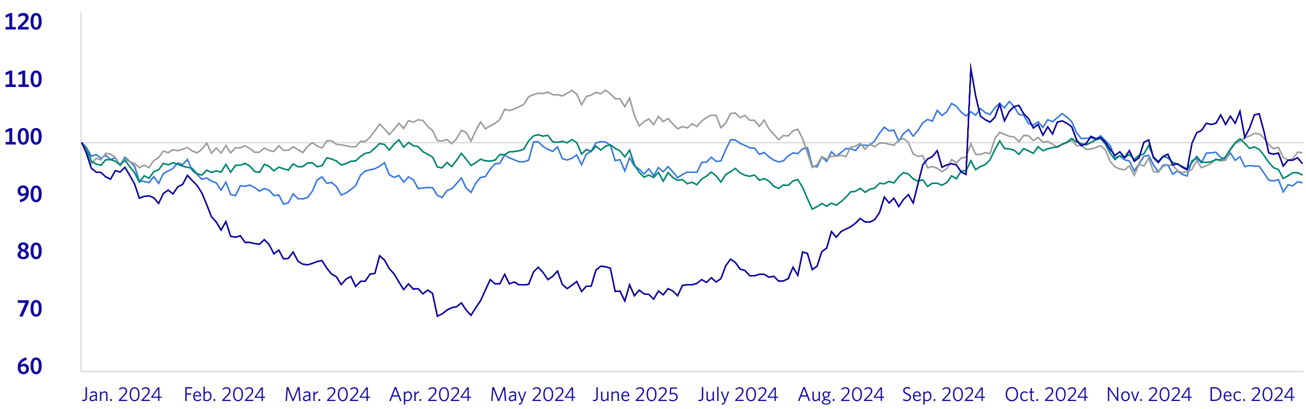


Share Price Development

Deutsche Wohnen SDAX MDAX FTSE EPRA Europe

Source: FactSet

in %



As in previous years, we saw a discrepancy in 2024 between rather subdued capital market assessments on the one hand and improving sentiment on the residential real estate market on the other. While the capital market is pricing real estate stocks at hefty discounts, the residential property markets in which we operate are proving to be relatively robust, and almost all experts agree that the low point has already been reached, or that the worst is already over and things are improving again. This is due, in particular, to the favorable relationship, from an owner's point of view, between supply and demand in urban regions, which have conventionally been long-term financing arrangements, tax aspects as well as the structural momentum on the revenue side. The transaction volume has also increased considerably again.

Our responses to key long-term megatrends – climate change, urbanization and demographic change – remain the dominant factors driving our business. We are optimistic as we look ahead to the future and are confident that we will remain financially successful.

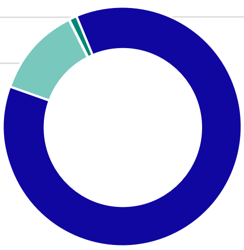
Deutsche Wohnen's market capitalization amounted to around € 9.2 billion as of December 31, 2024.

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 (indirectly and directly) as of December 31, 2024. On December 31, 2024, 12.3% of Deutsche Wohnen's shares were in free float as defined by the German stock exchange.

Major Shareholders (as of December 31, 2024)



Deutsche Wohnen's own shares account for 0.84%. 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**.

2024 Annual General Meeting

At the Annual General Meeting held on May 6, 2024, the shareholders of Deutsche Wohnen SE approved all items on the agenda by a large majority. A total of around 96% of the share capital entitled to voting rights was represented at the Annual General Meeting, which was once again held as a virtual event. The main shareholder is Vonovia SE with a stake of just under 87%. You can find details of the voting results at **www.deutsche-wohnen.com/hv**.

Share Information (as of December 31, 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
Offical market	General Standard, Frankfurt Stock Exchange, Xetra
Indices	MDAX, EPRA/NAREIT

Combined Management Report

Positive performance in core rental business with rising rents, full occupancy and high levels of customer satisfaction.

Control and profit-transfer agreement with Vonovia to prepare for further exploitation of synergy potential from 2025 onwards.

Unbundling the Development segment from QUARTERBACK successfully in implementation.

Fundamental Information About the Group

Macroeconomic Environment Dominated by Geopolitical Developments

Geopolitical circumstances yet again dominated the **macroeconomic environment in 2024.**

Russia's **war of aggression** in Ukraine continues, and has escalated further with the deployment of North Korean troops. The tension in East Asia over Taiwan's independence is another factor unsettling global supply chains, with the prospect that the dispute could escalate into a full-blown war only one factor of concern. The same applies to the tension in and around Korea. The **COVID-19 pandemic** had already brought forward voices that were critical of globalization.

These factors have sparked considerable upheaval in economies across the globe and, as a result, volatility on the capital markets, too, driven in particular by **interest rate hikes** in response to a marked **uptick in inflation**. 2024 started with a 10-year euro interest rate of 2.52%; by the end of the year, this interest rate came in at 2.37%. Overall, the capital markets have been extremely volatile since the COVID-19 pandemic and the outbreak of Russia's war of aggression in Ukraine.

This scenario was compounded in 2024 by **political uncertainty** in the wake of the German government crisis and the presidential elections in the United States. Irrespective of these political factors, the overall trend is still one in which voters are drifting towards more right-wing, authoritarian politics with increasing nationalist sentiment, and away from the liberal social models that have dominated the past 50 years, as is evident from the outcome of most elections, especially in the Western hemisphere. The associated fears and expectations of imminent protectionism and nationalism also fueled volatility on the capital markets and coincided with a current weak growth environment in Asia, Europe and the U.S.

Global **climate change** has been thrust back into the spotlight after extreme storms in Spain, Austria, Switzerland and Italy in 2024, and the wildfires in Los Angeles in January 2025. War, climate change and global wealth inequalities are the fuel behind the current **migration flows**.

In the **real estate industry**, volatile interest rates, in particular, are leaving a significant mark on business models and enterprise values. Political clarity with regard to building regulations, tenant legislation, environmental standards, energy policy and housing policy subsidies is crucial to allow residential real estate companies to assess the status quo and plan ahead, and also to develop strategic and operational responses to the issues of the future.

By contrast, the **megatrends** of climate change and sustainability, demographic change and the shortage of housing, coupled with advances in digitalization, are currently the mainstays of commercial activity. Added to these factors is the widening gap between the **demand** for, and **supply** of, housing.

Thanks to its robust positioning, Deutsche Wohnen has fared well during the past few crisis-ridden years, and considers itself well equipped for new growth based on these megatrends. Its key balance sheet indicators and ratings are stable, the sales programs to strengthen the company's internal financing can be scaled back, the cycle of dwindling values appears to be over, and the company is well placed to tackle the years that lie ahead from both a strategic and operational perspective.

The Company

Deutsche Wohnen's business model is based on the provision and rental of good-quality and, most importantly, affordable living space at the right time, as well as the management of these properties.

Deutsche Wohnen continues to develop its real estate portfolio through active portfolio management. In addition to acquisition, sale and modernization, this also includes building new apartments for our own portfolio and for sale to third parties.

This business model is based on a highly **digitalized management platform** and a similarly highly digitalized Vonovia **development platform** allowing all stages in the value chain to be managed.

The aim is to make the business model future-fit in the long run by using sustainable new construction and refurbishment approaches and CO_2 reduction in the real estate portfolio through innovations, in particular, to contribute to solutions for the current **sustainability objectives**.

Aspects of Sustainability at Deutsche Wohnen

E Environmental	S Social	G Governance
Contribution to climate protection and reducing CO_2 in both the housing stock and new construction.	Responsibility towards tenants and society through fair prices, housing that meets people's needs and future-fit neighborhood development. Attractive and fair working environment for our diverse workforce.	Sustainable corporate governance and responsible business practices with reliable compliance.

Deutsche Wohnen focuses on the ESG aspects of sustainability, namely climate protection and the environment (E) by contributing to a reduction in CO_2 emissions; society (S) by acting responsibly towards all stakeholders; and governance (G) through sustainable, reliable and responsible corporate management. The concept of the neighborhood remains an overarching principle.

This means that Deutsche Wohnen's business model makes a positive contribution to the pressing socio-political challenges of **housing shortages** and climate protection.

Deutsche Wohnen manages a **portfolio** of around 140,000 of its own apartments. The **total fair value** came to € 24.1 billion as of December 31, 2024, with net assets of € 16.6 billion.

Deutsche Wohnen's roots go back to 1863, with the real estate held by the pension fund of the company Hoechst. Via the non-profit company GEHAG, which was established in 1924, Deutsche Wohnen has properties that are exceptional examples of architectural history from the Bauhaus and expressionist movements. These included new housing concepts that helped to shape the idea of a neighborhood and were even listed as **UNESCO world heritage sites**. Examples include the "Hufeisensiedlung," "Wohnstadt Carl Legien," "Weiße Stadt" and "Ringsiedlung Siemensstadt" developments.

Our **neighborhoods, the main areas of action** for creating a socially responsible housing industry, are to provide housing that responds to tenants' needs as part of a process aimed at tenant participation so as to boost customer satisfaction and also contribute to the integration of our increasingly diverse society.

Corporate Structure

Deutsche Wohnen SE, the parent company of the Deutsche Wohnen Group, is organized in the legal form of a dualistic European company (SE). Deutsche Wohnen SE is directed by a Management Board, which is responsible for conducting business and defining the Group's strategy. The strategy is implemented in close coordination with the Supervisory Board, which is regularly briefed by the Management Board regarding the development of business, strategy and potential opportunities and risks. The Supervisory Board oversees the activities of the Management Board.

Deutsche Wohnen SE has its registered headquarters in Germany. Its registered office is located in Berlin. The head office (principal place of business) is located at Mecklenburgische Strasse 57, 14197 Berlin.

As of December 31, 2024, 155 legal entities/companies (of which 154 in Germany) formed part of the Deutsche Wohnen Group. A detailed list of Deutsche Wohnen SE shareholdings can be found in the notes to the consolidated financial statements.

Deutsche Wohnen SE performs the function of the management holding company for the Group. In this role, it is responsible for determining and pursuing the overall strategy and implementing the company's goals. It performs general property management, project development, financing, service and coordination tasks for the Group. Furthermore, it is responsible for the management, control and monitoring system as well as risk management system of the Group. There is also a central function responsible for sustainability issues within Deutsche Wohnen SE; it coordinates these matters for the Group as a whole.

To perform its management functions, Deutsche Wohnen uses both its own service companies and external service providers, primarily Vonovia, with which extensive agency agreements have been concluded in accordance with the arm's length principle, particularly for commercial and operational support functions.

By pooling the corporate functions on a uniform management and development platform with Vonovia, the Group achieves harmonization, standardization and economies of scale objectives, and the other Group companies thus do not need to perform such functions themselves.

With our efficient organizational model, optimized processes, a clear focus on service, and, as a result, on our customers, and a clear investment strategy focusing on climate protection, we are laying the foundation for a sustainable business while safeguarding our legitimate interests as a private-sector company.

In addition, Deutsche Wohnen will be using new construction and development measures, densification and vertical expansion to build new apartments in order to meet the rising demand for living space in metropolitan areas in particular. New construction activities are based on an agency agreement via the development activities of Vonovia and the BUWOG brand. This gives Deutsche Wohnen extensive product and process expertise in the field of construction and in the development of residential construction projects. The development business is largely managed via project companies. In 2024, Deutsche Wohnen broke with the development platform of QUARTERBACK, in which it holds a 40% stake, and shifted development activities to the BUWOG platform.

The management of the operating business is based on the company's strategic approaches and is conducted via the four segments: Rental, Value-add, Recurring Sales and Development.

Our Strategy

The corporate strategy that Deutsche Wohnen has been pursuing for years now has proven effective and is both highly mature and highly flexible. It has supported the business and the company's growth path over the last few years and has proven to be robust over the last few crisis-ridden years.

The strategies pursued by Deutsche Wohnen and Vonovia evidently complemented each other very well, which served as the basis for the merger of the two groups. In the Business Combination Agreement, the fundamental agreement on the merger, the companies agreed to harmonize their two complementary strategies in order to allow both groups to tap into potential synergies and create value added by striving for sustainable action together.

This strategy has been refined in the recent years of crisis and has evolved into a more integrated, focused stakeholder value strategy, reflecting the importance of all of the company's major stakeholders.

By revising the materiality assessment within the Group in accordance with the ESRS (EU European Sustainability Reporting Standards) and identifying the opportunities and risks, as well as the impacts that Deutsche Wohnen's activities have on stakeholders, transparency has been enhanced, laying the foundation for even more integrated business activities.

The Key Strategic Value Drivers

Within this context, the Management Board has broken the strategy down into its **main value drivers**:

1. The highly efficient management platform
2. The optimized capital structure and advantageous costs of capital
3. Investment focused on megatrends
4. The value contribution made by the development business
5. Efficient capital allocation

Greater attention is also being paid to effects on sustainability-related impacts.

(1) The joint use of the **scalable management platform** with Vonovia and its highly digitalized processes allow for optimized management of residential units exploiting economies of scale and harmonization effects. This system is directly associated with a clear reduction in fixed costs and, at the same time, ensures consistent quality.

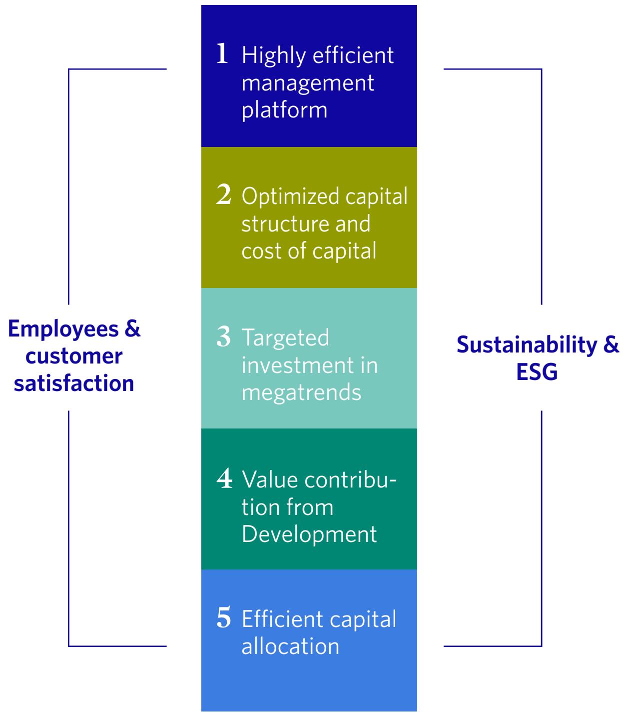
Further advances in digitalization will also open up additional efficiency potential in the future, both with regard to processes and in the use of building master data and dynamic building data. The "digital twin" allows buildings to be broken down and mapped in digital form for further use throughout the company.

The range of further processing options for digital building data includes enhanced service for customers, tailored descriptions of sustainable investment measures and predictive maintenance, particularly for heating units and elevators.

(2) An **optimized capital structure** and, as a result, advantageous costs of capital secure the Group's equity and debt financing in the long run, thereby supporting the capital-intensive business of a residential real estate company in the long run to ensure risk-adjusted yields.

The primary objective of strengthening the company's internal financing provides the basis for investments to address the challenges arising from the megatrends. Maintaining an investment grade rating remains a key objective. The company opts for debt or equity financing depending on the opportunities that arise under the prevailing equity or debt capital market conditions.

The Value Drivers of Our Strategy



(3) When it comes to making **investments based on megatrends,** a distinction has to be made between

> investments in new construction to ease the shortage of apartments,
> investments to optimize existing properties through modernization and senior-friendly refurbishment,
> investments in climate protection to reduce CO_2 and in neighborhood projects to promote tenant satisfaction.

All of these investments have to take account of the new return criteria.

(4) The **Development business** is aimed directly at alleviating the shortage of housing through the targeted expansion of the company's own portfolio, as well as the direct generation of income from business with third parties.

The product range includes the sale of individual condominiums and the sale of projects to investors (to sell) on the one hand, and the construction of rental apartments for our own portfolio as well as the construction of new properties on existing land held in the portfolio (to hold) on the other. The Development business is also geared towards the concept of the neighborhood and sustainability aspects.

Efficient project implementation based on the development platform along the entire value chain guarantees the value contribution made by the Development business. The value chain ranges from the acquisition of land to build on to project development, planning, realization and marketing.

The Development business also has to master the current challenges of greater obstacles to returns, such as the need for efficient capital commitment.

(5) Another key value driver is **efficient capital allocation**. Given the current return requirements based on the increased cost of capital, strengthening the proportion of equity and focusing on internal financing has been identified as a key value driver that optimizes the opportunities for return-oriented sustainable investments. Decisions on the actual capital allocation are made based on the return and Vonovia's internal financing power.

In light of capital market conditions over the past few crisis-ridden years, which have been characterized by inflation and rising interest rates, and the associated higher **cost of capital**, Deutsche Wohnen had to streamline its portfolio by making disposals and establishing joint venture and fund structures in order to achieve an improved capital structure with sustainable internal financing. Within this context, the nursing care activities were also subjected to a strategic analysis that resulted in the decision to sell them.

Now that interest rates are returning to normal, Deutsche Wohnen believes it is well positioned for new **growth** based on its optimized capital and portfolio structure. The necessary specific **initiatives** have been incorporated into the company's existing strategy.

One initiative is aimed at boosting profitability through targeted **reengineering** in respect of cost structures.

The renewed **expansion of the Development business** is one of the key initiatives as part of the strategy. Deutsche Wohnen's new construction activities are focused on a product portfolio that is geared toward market requirements with flexibility in how the properties are used (Development to hold/Development to sell). In light of the ongoing need to optimize construction costs, Deutsche Wohnen is focusing on the "Basic House" approach, among other things, in order to build sustainable and affordable housing for different target groups.

Another initiative involves making greater use of the **technological options** available in the real estate industry. One such initiative is serial modernization.

Catalysts driving the successful implementation of the strategy are, and remain, the active dynamic management of capital allocation, the availability of employees with the necessary skills, efficiency in the value chain and in procurement, social and sociopolitical **acceptance of Deutsche Wohnen's business model** and the targeted use of new technologies, including artificial intelligence.

Opportunities and Risks

Risk Management Structure and Instruments

The market environment and the overall statutory/regulatory conditions to which Deutsche Wohnen is subject are constantly changing. Deutsche Wohnen is adapting to this environment by developing its strategy and, within this context, its business activities on an ongoing basis. Deutsche Wohnen also reacts to ESG influences from a wide variety of stakeholders by adjusting its corresponding ESG targets. These changes mean that additional opportunities and risks arise on a regular basis, and that the extent of existing opportunities and risks can change at any time.

As a result, Deutsche Wohnen has implemented a comprehensive risk management system that ensures that all of the risks that are relevant to the company (and to the environment and society at large) can be identified, evaluated and managed. This reduces risk potential, secures the company's survival, supports its strategic further development and promotes responsible entrepreneurial action.

Risks are defined as possible events or developments that could have a negative impact on the company's expected economic development and, as a result, could lead to a negative deviation from the short-term plans (budget and forecasts) and the company's medium-term plans (five-year plan). Any deviations from the company's planned ESG objectives also pose risks to its economic development.

Opportunities are defined as possible events or developments that could have a positive impact on the company's expected economic development and, as a result, could lead to a positive deviation from the short-term plans (budget and forecasts) and the company's medium-term plans (five-year plan). Deviations from the company's ESG objec-

Five Pillars of Risk Management at Deutsche Wohnen

Management Board
(Strategy, Requirements/Goals, Control Environment, Monitoring)

1 Performance Management	2 Compliance Management	3 Risk Management System	4 Internal Control System	5 Internal Audit
Controlling > Budget > Forecast > Results	**Compliance Officer** > Guidelines, regulations > Contracts > Capital market compliance > Data protection	**Controlling** > Risk management process > Risk reporting	**IT** > Process documentation **Accounting** > Accounting-based internal control system	**Internal Audit** > Process-oriented audits > Risk-oriented audits
Operational Areas > Performance management > Technical integrity	**Operational Areas** > Ensuring compliance	**Operational Areas** > Risk identification and evaluation > Risk control	**Operational Areas** > Documentation of core processes > Control activities > Control self-assessment	**Operational Areas** > Process improvements

tives can also give rise to opportunities. Opportunities are not quantified for internal management purposes.

Deutsche Wohnen's risk management system is based on an integrated five-pillar risk management approach.

(1) Performance Management

Detailed corporate planning and appropriate reporting on deviations between the operational and financial key figures from Controlling constitute the backbone of the early warning system used at the company. Analyses are made of the business performance compared with the plans approved by the Supervisory Board and the previous year. Furthermore, forecasts are prepared regularly which take appropriate account of the effect of any potential risks and opportunities on the development of business.

Reporting includes detailed monthly controlling reports to the Management Board and the Supervisory Board. The operational business is described in regular reports on key figures. On the basis of these reports and the deviations that they highlight between the actual and target figures, countermeasures are initiated and implemented and then checked in subsequent reporting periods to ensure they are effective.

(2) Compliance Management

Compliance means that the company, its bodies and employees act in line with the applicable rules and regulations. For the Management Board, compliance with statutory law and the observance of internal guidelines are the basis of corporate management and culture. Compliance is to ensure the integrity of employees, customers and business partners and avoid possible negative consequences for the company (and for the environment and society at large).

The management and monitoring of Deutsche Wohnen is based on the relevant statutory requirements, the Articles of Association and the rules of procedure for the Supervisory Board and the Management Board. They form the basis for the company's internal rules and guidelines, adherence to which is monitored by a central compliance management system and administered by a guideline management team that forms part of the Compliance and Data Protection department.

The guidelines describe clear organizational and monitoring structures with specified responsibilities and appropriately installed checks. The legally compliant behavior of all employees in the business processes is ensured by suitable control procedures and supervision by managers. The company has also put in place a compliance management system based on IDW (Institute of Public Auditors in Germany) standard PS 980 and has created a central function, the Chief Compliance Officer, whose remit focuses on identifying compliance risks, taking suitable measures to avoid and detect these risks and taking appropriate action in response to compliance risks (compliance program). This individual also acts as the company's human rights officer.

In terms of specific content, the main features of the compliance management system are the Code of Conduct, which focuses on ethical values and statutory requirements and reinforces the personal responsibility of employees, the Compliance Guidelines and a Business Partner Code setting out requirements that the company's contractual partners have to meet. An external ombudsperson and a compliance hotline at the external law firm GSK Stockmann is available to answer questions on all compliance matters. These systems also feature an anonymous whistleblower hotline in six languages. All of the whistleblower channels are available not only to employees, but also to external groups, such as customers and business partners.

(3) Risk Management System

Deutsche Wohnen's strategy has a sustainable and long-term focus. As a result, Deutsche Wohnen pursues a conservative risk strategy. This does not mean minimizing risks, but rather promoting entrepreneurial and responsible action and ensuring the necessary transparency with regard to any possible risks.

The risk management system supports all employees in their day-to-day work in accordance with Deutsche Wohnen's mission statement. It ensures the early identification, assessment, management and monitoring of all risks within the Group that exceed the short-term financial risks dealt with by the Performance Management pillar and could pose a risk not only to the company's results of operations and net assets, but also to intangible assets.

The risk management system explicitly includes sustainability risks. In connection with the introduction of reporting in line with the European Sustainability Reporting Standards (ESRS), information was collected and evaluated, as part of the materiality assessment, on the impacts that the company's business activities have on people and the environment, as well as the sustainability-related risks and opportunities for the company, and this information was incorporated into the risk management process. This means that potential risks which might impair the value and/or development of the company, or have an impact on people and the environment, can be identified at an early stage. The risk management system takes account of early warning indicators that are specific to the environment and the company, as well as the observations and regional knowledge of our employees.

In organizational terms, risk management is assigned directly to the Management Board. It has overall responsibility and decides on the organizational structures and workflows of risk management and provision of resources. The operational management of the risk management system falls within the remit of the Head of Controlling, who is responsible for Risk Controlling. The Head of Controlling reports to the Chief Financial Officer (CFO). Risk Controlling initiates the software-supported, periodic risk management process and consolidates and validates the risks reported. It is also responsible for validating the risk management measures and monitoring their implementation. Risk Controlling works with the individual risk owners to define early warning indicators that are used to monitor actual developments with regard to certain risks.

The risk owners are the managers at the level directly below the Management Board, who are also responsible for the corresponding segment/executive division at the level of Vonovia. They are responsible for identifying, evaluating, managing, monitoring, documenting and communicating all risks in their sphere of responsibility. They are also responsible for recording and reporting all risks in the company's risk tool based on the defined reporting cycles.

Based on a half-yearly risk inventory taken in the first and third quarters of a fiscal year, Risk Controlling prepares a risk report for the Management Board and the Supervisory Board. It also simulates major risk developments and their impact on the corporate plans and objectives. The Management Board approves the documented risk management findings, takes account of them in steering the company and reports them to the Supervisory Board. The Audit Committee of the Supervisory Board monitors the effectiveness of the risk management system.

Should significant risks, i.e., risks with a considerable impact on economic development (risks entailing possible losses in Adjusted EBT of more than € 15 million or a possible balance sheet loss of more than € 180 million) occur unexpectedly, they are reported directly to the Management Board and the Supervisory Board on an ad hoc basis.

As part of the process involved in preparing the annual financial statements, the risks identified in the third quarter are reviewed by Risk Controlling to ensure they are up-to-date and – if necessary – updated, with newly identified risks being added. New risks can arise in the context of the budget and five-year planning process. These are coordinated and evaluated bilaterally between Risk Controlling and the responsible risk owners as part of the planning process.

Deutsche Wohnen's risk management system includes a simulation model to calculate the company's risk-bearing capacity. As part of this analysis, risk management evaluates the interdependencies between major risks on an annual or ad hoc basis and defines the parameters for risk aggregation. A Monte Carlo simulation model based on the statistical distribution functions relevant to the risks is used to determine the company's overall risk position. The resulting overall risk position is compared to the company's risk-bearing capacity with regard to insolvency and overindebtedness. Extreme scenarios for selected major risks are also simulated as part of the corporate planning process. The effects on the company's performance indicators, as well as key figures related to financing, are always taken into account here. The results of the simulations are discussed with the Management Board. Planning and risk management are managed by the same area within Controlling.

The risk management system is updated and refined on a regular basis and is also adjusted to reflect changes at the company. The effectiveness of the risk management system is analyzed in regular audits.

Risk management looks at all activities forming part of the risk management process, i. e.,

> Risk identification,
> Risk assessment,
> Risk aggregation,
> Risk control and
> Risk monitoring.

Based on the COSO Framework, a **risk space with the following four main risk categories** has been defined to facilitate risk identification: strategy, regulatory environment and overall statutory framework, operating business and financing (including accounting and tax). A structured risk catalog has been assigned to each of these categories.

When it comes to **assessing risk**, a distinction is made between risks with an impact on profit and loss and those affecting the balance sheet. Risks with an impact on profit and loss have a negative effect on the company's sustained earnings power and, as a result, on Adjusted EBITDA in the individual segments and Adjusted EBT. In general, these risks also have an impact on liquidity. Risks affecting the balance sheet do not impact Adjusted EBT, but they certainly do impact the assets and, in general, also profit for the period and the NAV. These risks can also not affect liquidity, e.g., because they only impact property values.

If possible, risk assessments are always to be performed in quantitative terms. As a general rule, the risk assessment should always be based on a worst-case scenario. If this is difficult or impossible to achieve, a qualitative assessment is to be performed using a detailed matrix. The expected amount of loss is classified to one of five categories, with the value thresholds for risks with an impact on profit being adjusted accordingly in line with the switch in the Management System from Group FFO to Adjusted EBT:

Category	Class	Description	Impact on profit and loss*	Impact on statement of financial position*
Very high	5	Threatens the company's existence	Possible loss of >€ 270.0 million in Adjusted EBT	Possible balance sheet loss of >€ 3,600 million
High	4	Dangerous impact on business development, previous business situation cannot be restored in the medium term	Possible loss of € 135.0 million to € 270.0 million in Adjusted EBT	Possible balance sheet loss of € 1,800 million to € 3,600 million
Consid erable	3	Temporarily impairs business development	Possible loss of € 54.0 million to € 135.0 million in Adjusted EBT	Possible balance sheet loss of € 720 million to € 1,800 million
Noticeable	2	Low impact, possibly leaving a mark on business development in one or more years	Possible loss of € 15.0 million to € 54.0 million in Adjusted EBT	Possible balance sheet loss of € 180 million to € 720 million
Low	1	Minor impact on business development	Possible loss of € 1.5 million to € 15.0 million in Adjusted EBT	Possible balance sheet loss of € 24 million to € 180 million

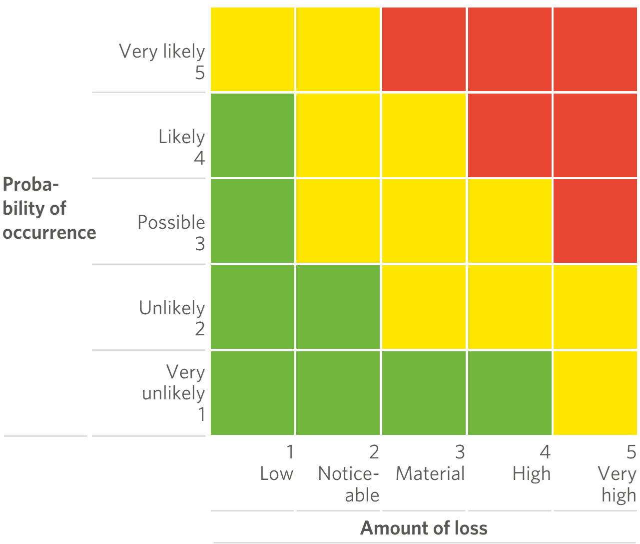
* Understood as the possible financial loss over five years in accordance with the medium-term planning horizon.

Five clusters have been defined for the expected probability of occurrence.

Category	Class	Definition	Probability
Very likely	5	It is to be assumed that the risk will materialize during the observation period.	>95 %
Likely	4	The risk is likely to materialize during the observation period.	60–95 %
Possible	3	The risk could materialize during the observation period.	40–59 %
Unlikely	2	The risk is unlikely to materialize during the observation period.	5–39 %
Very unlikely	1	It is to be assumed that the risk will not materialize during the observation period.	<5 %

The expected amount of loss and the probability of occurrence are classified within the set ranges before action (gross) and after action (net) for each risk, documented in a risk tool and transferred to a heatmap there. Risk reporting is based on the net assessment and the assignment of risks in the net heatmap, comprising five categories for both probability of occurrence and the amount of loss.

Net Heatmap



The term "top risks" refers to the risks assigned to the red and amber fields. These are reported to the Supervisory Board and published as part of the external reporting process. The risks assigned to the red fields are classified as threatening or endangering the company or its survival. The risks assigned to the amber fields are significant to the company. Red and amber risks are subject to intensive monitoring by the Management Board and the Supervisory Board. The risks assigned to the green fields are less significant to the company.

As part of an active **risk control** process, the focus is on the major (red and amber) risks. Any necessary specific risk management measures were agreed and incorporated into a regular monitoring process to be conducted by Risk Controlling.

Regular **risk monitoring** by Risk Controlling ensures that risk management measures are implemented as planned.

(4) Internal Control System

The Internal Control System (ICS) comprises the basic principles, procedures and regulations aimed at supporting the effectiveness and cost-effectiveness of our business activities, ensuring due and proper and reliable internal and external accounting, and ensuring compliance with the legal provisions that apply to the company.

All key processes at Deutsche Wohnen are recorded and documented centrally with the help of a process management software solution. In addition to the relevant process steps, this documentation highlights key risks and controls in the interests of a process-oriented ICS. It provides the binding basis for subsequent evaluations, audits and reporting to the executive bodies of Deutsche Wohnen SE on the effectiveness of the ICS within the meaning of Section 107 (3) sentence 2 of the German Stock Corporation Act (AktG).

Overall responsibility for structuring and implementing the ICS lies with Deutsche Wohnen's Management Board. The Management Board delegates this responsibility to process and control owners. The Internal Audit department provides support in the further technical development of the ICS in addition to performing its primary audit duties in full. Internal Audit is responsible for providing technical support for the documentation software, with administrative support being provided by IT.

The aim of the accounting-related internal control and risk management system is to ensure due and proper and legally compliant financial reporting pursuant to the relevant regulations. The accounting-related internal control and risk management system is embedded in the overarching Group-wide risk management system.

Organizationally, responsibility for preparing the financial statements lies with the department of the Chief Financial Officer (CFO) and, in particular, with the Accounting department. The Accounting department accordingly exercises the authority to lay down guidelines for the application of relevant accounting standards as well as for the content and timing of the steps in the financial statements preparation process.

From the organizational and systems side, the preparation of the financial statements for all companies included in the consolidated financial statements as well as the preparation of the consolidated financial statements themselves occurs at the central service centers, which ensures consistent and continual application of accounting principles in a uniform financial statement preparation process. Furthermore, through the shared service center functions it is ensured that both content and organizational changes in the requirements are incorporated in the financial statement preparation process.

The financial statements of the companies included in the consolidated financial statements are largely located in an IT SAP environment. A small number of Group companies have their own accounts and corresponding IT systems. They are largely subject to uniform charts of account, accounting guidelines, processes and process controls. The requirement of separation of functions and the dual-review principle are taken appropriate account of with preventive and also subsequent checks. The subsidiaries of the Deutsche Wohnen Group report their data to Group Accounting as part of a structured IT-based data recording process.

The relevant financial statement data of the individual companies are made available to the SAP consolidation module via an integrated, automated interface with comprehensive validation rules for further processing and preparation of the consolidated financial statements. An authorization concept is in place granting access to the financial statements in line with the respective job profile of the employee.

Newly acquired companies are incorporated into the internal control environment as part of a structured integration process, which includes integration in terms of both IT systems and processes relating to financial statements.

Once the financial statements have been drawn up, the annual and consolidated financial statements, including the consolidated management report, are submitted to the Audit, Risk and Compliance Committee of the Supervisory Board. The Audit, Risk and Compliance Committee then makes a recommendation for the Supervisory Board to adopt or approve them. This examination may include discussion with the auditor and is subject to the auditor's report. The Audit, Risk and Compliance Committee is continually involved in the establishment and refinement of the accounting-related internal control and risk management system.

(5) Internal Audit

Internal audits are conducted by Group Audit at Vonovia on behalf of Deutsche Wohnen. In organizational terms, Group Audit reports to Vonovia's Chief Executive Officer (CEO). Internal Audit at Deutsche Wohnen reports to the CDO. The annual audit plan is based on a risk-oriented evaluation of relevant audit areas of the Deutsche Wohnen Group and is approved by the Management Board and the Supervisory Board's Audit Committee.

The audits conducted throughout the year focus on assessing the effectiveness of the control and risk management systems, identifying process improvements in order to minimize risks and ensuring the sustainability of Deutsche Wohnen's business activities. Corresponding special ad hoc audits are also performed in consultation with the Management Board.

The internal reports are presented to the Management Board, the individuals responsible for the area reviewed and, in cases involving significant and serious findings, the risk manager and, where relevant, the compliance officer on a regular basis. The Audit Committee receives a quarterly summary of the audit results and the measures taken. The implementation status of the agreed measures is monitored on an ongoing basis after the relevant due dates and is reported to the Management Board and the Audit Committee on a quarterly basis. A follow-up audit is conducted to ensure that any serious findings have been remedied.

Current Risk Assessment

A scheduled risk inventory was performed in both the first and second half of the 2024 fiscal year. The risk report was presented to the Management Board and the Audit Committee. The risk inventory for the second half of the year was adjusted/updated at the end of 2024. There were no unscheduled ad hoc risk reports in the 2024 fiscal year or up until the time at which the balance sheet was prepared.

Overall Assessment of the Risk Situation

A total of 69 (2023: 73) individual risks were identified for Deutsche Wohnen at the end of 2024. All in all, and based on the current assessment, there were no signs of any risks threatening or endangering Deutsche Wohnen or its survival at the end of 2024.

At the time this report was prepared, Deutsche Wohnen's Management Board had not identified any risks associated with future business development that the company cannot suitably overcome, or which could jeopardize Deutsche Wohnen's position in terms of revenue, assets and/or finances.

The outcome of the risk-bearing capacity analysis performed in 2024 revealed that there is no current threat to Deutsche Wohnen's survival over the five-year period. This means that there is no change as against the risk assessment performed at the end of 2023 overall.

The risks to be modeled were quantified and the interaction between individual top risks and selected green risks analyzed in detail at the end of 2024.

Seven (2023: nine) amber risks to the company and 62 (2023: 64) other green risks were identified. Specifically, the picture that emerges for each risk category is as follows:

Risk	Strategy	Operating business	Regulatory environ-ment	Financing	Total
Red					
Amber		4 (5)	0 (1)	3 (3)	7 (9)
Green	7 (8)	30 (28)	17 (19)	8 (9)	62 (64)
Total	**7 (8)**	**34 (33)**	**17 (20)**	**11 (12)**	**69 (73)**

Risks Related to Operating Business

In the operating business, we identified the four (2023: five) amber risks explained below at the end of 2024.

Deutsche Wohnen's business relationship with Vonovia could give rise to a **"service provider/default risk"**. This includes operational risks resulting from the handling of business as well as risks from energy services and risks associated with financing/shareholder loans. The risk with an impact on profit and loss was assessed at the end of the 2024 reporting period as being associated with an amount of loss of >€ 270.0 million (2023: >€ 225 million) and an expected probability of occurrence of <5% (2023: <5%).

The residential properties held in the Rental segment are subject to a regular valuation process. Details can be found in chapter → [D 25] Investment Properties. Changing overall conditions on the real estate and capital markets mean that future market developments, such as inflation and rising interest rates, could reduce the value of the properties. Lower property values would push up the company's loan-to-value ratio (LTV), which could have a negative impact on its ability to raise capital. The balance sheet operating risk **"future market development leads to a drop in property values"** was assessed as being associated with an expected amount of loss of € 720-1,800 million (2023: € 720-1,800 million) and an expected probability of occurrence of 5-39% (2023: 5-39%).

As regards the sale of our development projects, we have identified a risk that the sale and letting of newly built apartments will become more difficult to achieve, particularly as a result of significantly increased construction costs and, as a result, considerably higher sale prices or rents. We have adjusted our plans for investments in new builds accordingly. The amber operating risk with an impact on profit and loss **"Development sale risk"** was assessed as having an expected amount of loss of € 135.0-270.0 million (2023: € 112.5-225 million) and an expected probability of occurrence of 40-59% (2023: 40-59%). In order to be able to respond to market changes early on, in-depth market studies and analyses are prepared at regular intervals and are analyzed in connection with reports prepared by renowned real estate experts. Any market changes that are identified are taken into account when analyzing the real estate portfolio, meaning that they have a significant impact on sales planning.

The **"Development project cost"** with an impact on profit and loss was assessed as being associated with an expected amount of loss of € 54.0-135.0 million (2023: € 45.0-112.5 million) and an expected probability of occurrence of 5-39% (2023: 5-39%). In order to identify risks of this nature before new properties are acquired and to assess all risks in connection with legal, tax, economic, technical and social issues, varying levels of due diligence reviews involving independent experts are planned as part of the acquisition process within the Development segment. The Development segment also minimizes these risks by only starting projects after intensive reviews (register of contaminated sites) and profitability analyses have been conducted, and by monitoring these risks for the entire duration of the project with regular cost controls and associated deviation analyses.

The development in the supply of, and demand for, residential properties has a significant influence on the home prices that can be achieved and, as a result, a direct impact on both Adjusted EBITDA in the Recurring Sales segment and the success of Non Core sales. Deutsche Wohnen's portfolio clustering was revised in the course of the fiscal year. This means that a lower sales volume is expected in the Recurring Sales segment in the current corporate planning. The operating risk with an impact on profit and loss **"deteriorating residential property market situation with regard to apartment sales (market perspective)/missed opportunity to achieve an optimum sales price (process perspective),"** which was previously classified as an amber risk, was assessed as having an expected amount of loss of € 15.0-54.0 million (2023: € 112.5-225 million) and an expected probability of occurrence of 5-39% (2023: 5-39%), and was downgraded to a green risk on account of its volume. In order to limit and monitor risk, regular reporting on sales volumes and prices and regular monitoring of target prices and sales volume targets by the portfolio controlling team has been implemented alongside a process for identifying ideal prices.

Risks Related to Regulatory Environment & Overall Statutory Framework

Changes in the regulatory environment and in the overall statutory framework could give rise to risks for all of Deutsche Wohnen's business segments. No (2023: one) key amber risk has been identified at present.

On November 13, 2024, the German cabinet adopted the amendment to the Hazardous Substances Ordinance (Gefahrstoffverordnung), which brings changes to the risk policy for carcinogenic hazardous substances and additional obligations for activities involving asbestos. The originally planned general suspicion of asbestos for all buildings completed before 1993 and the introduction of a fundamental duty of investigation for building owners have not been adopted. In summary, the risk has been reduced significantly by the amendment to this Ordinance. Any amendment to the Hazardous Substances Ordinance has a potential impact on all of Deutsche Wohnen's technical processes (including small-scale repairs, vacant apartment refurbishment, major maintenance measures, modernization). A comprehensive risk mitigation project was launched in 2024 to consolidate the necessary process and system adjustments. These are now being reviewed further now that the legislation has been passed. The project and, as a result, the quantification process are scheduled for completion by the end of the first half of 2025. As a result, the risk associated with an **"Amendment to the Hazardous Substances Ordinance"** was downgraded overall from amber to green at the end of the 2024 reporting period. In qualitative terms, we continued to assess the risk as having a low (2023: substantial) amount of loss and a probability of occurrence of 60-95% (2023: 60-95%).

Risks Related to Financing

With regard to financing, we identified the three amber risks (2023: three) explained below at the end of 2024.

A further increase in capital market interest rates could give rise to risks for Deutsche Wohnen's growth and result in planned investments being cut back, suspended or canceled completely. In addition, an increasing interest burden due to unfavorable interest rate developments could translate into lower growth or even a drop in Adjusted EBT. As the updated interest rates have been taken into account for planning purposes, the financing risk with an impact on profit and loss classified as amber **"unfavorable interest rate developments"** was classified in 2024 as being associated with an expected amount of loss to € 135.0-270.0 million (2023: € 112.5-225.0 million) based on the latest assessment, with an expected probability of occurrence of 5-39% (2023: 5-39%). As well as diversifying debt capital instruments and maintaining a balanced maturity profile, risks are limited by ensuring a long-term average maturity/fixed-interest period of around six years. Debt reduction by freeing up liquidity is another measure used to limit risk.

Deutsche Wohnen is obliged to report certain key figures and adhere to certain covenants in connection with bonds, secured loans and transactions. If these covenants are not adhered to or these reporting obligations are not fulfilled on time, Deutsche Wohnen could be subject to payment obligations and additional negative effects on earnings could result from new financing arrangements. The amber financing risk with an impact on profit and loss associated with a "**failure to fulfill obligations (from bonds, secured loans, transactions)"** was assessed, at the end of the 2024 reporting period, as having an expected amount of loss of >€ 270.0 million (2023: >€ 225.0 million) and an expected probability of occurrence of <5% (2023: <5%). In order to counter this risk, Deutsche Wohnen has implemented standardized processes for monitoring and managing its obligations.

The amendments to the German Real Estate Transfer Tax Act that came into force on July 1, 2021, lowering the participation threshold from 95% to 90% and increasing the observation period from 5 to 10 years, could give rise to a subsequent liability to pay real estate transfer tax. The amber risk with an impact on profit and loss associated with an **"amendment to the German Real Estate Transfer Tax Act due to share deals"** was assessed, at the end of the 2024 reporting period, as having an expected amount of loss of

>€ 270.0 million (2023: >€ 225.0 million) and an expected probability of occurrence of <5% (2023: <5%). In addition to monitoring court decisions and legislation on an ongoing basis, Deutsche Wohnen also limits this risk by raising awareness among decision-makers in the context of share deals. This ensures the involvement of the internal Tax department, which then helps monitor the acquisition process.

At the end of 2024, the net risks identified can be summarized as follows:

Net Risks

Probability of occurrence over the next 5 years (in %)						
	>95					
	60–95	1 (0)		0 (1)		
	40–59	2 (4)			1 (1)	
	5–39	15 (14)	7 (9)	2 (2)	1 (2)	
	<5	25 (26)	10 (6)	2 (5)		3 (3)
Impact on profit and loss		1.5–15.0	15.0–54.0	54.0–135.0	135.0–270.0	>270.0
Impact on statement of financial position		24.0–180.0	180.0–720.0	720.0–1,800.0	1,800.0–3,600.0	>3,600.0
Qualitative		very low	low	medium	high	very high
		Amount of loss over the next 5 years (in € million)				

Sustainability Risks

In addition to the amber risks set out above, Deutsche Wohnen also reports on selected green risks that relate explicitly to sustainability in order to reflect the growing importance of this risk consideration:

Environmental Risks

The need to consider climate-related aspects is playing an increasingly important role in Deutsche Wohnen's business model and strategy, in line with the mounting importance of climate issues in society at large. The resulting climate transition risks describe the effects that can arise for companies due to the process of transformation towards a sustainable economic system.

Deutsche Wohnen has set itself an intensity target to reduce its CO_2 emissions by 2030 in order to achieve its **climate objectives**. At present, we have assessed the risk of **"failure to meet climate objectives,"** in quantitative terms (2023: qualitative terms), as having an amount of loss of € 1.5-15.0 million (2023: low) and expect a probability of occurrence of 5-39% (2023: unlikely).

Risks could also emerge as a result of a **"Significant increase in the CO_2 price"**. While a rising CO_2 price has already been reflected in our planning, a further increase in the CO_2 price in view of the national and European climate neutrality targets could lead to higher costs than planned. We have assigned this green risk an amount of loss of € 1.5-15.0 million and a probability of occurrence of 5-39%.

In the reporting year, we defined a separate risk, **"Physical climate risks,"** which includes potential losses resulting from chronic or acute effects of increasing climate change. These include an ongoing rise in temperatures and an increase in extreme weather events, such as storms, hail, heavy rain and flooding. These potential losses were previously included in the **"Risk of business continuity in disasters/crisis situations"**. We have assessed this risk with an amount of loss of € 1.5-15.0 million (2023: € 1.5-12.0 million) and a probability of occurrence of 5-39% (2023: 5-39%). To allow us to analyze and assess potential long-term implications of climate change (those extending beyond the usual risk management observation period of five years), we have developed a climate risk tool that maps the internationally recognized climate change scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

Transition risks and physical climate risks could potentially have a negative impact on the Group's net assets, financial position and results of operations and could make the estimates used in an accounting context less certain. We do not believe that climate change gives rise to any significant direct risks for the period covered by the risk management system at the moment, e.g., caused by extreme weather conditions such as heavy rain with the potential for floods. Based on our current knowledge of future developments, this will not have any impact on Deutsche Wohnen's balance sheet. This relates, among other things, to the fair values of investment properties, useful lives and the value of assets and provisions for environmental risks, for which no significant need for adjustment emerges.

When it comes to the development of new and sustainable fields of business in the Value-add segment – with particular regard to renewable energies – **risks can arise from the design and implementation of the business models.** Procurement prices can also develop differently than expected. In the course of the year, we downgraded this "procurement price risk in our energy services area" to an amount of loss of € 1.5-15.0 million (2023: € 12.0-45.0 million) and a probability of occurrence of 5-39% (2023: 5-39%) and no longer consider it a risk to Deutsche Wohnen's business activities.

With regard to the planned **"expansion of renewable energies using photovoltaic systems,"** we have assessed the related risks as having an amount of loss of € 1.5-15.0 million (2023: low) and a probability of occurrence of 5-39% (2023: 5-39%).

Social Risks

As a result of its insourcing strategy achieved within the Group, qualified specialists are in high demand at Deutsche Wohnen, particularly in comparison with its peers in the sector. Inability to fill vacant positions could lead to a lack of growth, restricted quality and lower levels of customer satisfaction, as well as rising costs due to the need to use subcontractors. Thanks to effective strategies for recruitment and staff retention, we assess the risk associated with a **"shortage of skilled workers"** as having a potential amount of loss of € 1.5-15.0 million (2023: € 1.5-12.0 million) and predict a probability of occurrence of 5-39% (2023: 5-39%).

Failure to comply with statutory occupational health and safety and occupational safety management provisions could have a long-term impact for Deutsche Wohnen and its employees. We currently assess these risks as being associated with a noticeable (2023: substantial) amount of loss and a probability of occurrence of <5% (2023: very unlikely).

"Risks associated with breaches of provisions concerning special contractual rights (Social Charters)," which are related to tenant protection and, as a result, to the aim of providing "homes at fair prices," have been assessed as having a potential amount of loss of € 15.0-54.0 million (2023: € 45.0-112.5 million) and a probability of occurrence of <5% (2023: very unlikely).

As part of our ESRS reporting, the Vonovia Group as a whole also reports in detail on the financial risk arising from changes to the regulatory framework for rents and tenancy law standards in the **"Living at fair prices"** section (see also S4 – Company-specific: Living at fair prices).

Governance Risks

Deutsche Wohnen is exposed to the risk **of losing sustainable financing.** Sustainable "green" financing is becoming increasingly relevant. Failure by Deutsche Wohnen to meet its sustainability targets, for example, could jeopardize the basis for this financing. At present, we have assigned this risk an amount of loss of € 15.0-54.0 million (2023: € 12.0-45.0 million) and a probability of occurrence of <5% (2023: <5%).

In addition, Deutsche Wohnen could be exposed to risks **associated with non-compliance with statutory requirements and investor or analyst expectations regarding ongoing sustainability reporting.** At present, we have assigned this risk an amount of loss of € 15.0-54.0 million (2023: noticeable) and a probability of occurrence of <5% (2023: very unlikely).

Current Assessment of the Main Opportunities

Assessment of Opportunities Inherent in the Business Model

Deutsche Wohnen has identified earnings potential as part of the strategy it has defined and its medium-term planning. The assumptions applied within this context regarding the economic environment and market-related factors, and the company's operating business, are associated with potential for deviations. These deviations do not necessarily have to be negative (risks). Favorable business developments (opportunities) that deviate from the company's plans are also a possibility. In connection with the introduction of Vonovia's ESRS reporting, information was collected and evaluated, as part of the materiality assessment, on the impacts that the company's business activities have on the environment, as well as the opportunities and risks. These risks have been evaluated and incorporated into the risk management process. Opportunities are taken into account separately as part of the strategy and planning process as future potential for conserving resources and generating earnings. All in all, the opportunities have not changed significantly as against the previous year.

Strategy-Related Opportunities

Renting out contemporary and affordable housing in the long run, creating new homes, improving our customers' quality of living and offering property-related services are at the core of Deutsche Wohnen's corporate strategy.

Our business model is designed to take into account the **megatrends** that are relevant to us (urbanization/shortage of housing, demographic change, climate protection) and the use of our management and development platform. By managing larger contiguous stocks, we can not only manage the homes we offer in a particularly cost-effective manner, but can also make an effective contribution to social tasks. Based on the existing strategy, Deutsche Wohnen has developed a new growth strategy and initiatives that will generate future earnings potential.

The **demand for affordable homes** will remain high or continue to increase over the next few years as the gap between housing demand and housing supply continues to widen. Research data on projected demographic trends suggest that population growth will continue both in Germany and in parts of Europe over the coming years. Immigration and sociological aspects will remain the principal growth drivers. As things stand at present, the fundamental need for housing is unlikely to be met in full by general new construction measures, either in the short or medium term. This translates directly into opportunities for us for the rental, development and new construction business.

The expansion of the development business is an important part of this strategy. Deutsche Wohnen's new construction activities are focused on a product portfolio that is geared toward market requirements with flexibility in whether the properties are used for the company's own portfolio or are sold (Development to hold/Development to sell). As construction costs still need to be optimized, Deutsche Wohnen is focusing, among other things, on efficient construction processes managed using Vonovia's **development platform**, e.g., the introduction of "Building Type E" approval (new initiative aimed at simplifying and reducing costs in the construction industry) and the use of sustainable, ecological building materials allowing us to reduce construction times and the implementation risk, and conserve resources.

According to the Federal Climate Change Act (Klimaschutzgesetz), Germany is aiming to be greenhouse gas-neutral by 2045. We made a commitment to a climate path that will enable us to achieve virtually greenhouse gas-neutral management of our portfolio by 2045. Homes with positive energy concepts not only protect the climate, but also reduce heating costs. This makes them more attractive to our customers. What is more, the improved structural specifications increase property values.

If we make faster progress than planned on our **climate path**, this could have a positive knock-on impact on earnings and value development.

Decarbonization and modernization measures in buildings entail substantial investment. In this respect, we benefit from the fact that optimizing the energy efficiency of our portfolio has been at the core of our climate strategy for many years now. Since then, our modernization/refurbishment rate has consistently outstripped the German average. In order to keep costs at a minimum, we make use of **innovations** and smart technologies, and focus on tried-and-tested urban quarter approaches in the implementation process.

Opportunities in the implementation of energy-efficient modernization work arise from efficient processes, bringing investments forward and cost scaling. We are pursuing this strategy using the concept of **serial refurbishment**, an industrialized system that bundles and standardizes all steps in the refurbishment process. Forging ahead with investments in heat pump technology is also part of our investment initiative. In this area, we are focusing on the new "EnerCube" heating solution, a heat pump center that combines all the necessary components in an external module and is installed on site outside the building. By expanding our own specialist capacities and resources for climate change adaptation, we have an opportunity to gain a competitive edge over our peers by making the necessary structural adjustments in our portfolio (e.g., measures to protect against heat stress) at an early stage.

Deutsche Wohnen's business model is founded on Vonovia's efficient management platform, which spans the entire housing lifecycle. As part of the company's growth initiatives, this platform is also to be made available to third-party customers, positioning Deutsche Wohnen as a full-service management service provider with opportunities to tap into further earnings potential.

With our management platform, we pursue an efficient business model that is scalable at all times. It is also ready to manage new portfolios that we add to our portfolio through acquisitions, as past experience has shown. Deutsche Wohnen pursues acquisitions as and when opportunities present themselves in light of the current opportunities for returns and financing. If overall conditions continue to improve, there is an opportunity for us to grow by resuming acquisitions.

Levels of satisfaction among our customers are closely linked to the performance and motivation of our employees working in customer service. Our corporate strategy also focuses on our employees' further development and on employee satisfaction. We aim to make use of new HR development concepts and actively shape the recruitment of new staff to fill vacant positions. We are aiming to increase the proportion of women at the first and second levels of management. All in all, further opportunities could arise for Deutsche Wohnen due to the advantages associated with diversity and as a result of our increased appeal as an employer, namely higher levels of production and lower staff turnover rates.

Economic Environment and Market-Related Opportunities

The housing industry is being influenced to a considerable degree by social trends. One key trend involves the influx of people into urban areas. The infrastructure in urban areas is well developed, with extensive healthcare services available. People do not have to travel far to work and can enjoy varied leisure activities.

According to the Regional Planning Forecast of the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), urban regions are expected to continue to grow over the coming years. The current slowdown in construction activity is likely to result in an even greater imbalance between the supply of and demand for housing in conurbations. 350,000 to 400,000 new residential units will have to be built every year in the longer term. The shortage of housing in urban areas could be exacerbated further by the effects of migration from global crisis hotspots, targeted moves resulting in labor migration and the trend toward smaller households.

Our company can reap considerable benefits from these trends: With our existing real estate portfolio, we focus primarily on small and medium-sized apartments in urban areas. This means that we offer the right homes in the right places. Deutsche Wohnen is also in a position to counter the increasing shortage of affordable housing through our development and new construction business. This is subject to the proviso that the overall economic and political conditions and the investment environment improve. This will not be possible without deregulation measures and the provision of additional land for construction, which could, in turn, create opportunities for Deutsche Wohnen.

The capital required to solve the challenges facing the housing industry cannot be raised without private sector involvement. As a result, policymakers are increasingly being called upon to create an investment climate that encourages long-term equity and debt capital providers to make substantial investments in the residential real estate markets. A positive investment climate also means making the necessary ecological construction and modernization measures commercially viable, making additional land available for construction, cutting back on red tape and generally promoting acceptance of private-sector real estate investors. The increasing acceptance of long-term investors for projects in the German residential construction sector is likely to open up further development opportunities for Deutsche Wohnen.

In a quest to master the current social challenges, policymakers are also seeking to improve overall conditions on the housing market. Implementation of the projects launched by the current government is stalling at the moment – with a marked adverse effect on the housing markets (drop in new construction, growing shortage of housing, lower modernization rates in Germany). As soon as short-term solutions can be found to address this problem in terms of improved subsidy conditions and price developments, corresponding opportunities will also emerge for us. We are advocating for these very solutions via our communication channels and stakeholder dialogue (for example, through our work in associations).

Opportunities Arising From the Operating Business

Demographic change towards an aging society continues, and is increasingly leaving its mark. Demand for senior-friendly and affordable homes is expected to increase further over the coming years. Studies show that Germany needs at least two million senior-friendly apartments. As a result, opportunities could arise from senior-friendly modernization of our apartments. The fact that we offer accessible, partially modernized apartments and are investing in new and innovative housing concepts in our neighborhoods means that we can expect tenant turnover to fall and rents to increase further as a result.

Deutsche Wohnen manages its housing portfolios throughout Germany using standardized, digital systems and processes. Vonovia's management platform has been optimized as part of a step-by-step process in recent years and is now highly efficient: The vacancy rate is very low. Property management costs per residential unit have been reduced considerably over the years. Customer satisfaction has risen significantly over the same period. Together with the range of housing-related services and active neighborhood management, we offer our customers a service package that is extremely competitive on the housing market and opens up financial opportunities for us. We also believe that upgrading measures in our neighborhoods present us with an opportunity to improve our reputation.

Deutsche Wohnen's business model spans the entire housing industry lifecycle: from the purchase of future-proof properties to (serial) new construction and efficient management, neighborhood development and serial refurbishment systems, as well as the provision of property-related services. As part of the company's growth initiatives, this platform is also to be made available to third-party customers, positioning Deutsche Wohnen as a full-service management service provider. This opens up opportunities for Deutsche Wohnen.

The **Value-add Business** offers our customers services that are closely related to the rental business. Opportunities associated with additional earnings potential could also arise here at all stages in the value chain. The merger of Deutsche Wohnen and Vonovia in particular allows for the bundling of harmonization effects and economies of scale with regard to housing-related services, primarily in metering services, multimedia services and energy supply. This creates promising economic opportunities in the Value-add Business, and also potential with regard to the services offered to customers and, as a result, customer satisfaction.

In tandem with our moves to expand our existing housing-related services (also by way of potential third-party business), we believe that **digitalization** offers potential to further increase customer loyalty to our business model, e.g., through customer loyalty programs, communication platforms or networking. Digitalization opens up considerable development opportunities for the real estate industry and, as a result, also for Deutsche Wohnen – in terms of both technology and process optimization. We are still making systematic investments in testing and expanding new technologies. Two of the areas we are focusing on are "articifical intelligence" and "robotics."

We expect opportunities to arise from the systematic roll-out of concepts such as predictive maintenance, process automation, building information modeling (digital modeling of real estate projects), home automation (setting up smart information systems and interfaces at the level of the customer) and a closer digital connection to the customer. One key component for the implementation of our digital strategy is the digital twin. It maps all aspects of a building and, in future, will mirror each of our buildings with all its various structural and technical features and systems, enabling optimum management.

These opportunities for the company's operating business resulting from digitalization and artificial intelligence will also have an impact on customer satisfaction. Collaboration initiatives with suitable start-ups at all stages in the value chain to enable the further implementation of digital solutions within Deutsche Wohnen's processes, but also at the various interfaces, could open up further earnings and expertise potential for the company.

One factor that Deutsche Wohnen cannot control itself, but which is important for successful and, most importantly, efficient project implementation, is the digitalization of public administration. The streamlining of administrative processes and the introduction of building type E could accelerate, and have a positive impact on, Deutsche Wohnen's development and new construction business by allowing building permits to be approved faster.

Financial Opportunities

Deutsche Wohnen has benefited from good conditions on the capital and banking market in recent years to establish a very stable capital structure. We now have a range of financing instruments that are balanced and stable in the long term. Consequently, together with the diversification strategy for liquidity procurement that we have been pursuing for many years now, we have relatively more advantageous **(re)financing options**, even in the current capital market environment, to further optimize the structure and conditions of our financial liabilities.

Rising inflation and interest rates recently forced us to reassess the profitability of our investments. Ongoing pursuit of our sustainability targets and investments remained a non-negotiable during this process.

Given our solid balance sheet structure and the return to a positive market trend that is emerging, our sales program, as a source of internal financing, will focus on the Recurring Sales segment and sales in the Non Core portfolio.

Now that interest rates are returning to normal, Deutsche Wohnen believes it is well positioned for new growth based on its optimized capital and portfolio structure. All in all, stronger internal financing potential means that the company can get back to making investment decisions to boost its overall profitability or to allow it to pursue more growth initiatives and earnings potential.

The active, dynamic management of capital allocation is and remains the catalyst for the successful implementation of our strategy. Based on our updated "Capital Allocation Framework," we are optimizing how we allocate investment funds to our various investments. This is a significant value driver that opens up opportunities for return-oriented sustainable investment.

Strengthening of financial position, boosting the profitability of our (sustainability) investments and expanding our market share in urban areas could have a positive impact on how our investors and ratings agencies assess us, resulting in a further improvement in our attractive financing options.

Our investments in affordable homes are associated with a cash flow that is largely independent of economic factors. The resulting stability allows us to service our financial liabilities with a relative degree of certainty, even in times of economic or political crisis.

Management System

Management Model

The management system tools are geared towards implementing the strategy through our sustainable business activities.

In the 2024 fiscal year, Deutsche Wohnen continued to use the management model introduced at the turn of 2023 unchanged. The underlying value driver approach is set out and explained in detail under → **"Fundamental Information About the Group."**

Deutsche Wohnen manages its business via the **four segments:** Rental, Value-add, Recurring Sales and Development.

The **Rental** segment combines all of the business activities that are aimed at the value-enhancing management of our own residential real estate.

The **Value-add** segment bundles all of the housing-related services that we have expanded our core rental business to include. These services largely include our multimedia services and energy supplies.

The **Recurring Sales** segment includes the regular and sustainable disposals of individual condominiums and single-family houses from our portfolio.

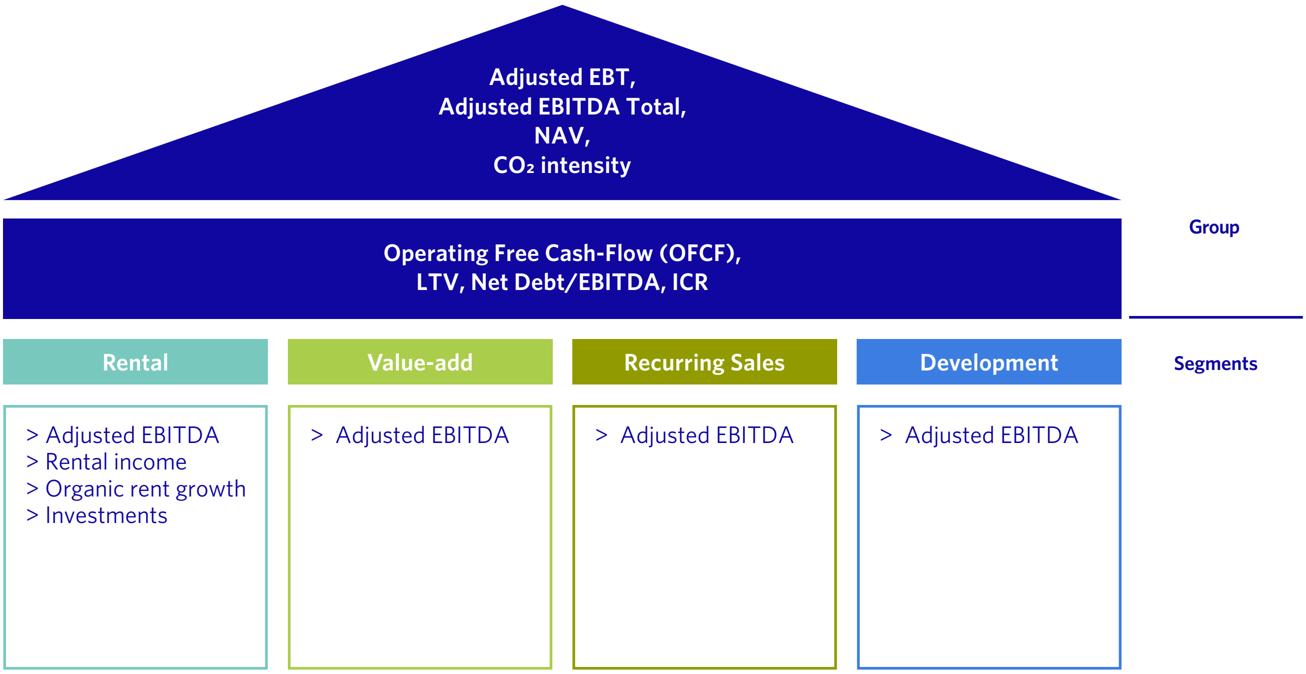
Sales of entire buildings, plots of land or larger portfolios that are not part of the strategically relevant portfolio (Non Core and the MFH Sales cluster that was dissolved at the end of 2024) are pursued as and when opportunities arise, meaning that they are not part of the Recurring Sales segment. We report these opportunistic sales in the Other column of the segment report.

The **Development** segment includes project development to build new homes. This covers the value chain starting with the purchase of land without any development plan/dedicated purpose, to completion and sale (to sell) or integration into Vonovia's own portfolio (to hold). The Development segment deals with projects in selected attractive locations.

We have an integrated Group-wide **planning and controlling system** in place that is based on central performance indicators. Based on the medium-term plans derived from our strategy, which are subject to an annual review and are updated during the year in the event of significant transactions, we prepare a budget for all areas of the Group. In the course of the fiscal year, current economic developments are compared with these targets and the current forecasts on a regular basis for all key figures that are relevant to control. The business is then steered accordingly in a targeted manner, with any necessary countermeasures being initiated and tracked.

We make a distinction between **financial and non-financial** performance indicators.

Management System



The management system has a **modular structure** and makes a distinction, at Group level, between most meaningful performance indicators within the meaning of DRS 20 and other performance indicators. There are also performance indicators at segment level.

Performance Indicators at Group Level

The IFRS profit for the period is reconciled to **earnings before taxes (EBT)**, as taxes do not form part of operating value added.

This EBT will be adjusted to reflect **special effects** based on the definition that has applied to date (effects that do not relate to the period, recur irregularly or are atypical for business operation). The net financial result is also adjusted to reflect non-cash and actuarial valuation effects that recur irregularly. The further adjustments to reflect the effects of IAS 40 measurement, write-downs, other (Non Core/Other result), net income from non-current financial assets accounted for using the equity method and effects from residential properties held for sale produce the Group's **Adjusted EBT** (continuing operations) and, taking into account minority interests, Adjusted EBT (continuing operations) after minority interests.

Adjusted EBT (continuing operations) is the **leading indicator of profitability**.

In operational terms, **Adjusted EBT** (continuing operations) is calculated as follows:

Operational calculation of Adjusted EBT (continuing operations)

	Revenue in the Rental segment
(-)	Expenses for maintenance
(-)	Operating expenses in the Rental segment
=	**Adjusted EBITDA Rental**
	Revenue in the Value-add segment
	thereof external revenue
	thereof internal revenue
(-)	Operating expenses in the Value-add segment
=	**Adjusted EBITDA Value-add**
	Revenue in the Recurring Sales segment
(-)	Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment
=	Adjusted result Recurring Sales
(-)	Selling costs in the Recurring Sales segment
=	**Adjusted EBITDA Recurring Sales**
	Revenue from disposal of Development to sell properties
(-)	Cost of Development to sell
(-)	Carrying amount of assets sold of Development to sell
=	Gross profit Development to sell
(+)	Rental revenue Development
(-)	Operating expenses in the Development segment
=	**Adjusted EBITDA Development**
Σ	**Adjusted EBITDA Total (continuing operations)**
(-)	Adjusted net financial result
(-)	Straight-line depreciation
(-/+)	Intragroup profit/losses
=	**Adjusted EBT (continuing operations)**

Adjusted EBT (continuing operations) and **Adjusted EBITDA** (continuing operations) can be calculated based on the profit for the period as follows:

Calculation of Adjusted EBT (continuing operations)/ Adjusted EBITDA Total (continuing operations) from the profit for the period

	Profit for the period according to IFRS consolidated financial statements
(+)	Income taxes according to consolidated income statement
=	**Earnings before tax (EBT) according to consolidated income statement**
(+/-)	Non-recurring items
(+/-)	Net income from fair value adjustments of investment properties
(+)	Non-scheduled depreciation/value adjustments
(+/-)	Valuation effects and special effects in the financial result
(+/-)	Net income from investments accounted for using the equity method
(+/-)	Earnings contribution from Non Core/Other sales
(+/-)	Period adjustments from assets held for sale
=	**Adjusted earnings before taxes of the Group (Adjusted EBT)**
/	Number of the weighted average shares carrying dividend rights
=	**Adjusted EBT per share**
	Adjusted EBT
(+)	Straight-line depreciation
(+)	Adjusted net financial result
(+/-)	Intragroup profit/losses
=	**Adjusted EBITDA Total**

Other Performance Indicators at Group Level

The Adjusted EBT (continuing operations) is used as a basis for a reconciliation to the **Operating Free Cash-Flow (OFCF)** as the **leading indicator of internal financing.** Depreciation and amortization will be added to Adjusted EBT, and the liquidity contribution made by the Recurring Sales segment, as well as the change in working capital, will be taken into account. Capitalized maintenance and dividend payments made to parties outside of the Group, as well as income tax paid, are subtracted from this figure. This Operating Free Cash-Flow flow is a measure of the Group's operational capacity to generate cash surpluses and, as a result, of its internal financing power.

Calculation of Operating Free Cash-Flow

	Adjusted earnings before taxes of the Group (Adjusted EBT)
(+)	Straight-line depreciation
(+/-)	Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)
(+)	Carrying amount of recurring sales assets sold
(-)	Capitalized maintenance
(-)	Dividends and payouts to non-controlling shareholders (minorities)
(-)	Income tax payments according to cash flow statement (w/o taxes on Non Core sales)
=	**Operating Free Cash-Flow**

The contribution made by **discontinued operations** will be presented separately.

At the level of the Group as a whole, the **net asset value (NAV)** is also one of the most meaningful performance indicators.

The NAV is used to review how the company's value is developing.

Calculation of NAV

	Total equity attributable to Deutsche Wohnen's shareholders
(+)	Deferred tax in relation to fair value gains of investment properties*
(+)	Fair value of financial instruments
(-)	Goodwill
(-)	Intangible assets
=	**NAV**
/	Number of shares carrying dividend rights on the reporting date
=	**NAV per share**

* Share for hold portfolio.

In addition to our key financial figures, we also focus on non-financial operating performance indicators.

Our business activities are aimed at protecting the environment, ensuring trustworthy, transparent and reliable corporate governance and taking social responsibility for our customers and employees. As a result of this focus, Deutsche Wohnen's ESG target is to reduce the **CO_2 intensity** of its portfolio.

Other non-operating financial key figures include the **loan-to-value (LTV)** ratio, which is used for monitoring the degree to which debt is covered by the value of the properties, the **net-debt/EBITDA** ratio, which is used for monitoring the degree to which debt is covered by our sustained operating result, and the **Interest Coverage Ratio (ICR)**, which expresses the extent to which interest is covered by our sustained operating result.

Performance Indicators at Segment Level

The main key performance indicator at segment level remains **Adjusted EBITDA**. The Adjusted EBITDA Total reported at Group level is calculated, in turn, as the sum total of the Adjusted EBITDA figures for our segments. This means that Adjusted EBITDA forms the basis for the operational management of the four continuing segments after adjustments to reflect effects that do not relate to the period, recur irregularly or are atypical for business operation.

The **Adjusted EBITDA Rental** reflects the operating profit from residential property management. It can be broken down into three central components: Rental segment revenue, expenses for maintenance and operating expenses in the Rental segment. The latter include all expenses and income that do not relate to expenses for maintenance or rental income in the Rental segment.

The **organic rent increase** refers to the increase in the monthly in-place rent for the residential portfolio that was already held by Deutsche Wohnen twelve months previously and rented as of the reporting date, plus the increase in rent resulting from the construction of new apartments and the addition of stories to existing properties. The monthly in-place rent per m^2 gives information on the average rental income from the portfolio as of the relevant reporting date.

In addition to our operational earnings power, **investments (modernization and new construction work)** are decisive for the further development of our company.

We manage business activities in the Value-add segment using the **Adjusted EBITDA Value-add.**

We measure the success of the Recurring Sales segment using **Adjusted EBITDA Recurring Sales**. The Adjusted EBITDA Recurring Sales compares the proceeds generated from the privatization business with the fair values of properties sold and the related costs of sale. In order to disclose profit and revenue in the period in which they are incurred and to report a sales margin, the fair value of properties sold, valued in accordance with IFRS 5, has to be adjusted to reflect realized/unrealized changes in value.

The Adjusted **EBITDA Development** includes the gross profit from the development activities of "to sell" projects (income from sold development projects less production costs) less the operating expenses from the Development segment.

The Adjusted EBITDA Total is calculated as the sum total of the Adjusted EBITDA figures for our four segments (continuing operations). It expresses the overall performance of our sustainable operating business before interest, taxes, depreciation and amortization.

The key financial figures shown here are known as "non-GAAP" measures or alternative performance measures **(APMs)**, i.e., key figures which cannot be taken directly from the figures in the consolidated financial statements according to IFRS. The financial performance indicators can, however, all be reconciled to the closest-possible key figure in the consolidated financial statements, or can be taken directly from the IFRS consolidated financial statements in the reconciliation.

Portfolio

Portfolio in the Property Management Business

As of December 31, 2024, the Group had a **total real estate portfolio** comprising 139,507 residential units (2023: 139,847), 25,500 garages and parking spaces (2023: 25,847) and 2,481 commercial units (2023: 2,541) spanning 76 cities, towns and municipalities in Germany. The total living area amounted to 8,301,368 m², with the average apartment size coming in at around 60 m². With a vacancy rate of 1.4%, an average monthly in-place rent of € 8.02 per m² was generated. The annualized in-place rent for the residential portfolio as of December 31, 2024, came to € 784 million for apartments.

In terms of fair value, most of the properties (around 75%) are located in the regional market of Berlin. Most of the properties in the Group's portfolio are multifamily homes.

Changes in the Portfolio

There were no acquisitions in the course of 2024.

Properties from the portfolio earmarked for sale were disposed of in several transactions as part of the implementation of the portfolio management strategy. At the time of each transfer of possession, benefits and encumbrances, the statistics for the portfolios sold were as follows:

				In-place rent	
	Residential units	Living area (in thou. m²)	Vacancy (in %)	Residential (p.a. in € million)	Residential (in €/m²)
Disposal portfolios 2024	1,155	72.2	3.7	6.5	7.74

Deutsche Wohnen continued to develop its portfolio dynamically. In addition to the sale of larger housing stocks, Deutsche Wohnen's portfolio changed primarily in 2024 as a result of the construction of new apartments and disposals of condominiums and multifamily homes from the portfolio earmarked for sale.

Deutsche Wohnen invests in its strategic holdings in particular in line with its climate path to promote sustainability and in line with its innovation strategy. We act on behalf of neighborhoods with the (new) development of our urban portfolios. The lion's share of the portfolio consists of neighborhoods that we have classified as **urban quarters**. The remaining existing buildings largely comprise smaller clusters of buildings and solitary properties that we have grouped together as **urban clusters**. Even though, unlike urban quarters, urban clusters do not relate to entire neighborhoods, they are also managed using the same long-term asset and property management strategies based on our operating platform.

In the summer of 2022, a new MFH Sales cluster was defined when the corporate strategy was revised. This largely consisted of low-yield properties and was to be sold primarily to generate liquidity for internal financing. This sales cluster is no longer required for the purposes of the new growth strategy that has applied since the end of 2024. As a result, it was dissolved as part of the latest portfolio analysis and the units in question were largely moved back to urban clusters.

Following the implementation of the annual structured reassessment of all available potential, as of December 31, 2024, Deutsche Wohnen's portfolio is as follows:

Portfolio and Fair Value by Strategy

	Portfolio			Fair value*	
	Residential units	Living area (in thou. m²)	Vacancy (in %)	(in € million)	(in €/m²)
Strategic	133,270	7,907	1.2	21,080.3	2,590
Urban quarters	114,035	6,680	1.1	17,788.3	2,601
Urban clusters	19,235	1,227	1.9	3,292.0	2,528
Recurring Sales	2,645	180	1.9	492.7	2,570
Non Core	3,592	214	10.1	802.7	1,675
Total	**139,507**	**8,301**	**1.4**	**22,375.7**	**2,539**

* Fair value of the developed land excluding undeveloped land and inheritable building rights granted, assets under construction, development, nursing care properties (discontinued operations) and other.

Rent and Rental Growth by Strategy

	In-place rent			Rent increase
	Total (p.a. in € million)	Residential (p.a. in € million)	Residential (in €/m²)	Organic (in %)
Strategic	782	751	8.05	4.5
Urban quarters	652	631	7.98	4.6
Urban clusters	129	120	8.40	3.8
Recurring Sales	17	16	7.64	2.9
Non Core	55	17	7.32	3.4
Total	**855**	**784**	**8.02**	**4.4**

In order to boost transparency in portfolio presentation, we also break our portfolio in Germany down into **seven regional markets.** The regional market classification is oriented toward the residential real estate market regions in Germany. These markets are core towns/cities and their surroundings, mainly urban areas. Our decision to focus on the regional markets that are particularly relevant to Deutsche Wohnen is our way of looking ahead to the future and provides an overview of our strategic core portfolio in Germany.

In relation to the fair value, 97% of our total portfolio is located in the seven regional markets. Only a small part of our strategic portfolios is located outside of these seven markets. We have referred to this group as "Other Strategic Locations" (around 1% of the total market value). Our stocks earmarked for sale from the "Recurring Sales" and "Non Core" subportfolios in locations that do not include any strategic stocks are shown as "Non-Strategic Locations."

As of December 31, 2024, the portfolio is as follows, broken down into regional markets:

Portfolio and Fair Value by Regional Market

	Portfolio			Fair value*		
	Residential units	Living area (in thou. m²)	Vacancy (in %)	(in € million)	(in €/m²)	In-place rent multiplier
Berlin	102,445	5,992	0.7	16,711.8	2,709	28.1
Rhine Main Area	9,216	556	4.6	1,601.1	2,769	23.7
Dresden	7,167	453	2.2	1,057.9	2,117	23.9
Leipzig	5,752	389	2.8	862.1	1,996	24.8
Rhineland	3,937	236	2.6	663.0	2,705	24.0
Hanover	5,759	357	2.6	631.7	1,677	18.9
Munich	943	54	0.5	199.8	3,607	25.6
Other strategic locations	3,419	208	7.5	257.9	1,214	17.7
Total strategic locations	**138,638**	**8,246**	**1.4**	**21,985.4**	**2,566**	**26.7**
Non-strategic locations	869	56	9.4	390.4	1,611	12.7
Total	**139,507**	**8,301**	**1.4**	**22,375.7**	**2,539**	**26.2**

* Fair value of the developed land excluding undeveloped land and inheritable building rights granted, assets under construction, development, nursing care properties (discontinued operations) and other.

Rent and Rental Growth by Regional Market

	In-place rent			Rent increase	
	Total (p.a. in € million)	Residential (p.a. in € million)	Residential (in €/m²)	Organic (in %)	Market rent forecast valuation (in % p.a.)*
Berlin	594	568	7.97	4.3	2.3
Rhine Main Area	67	64	10.04	3.7	2.2
Dresden	44	38	7.35	6.8	2.0
Leipzig	35	31	7.05	11.0	2.0
Rhineland	28	26	9.51	2.2	2.1
Hanover	33	31	7.35	2.8	2.0
Munich	8	8	11.63	1.8	2.3
Other strategic locations	15	14	6.11	4.2	1.6
Total strategic locations	**824**	**780**	**8.03**	**4.4**	**2.2**
Non-strategic locations	31	4	6.43	2.7	1.7
Total	**855**	**784**	**8.02**	**4.4**	**2.2**

* 10-year horizon higher (see chapter on fair values in the management report).

Real Estate Development Activities

Deutsche Wohnen engages in real estate development activities with the intention of adding the completed projects to its own portfolio or selling them on the market.

In a quest to strengthen its real estate development capabilities, Deutsche Wohnen acquired the real estate developer Isaria back in 2020 and entered into a 40% stake in QUARTERBACK Immobilien AG. Following the integration of the two development platforms, Deutsche Wohnen's development projects had been handled via the QUARTERBACK Immobilien AG platform up until 2022.

Vonovia's acquisition of a majority stake in the Deutsche Wohnen Group added Vonovia's existing project pipeline to the attractive development pipeline. As a result, the pipeline's regional distribution covers the core regions of Berlin, the Rhine-Main region, Dresden/Leipzig, Hamburg, Stuttgart and Munich, expanding the development business to cover the whole of Germany.

In the 2023 fiscal year, Deutsche Wohnen's development activities were integrated into Vonovia's development platform on the basis of an agency agreement, the aim being to benefit from Vonovia's development platform and expertise in particular, as well as leveraging harmonization effects and economies of scale. With the skills of the two companies now bundled and the options available for exploiting synergy potential on both sides, the challenges facing the residential real estate market with regard to real estate development projects were addressed even more quickly and efficiently in the 2024 fiscal year. The resources of QUARTERBACK Immobilien AG are also still being used, particularly for projects that are already under way.

As the BUWOG brand provides Vonovia with an end-to-end development platform spanning the entire value chain – from the purchase of land to its development, project planning, construction and sale – Deutsche Wohnen can benefit from this expertise and from economies of scale as a result of the cooperation.

With the skills of the two companies now bundled and the options available for exploiting synergy potential on both sides, the challenges facing the residential real estate market in terms of new construction can be mastered more quickly and efficiently.

With its substantial product pipeline of residential construction projects that are currently being built, planned or prepared, Deutsche Wohnen and Vonovia rank among Germany's leading building contractors.

Conceptual and technical solutions for the resource-light construction and sustainable operation of neighborhoods make up a key component of the development business model. In line with the three focal issues of urbanization, energy efficiency and demographic change, central aspects of sustainability are already taken into account in the early stages of project development.

This includes designing socially diverse neighborhoods that offer housing for all generations, realizing energy-efficient new construction projects for ecologically sustainable operation by buyers, as well as for a carbon-neutral portfolio, and creating barrier-free and fully accessible housing for an aging society with changing housing needs.

Sustainability is achieved at all stages in the residential real estate value chain – from the selection of ecological and recyclable building materials, to the commissioning of local craftsmen and service providers, and the sustainable operation of the development projects.

Certification is important to ensure that potential improvements can be made back at the planning stage on the basis of criteria for ecological, social and economic sustainability and managed during the construction process.

The prevailing conditions in the residential real estate sector, which are characterized by rising construction costs and higher interest rates, are changing the demands that real estate development projects have to meet in terms of profitability and financing. With this in mind, projects are currently being analyzed on an ongoing basis with regard to their fundamental allocation to our own portfolio, and may be reallocated to the portfolio held for sale or stopped if necessary.

The disruption to the financial markets and global economies and the supply and value chains that connect them, triggered in particular by the conflict in the Middle East and the war in Ukraine, meant that the development business area once again faced particular challenges in 2024 with regard to sale prices, cost prices and profitability. In the context of these changes in profitability criteria and to strengthen our internal financing power, selected development projects that were previously allocated for our own use were again designated as "held for sale" in the current fiscal year.

A total of 1,929 residential units were completed in 2024.

Report on Economic Position

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 2024. With a vacancy rate of 1.4% at the end of 2024 (December 31, 2023: 1.5%), Deutsche Wohnen's residential real estate portfolio was virtually fully occupied.

The second half 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-transfer agreement** between the two companies. This process will involve Vonovia making an offer to 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.

At the extraordinary general meetings of Deutsche Wohnen SE and Vonovia SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies. The control and profit-transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE. The entry in the commercial register of Deutsche Wohnen SE is currently not yet secured due to an action for annulment against the resolution of the Annual General Meeting of Vonovia SE. Once the entry has been made, Deutsche Wohnen will subsequently transfer its total annual profit to Vonovia SE or Vonovia SE will cover any losses incurred by Deutsche Wohnen SE. Shareholders will receive a guaranteed dividend of € 1.03 per share (net).

In September 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 € 1.3 billion. The transaction is scheduled to be closed in the first half of 2025.

Further transactions in order to acquire land to build on from the QUARTERBACK property companies are planned for the first half 2025 with a volume of around € 0.2 billion.

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. As a result, it has recognized a corresponding cumulative impairment loss of € 340.0 million on these receivables, with € 319.9 million recognized in the 2024 fiscal year.

Interest income collected in the 2024 fiscal year was also impaired in full. 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 August 2024, Deutsche Wohnen sold seven development projects for around € 270.0 million to a fund launched by HIH Invest. Further QUARTERBACK Immobilien AG project developments were also sold to the fund for around € 142 million. The transfer of title for a volume of around € 160 million had been completed by the end 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. The transfer of title for a volume of around € 70 million had been completed by the end of 2024.

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

On January 17, 2025, Deutsche Wohnen signed a notarized contract for the acquisition of PFLEGEN & WOHNEN HAMBURG GmbH (P&W), including the associated properties, by the City of Hamburg. The acquisition comprises 13 nursing homes in Hamburg with around 2,000 employees and around 2,400 nursing places. The acquisition was made via HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement (HGV), the city's largest group holding company, which belongs to the tax authorities and is an umbrella for the majority of the City of Hamburg's private law companies. The purchase price is € 380.0 million.

Deutsche Wohnen had already 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.

Development of the Economy and the Industry

The German Federal Statistical Office (Destatis) estimates that the German economy shrank by 0.2% in terms of gross domestic product (GDP) in 2024 compared to the previous year and, according to the Kiel Institute for the World Economy (IfW), it is proving unable to break out of stagnation. IfW Kiel describes an alternating pattern of quarters with rising and falling economic output. Overall, only the service sectors are on an upward trend, while the manufacturing and construction industries are shrinking. According to Destatis, the economy was hit by high energy costs, sustained high interest rates and mounting competition for exports in key sales markets. GDP growth of 0.0% is expected for 2025 (IfW Kiel). In Berlin, Investitionsbank Berlin (IBB) is forecasting GDP growth of just under 1.3% in 2024, as against 1.6% in the previous year. Falling inflation and reliable real wage growth may have lifted consumer sentiment in Berlin in 2024. The positive year-end retail boom and the growth in services are likely to have gone some way to stabilizing the German capital's economic situation.

According to the German Federal Employment Agency, economic stagnation has impacted the labor market in Germany. Unemployment and underemployment (excluding short-time work) increased in 2024 on average for the second year running. At the same time, however, the number of people in employment in 2024 was up compared to the previous year, putting the figure at a new high. The average unemployment rate based on the total civilian labor force rose by 0.3 percentage points year-on-year in 2024 to 6.0%. The average unemployment rate expected in 2025 is 6.3% for Germany (IfW Kiel). In Berlin, the unemployment rate came to 9.7%, which is approx. 0.6 percentage points more than in the previous year, one of the strongest increases in a comparison of Germany's federal states. According to IBB, increasing signs are emerging that the long-term increase in employment in Berlin is coming to an end for the time being.

Inflation slowed further over the course of 2024, with falling energy prices playing a particular role in this trend in both Berlin and Germany as a whole. Measured against the Consumer Price Index (CPI), the average inflation rate was 2.2% in Germany based on figures from Destatis. The average CPI increase expected in 2025 is 2.2% for Germany (IfW Kiel). According to the Statistical Office for Berlin-Brandenburg, consumer prices in Berlin rose by an average of 1.6% in 2024.

In a quest to make a timely return to its 2% medium-term inflation target, the European Central Bank (ECB) had raised key rates in 2023. The interest rate for the deposit facility, which the ECB Governing Council uses to steer the monetary policy course, rose in several steps to 4.00%. June 2024 saw the ECB begin to loosen the monetary reins somewhat, when it lowered its key interest rate in several steps, most recently in December 2024 to 3.00% and to 2.75% on February 5, 2025. Further rate cuts by the ECB are expected to follow this year. In this overall environment, interest rates for construction in Germany recently fell slightly, but were still considerably higher in 2024 than before the interest rate turnaround of 2022.

The real estate market paints a mixed picture: Prices on the residential property market have largely stabilized, with prices on an upward trajectory again in some places. The real estate investment market remained relatively subdued, although transaction volumes in the residential segment have started rising again of late. The situation for project developers was a challenging one. Meanwhile, the overall conditions on the rental market remain favorable from a landlord's perspective. Given the combination of high demand for housing and a decline in the number of building permits granted, Savills does not expect the rental momentum to come to a standstill. Stubborn supply shortages and rising rents are also likely to translate into rising capital values. Quoted rents continued to increase across Germany; empirica reports that they were 4.7% higher on average over all years of construction in the fourth quarter of 2024 (new construction 5.1%) than in the same quarter of the previous year. According to DB Research, rents for existing contracts increased by more than 2%. Further rent increases are expected for 2025. According to CBRE, the pressure on the rental housing market in Berlin is steadily increasing, pushing rents up considerably and fueling an increased trend towards relocating to the outskirts of the city. According to Value AG, quoted rents in the existing apartments segment in Berlin were 7.1% higher (or 0.4% higher for new apartments) in the fourth quarter of 2024 than in the same quarter of the previous year.

Since house prices peaked in 2022, they had cooled down considerably in Germany. The drop in prices came to a standstill in the course of the year on average. The empirica price index for condominiums (all years of construction) was 0.7% lower in the fourth quarter of 2024 compared to the same period of the previous year. In a quarter-on-quarter comparison, prices were up slightly again, by 0.1%, in the fourth quarter. Other market observers are reporting that prices for existing apartments (Immowelt) and condominiums (Europace) are already up slightly on the prior-year levels on average at the turn of the year. In the new construction segment, the empirica price index for condominiums was up by 2.1% year-on-year in the fourth quarter of 2024. Experts from DB Research, Fitch Ratings and Immowelt expect prices to continue to rise in 2025. According to Value AG, quoted prices for existing condominiums in Berlin were up by 0.6% (or by 1.0% for new apartments) in the fourth quarter of 2024 compared to the same quarter of the previous year.

The size of the population in Germany rose again in 2024 and is expected to increase further. A large number of large cities and metropolitan areas are affected by housing shortages. Meanwhile, construction activity is on the decline. Residential construction is in a difficult phase due to the combination of higher interest rates, less favorable financing conditions and increased/high construction costs. The GdW estimates that only 256,000 apartments will have been completed in Germany in 2024, compared to 294,400 in 2023. The figure could fall to 229,000 in 2025. The German federal government had set itself the goal of building 400,000 new apartments per year in Germany. As any rapid increase in new construction activity is unlikely according to Savills, homes will remain in very short supply for some time to come. The population in Berlin is also expected to have grown again in 2024 and in its moderate scenario forecast, the Berlin Senate Department for Urban Development, Building and Housing (SenSBW) expects the population to increase by around 5% in the period from 2021 to 2040. According to IBB, the excess demand for housing remains high. Around 15,000 new apartments are expected to have been built in Berlin in 2024, compared to just under 16,000 apartments in 2023. No significant recovery is on the cards for 2025 either. This means that the target of building an average of 20,000 new apartments every year will not be reached yet again.

The German residential investment market grew again in 2024. CBRE put the transaction volume at € 8.7 billion, around 50% lower than in the previous year. While the transaction volume was still subdued in the first half of the year, there was a year-end rally in the final quarter with a volume of € 3.9 billion. According to CBRE, the main trends were sales in the context of refinancing rounds, primarily by listed portfolio holders, and also the sale of project developments, particularly to public housing companies. The core and core-plus risk categories accounted for a share of just over 50% in 2024. The proportion of Value-add and opportunistic investments increased significantly. Prime yields at the end of 2024 were 3.4% or 0.05 percentage points higher than in the previous year. CBRE expects the residential real estate investment market to gain momentum in 2025, with a transaction volume of up to € 10 billion. With a transaction volume of € 2.8 billion, Berlin was by far the biggest market for residential real estate investments in 2024, according to CBRE. Thanks to large-scale transactions and public-sector forward funding, the transaction volume increased by 53% compared to the previous year.

Housing policy developments in Germany in 2024 included changes to the German Buildings Energy Act (GEG) and to the Federal Funding for Efficient Buildings (BEG). On January 1, 2024, a GEG amendment came into force aimed at increasing the proportion of renewable energies in heating systems and at reducing emissions. At the same time, the BEG introduced a guideline that supports the replacement of fossil fuel heating systems with environmentally friendly heating systems by subsidizing the investment costs involved. After the BEG "Climate-friendly new construction" promotional program had been briefly closed to applicants, the German state-owned development bank KfW started accepting applications for subsidized loans again in February 2024. In October, the "Climate-friendly new construction" promotional program in the low-price segment was then launched to create incentives for the construction of apartments in the lower and middle price segments. The program, which will run for a limited period until the end of 2025, requires properties to meet Efficiency House 55 standards. In March 2024, declining balance depreciation was adopted for apartment construction in the context of the German Growth Opportunities Act (Wachstumschancengesetz). This applies for a limited period to newly constructed residential buildings and apartments, or those acquired in the year of completion provided that construction work starts between October 1, 2023 and September 30, 2029. In December 2024, the German government passed a bill to extend the rent cap. The bill is still, however, being considered by parliament and is not making any progress. With the 2024 Annual Tax Act, the German government introduced a new non-profit housing structure from January 1, 2025, providing support to companies that build affordable apartments and rent them out on a long-term basis. At the end of May 2024, the new version of the EU Energy Performance of Buildings Directive came into force, which, among other things, provides for a reduction in energy consumption in residential buildings. The EU is waiving the obligation to refurbish poorly insulated private residential buildings. The beginning of 2025 also saw the entry into force of the land tax reform and adjustments to housing benefit to reflect price and rent trends. The CO_2 price will also rise from € 45 to € 55 per metric ton. An expert commission convened by the Berlin State Government on the "Socialization of major residential real estate companies" referendum submitted its final report at the end of June 2023, in which it stated that, in its view, the socialization of major residential real estate companies was possible from a legal perspective. The Berlin State Government will start examining a framework socialization act. The initiative engaged a law firm to explore the matter further in July 2024. The Faster Building Act (Schneller-Bauen-Gesetz) to combat the shortage of housing came into force at the end of December 2024.

Group's Business Development

Business Development in 2024 – An Overview

Deutsche Wohnen can look back on a positive 2024 fiscal year despite tense overall conditions on the real estate markets. Following two years of balance sheet stabilization, the successful completion of the apartment sale program will now allow Vonovia to focus on growth and higher investment as of 2025.

The 2024 fiscal year saw the company sell a total of 131 units from its Recurring Sales portfolio (2023: 57) and 1,258 units from its Non Core/Other portfolio (2023: 317).

In the 2024 fiscal year, the core rental business saw high demand for rental apartments and rising rents, as well as a positive trend in customer satisfaction. In the Value-add segment, a lease agreement was signed for the existing coaxial network. In the 2024 fiscal year, we invested a total of around € 160.5 million in our own portfolio for maintenance (2023: € 149.0 million) and around € 294.6 million in total (2023: € 301.1 million) in new construction and modernization. In the Development segment, we completed 1,033 new units for our own portfolio (2023: 122). In addition, 896 units intended for sale were completed (2023: 217).

The section below provides an overview of the development of our most recently forecast performance indicators for 2024 and the target achievement level for these indicators in the 2024 fiscal year, including discontinued operations.

Overall, the Adjusted EBITDA Total from continuing operations of € 643.8 million in the 2024 fiscal year was 1.4% higher than the previous year's figure of € 634.8 million, meaning that it matched the prior-year value as forecast. The Rental segment contributed € 626.4 million (2023: € 638.1 million), the Value-add segment € 20.7 million (2023: € 10.6 million), the Recurring Sales segment € 1.4 million (2023: € 1.3 million) and the Development segment € -4.7 million (2023: € -15.2 million).

The Adjusted EBT of continuing operations amounted to € 504.2 million in the 2024 fiscal year compared to € 546.1 million in the previous year, down moderately on the previous year as predicted. In the reconciliation of Adjusted EBITDA to Adjusted EBT, the contributing factors were the adjusted net financial result of € -117.0 million (2023:

€ -67.3 million) and depreciation and amortization of € 22.6 million (2023: € 21.4 million).

The NAV per share developed from € 42.77 at the end of 2023 to € 41.76 at the end of 2024. The development in the net asset value figure was due primarily to the net income from fair value adjustments of investment properties of € -639.9 million in 2024 (2023: € -3,722.2 million).

Statement of the Management Board on the Economic Situation

The net assets, financial position and results of operations of the Group are stable, particularly given the solid financing and the resulting balanced maturity profile. The ongoing improvements to the property management processes and the use of new digital software solutions promote ongoing improvement in profitability.

Results of Operations

Overview

Overall, Deutsche Wohnen's business development was consistent with expectations in the 2024 fiscal year.

Core business in the Rental segment was characterized by sustained 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 repeated on the same scale in the coming year.

The general conditions for the other segments continued to stabilize in the second half of the year due to high transaction volumes and property values that bottomed out.

As part of a strategic review of the Care segment at the end of the 2023 fiscal year, the management had already decided to discontinue these business activities and sell off this segment. In the course of 2024 and at the beginning of 2025, the properties and nursing care businesses were successfully sold as planned. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 23.1 million in segment revenue in the 2024 fiscal year (2023: € 23.2 million).

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

Adjusted EBT

in € million	2023	2024	Change in %
Revenue in the Rental segment	811.4	832.8	2.6
Expenses for maintenance	-91.7	-109.5	19.4
Operating expenses in the Rental segment	-81.6	-96.9	18.8
Adjusted EBITDA Rental	638.1	626.4	-1.8
Revenue in the Value-add segment	29.0	36.6	26.2
thereof external revenue	26.7	35.7	33.7
thereof internal revenue	2.3	0.9	-60.9
Operating expenses in the Value-add segment	-18.4	-15.9	-13.6
Adjusted EBITDA Value-add	10.6	20.7	95.3
Revenue in the Recurring Sales segment	12.8	29.1	>100
Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment	-10.3	-25.1	>100
Adjusted result Recurring Sales	2.5	4.0	60.0
Selling costs in the Recurring Sales segment	-1.2	-2.6	>100
Adjusted EBITDA Recurring Sales	1.3	1.4	7.7
Revenue from disposal of Development to sell properties	155.0	253.5	63.5
Cost of Development to sell	-142.0	-251.4	77.0
Gross profit Development to sell	13.0	2.1	-83.8
Rental revenue Development	3.0	–	-100.0
Operating expenses in the Development segment	-31.2	-6.8	-78.2
Adjusted EBITDA Development	-15.2	-4.7	-69.1
Adjusted EBITDA Total (continuing operations)	634.8	643.8	1.4
Adjusted net financial result	-67.3	-117.0	73.8
Straight-line depreciation*	-21.4	-22.6	5.6
Adjusted EBT (continuing operations)	546.1	504.2	-7.7
Adjusted EBT (continuing operations) per share in €**	1.38	1.27	-7.7
Minorities	6.8	5.4	-20.6
Adjusted EBT (continuing operations) after minorities	**539.3**	**498.8**	**-7.5**
Adjusted EBT (continuing operations) after minorities per share in €**	**1.36**	**1.26**	**-7.5**

* 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 December 31, 2024, Deutsche Wohnen had a workforce of 723 (December 31, 2023: 796) in its continuing operations, and managed a portfolio comprising 139,507 of its own units (December 31, 2023: 139,847), 17,497 garages and parking spaces (December 31, 2023: 25,847) and 2,481 commercial units (December 31, 2023: 2,541).

Details on Results of Operations by Segment

Rental segment

As of December 31, 2024, the portfolio in the **Rental segment** had a vacancy rate of 1.4 % (December 31, 2023: 1.5 %), meaning that it was again nearly fully occupied.

Segment revenue in the Rental segment rose by 2.6 % from € 811.4 million in 2023 to € 832.8 million in the 2024 fiscal year.

Organic rent growth (twelve-month rolling) totaled 4.4 % in 2024 (December 31, 2023: 3.4 %). This is the result of **like-for-like rent increases** of 3.5 % (December 31, 2023: 3.2 %) and a 0.9 % (December 31, 2023: 0.2%) 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 2024 came to € 8.02 per m² compared to € 7.72 per m² at the end of December 2023.

Total maintenance, modernization, investments in the existing portfolio and new construction in the 2024 fiscal year came in at € 455.1 million, on a par with the previous year.

Maintenance, Modernization and New Construction

in € million	2023	2024	Change in %
Expenses for maintenance	91.7	109.5	19.4
Capitalized maintenance	57.3	51.0	-11.0
Maintenance measures	149.0	160.5	7.7
Modernization & Portfolio Investments*	115.9	121.9	5.2
New construction (to hold)	185.2	172.7	-6.7
Modernization, Portfolio Investments and New Construction	301.1	294.6	-2.2
Total Sum of Maintenance, Modernization, Portfolio Investments and New Construction*	**450.1**	**455.1**	**1.1**

* Previous year's figures (2023) comparable according to current key figure definition for 2024.

Operating expenses in the Rental segment in the 2024 fiscal year amounted to € 96.9 million and were thus up by 18.8 % on the figure for 2023 of € 81.6 million. All in all, the **Adjusted EBITDA Rental** came to € 626.4 million in 2024, 1.8 % below the prior-year value of € 638.1 million.

Value-add segment

The **Value-add segment**, which covers the provision of cable television, Internet and telephone services to our tenants as well as energy supply services, our business activities showed positive development in the 2024 fiscal year compared to the 2023 fiscal year. In the multimedia business, the conclusion of an agreement to lease the existing coax network had an earnings effect of € 6.8 million in the 2024 fiscal year.

All in all, revenue from the Value-add segment came to € 36.6 million in the 2024 reporting period, 26.2 % above the value of € 29.0 million seen in 2023. External revenue from our Value-add activities with our end customers in the 2024 fiscal year amounted to € 35.7 million and had thus increased by 33.7 % on 2023, when the figure was € 26.7 million. Intra-Group revenue came to € 0.9 million in 2024, 60.9 % less than the value of € 2.3 million for 2023.

Operating expenses in the Value-add segment in the 2024 fiscal year amounted to € 15.9 million and were thus down on the figure for 2023 of € 18.4 million. **Adjusted EBITDA Value-add** came to € 20.7 million in the 2024 fiscal year, up significantly on the figure of € 10.6 million reported in 2023.

Recurring Sales segment

Income from the disposal of properties in the **Recurring Sales segment** came to € 29.1 million in the 2024 fiscal year with 131 (2023: 57) apartments sold, above the value for 2023 (€ 12.8 million). The fair value step-up came in at 16.0 % in 2024, down on the comparative value of 24.4% for 2023.

Selling costs in the Recurring Sales segment came in at € 2.6 million in 2024, up considerably on the value of € 1.2 million for 2023. **Adjusted EBITDA Recurring Sales** came in at € 1.4 million in the 2024 fiscal year, matching the prior-year value of € 1.3 million.

In 2024, 1,258 units from the Non Core/Other portfolio (2023: 317) were also sold as part of our portfolio adjustment measures, with proceeds totaling € 220.7 million (2023: € 23.9 million). The fair value step-up for Non Core/Other disposals came to 1.1 % in 2024 (2023: 1.7%).

Development segment

In the Development to sell area, a total of 896 units were completed in the 2024 fiscal year (2023: 217 units). In the 2024 fiscal year, income from the disposal of Development to sell properties amounted to € 253.5 million (2023: € 155.0 million), The resulting gross profit for "Development to sell" came to € 2.1 million in 2024 (2023: € 13.0 million).

Development operating expenses came to € 6.8 million in 2024, down considerably on the value of € 31.2 million seen in 2023 due to lower depreciation and amortization recognized on real estate inventories. **Adjusted EBITDA in the Development** segment amounted to € -4.7 million in 2024 (2023: € -15.2 million).

In the Development to hold area, 1,033 units were completed in the 2024 fiscal year (2023: 113 units). The contribution to earnings made by the initial valuation of these properties (gross profit Development to hold) in the amount of € 1.8 million in 2024 (2023: € -6.6 million) has been reported in the valuation result since the end of the fourth quarter of 2023, i.e., outside of Adjusted EBITDA.

Adjusted EBT

The **Adjusted EBITDA Total for continuing operations** amounted to € 643.8 million in 2024 and was thus 1.4 % above the value of € 634.8 million seen in 2023. In the 2024 fiscal year, the **non-recurring items** eliminated in the Adjusted EBITDA Total (continuing operations) came to € 8.7 million, as against € 17.0 million in 2023.

The **Adjusted EBT for continuing operations** came to € 504.2 million in 2024, compared to € 546.1 million in 2023. In the reconciliation of Adjusted EBITDA to Adjusted EBT, the contributing factors were the adjusted net financial result of € -117.0 million (2023: € -67.3 million) and depreciation and amortization of € 22.6 million (2023: € 21.4 million).

Reconciliations

The **adjusted net financial result** changed from € -67.3 million in 2023 to € -117.0 million in 2024. This development is due primarily to the impairment loss recognized in interest receivables from the QUARTERBACK Immobilien Group relating to the 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	2023	2024	Change in %
Income from non-current securities and non-current loans	58.6	15.2	-74.1
Interest income finance lease	–	0.4	–
Other interest and similar income from affiliated companies	18.0	5.4	-70.0
Interest received and similar income	3.3	11.8	>100
Interest expense from non-derivative financial liabilities	-165.3	-171.0	3.4
Swaps (current interest expense for the period)	17.1	21.1	23.4
Capitalization of interest on borrowed capital Development	0.3	0.1	-66.7
Income from investments	0.7	–	-100.0
Adjusted net financial result	**-67.3**	**-117.0**	**73.8**
Accrued interest	-26.7	-2.8	-89.5
Net cash interest	**-94.0**	**-119.8**	**27.4**

In 2024, **profit for the period** came to € -591.0 million (2023: € -2,761.1 million). This year-on-year trend is mainly due to net income from fair value adjustments of investment properties totaling € -639.9 million (2023: € -3,722.2 million). The adjusted non-recurring items include severance payments and the development of new fields of business and business processes.

Overall, 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	2023	2024	Change in %
Profit for the period	**-2,761.1**	**-591.0**	**-78.6**
Profit from discontinued operations	333.5	-26.7	–
Profit from continuing operations	**-2,427.6**	**-617.7**	**-74.6**
Income taxes	-991.7	49.8	–
Earnings before tax (EBT)	-3,419.3	-567.9	-83.4
Non-recurring items	17.0	8.7	-48.8
Net income from fair value adjustments of investment properties	3,722.2	639.9	-82.8
Non-scheduled depreciation/value-adjustments (incl. impairment of financial assets)	111.2	345.3	>100
Valuation effects and special effects in the financial result	37.6	22.4	-40.4
Net income from investments accounted for using the equity method	75.1	57.4	-23.6
Earnings contribution from Non Core/other sales	2.0	6.1	>100
Period adjustments from assets held for sale	0.3	-7.7	–
Adjusted EBT (continuing operations)	**546.1**	**504.2**	**-7.7**
Adjusted net financial result	67.3	117.0	73.8
Straight-line depreciation	21.4	22.6	5.6
Adjusted EBITDA Total (continuing operations)	**634.8**	**643.8**	**1.4**

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	2023	2024	Change in %
Adjusted EBT (continued operations)	**546.1**	**504.2**	**-7.7**
Straight-line depreciation	21.4	22.6	5.6
Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)	-219.9	131.4	–
Carrying amount of recurring sales assets sold	10.3	25.1	>100
Capitalized maintenance	-57.3	-51.0	-11.0
Dividends and payouts to non-controlling shareholders (minorities)	-6.2	-6.1	-1.6
Income tax payments according to cash flow statement (w/o taxes on Non Core sales)	-27.2	-73.6	>100
Operating Free Cash-Flow	**267.2**	**552.6**	**>100**

Assets

Consolidated Balance Sheet Structure

Consolidated Balance Sheet Structure

	Dec. 31, 2023		Dec. 31, 2024	
	in € million	in %	in € million	in %
Non-current assets	24,066.4	88.5	23,162.2	87.9
Current assets	3,119.6	11.5	3,197.7	12.1
Total assets	**27,186.0**	**100.0**	**26,359.9**	**100.0**
Equity	13,998.2	51.5	13,411.6	50.9
Non-current liabilities	12,394.3	45.6	10,872.3	41.2
Current liabilities	793.5	2.9	2,076.0	7.9
Total equity and liabilities	**27,186.0**	**100.0**	**26,359.9**	**100.0**

The main development in **non-current assets** is the decline in investment properties of € 481.8 million, largely on account of net income from fair value adjustments of investment properties of € -639.9 million. The value of non-current financial assets accounted for using the equity method had increased slightly by € 5.0 million as of December 31, 2024. In addition, non-current financial assets fell by € 480.9 million from € 561.6 million to € 80.7 million. This was due primarily 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 decreased by € 110.9 million, from € 752.6 million to € 641.7 million. Current financial assets fell by € 159.6 million from € 686.1 million to € 526.5 million. **Cash and cash equivalents** rose to € 388.6 million as against € 157.1 million as of December 31, 2023.

As of December 31, 2024, the gross asset value (GAV) of Deutsche Wohnen's property assets came to € 24,115.2 million. This corresponds to 91.5 % of total assets, compared to € 24,658.4 million or 90.7% at the end of 2023.

Total equity fell by € 586.6 million from € 13,998.2 million to € 13,411.6 million, largely as a result of the profit for the period of € -591.0 million. The **equity ratio** came to 50.9% as of December 31, 2024, compared with 51.5% at the end of 2023.

Liabilities went down by € 239.5 million from € 13,187.8 million to 12,948.3 million. Total non-current non-derivative financial liabilities declined by € 1,462.7 million from € 8,248.3 million to € 6,785.6 million. By contrast, current non-derivative financial liabilities increased by € 1,282.3 million from € 234.0 million to € 1,516.3 million.Deferred tax liabilities fell by € 10.6 million from € 3,799.4 million to € 3,788.8 million.

Net Assets (NAV)

At the end of 2024, the NAV came to € 16,575.4 million, 2.4% 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 € 41.76 at the end of 2024.

Net Tangible Assets (NAV)

in € million	Dec. 31, 2023	Dec. 31, 2024	Change in %
Total equity attributable to Deutsche Wohnen shareholders	13,611.1	13,030.0	-4.3
Deferred tax in relation to fair value gains of investment properties*	3,398.6	3,562.4	4.8
Fair value of financial instruments	-32.6	-16.7	-48.8
Intangibles	-0.5	-0.3	-40.0
NAV	**16,976.6**	**16,575.4**	**-2.4**
NAV per share in €	**42.77**	**41.76**	**-2.4**

* 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 every quarter. The entire portfolio was revalued as of June 30, 2024 and also at the end of 2024.

The demand for housing continues to outstrip the supply, which had a positive impact on rent development in 2024. Our assessment is that this trend will continue in the coming years. Based on market data, we therefore assume an average increase in market rents of 2.9% over the next ten years in the valuation. The **market values** of our properties are also being helped along by the investments made in the energy-efficient modernization of our buildings and improvements to the fittings in our apartments. On the market, the **higher rents** were met with **increased return expectations** among property buyers, particularly in the first half of the year. Overall, the fair value of our real estate portfolio was lower than in the previous year and, after adjustments for acquisitions and sales, changed by -2.0%.

Over and above the internal valuation, the Deutsche Wohnen residential real estate portfolio was also valued by the independent appraiser CBRE GmbH. The market value resulting from the external report was consistent with the internal valuation result.

The fair value for the nursing care properties was calculated by the external appraiser W&P Immobilienberatung GmbH using a DCF method.

Regular Determination of the Fair Values Creates a Transparent Valuation of the Company's Properties

Calculating and showing the fair values provides a control parameter within the company and also helps to make the development of the value of our assets transparent to people outside the company.

The fair value of the portfolio of residential properties was determined, in accordance with IAS 40 and IFRS 13, on the basis of the International Valuation Standard Committee's definition of market value.

Deutsche Wohnen, in principle, measures its portfolio on the basis of the discounted cash flow (DCF) method. Under the DCF methodology, the expected future cash inflows and outflows associated with a property are forecast and discounted to the date of valuation as the net present value. The cash inflows in the DCF model mainly comprise expected rental income (current in-place rent, market rents as well as their development), taking vacancy losses into account. The expected rental income is derived for each location from the latest rent indices and rent tables (including Value AG, Immobilienverband Deutschland [IVD] and the Austrian Economic Chamber [WKÖ]) as well as from studies on spatial prosperity (Federal Institute for Research on Building, Urban Affairs and Spatial Development [BBSR], Prognos, Value AG, Federal Statistical Office, etc.).

On the cash outflow side, maintenance expenses and administrative costs are taken into account. Further cash outflows are, for example, ground rents, non-allocable ancillary costs and rent losses. All cash outflows are adjusted for inflation in the reporting period. Modernization measures carried out in the housing stocks are factored in by decreasing the current maintenance expenses and adjusting market rents. The commercial properties in the portfolio are mainly small commercial units for the supply of the local residential environment. Different cost approaches are used to those for residential properties, and the capitalized interest rates were adjusted to reflect the market specifics.

The recognition and valuation of investment properties are explained in detail in the notes to the consolidated financial statements (see → **[D25] Investment Properties**).

The fair value of Deutsche Wohnen's real estate portfolio comprising residential buildings, commercial properties, garages and parking spaces as well as project developments, existing areas with construction potential and land areas with inheritable building rights granted, as well as nursing care facilities, was € 23,971.9 million as of December 31, 2024 (2023: € 24,461.1 million). The determination of fair values led, overall, to net income from fair value adjustments of investment properties of € -639.9 million (2023: € -3,722.2 million).

Financial Position

Cash Flow

The Group cash flow is as follows:

Key Data from the Statement of Cash Flows

in € million	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Cash flow from operating activities	384.8	725.5
Cash flow from investing activities	291.3	-77.8
Cash flow from financing activities	-658.9	-417.1
Net changes in cash and cash equivalents	**17.2**	**230.6**
Change in cash and cash equivalents related to discontinued operations*	2.8	-0.9
Cash and cash equivalents at the beginning of the period	**142.7**	**157.1**
Cash and cash equivalents at the end of the period	**157.1**	**388.6**

* For reasons of comparability, a separate presentation is made for the year 2023 in accordance with IFRS 5 as in 2024.

The cash flow from **operating activities** came to € 725.5 million in 2024, compared with € 384.8 million in 2023, mainly due to proceeds from the sale of real estate inventories.

The cash flow from **investing activities** shows a payout balance of € 77.8 million for 2024, as against net proceeds of € 291.3 million for 2023. This figure includes payments for the acquisition of investment properties of € 621.4 million (2023: € 356.8 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 2024.

The cash flow from **financing activities** in the amount of € -417.1 million (2023: € -658.9 million) includes payments for regular and unscheduled repayments on financial liabilities in the amount of € 223.0 million (2023: € 472.9 million). Interest paid in 2024 amounted to € 154.6 million (2023: € 148.8 million).

Net changes in **cash and cash equivalents** came to € 230.6 million.

Financing

On the reporting date, our key debt indicators were as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024	Change in %
Non-derivative financial liabilities	8,518.0	8,301.7	-2.5
Cash and cash equivalents	-201.6	-432.1	>100
Net debt	**8,316.4**	**7,869.6**	**-5.4**
Sales receivables	-495.9	-635.1	28.1
Adjusted net debt	**7,820.5**	**7,234.5**	**-7.5**
Fair value of the real estate portfolio	**24,461.1**	**23,971.9**	**-2.0**
Loans to companies holding immovable property and land	1,134.3	521.8	-54.0
Shares in other real estate companies	160.1	167.3	4.5
Adjusted fair value of the real estate portfolio	**25,755.5**	**24,661.0**	**-4.2**
LTV	**30.4%**	**29.3%**	**-1.0 pp**
Adjusted net debt	7,820.5	7,234.5	-7.5
Adjusted EBITDA Total*	634.8	643.8	1.4
Adjusted Net debt/Adjusted EBITDA Total	**12.3x**	**11.2x**	**-1.1x**

* Total over four quarters.

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

in € million	Threshold	Dec. 31, 2023	Dec. 31, 2024	Change in %
Total financial debt		8,316.4	7,869.6	-5.4
Total assets		27,186.0	26,359.9	-3.0
LTV	**<60,0%**	**30.6%**	**29.9%**	**-0.7 pp**
LTM Adjusted EBITDA		634.8	643.8	1.4
LTM Net Cash Interest		94.0	127.1	35.2
ICR	**>1,8x**	**6.8x**	**5.1x**	**-1.7x**

Economic Development of Deutsche Wohnen SE

(Reporting on the basis of the German Commercial Code [HGB])

Foundation

Deutsche Wohnen SE is entered in the Commercial Register of the Local Court (Amtsgericht) of Charlottenburg under HRB 190322 B. The company has its registered office at Mecklenburgische Strasse 57 in 14197 Berlin. The company is listed in the regulated market in the General Standard of the Frankfurt Stock Exchange and on Xetra.

Deutsche Wohnen SE's **main shareholder**, with a stake of 86.87%, is Vonovia SE (hereinafter referred to as "Vonovia" for short), which has its registered office in Bochum. Vonovia SE also holds a stake of around 19.83% via a subsidiary. This means that Deutsche Wohnen SE is a dependent company, while Vonovia is the controlling company within the meaning of Section 17 of the German Stock Corporation Act (AktG). There is no intercompany agreement within the meaning of Sections 291 et seq. AktG. As a result, Deutsche Wohnen SE prepares a **dependent company report** in accordance with Section 312 AktG in conjunction with Article (9) (1c) ii) of the SE Regulation; the final declaration of this dependent company report is included in the combined management report.

On September 18, 2024, Vonovia SE and Deutsche Wohnen 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 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 was obtained at extraordinary general meetings organized by the companies on January 23 and 24, 2025. The control and profit-and-loss transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE. The entry in the commercial register of Deutsche Wohnen SE is currently not yet secured due to an action for annulment against the resolution of the Annual General Meeting of Vonovia SE.

On September 30, Vonovia and Apollo Capital Management L.P. agreed to establish a company that is to hold 20% of the shares in Deutsche Wohnen SE. In addition to Vonovia, with a 49% stake, long-term investors advised by Apollo hold a total stake of 51% in this company. Vonovia's cash inflow from this transaction will amount to around € 1 billion. This transaction will be closed when the intercompany agreement becomes effective.

Deutsche Wohnen SE is the **parent company** of the Deutsche Wohnen Group and thus performs the function of management holding company for the Group. In this function, it is responsible for determining and pursuing the overall strategy and implementing it in the form of the company's goals. It performs property management, project development, financing, service and coordination tasks for the Group. Furthermore, it is responsible for the management, control and monitoring system as well as risk management.

The description of the company's **net assets, financial position and results of operations** is largely based on the reporting of the Deutsche Wohnen Group. The net assets, financial position and results of operations of Deutsche Wohnen SE as the management holding company are ultimately determined by the assets of the Group companies and their ability to make sustainable positive contributions to earnings and generate positive cash flows. The company's risk profile is therefore largely the same as the Group's. The preceding reporting for the Deutsche Wohnen Group therefore also expresses the **company's position**.

Similar activities were bundled with Vonovia in an integrated process and system landscape with the aim of generating synergy potential for both companies through corresponding harmonization effects and economies of scale. Within this context, the requirements for **good corporate governance** in the de facto group are met at all times, with appropriate overall contractual conditions being put in place to ensure this.

The contractual frameworks comprise a non-disclosure agreement, a relationship agreement, accession to the framework agency agreement and various individual agreements.

The **relationship agreement** governing the relationship between the parties and setting out further details on their cooperation was concluded on May 16, 2022. It sets out provisions, in the interests of both parties, on implementation of the principles set out in the Business Combination Agreement of August 1, 2021 to create a leading European real estate company and to boost efficiency and leverage synergy potential (in particular also for the benefit of Deutsche Wohnen) as part of the integration process. The relationship agreement also serves to enable Vonovia to establish effective Group management and compliance in the de facto group so as to ensure compliance with applicable law throughout the Group, among other things.

The Deutsche Wohnen SE **annual financial statements** have been prepared in accordance with the provisions of the German Commercial Code (HGB) taking into account the supplementary regulations of the German Stock Corporation Act (AktG) in conjunction with the SE Regulation.

As a listed company, Deutsche Wohnen SE is classed as a **large corporation**.

The annual and consolidated financial statements as well as the combined management report are published in the electronic business register. Deutsche Wohnen SE and its subsidiaries are included in the consolidated financial statements, the consolidated management report and the consolidated non-financial statement in accordance with ESRS of Vonovia SE.

Business Performance in 2024

After the integration of processes and systems into the Vonovia **system and process platform** was completed in 2023, Deutsche Wohnen is now able to realize the targeted synergy potential in the long term.

The **residential real estate sector** is still faced with complex overall conditions characterized by high demand for housing and homes that are in short supply due to an insufficient number of real estate development projects. Demand is being driven to a considerable degree by migration and sociological aspects, while supply is being influenced primarily by higher construction costs, regulatory issues related to construction, and interest rates.

Also in light of the current overall conditions, the established and successful **strategy** has been analyzed to identify the key value drivers and create a more targeted management system.

The **operating** rental business of Deutsche Wohnen SE and its subsidiaries went largely as planned, and proved successful, in the 2024 fiscal year. Deutsche Wohnen was also able to report a satisfactory transaction volume in 2024, despite the difficult overall conditions.

The **nursing care activities** performed under the Deutsche Wohnen umbrella were subjected to a strategic analysis as part of the merger, with the outcome that these activities would no longer be part of Deutsche Wohnen's strategy and, as a result, would be sold. Consequently, the nursing care activities are shown as discontinued/abandoned operations in the Group reporting. In the 2024 fiscal year, the nursing care activities under the Katharinenhof umbrella, encompassing 27 nursing care properties, were successfully sold. A sales contract was signed in January 2025 for those nursing care activities under the "nursing and assisted living" umbrella.

In the 2024 fiscal year, Deutsche Wohnen also 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. The total volume of the purchase agreements concluded in the fiscal year comes to around € 1.3 billion. The transaction is scheduled to be closed in the first half of 2025.

The 2024 fiscal year was also dominated by **refinancing measures** in response to falling market values and rising interest rates. Refinancing measures in 2024 were also dominated by proceeds from sales to fund structures managed by HIH.

Like Vonovia, Deutsche Wohnen SE holds an **investment grade rating** from ratings agency S&P, which confirmed the company's BBB+/A-2 rating, with a stable outlook, on September 6, 2024.

On January 4, 2022, Deutsche Wohnen had extended a loan to Vonovia SE in the amount of € 1,450 million in line with the arm's length principle. This loan was repaid in full on May 17, 2024.

The **Annual General Meeting** held on May 6, 2024 passed a resolution, based on the proposal made by the Management Board and the Supervisory Board, such that, of the profit of Deutsche Wohnen SE for the 2023 fiscal year of € 461,443,705.50, an amount of € 0.04 per outstanding share, or a total of € 15,877,399.40, was to be distributed to the shareholders as a dividend, that the remaining amount of € 440,000,000.00 was to be allocated, in accordance with Section 58 (2) AktG, to other retained earnings to provide the company with internal financing in response to the complex overall situation in the residential real estate sector, and that the remaining amount of € 5,566,306.11 was to be carried forward to the new account.

Results of Operations of Deutsche Wohnen SE

The company regularly generates **income** from the charging of the services it provides, from income from investments in the form of dividend distributions from Group companies and income from the transfer of profits.

Profit-and-loss transfer agreements exist with, among other entities, the portfolio and service companies, with the latter themselves generating income by charging the real estate portfolio companies for the services they have provided.

The income from investments collected is based on the net profit of the subsidiaries that is eligible for distribution, which is, in turn, calculated based on the accounting standards set out in the HGB. The main difference between these standards and the IFRS accounting principles lies in the fact that, under IFRS accounting, the fair value principle has more of an impact than the cost principle does under HGB accounting.

In the consolidated financial statements under IFRS, the properties are remeasured at periodic intervals. Under the HGB, the fixed assets are stated at amortized cost, taking depreciation into account. The capitalization regulations in particular also vary.

Expenses largely relate to personnel and administrative expenses associated with the management holding function, as well as to losses to be compensated for in connection with profit-and-loss transfer agreements.

The **financial result** is characterized by group financing and the result from profit-and-loss transfer agreements.

Business developments in 2024 and thus the annual result for 2024 were influenced entirely by non-recurring items, as in the previous year. Deutsche Wohnen SE closed the 2024 fiscal year with a **net profit** of € 65.5 million. These special effects can be traced back primarily to the reversal of impairments on shares in affiliated companies in the amount of € 67.9 million (December 31, 2023: € 13 k), as well as write-downs on receivables from investees in the amount of € 39.1 million (December 31, 2023: € 0.0 million).

Income from profit-and-loss transfer agreements with subsidiaries came to € 315.4 million (2023: € 1,335.2 million). Corresponding loss transfers resulted in expenses in the amount of € 397.2 million (2023: € 367.7 million). The corresponding results of the subsidiaries were, in turn, largely dominated by effects related to the reversal of impairment losses and write-downs on receivables. As in the previous year, the distribution made by GSW Immobilien AG amounted to around € 74.2 million.

Interest income from affiliated companies came to € 287.9 million (2023: € 209.8 million). By contrast, interest expenses from liabilities to affiliated companies amounted to € 143.9 million (2023: € 119.2 million), producing positive intra-Group net interest once again.

After offsetting the remaining amount of € 65,480,976.00 against the profit carried forward from the previous year in the amount of € 5,566,306.10, the **profit** for the 2024 fiscal year amounts to € 71,047,282.10 .

The Management Board and the Supervisory Board propose to the Annual General Meeting that, of the profit of Deutsche Wohnen SE for the 2024 fiscal year of € 71,047,282.10, an amount of € 0.04 per outstanding share, or a total of € 15,877,399.40, be distributed to the shareholders as a dividend, and that the remaining amount of € 55,169,882.70 be carried forward to the new account.

Income Statement

in € million	2023	2024
Revenues	4.6	8.6
Other operating income	10.3	82.0
Cost of purchased services	-1.0	-0.3
Personnel expenses	-7.5	-3.6
Amortization and impairment of intangible assets and depreciation and impairment of property, plant and equipment	-2.0	-1.2
Other administrative expenses	-59.8	-55.0
Loss (profit) before financial result and tax	-55.4	30.5
Income from profit transfer	1,335.2	315.4
Income from investments	74.2	76.5
Write-down of financial assets	-67.9	-
Income from other non-current securities and non-current loans	105.6	135.5
Interest and similar income	118.9	180.4
Expense from the assumption of losses	-367.6	-397.3
Interest and similar expenses	-182.5	-203.8
Financial result	1,015.9	106.7
Tax	-47.6	-71.7
Net profit (loss)	**912.9**	**65.5**

Net Assets and Financial Position of Deutsche Wohnen SE

The company's **intangible assets** and **tangible fixed assets** fell by € 1.4 million due to a reduction in IT hardware and software.

Shares in affiliated companies were up by € 233.8 million due to the reversal of impairments in the amount of € 67.8 million and deposits of € 165.9 million.

The **net lending/borrowing position** fell by € 331.5 million to € 3,640.4 million. **Cash and cash equivalents** rose by € 150.1 million. Financial liabilities to third parties were unchanged at € 3,031.1 million, meaning that the **net investment position** was down by € 181.4 million from € 1,079.1 million in the previous year to € 897.4 million. Liabilities to banks were virtually unchanged at € 10,182.1 million (December 31, 2023: € 10,183.5 million).

Provisions came to € 60.8 million at the end of the year (previous year: € 68.7 million). Out of the provisions as of December 31, 2024, provisions for pensions accounted for € 1.0 million (December 31, 2023: € 1.0 million) and income tax provisions for € 19.5 million (December 31, 2023: € 22.6 million). Other provisions fell by a total of € 4.8 million as against December 31, 2023.

Total equity increased from € 4,997.6 million to € 5,047.2 million in the 2024 fiscal year, mainly due to the net profit of the year of € 65.5 million, less the dividend paid. The equity ratio also came to 45.05%.

Assets

in € million	Dec. 31, 2023	Dec. 31, 2024
Assets		
Financial assets	9,584.0	9,290.5
Other assets	5.6	4.2
Receivables from affiliated companies	5,185.3	1,413.8
Other receivables and assets	216.2	206.7
Cash and cash equivalents	138.2	288.4
Total assets	**15,129.3**	**11,203.6**

in € million	Dec. 31, 2023	Dec. 31, 2024
Equity and liabilities		
Equity	4,997.6	5,047.2
Provisions	68.7	60.8
Loans	3,020.9	3,020.9
Liabilities to affiliated companies	6,485.7	2,518.5
Other liabilities	556.4	556.2
Total equity and liabilities	**15,129.3**	**11,203.6**

Deutsche Wohnen SE's **cash flow from operating activities** is characterized by the income and expenses relating to the performance of the management holding functions. Deutsche Wohnen SE only has appreciable cash flows from investing activities when acquisitions are made. Cash flows from financing activities regularly result from changes in Group financing and from the borrowing/repayment of debt financing.

Employees of Deutsche Wohnen SE

In the 2024 fiscal year, an average of 20 employees (2023: 52) were employed at the company, 18 of whom were full-time employees and 2 of whom were part-time.

Opportunities and Risks for Deutsche Wohnen SE

The likely development of Deutsche Wohnen SE in the 2025 fiscal year depends to a considerable extent on the development of the Group as a whole and its opportunity and risk situation. This situation is set out in the Group's opportunity and risk report, meaning that the statements set out there with regard to the opportunity and risk situation of the Group also apply to the annual financial statements of Deutsche Wohnen SE prepared in accordance with German commercial law, where the risks can have an impact on the valuation of long-term financial assets and on the amount of the results of subsidiaries collected/compensated for.

Significant Events After the Balance Sheet Date

At the extraordinary general meetings of Vonovia SE and Deutsche Wohnen SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies.

This control and profit-transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE.

The entry in the commercial register of Deutsche Wohnen SE is currently not yet secured due to an action for annulment against the resolution of the Annual General Meeting of Vonovia SE. Once the entry has been made, Deutsche Wohnen will subsequently transfer its total annual profit to Vonovia SE or Vonovia SE will cover any losses incurred by Deutsche Wohnen SE. The outstanding shareholders will receive a guaranteed dividend of € 1.03 per share after tax.

Under the terms of the control and profit-transfer agreement, the shareholders of Deutsche Wohnen SE will receive an offer to exchange Deutsche Wohnen shares for Vonovia shares.

On January 14, 2025, a total of 13 nursing care facilities under the "PFLEGEN & WOHNEN HAMBURG GmbH" umbrella were sold to the City of Hamburg for a total of € 380 million.

Forecast for Deutsche Wohnen SE

Since the company's net assets, financial position and results of operations are determined solely by the ability of the Group companies to make positive earnings contributions and generate positive cash flows in the long term, we refer at this point to the Forecast Report for the Group. The most important financial performance indicator for the annual financial statements of Deutsche Wohnen SE is the annual result.

The company's result in 2024 is mainly characterized by non-recurring effects from the upstream distributions made by subsidiaries and from impairment losses and the reversal of impairments. Leaving these non-recurring effects out of the equation, the net income for 2024 would be in the positive lower double-digit million range due to the negative operating result but positive financial result thanks to interest income and dividends.

After adjustments to reflect the result from profit-and-loss transfer agreements and the impairment losses on non-current financial assets, the result for 2024 is within the forecast corridor.

The results for the 2025 fiscal year will in turn be characterized by the results of subsidiaries collected/compensated for on the basis of income from investments and profit-and-loss transfer agreements, income from services, personnel and administrative expenses and the financial result.

Overall, we expect the financial result for the 2025 fiscal year to once again outstrip the operating result – in both cases excluding non-recurring items – and predict that the company will therefore report an annual result for 2025 running into the lower double-digit millions.

Based on the resolutions passed at the extraordinary general meetings of Vonovia SE and Deutsche Wohnen SE on January 23 and 24, 2025, the control and profit-transfer agreement was approved. Upon entry in the Commercial Register of Deutsche Wohnen SE and its effectiveness, Deutsche Wohnen SE will, in future, transfer its profits to Vonovia SE, or receive compensation for any losses, meaning that it would close the year with a result of zero. The shareholders will then receive a guaranteed dividend of € 1.03 per share after tax.

Deutsche Wohnen plans to distribute a dividend of € 0.04 per share to the shareholders for the 2024 fiscal year.

Statement of the Management Board on the Economic Situation

The net assets, financial position and results of operations of the company are positive, particularly given the solid financing, the resulting balanced maturity profile and the financing flexibility gained through the rating-backed bond financing with a view to both organic and external growth. The ongoing improvements to the property management processes, the improvements in the Value-add segment, continued Recurring Sales and a successful development business promote ongoing improvement in profitability.

Forecast Report

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 takes account of the acquisition of land to build on and property management units from the QUARTERBACK Immobilien Group, as already communicated in the Q3 Interim Statement. Otherwise, Deutsche Wohnen does not take account of any larger acquisitions of real estate portfolios.

Our forecast for the 2025 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 sections entitled → **Development of the Economy and the Industry** and → **Fundamental Information About the Group.** Beyond this, the Group's further development remains exposed to general opportunities and risks (see chapter on → **Opportunities and Risks**).

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, with particular regard to the return requirements for investment and divestment decisions.

All in all, we expect **Adjusted EBITDA Total** to be considerably higher than in the previous year. The increase will be largely due to marked rental growth in the Rental segment and rising price expectations in the Development segment. The rise in interest rates over the last two years is resulting in a marked increase in borrowing costs and the associated negative adjusted net financial result. Based on stable depreciation and amortization, we therefore expect **Adjusted EBT** to be moderately above the previous year's level.

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 **CO_2 intensity** of our portfolio to be down slightly year-on-year in 2025.

Berlin, March 10, 2025

The Management Board

Lars Urbansky (CEO)	Olaf Weber (CFO)	Eva Weiß (CDO)

Further Statutory Disclosures

Corporate Governance

In the corporate governance declaration, we report on the principles of management and corporate governance in accordance with Principle 23 of the German Corporate Governance Code and Section 289 et seq. of the German Commercial Code (HGB). The declaration contains the Declaration of Conformity, information on corporate governance practices, a description of how the Management Board and Supervisory Board work and key corporate governance structures. The corporate governance declaration has been published on the website at **www.deutsche-wohnen.com** under Investor Relations and does not form part of the management report.

Corporate governance is the responsible management and supervision of a company.

With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Deutsche Wohnen SE's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value. As a major real estate company, we are also aware of the particular significance of our entrepreneurial actions for society at large.

The Management Board has looked at the appropriateness of the internal control system that has been set up and the risk management system and has evaluated their effectiveness. Within this context, the Management Board verified, also based on discussions with the Internal Audit department, that the technical and organizational safeguards put in place for control purposes are suitable for the purposes of ensuring that the company is protected from material damage resulting from financial losses, fraudulent acts or mismanagement in all key matters. Among other things, the standards set out in the German Corporate Governance Code, based on the most recent publications from 2022, serve as the benchmark here. As a result, the Management Board concluded that the internal control system is appropriate and effective in all key aspects. This was presented accordingly to the Supervisory Board.*

Final Declaration by the Management Board in Accordance With Section 312 (3) AktG

In the 2024 fiscal year, Deutsche Wohnen SE was a dependent company of Vonovia SE, Bochum, as defined by Section 312 AktG. As a result, and in accordance with Section 312 (1) AktG, Deutsche Wohnen's Management Board has prepared a report on the Management Board on relationships with affiliated companies containing the following final declaration:

"We declare that, in the 2024 fiscal year, the company received consideration for the legal transactions and other measures listed in this report on relationships with affiliated companies that was appropriate, based on circumstances known to us at the time the legal transactions were executed or the measures were taken or the decision was made not to take particular measures, and that it was not placed at any disadvantage by the fact that measures were taken or not."

* The content of this paragraph – in particular the statement on the appropriateness and effectiveness of the internal control system – does not form part of the statutory audit of the annual and consolidated financial statements, meaning that it has not been audited.

Explanatory Information on the Non-financial Group Declaration

Deutsche Wohnen SE was included in the Group management report of Vonovia SE and in the Non-financial Group Declaration contained therein in the 2024 fiscal year. Deutsche Wohnen SE made use of the exemption from the obligation to extend the management report to include a Non-financial Declaration pursuant to Sections 289b (2), 315b (2) HGB for the 2024 fiscal year. The Non-financial Group Declaration of Vonovia SE is published on the **Investor Relations website** as part of the Group management report.

Subscribed Capital and Shares

The share capital of Deutsche Wohnen SE as of December 31, 2024 amounted to € 400.3 million (December 31, 2023: € 400.3 million), divided into 400,296,988 no-par-value shares with a notional interest in the share capital of € 1.00 per share. Deutsche Wohnen SE only issues bearer shares.

All shares carry the same rights and obligations. Each share grants one vote at the Annual General Meeting and is decisive for the share held by shareholders in the company's profits. The rights and obligations of the shareholders result in detail from the provisions of the German Stock Corporation Act (AktG), in particular from Article 9 (1c) (ii) of the SE Regulation in conjunction with Sections 12, 53a et seq., 118 et seq. and 186 AktG. There are no shares with special rights conferring powers of control.

Shareholdings in the Capital Exceeding 10.0% of the Voting Rights

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), shareholders who exceed or fall below the threshold of 10.0% of the voting rights of a listed company, among other criteria, must notify the company and the German Federal Financial Supervisory Authority (BaFin) without delay. These notifications are published by Deutsche Wohnen SE in accordance with Section 40 WpHG. Direct or indirect shareholdings in the share capital of Deutsche Wohnen SE that exceed the threshold of 10.0% of the voting rights have been reported by Vonovia SE, which has its registered headquarters in Bochum. As of December 31, 2024, Vonovia SE held a direct and attributed shareholding totaling 86.87%.

Authority of the Management Board to Issue or Repurchase Shares

On the basis of the resolution passed by the Annual General Meeting on June 15, 2023, entered in the Commercial Register on September 12, 2023, the Management Board was authorized, with the consent of the Supervisory Board, to increase the company's share capital by up to € 120.0 million once or several times on or before June 14, 2028, by issuing up to 120,000,000 new ordinary bearer shares in return for cash contributions and/or contributions in kind (2023 Authorized Capital). Shareholders shall be granted a subscription right in the context of the Authorized Capital. The Management Board is, however, authorized, with the consent of the Supervisory Board, to exclude shareholder subscription rights in certain cases subject to the detailed conditions set out in the Articles of Association.

The company's share capital was originally increased conditionally by up to a further € 15.0 million through the issue of up to 15,000,000 new no-par-value bearer shares by way of a resolution passed by the Annual General Meeting held on June 11, 2014 (2014/II Conditional Capital). This conditional capital increase serves to grant compensation in shares of the company to the external shareholders of GSW Immobilien AG ("GSW") in accordance with the provisions of the control agreement concluded between the company and GSW on April 30, 2014, currently at the exchange ratio adjusted, on June 4, 2015 in accordance with Section 5 (4) of the Control Agreement, to three no-par-value shares in GSW Immobilien AG in return for 7.0790 no-par-value shares in Deutsche Wohnen SE. Where required under Section 5 (2) of the Control Agreement, the company will settle any fractional share rights in cash. By December 31, 2021, this 2014/II Conditional Capital had been utilized in part and the amount that remains available is € 5,719,348.00 as of December 31, 2024. Appraisal proceedings pursuant to Section 1 no. 1 of the German Award Proceedings Act (SpruchG) are now being conducted in the second instance before the Berlin Court of Appeal to review the appropriateness of the compensation and settlement based on corresponding motions filed by individual GSW shareholders. This means that, pursuant to Section 305 (4) sentence 3 AktG, GSW shareholders can exchange their shares in GSW for shares in Deutsche Wohnen in accordance with the terms of the offer, or the decision issued as part of the appraisal proceedings, or an amicable settlement reached within this context, until a period of two months has passed since the announcement of the final decision in the appraisal proceedings in the German federal gazette. If the court or a settlement defines higher compensation and/or a higher settlement, external shareholders of GSW have the right to demand extra compensation or settlement payments in accordance with the statutory provisions. Shares can still be issued within this context.

The company's share capital was increased conditionally by up to a further € 120.0 million through the issue of up to 120 million new no-par-value bearer shares by way of a resolution passed by the Annual General Meeting held on June 15, 2023 (2023 Conditional Capital). The conditional capital increase serves to grant shares upon exercise of conversion or option rights or upon the fulfillment of conversion or option obligations to the holders/creditor of convertible bonds, bonds carrying option rights, participating rights and/or participating bonds (or combinations of these instruments) issued by the company or dependent companies or companies in which the company holds a majority interest on the basis of the authorization resolution passed by the Annual General Meeting on June 15, 2023 with effect until June 14, 2028. By way of the resolution passed by the Annual General Meeting on June 15, 2023, the Management Board was authorized, with the consent of the Supervisory Board, to issue convertible bonds, bonds carrying option rights, participating rights and/or participating bonds (or combinations of these instruments) in bearer form with a par value of up to € 4.0 billion and to grant their creditors conversion/option rights relating to shares in the company accounting for a pro rata amount in the share capital of up to € 120.0 million. The share issue will only be implemented to the extent that conversion rights from convertible bonds are exercised, or conversion obligations from the debentures are met, and to the extent that own shares, shares from authorized capital or other forms of consideration are not used for settlement purposes.

The powers to acquire own shares are based on Article 9 (1c) (ii) of the SE Regulation in conjunction with Sections 71 et seq. AktG and, as of the reporting date, on the authorization granted by the Annual General Meeting on June 15, 2023. The Management Board is authorized, with the approval of the Supervisory Board, until June 14, 2028, to acquire and use own shares in the company up to a total of 10% of the share capital of the company existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, in accordance with the conditions granted, while observing the principle of equal treatment (Article 9 (1c) (ii) of the SE Regulation in conjunction with Section 53a AktG). The shares acquired on the basis of this authorization, together with other shares in the company that it has already acquired and still holds or that are attributable to it in accordance with Sections 71a et seq. AktG, may at no time exceed 10% of the respective share capital of the company. The authorization must not be used for the purposes of trading in own shares.

On the basis of the authorization granted by the Annual General Meeting held on June 15, 2018, Deutsche Wohnen SE acquired 16,070,566 shares in the period from November 15, 2019 to September 14, 2020 (detailed information is available on the Internet at **www.deutsche-wohnen.com/share-buy-back**). After selling some of these shares, the company still held 3,362,003 own shares as of December 31, 2024. These own shares account for share capital of € 3,362,003.00.

Appointment and Removal from Office of Members of the Management Board and Amendments to the Articles of Association

Members of the Management Board are appointed and removed from office by the Supervisory Board in accordance with Article 9 (1), Article 39 (2) of the SE Regulation and Sections 84 and 85 AktG. The Supervisory Board appoints members of the Management Board of Deutsche Wohnen SE for a maximum period of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permissible. The Articles of Association of Deutsche Wohnen SE further stipulate in Article 8 (1) and (2) that the Management Board shall consist of at least two members, but that otherwise, the Supervisory Board is responsible for determining the number of Management Board members. It can appoint deputy members of the Management Board and one member of the Management Board as CEO or Management Board spokesperson. Pursuant to Article 59 of the SE Regulation, the Annual General Meeting adopts resolutions on amendments to the Articles of Association. In accordance with Article 14 (3) sentence 2 of the Articles of Association, amendments to the Articles of Association require a majority of two thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast, unless mandatory statutory provisions require a different majority. The Supervisory Board is authorized to make purely formal amendments to the Articles of Association in accordance with Section 179 (1) sentence 2 AktG in conjunction with Article 14 (5) of the Articles of Association.

Change of Control Clauses and Compensation Agreements in the Event of a Takeover Bid

The main agreements of Deutsche Wohnen SE that are subject to a change of control primarily relate to financing agreements. In the event of a change of control, these provide for the right of termination and early repayment on the part of the lender, as is customary. A change of control could potentially impact debentures issued by Deutsche Wohnen SE, in particular convertible bonds and bearer bonds, existing credit lines and loan agreements that Deutsche Wohnen SE or Group companies have concluded with banks. The relevant terms and conditions comprise standard market agreements that grant the creditors the right of early termination or conversion in the event of a change of control pursuant to these terms and conditions.

Consolidated Financial Statements

Total assets down again by € 826.1 million to € 26,359.9 million due to drop in residential property values.

Impairment losses due to unbundling of the development business.

EPS of € -1.49 as against € -6.80 in the previous year due to non-cash impairment losses and the valuation effect related to investment properties.

Care segment sold successfully and reported under discontinued operations until the transaction was closed.

Consolidated Income Statement

in € million	Notes	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Revenue from property letting		1,224.4	1,290.9
Other revenue from property management		89.4	90.5
Revenue from property management	**B8**	**1,313.8**	**1,381.4**
Income from disposal of properties		31.4	249.8
Carrying amount of properties sold		-31.4	-247.7
Revaluation of assets held for sale		0.8	12.1
Profit from the disposal of properties	**B9**	**0.8**	**14.2**
Revenue from disposal of real estate inventories		160.4	248.3
Cost of sold real estate inventories		-145.6	-251.4
Profit from disposal of real estate inventories	**B10**	**14.8**	**-3.1**
Net income from fair value adjustments of investment properties	B11	-3,722.2	-639.9
Capitalized internal expenses		0.9	0.9
Cost of materials	B12	-529.6	-614.3
Personnel expenses	B13	-55.3	-38.5
Depreciation and amortization		-107.5	-27.5
Other operating income	B14	67.2	83.5
Impairment losses on financial assets		-13.7	-382.4
Net income from the derecognition of financial assets measured at amortized cost		-3.5	2.6
Other operating expenses	B15	-205.6	-157.4
Net income from investments accounted for using the equity method		-75.1	-57.4
Interest income	B16	86.5	37.6
Interest expenses	B17	-185.7	-173.9
Other financial result	B18	-5.1	6.3
Earnings before tax		**-3,419.3**	**-567.9**
Income taxes	B19	991.7	-49.8
Profit for the period of continuing operations		**-2,427.6**	**-617.7**
Profit for the period of discontinued operations		-333.5	26.7
Profit for the period		**-2,761.1**	**-591.0**
Attributable to:			
Deutsche Wohnen's shareholders		-2,697.6	-590.5
Non-controlling interests		-63.5	-0.5
Earnings per share of continuing operations (diluted) in €		**-5.96**	**-1.55**
Earnings per share of continuing operations (basic) in €		**-5.96**	**-1.55**
Earnings per share total (diluted) in €	**C22**	**-6.80**	**-1.49**
Earnings per share total (basic) in €	**C22**	**-6.80**	**-1.49**

Consolidated Statement of Comprehensive Income

in € million	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Profit for the period	**-2,761.1**	**-591.0**
Change in unrealized gains/losses	-11.1	-4.1
Taxes on the change in unrealized gains/losses	3.4	1.6
Profit on cash flow hedges	**-7.7**	**-2.5**
Items which will be recognized in profit or loss in the future	**-7.7**	**-2.5**
Change in actuarial gains/losses, net	-2.3	1.1
Tax effect	1.0	-0.9
Profit on actuarial gains and losses from pensions and similar obligations	**-1.3**	**0.2**
Items which will not be recognized in profit or loss in the future	**-1.3**	**0.2**
Other comprehensive income	**-9.0**	**-2.3**
Total comprehensive income	**-2,770.1**	**-593.3**
Attributable to:		
Deutsche Wohnen shareholders	-2,706.4	-592.5
thereof from continuing operations	-2,373.9	-616.3
thereof from discontinued operations	-332.5	23.8
Non-controlling interests	-63.7	-0.8

Consolidated Balance Sheet

in € million	Notes	Dec. 31, 2023	Dec. 31, 2024
Assets			
Intangible assets	D23	0.5	0.3
Property, plant and equipment	D24	151.5	150.8
Investment properties	D25	23,021.5	22,539.7
Financial assets	D26	561.6	80.7
Investments accounted for using the equity method	D27	126.3	131.3
Other assets	D28	203.9	250.8
Deferred tax assets		1.1	8.6
Total non-current assets		**24,066.4**	**23,162.2**
Inventories		2.7	1.0
Trade receivables	D30	140.3	200.6
Financial assets	D26	686.1	526.5
Other assets	D28	391.1	390.9
Income tax receivables	D29	145.6	133.2
Cash and cash equivalents	D31	157.1	388.6
Real estate inventories	D32	752.6	641.7
Assets held for sale	D33	74.0	185.3
Assets of discontinued operations	D33	770.1	729.9
Total current assets		**3,119.6**	**3,197.7**
Total assets		**27,186.0**	**26,359.9**

in € million	Notes	Dec. 31, 2023	Dec. 31, 2024
Equity and liabilities			
Subscribed capital		396.9	396.9
Capital reserves		4,174.7	4,174.7
Retained earnings		9,034.6	8,455.7
Other reserves		4.9	2.7
Total equity attributable to Deutsche Wohnen shareholders		13,611.1	13,030.0
Non-controlling interests		387.1	381.6
Total equity	E34	13,998.2	13,411.6
Provisions	E35	63.9	48.5
Trade payables	E36	2.6	2.4
Non-derivative financial liabilities	E37	8,248.3	6,785.6
Derivatives	E38	7.7	7.9
Lease liabilities	E39	91.3	80.5
Liabilities to shareholders	E40	181.0	154.1
Other liabilities	E41	0.1	4.5
Deferred tax liabilities		3,799.4	3,788.8
Total non-current liabilities		12,394.3	10,872.3
Provisions	E35	90.4	96.6
Trade payables	E36	174.7	193.7
Non-derivative financial liabilities	E37	234.0	1,516.3
Derivatives	E38	–	0.5
Lease liabilities	E39	13.8	12.2
Liabilities to shareholders	E40	9.5	6.8
Current income taxes		92.1	96.4
Other liabilities	E41	37.0	76.1
Liabilities of discontinued operations	D33	142.0	77.4
Total current liabilities		793.5	2,076.0
Total liabilities		13,187.8	12,948.3
Total equity and liabilities		**27,186.0**	**26,359.9**

Consolidated Statement of Cash Flows

in € million	Notes	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Profit for the period		-2,761.1	-591.0
Net income from fair value adjustments of investment properties	B11	3,915.5	648.1
Revaluation of assets held for sale	B9	-0.8	-12.1
Depreciation and amortization		305.0	39.6
Interest expenses/income and other financial result	B16/B17/B18	106.6	141.0
Income taxes	B19	-998.9	51.7
Profit on the disposal of investment properties	B9	–	1.0
Results from disposals of other non-current assets		-2.1	-0.1
Other expenses/income not affecting cash		87.2	395.6
Change in working capital		-219.9	131.4
Income tax paid		-46.7	-79.7
Cash flow from operating activities		**384.8**	**725.5**
Proceeds from disposals of investment properties and assets held for sale		18.6	330.2
Proceeds from disposals of other assets		1,116.8	416.6
Payments for investments in investment properties	D25	-356.8	-621.4
Payments for investments in other assets		-547.8	-235.6
Payments for acquisition of shares in consolidated companies, in due consideration of liquid funds	A4	–	-2.4
Interest received		60.5	34.8
Cash flow from investing activities		**291.3**	**-77.8**

in € million	Notes	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Cash paid to shareholders of Deutsche Wohnen SE	E34	-16.5	-16.5
Cash paid to non-controlling interests		-6.2	-6.1
Cash repayments of financial liabilities	E37	-472.9	-223.0
Cash repayments of lease liabilities	E39	-14.5	-13.7
Payments in connection with the disposal of shares in non-controlling interests		–	-3.2
Interest paid		-148.8	-154.6
Cash flow from financing activities		**-658.9**	**-417.1**
Cash and cash equivalents total			
Net changes in cash and cash equivalents		17.2	230.6
Cash and cash equivalents at the beginning of the period		184.3	201.5
Cash and cash equivalents at the end of the period		201.5	432.1
Cash and cash equivalents from discontinued operations*			
Net changes in cash and cash equivalents**		2.8	-0.9
Cash and cash equivalents at the beginning of the period		41.6	44.4
Cash and cash equivalents at the end of the period		44.4	43.5
Cash and cash equivalents from continuing operations			
Net changes in cash and cash equivalents		**14.4**	**231.5**
Cash and cash equivalents at the beginning of the period		**142.7**	**157.1**
Cash and cash equivalents at the end of the period* **		**157.1**	**388.6**

* For reasons of comparability, a separate presentation is made for the year 2023 in accordance with IFRS 5 as in 2024.

** Changes in cash in connection with discontinued operations are included in the cash flow from operating activities in the amount of € 47.1 million (Dec. 31, 2023: € 57.1 million), in the cash flow of investing activities in the amount of € -46.6 million (Dec. 31, 2023: € -43.2 million) and in the cash flow from financing activities in the amount of € -1.6 million (Dec. 31, 2023: € -11.1 million).

*** Includes total restricted cash of € 2.0 million (Dec. 31, 2023: € 1.6 million).

Consolidated Statement of Changes in Equity

in € million	Subscribed capital	Capital reserves	Retained earnings	Other reserves: Equity instruments at fair value in other comprehensive income	Other reserves: Cash flow hedges
As of Jan. 1, 2024	396.9	4,174.7	9,034.6	-3.5	8.4
Profit for the period			-590.5		
Changes in the period			0.2		-2.2
Other comprehensive income			0.2		-2.2
Total comprehensive income			-590.3		-2.2
Dividend distributed by Deutsche Wohnen SE			-15.9		
Changes recognized directly in equity			27.3		
As of Dec. 31, 2024	**396.9**	**4,174.7**	**8,455.7**	**-3.5**	**6.2**
As of Jan. 1, 2023	396.9	4,174.7	11,715.6	-3.5	15.9
Profit for the period			-2,697.6		
Changes in the period			-1.3		-7.5
Other comprehensive income			-1.3		-7.5
Total comprehensive income			-2,698.9		-7.5
Dividend distributed by Deutsche Wohnen SE			-15.9		
Changes recognized directly in equity			33.8		
As of Dec. 31, 2023	**396.9**	**4,174.7**	**9,034.6**	**-3.5**	**8.4**

Equity attributable to Deutsche Wohnen shareholders	Non-controlling interests	Total equity
13,611.1	**387.1**	**13,998.2**
-590.5	**-0.5**	**-591.0**
-2.0	-0.3	-2.3
-2.0	**-0.3**	**-2.3**
-592.5	**-0.8**	**-593.3**
-15.9		-15.9
27.3	-4.7	22.6
13,030.0	**381.6**	**13,411.6**
16,299.6	**475.5**	**16,775.1**
-2,697.6	**-63.5**	**-2,761.1**
-8.8	-0.2	-9.0
-8.8	**-0.2**	**-9.0**
-2,706.4	**-63.7**	**-2,770.1**
-15.9		-15.9
33.8	-24.7	9.1
13,611.1	**387.1**	**13,998.2**

Notes

(A): Principles of the Consolidated Financial Statements

1 General Information

Deutsche Wohnen SE is based in Germany and is entered in the Commercial Register of Berlin-Charlottenburg under HRB 190322 B. The company has its registered office at Mecklenburgische Strasse 57, 14197 Berlin. The company operates in the real estate sector.

The company is the parent company of the Group and prepares consolidated financial statements for the smallest group of companies. The company is included in the consolidated financial statements of Vonovia SE, Bochum, which prepares the consolidated financial statements for the largest group of companies. These consolidated financial statements are published in the company register.

The consolidated financial statements of Deutsche Wohnen SE as of and for the year ended December 31, 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the EU. In addition, the supplementary commercial law provisions under Section 315e (1) of the German Commercial Code (HGB) have been observed.

The consolidated financial statements have been prepared on the basis of amortized cost except for investment properties, assets held for sale, derivative financial instruments, plan assets, equity instruments at fair value in the income statement and equity instruments at fair value in other comprehensive income. These are measured at their fair value. The income statement has been prepared using the nature of expense method.

These consolidated financial statements are presented in euros, which is the Group's functional currency. Unless stated otherwise, all figures are shown in million euros (€ million).

Deutsche Wohnen's Management Board prepared the consolidated financial statements on March 10, 2025, and approved them for submission to the Supervisory Board.

The following overview indicates the chapters on the individual topics containing disclosures on accounting policies, judgments and estimates:

Chapter	Accounting policies, judgments, estimates
A5	Government grants
B	Profit for the period
B10	Profit on the disposal of properties
B19	Income taxes
C21	Earnings per share
D23	Intangible assets/goodwill
D24	Property, plant and equipment
D25	Investment properties
D26	Financial assets
D30	Trade receivables
D31	Cash and cash equivalents
D32	Real estate inventories
D33	Assets and liabilities held for sale and discontinued operations
E34	Total equity
E35	Provisions
E37	Non-derivative financial liabilities
E39	Leases
E40	Liabilities to non-controlling interests
F43	Share-based payment
F47	Additional financial instrument dislosures
F48	Information on the Consolidated Statement of Cash Flows

2 Consolidation Principles

Business Combinations

An entity shall account for each business combination by applying the acquisition method if it obtains control. All hidden reserves and charges of the company acquired are disclosed as part of the necessary remeasurement. Any excess of the cost of a business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities, following the disclosure of hidden reserves and charges, is recognized as goodwill in the balance sheet. The consideration transferred at the time of the acquisition and the identifiable net assets that are acquired are measured at fair value as a general rule. Transaction costs are immediately recognized as an expense, insofar as they do not relate to costs pertaining to the raising of capital or the issue of debt capital.

Subsidiaries

The term "subsidiaries" refers to companies controlled by Deutsche Wohnen SE. Deutsche Wohnen SE controls a company if it is exposed to risks or has rights to variable returns from its involvement with the company and has the ability to use its power of control over the company to influence the level of these returns. In the process of full consolidation, the assets and liabilities of a subsidiary are included in the consolidated financial statements in their entirety. Subsidiaries are included in the consolidated financial statements from the date on which Deutsche Wohnen SE obtains control until the day control ceases.

Non-Controlling Interests

The equity of a subsidiary that is not attributable to Deutsche Wohnen is shown as a separate component of equity under non-controlling interests. Non-controlling interests are measured based on their share of the identified net assets of the acquired company at the time of acquisition.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions. Transaction costs that are directly attributable to these equity transactions are reported in retained earnings without affecting net income.

Loss of Control

If Deutsche Wohnen loses control over a subsidiary, the assets and liabilities of the subsidiary in question as well as any corresponding non-controlling interests are derecognized. The result is recognized in the income statement. Any investment retained is recognized at fair value when control is lost.

Associates and Joint Arrangements

Associates and joint arrangements classified as joint ventures are accounted for using the equity method. An associate is an entity over which the investor has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. If the arrangement involves rights to the assets and obligations for the liabilities of a joint arrangement instead, then these are recognized using quota consolidation.

Business Transactions Eliminated on Consolidation

The effects of the business transactions between the entities included in the Deutsche Wohnen consolidated financial statements are eliminated.

Results from business transactions with companies accounted for using the equity method are only eliminated in line with the Group's share in the investee.

The financial statements of Deutsche Wohnen SE and all subsidiaries are consistently prepared according to uniform accounting policies.

3 Scope of Consolidation

All in all, and including Deutsche Wohnen SE, 155 companies (December 31, 2023: 155) – thereof 154 (December 31, 2023: 153) domestic companies and one (December 31, 2023: two) foreign company – have been included in the consolidated financial statements as of December 31, 2024. In addition, 16 (December 31, 2023: 16) domestic companies were included as joint ventures and seven domestic companies (December 31, 2023: six) were included as associates accounted for using the equity method.

For all subsidiaries included in the consolidated financial statements, the reporting date is December 31.

The → **List of Deutsche Wohnen shareholdings** is appended to the Notes to the consolidated financial statements as an integral part thereof.

Companies that have made use of the exemption provision set out in Section 264 (3) of the German Commercial Code (HGB) are marked accordingly in the list of shareholdings.

The year-over-year changes in the consolidated companies as of December 31, 2024 result from two mergers, two newly established companies, one accrual and one addition due to an increase in a shareholding.

The year-over-year changes in associates in 2024 are due to one acquisition, one addition resulting from a change in the scope of consolidation due to a reduction in a shareholding and one sale.

4 Financial Reporting of Financial Assets and Financial Liabilities

Loans and Receivables

Loans and receivables are first recognized as incurred, other non-derivative financial assets as of the day of trading. The day of trading is the date on which Deutsche Wohnen becomes a contracting party of the financial instrument. All financial instruments are initially measured at fair value, taking account of transaction costs. A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or the financial asset is transferred and Deutsche Wohnen neither retains control nor retains material risks and rewards associated with ownership of the financial asset.

Loans and receivables are stated at amortized cost using the effective interest method.

Deutsche Wohnen determines whether there is an objective indication of an impairment at the level of individual financial instruments if they are material, and, for financial instruments for which no impairments have been identified at the level of the individual financial instruments or such impairments are immaterial, grouped according to risk profile. Impairments are identified for individual financial instruments when the counterparty has defaulted or breached a contract or there are indications of risks of impairments due to a rating downgrade and general information (loss event). For groups of financial instruments with similar risks, historical default probabilities in relation to the time overdue are drawn upon (loss event). An impairment is calculated after the occurrence of a loss event as the difference between the carrying amount and the value of the discounted estimated future cash flow. The original effective interest rate is taken as the discount rate. Impairment losses are recognized with effect on net income and directly offset with the carrying amount of the financial instrument. Any interest income on impaired financial instruments is still recognized. If there are indications that the amount of the impairment loss will be smaller, this reduction is credited to the financial instrument affecting net income to the extent that the sum does not exceed the amortized cost that would have been recognized if the impairment had not occurred.

Derivative Financial Instruments

Derivative financial instruments are stated at their fair value on the day of trading when they are recognized for the first time. The fair values of the derivative financial instruments are calculated using standard market valuation methods for such instruments on the basis of the market data available on the valuation date.

With derivatives that are not designated as a hedging instrument in the balance sheet, changes in the fair value are recognized in profit or loss with effect on net income.

Compared with IAS 39, the IFRS 9 regulations relating to hedge accounting include, among other things, an expanded range of eligible hedged items, changes regarding the posting approach for certain undesignated value components of hedging instruments, the abolition of the fixed effectiveness ranges and retrospective effectiveness testing as well as the first-time introduction of "recalibration." The less restrictive provisions compared with IAS 39 make it easier to reflect economic risk management in the balance sheet, which can, in turn, reduce artificial volatility in the income statement.

Contracts concluded for the purpose of receiving or supplying non-financial items in accordance with the company's expected purchase, sale, or use requirements (own-use contracts) are not treated as derivative financial instruments, but rather as pending transactions under IAS 37.

With derivatives designated as hedging instruments, the recognition of changes in the fair value depends on the type of hedge:

> With a fair value hedge, the changes in the fair value of the derivative financial instruments and of the underlying hedged items attributable to the hedged risk are recognized affecting net income.
> With a cash flow hedge, the unrealized gains and losses are initially recognized in other comprehensive income to the extent that the hedge is effective. Amounts accumulated in other comprehensive income are reclassified to the income statement at the same time the underlying hedged item affects net income. To the extent that the hedge is ineffective, the change in fair value is immediately recognized in net interest.

Embedded derivative financial instruments that are combined with a non-derivative financial instrument (host contract) to form a hybrid financial instrument are to be separated from the host contract pursuant to IFRS 9, as a general rule, and accounted for separately if (i) its economic risks and characteristics are not closely related to those of the host contract, (ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and (iii) the hybrid instrument is not measured at fair value affecting net income with changes in fair value recognized in the income statement. As soon as the derivative is to be separated from its host contract, the individual components of the hybrid financial instrument are to be accounted for based on the provisions that apply to the individual financial instruments.

In order to measure interest rate swaps, future cash flows are calculated and then discounted. The calculated cash flows result from the contract conditions. The contract conditions regularly refer to the EURIBOR reference rates (3M and 6M EURIBOR). Discounting is based on market interest rate data as of the reporting date for comparable instruments (EURIBOR rate of the same tenor). The fair value contains the credit risk of the interest rate swaps and therefore allows for adjustments for the company's own credit risk or for the counterparty credit risk.

Equity Instruments to be Recognized at Fair Value Affecting Net Income

In general, the equity instruments to be recognized at fair value affecting net income are shares in companies that were acquired with long-term strategic intentions.

These equity instruments to be recognized at fair value affecting net income are initially stated at their fair value, plus the directly attributable transaction costs. Subsequent measurement is at fair value as a general rule. Changes in the fair value are recognized affecting net income.

Equity Instruments to Be Recognized at Fair Value in Other Comprehensive Income

In general, the equity instruments to be recognized at fair value in other comprehensive income are shares in companies that were acquired with long-term strategic intentions. These equity instruments to be recognized at fair value in other comprehensive income are initially stated at their fair value, plus the directly attributable transaction costs. Subsequent measurement is at fair value as a general rule. Changes in the fair value are recognized in other comprehensive income.

The fair value of equity instruments to be recognized at fair value in other comprehensive income is based on quoted market prices as of the reporting date where they are available. If no market price is available, the fair value is calculated using a discounted cash flow model. If these equity instruments are derecognized, the cumulative gain or loss recognized in other comprehensive income is transferred to retained earnings, not affecting net income. Dividends on equity instruments in this category are shown in the income statement.

5 Government Grants

Accounting Policies

Government grants are recognized when there is reasonable assurance that the relevant conditions will be fulfilled and that the grants will be awarded.

Government grants that do not relate to investments are regularly recognized as income in the periods in which the relevant expenses are incurred.

Expenses subsidies granted in the form of rent, interest and other expenses subsidies are recorded as income in the periods in which the expenses are incurred and shown within other revenue from property management.

Low-interest loans are government grants that are recognized at their present value within the non-derivative financial liabilities on the basis of the market interest rate at the time the loans are taken out. The difference between face value and present value is recognized as deferred income with an effect on net income over the maturity term in the line with the fixed-interest-rate period of the corresponding loans.

Where the low-interest loans are granted in the context of capitalized modernization measures, the deferred income item is reversed in proportion to depreciation, or, with investment properties that are measured based on the fair value model, over 12.5 years.

The companies that belong to the Group receive government grants in the form of expenses subsidies, expenses loans and low-interest loans. No low-interest loans (2023: € - million) were granted to Deutsche Wohnen in the 2024 fiscal year.

6 Changes in Accounting Policies, Estimates, Assumptions, Options and Judgments

Changes to Key Accounting Methods

As of January 1, 2024, the Group did not have to apply any interest rate benchmark reform. Based on the existing transactions, we do not expect to see any material impact in the future either.

Changes in Accounting Policies Due to New Standards and Interpretations

The following new or amended standards and interpretations became mandatory for the first time in the 2024 fiscal year. They did not have any material effects on Deutsche Wohnen's consolidated financial statements.

> IFRS 7 "Financial Instruments: Disclosures"
> IFRS 16 "Leases"
> IAS 1 "Presentation of Financial Statements"
> IAS 7 "Statement of Cash Flows"

IFRS IC Agenda Decision on IFRS 8

At its meeting held in June 2024, the IFRS IC finalized its agenda decision on the disclosure of income and expenses for reportable segments pursuant to IFRS 8. Based on this decision, items of income and expense are to be disclosed separately in the segment reporting if they are material as defined by IAS 1. Within this context, Deutsche Wohnen reviewed its internal reporting to the management and the segment reporting disclosures to determine the extent to which other positions are to be classed as material. As Deutsche Wohnen already presents individual items of income and expense as separate reconciliation figures, it does not currently see any reason to adjust its segment reporting as a result of IFRS IC Agenda Decision "Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)."

IAS 12/International Tax Reform Pillar 2

The Organization for Economic Cooperation and Development (OECD) has launched a project, BEPS (Base Erosion and Profit Shifting), to combat unfair tax competition at international level and tax loopholes, particularly in light of our digitalized economy. A two-pillar solution was developed as part of this international tax reform, with the second pillar (Pillar 2) addressing global effective minimum taxation, in particular.

The implementation status of the Pillar 2 tax regulations in terms of their transposition into national law varies considerably from country to country. The IASB published amendments to IAS 12 in May 2023 in order to avoid inconsistent accounting during this transition phase, as well as to provide users of financial statements with information that would be as useful as possible for their decisions regarding the expected impact of the tax reform. These were adopted by the EU in November 2023 and already applied for the 2023 reporting year.

In addition to a mandatory exception from the recognition of deferred taxes in connection with the Pillar 2 rules, the amendments include, in particular, extended disclosures in the notes. While the exception is explicitly designed as a temporary one, the IASB has not yet set any expiration date. Deutsche Wohnen is applying the extended regulations set out in IAS 12 as planned as of the 2023 fiscal year. The impact on the Group and the required disclosures in the notes are set out in note → [B19] Income Taxes.

New Standards and Interpretations Not Yet Applied

Application of the following standards, interpretations and amendments to existing standards was not yet mandatory for the 2024 fiscal year. Deutsche Wohnen also did not choose to apply them in advance. The implementation of IFRS 18 is likely to lead to considerable changes in Deutsche Wohnen's future consolidated financial statements. No detailed analysis of the expected changes is available as yet. It is expected that the application of the other new or amended standards will have no material effects on Deutsche Wohnen's consolidated financial statements. Their application will be mandatory for the fiscal years following the dates stated in the following table:

Relevant New Standards, Interpretations and Amendments to Existing Standards and Interpretations		Effective date for Deutsche Wohnen
Amendments to Standards		
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements - Volume 11	Jan. 1, 2026*
IFRS 7	"Financial Instruments: Disclosures"	Jan. 1, 2026*
IFRS 9	"Financial Instruments "	Jan. 1, 2026*
IAS 21	"The Effects of Changes in Foreign Exchange Rates"	Jan. 1, 2025
New Standards		
IFRS 18	"Presentation and Disclosures in Financial Statements"	Jan. 1, 2027*
IFRS 19	"Subsidiaries without Public Accountability: Disclosures"	Jan. 1, 2027*

* Not yet endorsed.

Estimates and Assumptions

To a certain extent, the preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date as well as reported amounts of income and expenses during the reporting year. The actual amounts may differ from the estimates as the business environment may develop differently than assumed. In this case, the assumptions and, where necessary, the carrying amounts of the assets or liabilities affected are prospectively adjusted accordingly. Specific estimates and assumptions relating to individual elements of financial statements are also explained in the corresponding notes to the consolidated financial statements.

Assumptions and estimates are reviewed on an ongoing basis and are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

The estimates and assumptions that may have a material risk of causing an adjustment to the carrying amounts of assets and liabilities mainly relate to the determination of the fair value of investment properties.

The best evidence of fair value of investment properties is current prices in an active market for comparable residential properties. As such information is not completely available, however, Deutsche Wohnen uses standard valuation techniques.

A detailed description of the discounted cash flow (DCF) method used can be found in chapter → **[D25] Investment Properties.**

In accordance with IAS 40 in conjunction with IFRS 13, the respective market values of the investment properties owned by Deutsche Wohnen are determined. Changes in certain market conditions such as prevailing rent levels and vacancy rates may affect the valuation of investment properties. Any changes in the fair value of the investment portfolio are recognized as part of the profit for the period in the income statement and can thus substantially affect Deutsche Wohnen's results of operations.

The statement of financial liabilities at amortized cost using the effective interest method takes the expected contractual cash flows into account. In some cases, the agreements do not have any fixed maturity terms. As a result, the cash flows included in the valuation are subject to management assumptions in terms of amount and term.

As explained in chapter → **[D23] Intangible Assets**, Deutsche Wohnen checks for goodwill impairments on an annual basis, or if there is any reason to suspect such impairments. If there is reason for impairment, the next step involves determining the recoverable amount of the group of cash-generating units (CGU). This corresponds to either the fair value less costs of sale or the value in use, whichever is higher. Determining the value in use includes adjustments and estimates regarding the forecast and discounting of the future cash flow. Although the management believes that the assumptions used to determine the recoverable amount are appropriate, any unforeseeable changes in these assumptions could result in impairment losses, with a detrimental impact on the net assets, financial position and results of operations.

When determining the volume of current and deferred taxes, the Group takes into account the effects of uncertain tax items and whether additional taxes and interest may be due. This assessment is made on the basis of estimates and assumptions about future events. New information may become available that causes the Group to change its discretionary decisions regarding the appropriateness of existing tax liabilities; such changes to tax liabilities will affect the tax expense in the period in which such a change is made.

Deferred tax assets are recognized to the extent that it can be demonstrated that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed on each reporting date and are reduced to the extent that it is no longer probable that there will be sufficient future taxable profits to realize the tax benefit in the future.

In connection with the application of IFRS 15, it is assumed with respect to determining progress in relation to revenue recognition over time that the costs incurred appropriately reflect the progress as a share of total costs.

Properties under development are measured by comparing the net sales proceeds against the recoverable amount. The measurement of properties under development in the Development to sell and Development to hold areas is shaped by a large number of relevant parameters (e.g., future sale prices, total investment costs, etc.). These parameters are associated with estimation uncertainties regarding their specific actual amount as of the relevant measurement date.

Additional estimates and assumptions mainly relate to the uniform definition of useful lives, the assumptions made on the value of land and buildings, the recognition and measurement of provisions as well as the realization of future tax benefits.

Climate risks have an impact on Deutsche Wohnen's business model and strategy. They are addressed in particular by the climate path that the company has mapped out, but also by appropriate estimates and assumptions in key items of the company's net assets, financial position and results of operations. Climate risks can have a potentially negative impact and result in increased estimation uncertainties.

Physical climate risks refer to longer-term shifts in general climatic conditions. Climate events such as floods, earthquakes, extreme weather events, etc. could have an impact on our real estate portfolio and require specific crisis management measures. Climate transition risks describe the effects that can arise for companies due to the process of transformation towards a more sustainable economic system.

Based on our current knowledge and expectations regarding future developments, this will not have any impact on Deutsche Wohnen's balance sheet. This relates, among other things, to the fair values of investment properties, specific useful lives and the value of assets, as well as provisions for environmental risks, for which no significant need for adjustment emerges.

Options and Judgments

Options exercised and judgments made by Deutsche Wohnen's management in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognized in the consolidated financial statements include the following:

> The group of investments accounted for using the equity method is determined by assessing significant influence or whether there is joint control.
> Determining whether the acquisition of investment properties as part of a business combination constitutes the acquisition of a "business" or the acquisition of an individual asset or group of assets can involve discretionary judgments.
> Deutsche Wohnen measures investment properties at fair value. If management had opted to use the acquisition costs model as permitted under IAS 40, the carrying amounts of the investment properties as well as the corresponding income and expense items in the income statement would differ significantly.
> The criteria for assessing in which category a financial asset is to be classified may involve discretionary judgments.
> Within the scope of revenue recognition in accordance with IFRS 15, discretionary decisions relating to the expected revenue, the total costs of a project and the degree of completion may be necessary. These have an impact on the amount and timing of revenue.
> When accounting for leases in accordance with IFRS 16, the assessment of the exercise or non-exercise of unilaterally granted termination or renewal options may involve discretionary judgment, particularly if there is no economic incentive for the exercise or non-exercise of options.
> The need to include information concerning the future in the valuation of expected defaults results in discretionary decisions regarding the impact that changes in economic factors will have on the expected defaults.

- > The decision on how to define a group of cash-generating units to which goodwill is allocated may involve discretionary judgments.
- > Allocating the goodwill to the group of individual cash-generating units may also involve discretionary judgments. The parameters used in the impairment test, such as the determination of undiscounted cash flows, the weighted average cost of capital and the growth rate, may also involve discretionary judgments. Due to a lack of any detailed definition of the term "operation" (IAS 36.86), the disposal of goodwill within the context of real estate sales may involve discretionary decisions.
- > Defining a disposal group when selling properties can involve a discretionary decision. Due to a lack of any detailed definition of the term "a separate major line of business or geographical area of operations" (IFRS 5), classification as a discontinued operation may involve discretionary decisions. Assessing whether a sale is deemed to be highly probable within the space of a year can also involve a discretionary decision.
- > At the moment, there are no definitive provisions on how to reflect a mandatory acquisition of non-controlling interests following the acquisition of control as part of a voluntary public takeover offer. In general, the acquisition of shares as part of a public offer during the second offer period is based on exactly the same conditions as those that applied in the first offer period, and the two acquisitions are closely related in terms of content and timing. This means that, even if it is executed in two offer periods, the acquisition constitutes one and the same transaction (linked transaction). Following the completion of the later acquisition, the original purchase price allocation is to be adjusted with retroactive effect from the acquisition date, resulting in a change in the consideration transferred, the fair value of net assets transferred and, consequently, the resulting goodwill.

7 Subsequent Events

On January 17, 2025, Deutsche Wohnen signed a notarized contract for the acquisition of PFLEGEN & WOHNEN HAMBURG GmbH (P&W), including the associated properties, by the City of Hamburg. The acquisition comprises 13 nursing homes in Hamburg with around 2,000 employees and around 2,400 nursing places. The acquisition was made via HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement (HGV), the city's largest group holding company, which belongs to the tax authorities and is an umbrella for the majority of the City of Hamburg's private law companies. The purchase price is € 380.0 million.

At the extraordinary general meetings of Deutsche Wohnen SE and Vonovia SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies. This control and profit-transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE.

The entry in the commercial register of Deutsche Wohnen SE is currently not yet secured due to an action for annulment against the resolution of the Annual General Meeting of Vonovia SE. After registration Deutsche Wohnen SE will subsequently transfer its total annual profit to Vonovia SE or Vonovia SE will cover any losses incurred by Deutsche Wohnen SE. The outstanding shareholders will receive a guaranteed dividend of € 1.03 per share (net).

Under the terms of the control and profit-transfer agreement, the shareholders of Deutsche Wohnen SE will receive an offer to exchange Deutsche Wohnen shares for Vonovia shares.

As part of the planned further acquisitions of land to build on from the QUARTERBACK Immobilien Group, another purchase contract with a volume of around € 75 million was concluded on February 13, 2025.

Section (B): Profit for the Period

Accounting Policies

Revenue from property management includes income from the rental of investment properties and assets held for sale which is recognized, net of discounts, over the duration of the contracts when the remuneration is contractually fixed or can be reliably determined and collection of the related receivable is probable.

In Deutsche Wohnen's financial statements, the corresponding income for all the services for **ancillary costs** performed by the end of the year is also recognized in the year in which the service is performed. This amount is recognized on a non-netted basis using the principal method, in particular due to Deutsche Wohnen's business model, which provides for a proportion of services relevant to ancillary costs being performed by Deutsche Wohnen itself as Deutsche Wohnen is considered by the tenant to be the primary party responsible for providing the service. For all services that it does not perform itself, Deutsche Wohnen also bears an inventory risk due to the settlement method (based on rentable area), as is standard practice in the real estate sector.

In cases involving property sales and project developments for sale, the profit is recognized over time or at a specific point in time, depending on the contractual structure. As far as any remaining obligations are concerned, a provision is recognized for the probable risk.

Expenses are recognized when they arise or at the time they are incurred. Interest is recognized as income or expense in the period in which it is incurred using the effective interest method.

8 Revenue from Property Management

in € million	2023	2024
Rental income	814.4	838.0
Ancillary costs	410.0	452.9
Revenue from property letting	1,224.4	1,290.9
Other revenue from property management	89.4	90.5
	1,313.8	**1,381.4**

Other revenue from property management includes income of € 50.8 million (2023: € 61.1 million) from the allocation of costs to Vonovia Group companies.

9 Profit on the Disposal of Properties

in € million	2023	2024
Income from the disposal of properties	17.1	15.4
Carrying amount of properties sold	-17.1	-13.4
Profit from the disposal of investment properties	-	2.0
Income from the sale of assets held for sale	14.3	234.4
Retirement carrying amount of assets held for sale	-14.3	-234.3
Change in value from properties sold	0.8	12.1
Profit from the disposal of assets held for sale	0.8	12.2
	0.8	**14.2**

The fair value adjustment of properties held for sale where sales efforts have progressed to the point that a sale within one year can be expected resulted in a gain of € 12.1 million as of December 31, 2024 (2023: € 0.8 million). Further information is available in → **[D33] Assets and Liabilities Held for Sale**.

10 Profit on Disposal of Real Estate Inventories

Accounting Policies

Revenue from disposal of real estate inventories is realized either over time or at a specific point in time as soon as the customer obtains control over the asset in question. If, upon conclusion of the certified purchase agreement, control within the meaning of IFRS 15.35 (c) passes to the customer before or during the construction phase, the revenue is to be recognized as of this point in time based on the degree of completion of the construction project. Disclosure of the contract assets that fall within the scope of IFRS 15 occurs on a net basis with the corresponding advance payments received under other assets.

Contractual balances with an expected term of less than one year are not adjusted to reflect the time value of money.

No separate agreements are reached, in the contracts on the sale of apartments as part of the development business, on extraordinary rights of return or rescission, meaning that such rights are based on the relevant legal provisions. The same applies to warranty commitments, which are not to be treated as a separate contractual component within the meaning of IFRS 15 as a result. Existing warranty claims are always accounted for in line with the provisions of IAS 37.

In accordance with IFRS 15.94, costs for the initiation of the contracts with customers are recognized as an expense as soon as they are incurred, as the depreciation period generally would not amount to more than a year. The costs relate primarily to brokerage commission.

In cases involving **revenue recognition over time**, the percentage of completion/progress made has to be assessed. Deutsche Wohnen uses the cost-to-cost method, as an input-based procedure, for this purpose. The progress made is determined based on the ratio of the capitalized contract costs incurred up until the reporting date to the estimated total contract costs that can be capitalized.

Revenue from the disposal of real estate inventories amounting to € 248.3 million (2023: € 160.4 million) comprises no (2023: € 68.3 million) period-related revenue and € 248.3 million (2023: € 92.1 million) in time-related revenue from the disposal of real estate inventories.

11 Net Income from Fair Value Adjustment of Investment Properties

Investment properties are generally measured according to the fair value model. The fair value for the nursing care properties and undeveloped land are calculated by independent experts using a DCF method and are adjusted, where appropriate, based on findings from market observation and transactions. Any gains or losses from a change in fair value are recognized in the income statement affecting net income.

The measurement of the investment properties led to a valuation loss of € -639.9 million in the 2024 fiscal year (2023: € -3,722.2 million) (see → [D25] Investment Properties). This includes € -1.1 million (2023: € -0.9 million) for the measurement of right-of-use assets (IFRS 16).

The figure also includes the valuation result from buildings under construction (new construction/Development to hold) that were completed during the reporting period and were moved to the Rental portfolio. A fair value measurement was performed for the first time when the properties were completed. This resulted in a valuation effect of € 1.8 million in the 2024 fiscal year (2023: € -6.6 million).

12 Cost of Materials

in € million	2023	2024
Expenses for ancillary costs	410.8	463.8
Expenses for maintenance and modernization	91.9	109.5
Other cost of purchased goods and services	26.9	41.0
	529.6	**614.3**

13 Personnel Expenses

in € million	2023	2024
Wages and salaries	46.0	30.5
Social security, pensions and other employee benefits	9.3	8.0
	55.3	**38.5**

The personnel expenses include expenses for severance payments in the amount of € 0.8 million (2023: € 2.3 million), allocations to the provisions for pre-retirement part-time work arrangements in the amount of € 0.4 million (2023: € 0.3 million) and expenses for the long-term incentive plan (LTIP) at € 0.4 million (2023: € -0.1 million) (see → [E35] Provisions).

In the fiscal year under review, employers' contributions to statutory pension insurance amounted to € 3.0 million (2023: € 3.7 million).

As of December 31, 2024, Deutsche Wohnen had a workforce of 723 employees (December 31, 2023: 796). 340 were female as of December 31, 2024 (December 31, 2023: 389) and 383 were male (December 31, 2023: 407). The average figure for the year was 737 employees (2023: 835). Deutsche Wohnen also employed 26 apprentices as of December 31, 2024 (December 31, 2023: 28).

14 Other Operating Income

in € million	2023	2024
Reversal of impairments on Development to hold projects	–	34.6
Compensation paid by insurance companies	23.6	25.2
Reversal of provisions	22.0	4.7
Compensation for damages and cost reimbursements	1.7	2.8
Reversal of impairments on Development to sell projects	–	2.1
Income from previous years	1.2	1.0
Dunning and debt collection fees	0.6	0.8
Disposal of other property, plant and equipment	1.9	0.3
Miscellaneous	16.2	12.0
	67.2	**83.5**

15 Other Operating Expenses

in € million	2023	2024
Administrative services	102.5	95.9
Consultants' and auditors' fees	14.7	16.3
Impairment losses on development real estate inventories	23.8	9.4
Impairment losses on real estate inventories	13.1	–
Additions to provisions	6.8	6.7
Rents, leases and ground rents	3.0	3.3
Insured losses	1.8	2.7
Sales incidentals	1.0	2.2
Costs of sale associated with real estate inventories	1.1	1.9
Losses and reimbursements of ancillary costs	2.0	1.7
Vehicle and traveling costs	1.1	1.5
Impairment losses	0.8	1.1
Other taxes	8.8	1.0
Advertising costs	3.6	0.8
Other contribution and fees	1.3	0.7
Dunning and debt collection fees	0.5	0.7
Costs of sale associated with real estate inventories	2.0	0.5
Communication costs and work equipment	0.7	0.4
Legal and notary costs	1.9	0.3
Miscellaneous	15.1	10.3
	205.6	**157.4**

Administrative services include the cost allocation from Vonovia Group companies of € 95.0 million (2023: € 101.3 million).

16 Interest Income

in € million	2023	2024
Income from non-current securities and non-current loans	58.6	15.2
Other interest and similar income from affiliated companies	18.0	5.4
Interest income finance lease	–	0.4
Interest received and similar income	3.3	11.8
Other interest and similar income	6.6	4.8
	86.5	**37.6**

The income from non-current securities and non-current loans relates primarily to income from loans extended to the QUARTERBACK property companies. The drop is due to the offsetting of the impairment loss on receivables from the QUARTERBACK Immobilien Group resulting from interest against the corresponding interest income earned.

The change in interest received and similar income is due to the increase in interest on credit balances paid by (savings) banks.

The other interest and similar income of affiliated companies result from the granting of the loan to Vonovia SE. This loan was repaid ahead of schedule in May 2024.

17 Interest Expenses

in € million	2023	2024
Interest expense from non-derivative financial liabilities	165.3	171.0
Swaps (current interest expense for the period)	-17.1	-21.1
Effects from the valuation of non-derivative financial instruments	7.2	7.5
Effects from the valuation of swaps	24.8	11.4
Capitalization of interest on borrowed capital re Development	-0.3	-0.1
Interest accretion to provisions	1.7	1.6
Interest from leases	3.1	2.9
Other financial expenses	1.0	0.7
	185.7	**173.9**

The interest expenses mainly relate to interest expense on financial liabilities. This item reflects the comparatively higher interest conditions for refinancing over the last twelve months.

The drop in capitalized interest on borrowed capital results from the reclassification of properties from fixed assets to current assets.

A reconciliation of net interest to net interest to be classified in accordance with IFRS 9 is shown in the following table:

in € million	2023	2024
Interest income	86.5	37.6
Interest expense	-185.7	-173.9
Net interest	**-99.2**	**-136.3**
Less:		
Net interest from provisions for pensions in acc. with IAS 19	1.7	1.5
Net interest from leases	3.1	2.9
Net interest to be classified	**-94.4**	**-131.9**

The net interest classified pursuant to IFRS 9 is as follows:

in € million	2023	2024
Financial assets measured at (amortized) cost	86.5	37.6
Derivatives measured at FV through P&L	-7.7	9.7
Financial liabilities measured at (amortized) cost	-173.3	-179.2
Classification of net interest	**-94.4**	**-131.9**

18 Other Financial Result

in € million	2023	2024
Income from other investments	0.7	9.3
Miscellaneous other financial result	-5.8	-3.0
	-5.1	**6.3**

The miscellaneous other financial result includes the result from the measurement of other non-current equity investments in the amount of € -3.0 million (2023: € -5.8 million; see → **[D26] Financial Assets**).

For the first time following Deutsche Wohnen SE's accession to the contractual relationship with AVW GmbH & Co. KG, the income from investments also includes financial income resulting from the deferred collection of profits from the investment in AVW GmbH & Co. KG, Hamburg, in the amount of € 2.3 million, and in G+D Gesellschaft für Energiemanagement mbH, Magdeburg, in the amount of € 7.0 million (2023: € 0.0 million), both in relation to property-related services in the Value-add segment.

19 Income Taxes

Accounting Policies

Income taxes for the current and prior fiscal years are recognized as current income tax liabilities to the extent that they have not yet been paid. The current tax expense is determined on the basis of the taxable income for the fiscal year.

Deferred tax assets and liabilities are recognized using the liability method under the temporary concept, providing for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are only recognized for temporary differences and on loss carryforwards to the extent that there are deferred tax liabilities that can be netted against them – regarding deferred tax assets on loss carryforwards taking the minimum taxation into account – or, based on the predictable profits in the foreseeable future, it can be verified that they will be realized.

Deferred tax assets and liabilities are not recognized where the temporary difference arises from initial recognition of goodwill in connection with a business combination or the initial recognition (other than a business combination) of other assets and liabilities in a transaction that neither affects taxable income nor net income and does not result in equal taxable and deductible temporary differences on the transaction date.

The carrying amount of a deferred tax asset is reviewed on each reporting date. If necessary, the carrying amount of the deferred tax asset is reduced to the extent that it is no longer offset by deferred tax liabilities that can be netted against it or that it is no longer probable that sufficient taxable profit will be available in the future.

Deferred taxes are measured at the tax rates that apply, or are expected to apply, to the period when the tax asset is realized or the liability is settled based on the current legislation in the countries in question. The combined tax rate of corporate income tax and trade tax of 30.2% was generally used to calculate domestic deferred taxes.

Deferred tax assets and liabilities are netted against each other only if Deutsche Wohnen has a legally enforceable right to set off the recognized amounts, when the same tax authority is involved and when the realization period is the same. In accordance with the regulations of IAS 12 "Income Taxes," deferred tax assets and liabilities are not discounted.

in € million	2023	2024
Current income tax	90.7	84.0
Prior-year current income tax	-0.5	2.3
Deferred tax – temporary differences	-1,106.3	-40.4
Deferred tax – unutilized loss carryforwards	24.4	3.9
	-991.7	**49.8**

For the 2024 fiscal year, the combined tax rate of corporate income tax and solidarity surcharge for domestic companies is 15.8% (2023: 15.8%). Including trade tax at a rate of about 14.4% (2023: 14.4%), the combined domestic tax rate is 30.2% in 2024 (2023: 30.2%). The company that holds properties based in Luxembourg has limited corporation tax liability in Germany and pays tax in Luxembourg that is considered to be immaterial from the perspective of the Group as a whole.

For deductible temporary differences (excl. loss carryforwards) in the amount of € 35.4 million (December 31, 2023: € 42.8 million), no deferred corporate income taxes or deferred trade taxes were recognized, because they are not likely to be used in the future.

As of December 31, 2024, there were corporate income tax loss carryforwards amounting to € 382.1 million (December 31, 2023: € 372.7 million), as well as trade tax loss carryforwards amounting to € 447.8 million (December 31, 2023: € 426.6 million), for which deferred tax assets have been recognized to the extent that their realization is sufficiently probable. The increase in tax loss carryforwards resulted from current tax losses at individual companies.

No deferred taxes were recognized in the balance sheet for corporate income tax loss carryforwards amounting to € 294.6 million (December 31, 2023: € 268.1 million). Of this amount, € 26.8 million arose for the first time in the 2024 fiscal year (2023: € 5.5 million). Under current tax law, these loss carryforwards are not subject to restrictions either with regard to time or the amount of the loss carryforward. The fact that no deferred tax assets were recognized on the new corporate income tax loss carryforwards results in a tax effect of € 4.2 million (2023: € 0.9 million). In addition, there are further trade tax loss carryforwards subject to no restrictions with regard to how they can be carried forward in the amount of € 221.6 million in total (December 31, 2023: € 191.9 million). These did not give rise to any deferred tax assets. Of this amount, € 24.4 million arose for the first time in the 2024 fiscal year (2023: € 5.5 million) and the resulting tax effect is € 4.0 million (2023: € 0.8 million).

The remeasurement of deferred tax assets on temporary differences and loss carryforwards from the previous year led to income amounting to € 2.2 million in the 2024 fiscal year (2023: € 25.1 million).

Deferred taxes on interest carryforwards are recognized if the interest carryforward is likely to be able to be used in the future. Due to the Group's capital structure, no interest carryforwards are likely to be able to be used in the future. As a result, no deferred tax assets have been recognized on domestic interest carryforwards in the amount of € 90.0 million (December 31, 2023: € 77.0 million). € 10.2 million of this amount arose for the first time in the 2024 fiscal year (2023: € 15.3 million).

A reconciliation between disclosed effective income taxes and expected tax expense, which is the product of the accounting profit for the period multiplied by the average tax rate applicable in Germany, is shown in the table below.

in € million	2023	2024
Earnings before tax	**-3,419.3**	**-567.9**
Income tax rate in %	30.2	30.2
Expected tax expense	**-1,032.6**	**-171.5**
Trade tax effects	-7.1	15.4
Non-deductible operating expenses	63.5	198.9
Tax-free income	-19.2	-12.8
Change in the deferred tax assets on loss carryforwards and temporary differences	25.1	-2.2
New loss and interest carryforwards not recognized and utilization of interest carryforwards	1.7	11.6
Prior-year income tax and taxes on guaranteed dividends	-14.6	3.2
Other tax effects (net)	-8.5	7.2
Effective income taxes	**-991.7**	**49.8**
Effective income tax rate in %	**29.0**	**-8.8**

The deferred taxes refer to temporary differences in balance sheet items and unutilized loss carryforwards as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Intangible assets	6.3	2.3
Investment properties	45.5	36.3
Property, plant and equipment	32.4	0.3
Financial assets	1.7	37.5
Other assets	57.7	76.2
Provisions for pensions	6.1	4.8
Other provisions	16.5	37.0
Liabilities	125.3	49.3
Loss carryforwards	50.5	46.6
Deferred tax assets	**342.0**	**290.3**

in € million	Dec. 31, 2023	Dec. 31, 2024
Intangible assets	–	–
Investment properties	3,961.0	3,818.2
Inventories	53.1	59.9
Assets held for sale	31.4	55.8
Property, plant and equipment	–	23.4
Financial assets	7.3	16.5
Other assets	82.8	39.8
Provisions for pensions	–	–
Other provisions	1.5	3.8
Liabilities	3.2	53.1
Deferred tax liabilities	**4,140.3**	**4,070.5**
Excess deferred tax liabilities	**3,798.3**	**3,780.2**

Deferred tax assets and liabilities are netted against each other when the same company and the same tax authority are involved and the realization period is the same. As a result, the following deferred tax assets and liabilities are stated:

in € million	Dec. 31, 2023	Dec. 31, 2024
Deferred tax assets	1.1	8.6
Deferred tax liabilities	3,799.4	3,788.8
Excess deferred tax liabilities	**3,798.3**	**3,780.2**

The change in deferred taxes is as follows:

in € million	2023	2024
Excess deferred tax liabilities as of Jan. 1	**4,906.2**	**3,798.3**
Deferred tax expense in income statement	-1,081.9	-36.5
Change in deferred taxes recognized in other comprehensive income on actuarial gains and losses from pensions and similar obligations	-1.0	0.9
Change in deferred taxes recognized in other comprehensive income on derivative financial instruments	-3.4	-1.6
Balance sheet reclassification to assets and liabilities held for sale with regard to discontinued operations	-9.0	20.9
Other	-12.6	-1.8
Excess deferred tax liabilities as of Dec. 31	**3,798.3**	**3,780.2**

No deferred tax liabilities are recognized for profits accumulated at subsidiaries of € 11,862.7 million (December 31, 2023: € 12,254.7 million), as these profits are to remain invested for an indefinite period or are not subject to taxation. In the event of distribution or disposal of the subsidiaries, 5% of the distributed amounts or the capital gains would be subject to German taxation so that there would normally be an additional tax obligation.

The BEPS Pillar 2 regulations were transposed into German law (German Minimum Tax Act [MinStG]) by the end of 2023 and came into force on January 1, 2024. The Group falls within the scope of these regulations.

Deutsche Wohnen carried out an analysis as of the reporting date to identify the general impact of the legislation and the jurisdictions from which the Group is exposed to potential effects in connection with a Pillar 2 top-up tax. The first step involved checking whether the CbCR safe harbor regulations were relevant. This indicated that all countries fall within the CbCR safe harbor regulations, meaning that no top-up tax was incurred as of December 31, 2024.

Deutsche Wohnen applies the mandatory exception provided for in IAS 12, based on which no deferred tax assets or liabilities are recognized in connection with OECD Pillar 2 income taxes and no disclosures are made in this regard either.

The Group keeps a close eye on progress made in the legislative process in every country in which Deutsche Wohnen operates.

Section (C): Other Disclosures on the Results of Operations

20 Segment Reporting

Deutsche Wohnen is a real estate company with a German real estate portfolio. The portfolio is focused on Berlin. The company's strategy is focused on sustainably increasing the value of the company. This is achieved by managing the company's own residential portfolio sustainably and with a view to enhancing its value, investing in existing properties in order to create value, building new residential buildings and selling individual apartments as well as by engaging in active portfolio management and operating a service business comprising multimedia services and energy supplies. For the purposes of managing the company, we made a distinction between four segments at the end of 2024 **Rental, Value-add, Recurring Sales and Development**. We also report the **Other** segment, which is not relevant from a corporate management perspective, in our segment reporting. This includes the sale, only as and when the right opportunities present themselves, of entire buildings or land (Non Core/Other) that are likely to have below-average development potential in terms of rent growth in the medium term and are located in areas that can be described as peripheral compared with Vonovia's overall portfolio and in view of future acquisitions. The expenses for ancillary costs are reported separately under "Other," with the corresponding ancillary costs income being reported under external income.

As part of a strategic review of the Care segment at the end of the 2023 fiscal year, the management had already decided to discontinue these business activities and sell off this segment. In the course of 2024 and at the beginning of 2025, the properties and nursing care businesses were successfully sold as planned. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 23.1 million in segment revenue in the 2024 fiscal year (2023: € 23.2 million).

The **Rental segment** combines all of the business activities that are aimed at the value-enhancing management of our own residential real estate.

The **Value-add segment** bundles all of the housing-related services that we have expanded our core rental business to include. These services largely include our multimedia services and energy supplies.

The **Recurring Sales** segment includes the regular and sustainable disposals of individual condominiums and single-family houses from our portfolio. It does not include the sale of entire buildings or land (Non Core/Other). These properties are only sold as and when the right opportunities present themselves, meaning that the sales do not form part of the Recurring Sales segment. We report these opportunistic sales in the **Other** column of the segment report.

The **Development** segment includes project development to build new homes. This covers the value chain starting with the purchase of land without any development plan/dedicated purpose and ending with the completion and sale of new buildings and new construction measures on our own properties. These properties are either incorporated into our own portfolio or sold to third parties. The Development segment deals with projects in selected attractive locations.

Planning and controlling systems ensure that resources are efficiently allocated and their successful use is monitored on a regular basis. Reporting to the chief decision-makers and thus the assessment of economic performance as well as the allocation of resources are performed on the basis of this segmentation. Asset and liability items are not reported separately by segment. Internal reporting is based on the IFRS reporting standards in general.

The Management Board as chief decision-makers of Deutsche Wohnen monitor the contribution made by the segments to the company's performance on the basis of the Adjusted EBITDA.

Adjusted EBITDA Total is the result before interest, taxes, depreciation and amortization (including income from other operational investments and intragroup profits/losses) adjusted for effects that do not relate to the period, recur irregularly and that are atypical for business operations, and for net income from fair value adjustments to investment properties.

The Adjusted EBITDA Total is derived from the sum of the Adjusted EBITDA Rental, Adjusted EBITDA Value-add, Adjusted EBITDA Recurring Sales and Adjusted EBITDA Development.

The following table shows the segment information for the reporting period:

in € million	Rental	Value-add	Recurring Sales	Develop-ment	Segments total	Other*	Consolida-tion*	Group
Jan. 1 – Dec. 31, 2024								
Segment revenue (continuing operations)	832.8	36.6	29.1	253.5	1,152.0	724.4	3.1	1,879.5
thereof external revenue	832.8	35.7	29.1	253.5	1,151.1	724.4	4.0	1,879.5
thereof internal revenue	–	0.9	–	–	0.9	–	-0.9	
Carrying amount of assets sold	–	–	-27.0	–	-27.0	-220.7	–	
Revaluation from disposal of assets held for sale	–	–	1.9	–	1.9	2.5	–	
Expenses for maintenance	-109.5	–	–	–	-109.5	–	–	
Cost of Development to sell	–	–	–	-251.4	-251.4	–	–	
Operating expenses	-96.9	-15.9	-2.6	-6.8	-122.2	-48.5	-3.1	
Ancillary costs	–	–	–	–		-463.8	–	
Adjusted EBITDA total (continuing operations)	**626.4**	**20.7**	**1.4**	**-4.7**	**643.8**	**-6.1**	**–**	**637.7**
Non-recurring items								-8.7
Period adjustments from assets held for sale								7.7
Net income from fair value adjustments of investment properties								-639.9
Depreciation and amortization (reduced by reversals in previous years)								-367.9
Net income from investments accounted for using the equity method								-57.4
Income from other investments								-9.4
Interest income								37.6
Interest expenses								-173.9
Other financial result								6.3
Earnings before tax (EBT)								**-567.9**
Income taxes								-49.8
Profit from continuing operations								**-617.7**
Profit from discontinued operations								26.7
Profit for the period								**-591.0**

* The revenue for the Rental, Value-add, Recurring Sales and Development segments constitutes income that is regularly reported to the Management Board as the chief operating decision-maker and that reflects Deutsche Wohnen's sustainable business. The revenue/costs in the "Other" and "Consolidation" columns are not part of the Management Board's segment management.

in € million	Rental	Value-add	Recurring Sales	Develop-ment	Segments total	Other*	Consolida-tion*	Group
Jan. 1 – Dec. 31, 2023								
Segment revenue (continuing operations)	811.4	29.0	12.8	158.0	1,011.2	496.1	-1.7	1,505.6
thereof external revenue	811.4	26.7	12.8	158.0	1,008.9	496.1	0.6	1,505.6
thereof internal revenue	–	2.3	–	–	2.3	–	-2.3	–
Carrying amount of assets sold**	–	–	-11.1	–	-11.1	-23.8	–	
Revaluation from disposal of assets held for sale	–	–	0.8	–	0.8	0.3	–	
Expenses for maintenance	-91.7	–	–	–	-91.7	–	–	
Cost of Development to sell	0.0	–	–	-142.0	-142.0	–	–	
Operating expenses	-81.6	-18.4	-1.2	-31.2	-132.4	-63.9	1.8	
Ancillary costs	–	–	–	–	–	-410.7	–	
Adjusted EBITDA total (continuing operations)**	**638.1**	**10.6**	**1.3**	**-15.2**	**634.8**	**-2.0**	**0.1**	**632.9**
Non-recurring items								-17.0
Period adjustments from assets held for sale								-0.3
Net income from fair value adjustments of investment properties								-3,722.2
Depreciation and amortization (reduced by reversals in previous years)								-132.6
Net income from investments accounted for using the equity method								-75.1
Income from other investments								-0.7
Interest income								86.5
Interest expenses								-185.7
Other financial result								-5.1
Earnings before tax (EBT)								**-3,419.3**
Income taxes								991.7
Profit from continuing operations								**-2,427.6**
Profit from discontinued operations								-333.5
Profit for the period								**-2,761.1**

* The revenue for the Rental, Value-add, Recurring Sales and Development segments constitutes income that is regularly reported to the Management Board as the chief operating decision-maker and that reflects Deutsche Wohnen's sustainable business. The revenue/costs in the "Other" and "Consolidation" columns are not part of the Management Board's segment management.

** Incl. cost of sold real estate inventories in the Recurring Sales segment.

in € million	Rental	Value-add	Recurring Sales	Development	Other	Total
Jan. 1 – Dec. 31, 2024						
Revenue from ancillary costs (IFRS 15)	–	–	–	–	376.3	376.3
Revenue from the disposal of real estate inventories	–	–	–	248.3	–	248.3
Other revenue from contracts with customers	1.3	29.1	–	0.7	50.8	81.9
Revenue from contracts with customers	**1.3**	**29.1**	**–**	**249.0**	**427.1**	**706.5**
thereof period-related	–	–	–	–	–	–
thereof time-related	1.3	29.1	–	249.0	427.1	706.5
Revenue from rental income (IFRS 16)	832.8	–	–	5.2	–	838.0
Revenue from letting cable networks (IFRS 16)	–	8.6	–	–	–	8.6
Revenue from ancillary costs (IFRS 16)*	–	–	–	–	76.6	76.6
Other revenue	**832.8**	**8.6**	**–**	**5.2**	**76.6**	**923.2**
Revenue	**834.1**	**37.7**	**–**	**254.2**	**503.7**	**1,629.7**
Jan. 1 – Dec. 31, 2023						
Revenue from ancillary costs (IFRS 15)	–	–	–	–	309.6	309.6
Revenue from the disposal of real estate inventories	–	–	4.5	155.0	0.9	160.4
Other revenue from contracts with customers	0.8	27.5	–	–	61.1	89.4
Revenue from contracts with customers	**0.8**	**27.5**	**4.5**	**155.0**	**371.6**	**559.4**
thereof period-related	–	–	–	68.3	–	68.3
thereof time-related	0.8	27.5	4.5	86.7	371.6	429.2
Revenue from rental income (IFRS 16)	811.4	–	–	3.0	–	814.4
Revenue from letting cable networks (IFRS 16)	–	–	–	–	–	–
Revenue from ancillary costs (IFRS 16)*	–	–	–	–	100.4	100.4
Other revenue	**811.4**	**–**	**–**	**3.0**	**100.4**	**914.8**
Revenue	**812.2**	**27.5**	**4.5**	**158.0**	**472.0**	**1,474.2**

* Includes land tax and buildings insurance.

The expenses for maintenance include the cost of materials relevant to management of the Rental segment. Operating expenses largely include personnel expenses, the cost of purchased goods and services, non-staff administrative expenses and the cost of materials. Capitalized internal expenses have the opposite effect. To show the development of operating performance and to ensure comparability with previous periods, we calculate adjusted EBITDA for each of our segments: Rental, Value-add, Recurring Sales and Development. The sum of these key figures produces the Group's Adjusted EBITDA Total (continuing operations).

The adjustments made include items that are not related to the period, items that recur irregularly and items that are atypical for business operation. The non-recurring items include severance payments and the development of new fields of business and business processes.

In the 2024 fiscal year, the **non-recurring items** eliminated in the Adjusted EBITDA Total (continuing operations) came to € 8.7 million, as against € 17.0 million in the previous year.

21 Earnings per Share

Accounting Policies

The basic **earnings per share** are calculated by dividing the profit for the period attributable to the shareholders by the weighted average number of ordinary shares in circulation during the reporting period. The diluted earnings per share are obtained by adjusting the profit for the period and the number of outstanding shares on the basis of the assumption that convertible instruments will be converted, options or warrants will be exercised or ordinary shares will be issued under certain conditions. Potential ordinary shares will only be included in the calculation if the conversion into ordinary shares would reduce the earnings per share.

in € million	2023	2024
Profit for the period attributable to Deutsche Wohnen shareholders (in € million)	-2,697.6	-590.5
Weighted average number of shares	396,934,985	396,934,985
Earnings per share (basic and diluted) in €	**-6.80**	**-1.49**

* Not including 3,362,003 treasury shares held by Deutsche Wohnen.

At the end of the reporting period, no diluting financial instruments were in circulation. The basic earnings per share correspond to the diluted earnings per share.

22 Management Board's Proposal for the Appropriation of Profit

The Management Board and the Supervisory Board propose to the Annual General Meeting that, of the profit of Deutsche Wohnen SE for the 2024 fiscal year of € 71,047,282.10, an amount of € 0.04 per outstanding share, or a total of € 15,877,399.40, be distributed to the shareholders as a dividend, and that the remaining amount of € 55,169,882.70 be carried forward to the new account.

Section (D): Assets

23 Intangible Assets

in € million	Concessions, industrial property rights, license and similar rights	Customer relationships	Trademark rights	Goodwill	Total
Cost					
As of Jan. 1, 2024	1.3	–	–	–	1.3
Additions	0.1	–	–	–	0.1
Disposals	-0.3	–	–	–	-0.3
Transfer into discontinued operations	–	–	–	–	–
As of Dec. 31, 2024	1.1	–	–	–	1.1
Accumulated amortization					
As of Jan. 1, 2024	0.8	–	–	–	0.8
Amortization in reporting year	0.2	–	–	–	0.2
Disposals	-0.2	–	–	–	-0.2
Transfers	–	–	–	–	–
Transfer into discontinued operations	–	–	–	–	–
As of Dec. 31, 2024	0.8	–	–	–	0.8
Carrying amounts					
As of Dec. 31, 2024	0.3	–	–	–	0.3
Cost					
As of Jan. 1, 2023	14.6	31.2	15.6	148.1	209.5
Additions	0.2	–	–	–	0.2
Disposals	-8.2	–	–	–	-8.2
Transfer into discontinued operations	-5.3	-31.2	-15.6	-148.1	-200.2
As of Dec. 31, 2023	1.3	–	–	–	1.3
Accumulated amortization					
As of Jan. 1, 2023	13.0	23.6	–	8.1	44.7
Amortization in reporting year for continuing operations	0.2	–	–	–	0.2
Amortization in reporting year for discontinued operations	0.3	1.8	–	–	2.1
Disposals	-7.6	–	–	–	-7.6
Transfers	-0.9	0.8			-0.1
Transfer into discontinued operations	-4.2	-26.2	–	-8.1	-38.5
As of Dec. 31, 2023	0.8	–	–	–	0.8
Carrying amounts					
As of Dec. 31, 2023	0.5	–	–	–	0.5

Accounting Policies

Acquired other intangible assets are stated at amortized cost. **Internally generated other intangible assets** are stated at amortized cost provided that the requirements of IAS 38 for the capitalization of internally generated intangible assets are met. Deutsche Wohnen's miscellaneous other intangible assets have definite useful lives and are amortized on a straight-line basis over their estimated useful lives. Software and licenses are amortized on the basis of a useful life of three years.

In accordance with IAS 36 "Impairment of Assets," other intangible assets are tested for impairment whenever there is an indication of an impairment. An impairment loss is recognized when an asset's recoverable amount is less than its carrying amount. If the recoverable amount cannot be determined for the individual asset, the impairment test is conducted on the cash generating unit (CGU) to which the asset belongs. Impairment losses are recognized as expenses in the income statement affecting net income.

An impairment loss recognized for prior periods is reversed if there has been a change in the estimates used to determine the asset's (or the CGU's) recoverable amount since the last impairment loss was recognized. The carrying amount of the asset (or the CGU) is increased to the newly estimated recoverable amount. The carrying amount is limited to the amount that would have been determined if no impairment loss had been recognized in prior years for the asset (or the CGU).

Customer Relationships and Similar Values

Customer relationships for activities in the Care segment with definite useful lives of between five and six years were allocated to the assets of the discontinued operations.

Goodwill

Accounting Policies

Goodwill results from a business combination pursuant to IFRS 3 and is defined as the amount by which the total consideration for shares in a company or group of companies exceeds the pro rata net assets acquired.

Goodwill is not subject to amortization, but rather is subjected to impairment testing on an annual basis. It is also tested for impairment whenever events or circumstances indicating an impairment arise.

The business areas are the lowest level within the company at which goodwill was monitored for internal management purposes, meaning that the impairment test was performed at business area level and, as a result, in accordance with IAS 36.80 for a group of CGUs. Up until the fourth quarter of 2023 and until its classification as discontinued operations, the former Care segment made up the group of CGUs for which goodwill was monitored for internal management purposes.

If goodwill has been allocated to a group of CGUs and its carrying amount exceeds the recoverable amount, the goodwill is to be written down in the amount of the difference in the first instance. Any need for impairment in excess of this amount is distributed among the other assets in the group of CGUs in proportion to their carrying amount. The individual fair value less costs to sell, value in use or zero must not be undercut in this regard.

Deutsche Wohnen had no goodwill as of December 31, 2024. The goodwill attributable to the former Care segment had been reclassified to discontinued operations in the previous year → **[E33] Assets and Liabilities Held for Sale**.

As a result, no regular annual impairment test was performed in the fourth quarter of 2024.

24 Property, Plant and Equipment

in € million	Owner-occupied properties	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Total
Cost				
As of Jan. 1, 2024	15.7	225.2	24.9	265.8
Additions	1.0	13.6	4.1	18.7
Capitalized modernization costs	0.2	–	–	0.2
Disposals	–	-16.3	-3.5	-19.8
Transfer from investment properties	7.3	–	–	7.3
Transfer to investment properties	–	–	–	–
Transfer from down payments made	–	6.6	–	6.6
Other transfers	–	4.3	2.1	6.4
Transfer into discontinued operations	–	–	–	–
As of Dec. 31, 2024	24.2	233.4	27.6	285.2
Accumulated depreciation				
As of Jan. 1, 2024	2.0	94.0	18.3	114.3
Depreciation in reporting year	0.4	20.1	1.9	22.4
Impairment	2.7	0.2	–	2.9
Reversal of impairments	-0.2	–	–	-0.2
Disposals	–	-8.1	-2.1	-10.2
Transfer to investment properties	–	–	–	–
Other transfers	–	4.6	0.6	5.2
Transfer into discontinued operations	–	–	–	–
As of Dec. 31, 2024	4.9	110.8	18.7	134.4
Carrying amounts				
As of Dec. 31, 2024	19.3	122.6	8.9	150.8
Cost				
As of Jan. 1, 2023	47.4	240.7	48.0	336.1
Additions	0.4	15.4	14.2	30.0
Capitalized modernization costs	0.7	0.4	1.6	2.7
Disposals	-5.3	-27.0	-16.0	-48.3
Transfer from investment properties	–	–	–	–
Transfer to investment properties	-40.1	–	–	-40.1
Transfer from down payments made	–	–	–	–
Other transfers	14.4	7.9	12.8	35.1
Transfer into discontinued operations	-1.8	-12.2	-35.7	-49.7
As of Dec. 31, 2023	15.7	225.2	24.9	265.8
Accumulated depreciation				
As of Jan. 1, 2023	10.5	77.7	28.3	116.6
Depreciation in reporting year for continuing operations	–	20.2	1.0	21.2
Depreciation in reporting year for discontinued operations	–	0.4	2.7	3.1
Impairment	2.9	–	–	2.9
Reversal of impairments	–	–	–	–
Disposals	-1.3	-4.8	-6.1	-12.2
Transfer to investment properties	-8.6	–	–	-8.6
Other transfers	-1.0	6.1	7.0	12.1
Transfer into discontinued operations	-0.6	-5.6	-14.6	-20.8
As of Dec. 31, 2023	2.0	94.0	18.3	114.3
Carrying amounts				
As of Dec. 31, 2023	13.7	131.2	6.6	151.5

Accounting Policies

Items of property, plant and equipment are carried at amortized cost less accumulated depreciation and are depreciated over their respective estimated useful lives on a straight-line basis. In accordance with IAS 36 "Impairment of Assets," impairment tests are performed whenever there is an indication of an impairment.

Subsequent costs of replacing part of an item of property, plant and equipment are capitalized provided it is probable that future economic benefits associated with the item will flow to Deutsche Wohnen and the cost can be estimated reliably.

The properties used by the company itself are subject to depreciation over a term of 50 years, with fixtures, furniture and office equipment subject to depreciation over a period of 3 to 13 years and technical equipment, plant and machinery over a period of 5 to 20 years.

25 Investment Properties

in € million	
As of Jan. 1, 2024	**23,021.5**
Additions	163.0
Capitalized modernization costs	138.0
Transfer to property, plant and equipment	-7.2
Transfer from property, plant and equipment	–
Transfer from down payments made	197.8
Transfer from real estate inventories	11.4
Transfer to assets held for sale	-345.6
Transfer to discontinued operations	–
Disposals	-16.8
Net income from fair value adjustments of investment properties	-639.9
Impairment of investment properties measured at cost	-2.0
Reversal of impairments of investment properties measured at cost	7.4
Revaluation of assets held for sale	12.1
As of Dec. 31, 2024	**22,539.7**
As of Jan. 1, 2023	**27,301.9**
Additions	85.2
Capitalized modernization costs	199.4
Transfer to property, plant and equipment	–
Transfer from property, plant and equipment	31.5
Transfer from down payments made	–
Transfer from real estate inventories	96.2
Transfer to assets held for sale	-85.9
Transfer to discontinued operations	-619.4
Disposals	-19.6
Net income from fair value adjustments of investment properties	-3,915.5
Impairment of investment properties measured at cost	-52.3
Reversal of impairments of investment properties measured at cost	–
Revaluation of assets held for sale	–
As of Dec. 31, 2023	**23,021.5**

Accounting Policies

When Deutsche Wohnen acquires properties, whether through a business combination or as part of a separate transaction, the intended use determines whether such properties are classified as investment properties or as owner-occupied properties.

Investment properties are properties that are held for the purpose of earning rental income or for capital appreciation or both and are not owner-occupied or held for sale in the ordinary course of business. Investment properties include undeveloped land, land and land rights including buildings and land with hereditary building rights of third parties. Investment properties also include right-of-use assets from rented, developed and undeveloped land (hereditary building rights) and from rented residential and commercial properties (interim leasing) within the meaning of IFRS 16 that are classified as investment properties.

Investment properties are initially measured at cost. Related transaction costs, such as fees for legal services or real estate transfer taxes, are included in the initial measurement. If properties are purchased as part of a business combination and if the transaction relates to a "business," then IFRS 3 applies as far as recognition is concerned. Transaction costs are recognized as an expense.

Following initial recognition, investment properties are measured at fair value. Any change therein is recognized as affecting net income in the income statement. If, during the land or project development phase, reliable measurement at fair value is not possible due to the lack of marketability and the lack of comparable transactions, recognition is at acquisition cost. In such cases, the cost model is continued until a reliable measurement can be carried out, but, at the latest, until the property in question is completed.

Investment properties are transferred to property, plant and equipment when there is a change in use evidenced by the commencement of owner-occupation. The properties' deemed cost for subsequent measurement corresponds to the fair value at the date of reclassification.

The values as of December 31, 2024 include assets under construction and pre-construction costs of € 242.6 million (December 31, 2023: € 155.5 million) that are measured at cost, as their fair value cannot be reliably calculated on a continuing basis. There were additions in the amount of € 48.4 million (2023: € 49.9 million) in the reporting year, disposals of € 3.4 million (2023: € 1.9 million) and reclassifications of € 36.7 million (2023: € -144.8 million). There were also impairment losses recognized on these project developments in the amount of € 2.0 million (2023: € 66.2 million) and reversals of impairment losses of € 7.4 million (2023: € 0.0 million). The impairment losses were reported under depreciation and amortization losses, with the reversal of impairment losses being disclosed under Other operating income. In the previous years, there were fair value adjustments prior to reclassification in the amount of € -40.3 million.

The total amount reported for investment properties as of December 31, 2024 includes right-of-use assets from recognized hereditary building rights and interim leasing arrangements in the amount of € 59.7 million (2023: € 71.2 million). In this respect, we also refer to chapter → [E39] Leases.

As of December 31, 2024, the right-of-use assets in the amount of € 59.7 million relate entirely to right-of-use assets from hereditary building rights (2023: € 71.2 million).

For the investment properties encumbered with land charges in favor of various lenders, see chapter → [E37] Non-derivative Financial Liabilities.

Directly Attributable Operating Expenses

Rental income from investment properties amounted to € 838.0 million during the fiscal year (2023: € 814.4 million). Operating expenses directly relating to these properties amounted to € 110.6 million during the fiscal year (2023: € 80.9 million). These include expenses for maintenance, ancillary costs that cannot be passed on to the tenants, personnel expenses from the caretaker and craftsmen's organizations, and capitalized internal expenses.

Long-Term Leases

Deutsche Wohnen as a lessor has concluded long-term leases on commercial properties. These are non-cancelable leases. The minimum future lease receipts from these leases are due as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Total minimum lease payments	92.2	77.7
Due within the first year	27.0	25.0
Due within the second year	22.6	17.6
Due within the third year	15.1	13.7
Due within the fourth year	11.7	11.0
Due within the fifth year	9.5	7.3
Due after the fifth and the subsequent years	6.3	3.1

Fair Values

Accounting Policies

The **fair values** of the portfolio of residential properties were determined on the basis of the International Valuation Standard Committee's definition of market value. Portfolio premiums and discounts, which can be observed when portfolios are sold in market transactions, were not included. Nor were time restrictions in the marketing of individual properties. Deutsche Wohnen determines fair value in accordance with the requirements of IAS 40 in conjunction with IFRS 13.

Deutsche Wohnen, in principle, measures its portfolio on the basis of the discounted cash flow (DCF) method. Under the DCF methodology, the expected future cash inflows and outflows associated with a property are forecast over a detailed period of ten years and discounted to the date of valuation as the net present value.

The cash inflows in the DCF model mainly comprise expected rental income (current in-place rent, market rents as well as their development) taking vacancy losses into account. The expected rental income is derived for each location from the latest rent indices and rent tables (including Value AG, IVD) as well as from studies on spatial prosperity (Federal Institute for Research on Building, Urban Affairs and Spatial Development [BBSR], Prognos, Value AG, the Federal Statistical Office of Germany, etc.).

On the cash outflow side, maintenance expenses and administrative costs are taken into account. These are taken into account in accordance with the II. Berechnungsverordnung. The II. Berechnungsverordnung (BV) is the German Regulation on Calculations for Residential Buildings in accordance with the Second Housing Construction Law, which stipulates how economic viability calculations for homes are to be performed. Further cash outflows are, for example, ground rents, non-allocable ancillary costs and rent losses. All cash outflows are adjusted for inflation in the reporting period. Modernization measures carried out in the housing stocks are factored in by decreasing the current maintenance expenses and adjusting market rents.

On this basis, the forecast cash flows are calculated on an annual basis and discounted to the date of valuation as the net present value. Furthermore, the terminal value of the property at the end of the ten-year period is determined using the expected stabilized net operating income and again discounted to the date of valuation as the net present value. The discount rate applied reflects the market situation, location, type of property, special property features (e.g., hereditary building rights, rent restrictions), the yield expectations of a potential investor and the risk associated with the forecast future cash flows of the property. The present value calculated in this way is reconciled to the market value by deducting standard market transaction costs, such as real estate transfer taxes, agent and notary costs.

The commercial properties in the portfolio are mainly small commercial units for the supply of the local residential environment. Different cost approaches are used to those for residential properties, and discount rates were adjusted to reflect the market specifics. The valuation is, in principle, performed on the basis of homogeneous valuation units. These meet the criteria of economically cohesive and comparable land and buildings. They include:

> Geographical location (identity of the microlocation and geographical proximity)
> Comparable types of use, building class, construction year class and condition of property
> Same property features such as rent restrictions, hereditary building rights and full or part ownership

The Deutsche Wohnen portfolio also contains project developments, existing areas with construction potential and land areas with inheritable building rights granted, as well as nursing care facilities. Project developments for subsequent management within its own portfolio are measured using the cost approach until the construction work is complete – subject to a review of the values applied if triggering events occur. Once the construction work is complete, measurement is at fair value using the DCF procedure described above. Inheritable building rights granted are valued in the same way as the property portfolio using a DCF method. The input parameters here are the duration and amount of ground rent and the value of the land. The right-of-use assets from leasehold contracts are recognized at their fair value. The fair value of the leasehold contracts corresponds to the present value of the standard market leasehold fee payments up until the end of the term of the hereditary building right in question. These are calculated based on the current amount of the ground rent. In order to calculate the present value, the leasehold fee payments are discounted using a property-specific interest rate. Deutsche Wohnen determines the fair values of its real estate portfolio in its in-house valuation department on the basis of the methodology described above.

Over and above the internal valuation, the Deutsche Wohnen real estate portfolio was also valued by the independent appraiser CBRE GmbH. The market value resulting from the external report was consistent with the internal valuation result.

The fair value for the nursing care properties was calculated by the independent expert W&P Immobilienberatung GmbH using a DCF method.

The contractually fixed remuneration for the valuation report is not linked to the valuation results.

The real estate portfolio of Deutsche Wohnen is to be found in the items investment properties, property, plant and equipment (owner-occupied properties), real estate inventories, contract assets and assets held for sale. The fair value of the portfolio comprising residential buildings, commercial properties, garages and parking spaces, project developments and undeveloped land, hereditary building rights granted and nursing care facilities was € 23,971.9 million as of December 31, 2024 (December 31, 2023: € 24,461.1 million). This corresponds to a net initial yield for the real estate portfolio* of 2.6% (December 31, 2023: 2.5%), an in-place-rent multiplier of 26.2 (December 31, 2023: 27.8) and fair value per m² of € 2,539 (December 31, 2023: € 2,584). The inflation rate applied to the valuation procedure comes to 2.0% (December 31, 2023: 2.0%). Net income from the valuation of investment properties amounted to € -639.9 million in the 2024 fiscal year (2023: € -3,722.2 million). We report the net rents excluding ancillary expenses, as well as other key indicators relevant to the valuation of our portfolio in the Portfolio Structure section of the management report, broken down by regional market.

* comprising developed land, excluding Care and Development.

The material valuation parameters for the investment properties (Level 3) in the residential real estate portfolio are as follows as of December 31, 2024, broken down by regional markets:

Regional market	Valuation results*		
	Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
Dec. 31, 2024			
Berlin	16,711.8	16,675.7	36.1
Rhine Main Area	1,601.1	1,497.1	104.0
Dresden	1,057.9	1,018.1	39.8
Leipzig	862.1	861.7	0.3
Rhineland	663.0	663.0	0.1
Hanover	631.7	631.6	0.1
Munich	199.8	199.7	0.1
Other strategic locations	257.9	257.5	0.4
Total strategic locations	**21,985.4**	**21,804.4**	**180.9**
Non-strategic locations**	390.4	367.4	23.0
Total	**22,375.7**	**22,171.8**	**203.9**

* Fair value of the developed land excl. development and nursing care properties (discontinued operations), portfolio inheritable building rights granted and other; € 348.4 million of this amount relates to investment properties. The investment properties balance sheet item also includes the present value in connection with payments for right-of-use assets in the amount of € 19.5 million.
** Fair Value including nursing care properties in the amount of € 287.2 million.

Regional market	Valuation results*		
	Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
Dec. 31, 2023			
Berlin	17,036.3	16,992.4	43.9
Rhine Main Area	1,702.2	1,694.4	7.9
Dresden	990.7	989.6	1.1
Leipzig	793.8	781.5	12.2
Rhineland	666.0	665.9	0.1
Hanover	669.6	653.6	15.9
Munich	230.3	230.2	0.1
Other strategic locations	264.4	264.1	0.3
Total strategic locations	**22,353.2**	**22,271.6**	**81.6**
Non-strategic locations	142.0	136.2	5.8
Total**	**22,495.2**	**22,407.8**	**87.4**

* Fair value of the developed land excl. development, care portfolio, undeveloped land, inheritable building rights granted and other; thereof € 1,213.2 million relating to investment properties.
** Care facilities are not included in this overview.

Valuation parameters for investment properties (Level 3)						
Management costs residential (€ per residential unit p.a.)	Maintenance costs total residential (€/m² p.a.)	Market rent residential (€/m² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
321	17.49	9.25	2.3%	0.5%	5.1%	3.0%
341	18.40	11.10	2.2%	1.8%	5.5%	3.5%
319	17.40	7.78	2.0%	1.6%	5.1%	3.3%
333	17.50	7.68	2.0%	2.4%	4.9%	3.2%
338	18.97	10.41	2.1%	1.7%	5.2%	3.4%
325	17.48	8.12	2.0%	1.9%	5.6%	4.0%
315	18.69	13.36	2.3%	0.6%	5.7%	3.5%
305	17.26	6.40	1.6%	5.0%	5.0%	3.9%
323	**17.58**	**9.15**	**2.2%**	**0.9%**	**5.1%**	**3.1%**
341	18.03	7.34	1.7%	3.3%	7.3%	5.7%
323	**17.59**	**9.14**	**2.2%**	**1.0%**	**5.1%**	**3.1%**

Valuation parameters for investment properties (Level 3)						
Management costs residential (€ per residential unit p.a.)	Maintenance costs total residential (€/m² p.a.)	Market rent residential (€/m² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
306	16.90	8.70	2.3%	0.9%	4.9%	2.8%
326	17.93	10.48	2.2%	1.5%	5.3%	3.4%
305	17.30	7.68	2.0%	2.1%	5.0%	3.3%
319	17.46	7.32	2.0%	3.0%	4.7%	3.1%
323	18.45	10.14	2.1%	1.9%	5.2%	3.3%
310	16.84	7.87	2.0%	2.5%	5.5%	3.9%
301	18.65	12.70	2.2%	0.7%	5.6%	3.5%
292	16.84	6.28	1.7%	5.1%	4.9%	3.7%
308	**17.07**	**8.68**	**2.2%**	**1.3%**	**4.9%**	**2.9%**
328	17.00	7.02	1.8%	2.6%	6.9%	5.5%
308	**17.07**	**8.66**	**2.2%**	**1.3%**	**5.0%**	**2.9%**

Sensitivity Analyses

The sensitivity analyses performed on Deutsche Wohnen's real estate portfolio show the impact of value drivers dependent upon market developments. Those influenced in particular are the market rents and their development, the amount of recognized administrative and maintenance expenses, cost increases, the vacancy rate and interest rates. The effect of possible fluctuations in these parameters is shown separately for each parameter according to regional market in the following.

Interactions between the parameters are possible but cannot be quantified owing to the complexity of the interrelationships. The vacancy and market rent parameters, for example, can influence each other. If rising demand for housing is not met by adequate supply developments, then this can result in lower vacancy rates and, at the same time, rising market rents. If, however, the rising demand is compensated for by a high vacancy reserve in the location in question, then the market rent level does not necessarily change.

	Change in value as a % under varying parameters		
	Management costs residential	Maintenance costs residential	Cost increase/inflation
Regional market	-10%/10%	-10%/10%	-0.5%/+0.5% points
Dec. 31, 2024			
Berlin	0.6/-0.6	1.9/-1.9	4.7/-4.8
Rhine Main Area	0.5/-0.5	1.5/-1.6	3.2/-3.3
Dresden	0.7/-0.7	2.3/-2.3	5.1/-5.1
Leipzig	0.8/-0.8	2.5/-2.5	5.7/-5.7
Rhineland	0.6/-0.6	1.8/-1.8	3.7/-3.9
Hanover	0.8/-0.8	2.4/-2.4	4.8/-4.9
Munich	0.4/-0.4	1.3/-1.3	2.7/-2.8
Other strategic locations	1.3/-1.3	4.1/-4.2	8.0/-7.9
Total strategic locations	**0.6/-0.6**	**1.9/-1.9**	**4.6/-4.7**
Non-strategic locations	0.5/-0.5	1.6/-1.6	2.5/-2.6
Total*	**0.6/-0.6**	**1.9/-1.9**	**4.6/-4.7**

* Care facilities are not included in this overview.

	Change in value as a % under varying parameters		
	Management costs residential	Maintenance costs residential	Cost increase/inflation
Regional market	-10%/10%	-10%/10%	-0.5%/+0.5% points
Dec. 31, 2023			
Berlin	0.6/-0.6	1.9/-1.9	5.1/-5.2
Rhine Main Area	0.5/-0.5	1.6/-1.6	3.3/-3.5
Dresden	0.7/-0.7	2.3/-2.3	5.0/-5.1
Leipzig	0.8/-0.8	2.7/-2.7	6.3/-6.3
Rhineland	0.6/-0.6	1.8/-1.8	3.8/-3.9
Hanover	0.8/-0.8	2.4/-2.4	4.6/-4.7
Munich	0.4/-0.4	1.2/-1.2	2.6/-2.7
Other strategic locations	1.3/-1.3	4.0/-4.1	8.2/-8.0
Total strategic locations	**0.6/-0.6**	**1.9/-1.9**	**5.0/-5.1**
Non-strategic locations	0.7/-0.7	2.3/-2.3	3.3/-3.4
Total*	**0.6/-0.6**	**1.9/-2.0**	**5.0/-5.1**

* Care facilities are not included in this overview.

Changes in the demand for housing can also impact the risk associated with the expected cash flows, which is then reflected in adjusted discounting and capitalized interest rates. The effects do not, however, necessarily have to have a favorable impact on each other, for example, if the changes in the demand for residential real estate are overshadowed by macroeconomic developments. In addition, factors other than demand can have an impact on these parameters. Examples include changes in the portfolio, in seller and buyer behavior, political decisions and developments on the capital market.

The table below shows the percentage impact on values in the event of a change in the valuation parameters. The absolute impact on values is calculated by multiplying the percentage impact by the fair value of the investment properties.

Change in value as a % under varying parameters			
Market rent residential	Market rent increase residential	Stabilized vacancy rate residential	Discounting and capitalized interest rates total
-2%/+2%	-0.2%/+0.2% points	-1%/+1% points	-0.25%/+0.25% points
-2.4/2.3	-8.1/9.5	0.7/-1.8	9.5/-8.0
-2.3/2.3	-6.6/7.6	1.2/-1.6	8.0/-6.9
-2.4/2.4	-7.2/8.3	1.8/-1.8	8.4/-7.3
-2.5/2.4	-7.5/8.8	1.9/-1.9	8.7/-7.5
-2.5/2.4	-7.1/8.1	1.6/-1.7	8.3/-7.2
-2.6/2.5	-6.9/7.9	2.0/-2.0	7.5/-6.6
-2.3/2.3	-6.7/7.7	0.7/-1.5	8.3/-7.1
-3.1/3.0	-7.9/9.0	2.6/-2.7	7.2/-6.4
-2.4/2.3	**-7.8/9.1**	**0.9/-1.8**	**9.1/-7.8**
-1.4/1.3	-2.9/3.2	1.1/-1.1	5.0/-4.5
-2.4/2.3	**-7.8/9.1**	**0.9/-1.8**	**9.1/-7.8**

Change in value as a % under varying parameters			
Market rent residential	Market rent increase residential	Stabilized vacancy rate residential	Discounting and capitalized interest rates total
-2%/+2%	-0.2%/+0.2% points	-1%/+1% points	-0.25%/+0.25% points
-2.4/2.4	-8.6/10.3	1.5/-1.7	10.3/-8.6
-2.4/2.3	-7.0/8.0	1.2/-1.6	8.4/-7.2
-2.4/2.3	-7.2/8.3	1.7/-1.8	8.6/-7.4
-2.5/2.5	-8.0/9.4	2.0/-1.9	9.2/-7.8
-2.4/2.4	-7.2/8.2	1.6/-1.6	8.5/-7.3
-2.5/2.5	-6.7/7.6	1.9/-1.9	7.4/-6.4
-2.1/2.0	-6.3/7.3	0.7/-1.3	8.7/-7.4
-3.1/3.1	-8.1/9.4	2.6/-2.6	7.6/-6.7
-2.4/2.4	**-8.3/9.8**	**1.5/-1.7**	**9.8/-8.2**
-1.9/1.9	-4.0/4.5	1.6/-1.6	5.1/-4.6
-2.4/2.4	**-8.3/9.8**	**1.5/-1.7**	**9.8/-8.2**

26 Financial Assets

in € million	Dec. 31, 2023 non-current	Dec. 31, 2023 current	Dec. 31, 2024 non-current	Dec. 31, 2024 current
Loans to associated companies	154.4	682.9	0.1	521.9
Other investments	33.8	–	36.0	–
Derivatives	39.4	0.9	24.1	1.0
Receivables from finance leases	13.4	2.3	19.9	3.6
Other non-current loans	0.6	–	0.6	–
Loans to related companies	320.0	–	–	–
	561.6	**686.1**	**80.7**	**526.5**

Accounting Policies

Financial assets are recognized in the balance sheet when Deutsche Wohnen becomes a contracting party of the financial instrument. A financial asset is derecognized when the contractual rights to the cash flows from a financial asset expire, or the financial asset is transferred and Deutsche Wohnen neither retains control nor retains material risks and rewards associated with ownership of the financial asset.

In accordance with IFRS 9, the **classification of financial assets** takes into account both the business model in which financial assets are held and the characteristics of the cash flows of the assets in question. These criteria determine whether the assets are measured at amortized cost using the effective interest method or at fair value.

With regard to the business model criterion, all financial investments at Deutsche Wohnen are to be assigned to the "hold to collect" model pursuant to IFRS 9.4.1.2(a). Whenever financial investments are categorized as equity instruments, Deutsche Wohnen has exercised the irrevocable option, in respect of individual instruments, to state future changes to the fair value in other comprehensive income in equity. Gains and losses recognized in other comprehensive income are never reclassified from total equity to the income statement on their disposal. Other equity instruments held are measured at fair value through profit and loss.

The carrying amount of financial assets corresponds to maximum risk of loss as of the reporting date.

The loans to associates and joint ventures relate exclusively to loan receivables from the QUARTERBACK Immobilien-Group with a nominal value of € 836.1 million at the end of the year (December 31, 2023: € 834.4 million) that are recognized in the amount of € 476.8 million (December 31, 2023: € 814.3 million) after taking account of the expected credit loss. € 476.8 million (December 31, 2023: € 664.8 million) of these loans are classified as current and none (December 31, 2023: € 149.5 million) as non-current. The loans were granted in line with standard market conditions.

In the current fiscal year, new loans of € 55.0 million (December 31, 2023: € 534.3 million) were granted. By contrast, loans of € 90.1 million (December 31, 2023: € 534.3 million) were repaid.

In the reporting year, Deutsche Wohnen concluded purchase agreements with QUARTERBACK Immobilien AG both for the acquisition of land to build on and for the selective acquisition of property management units. Loan receivables will be offset as a component of the purchase price in the context of these transactions when they are closed in the 2025 fiscal year. The receivables outstanding after the transactions were closed had to be reassessed, increasing the expected credit loss by € 276.7 million (2023: € - million). All in all, the impairment loss taking into account the expected credit loss from previous years comes to € 296.8 million.

Deutsche Wohnen also assumes that the receivables of the QUARTERBACK property companies will not be recoverable in full. As a result, it recognized a corresponding impairment loss of € 43.2 million on these receivables (2023: € - million) in the 2024 fiscal year. The nominal amounts of the loans were also increased by € 15.8 million (December 31, 2023: € 21.4 million) at the end of the year due to the capitalization of interest claims.

As part of a review of the recoverability of the loan to QUARTERBACK New Energy Holding GmbH with a nominal value of € 90.0 million at the end of the year (December 31, 2023: € - million), an expected credit loss of € 45.0 million was recognized (2023: € - million).

Impairment losses were also recognized on loans to other investments in the amount of € 10.3 million (2023: € 12.0 million).

The change in loans to affiliated companies includes the premature repayment of the total loan receivable from Vonovia SE in the amount of the nominal value of

€ 320.0 million in May 2024 (December 31, 2023: € 320.0 million).

The other investments include shares in the QUARTERBACK Immobilien Group in the amount of € 29.4 million (December 31, 2023: € 33.4 million).

Non-current derivatives include positive market values of € 24.1 million (December 31, 2023: € 39.4 million) from other interest rate derivatives.

Receivables from finance leases amounted to € 23.5 million as of the balance sheet date (December 31, 2023: € 15.7 million) and result from the leasing of broadband cable networks (coax networks).

With effect from July 1, 2024, Deutsche Wohnen has leased additional coax networks in the long term. The resulting proceeds amounted to € 6.8 million in the reporting year (2023: € 0.0 million). The interest cost of the receivables from leases resulted in interest income of € 0.4 million being realized (2023: € 0.7 million). € 1.8 million (2023: € 1.4 million) was also collected as part of a variable revenue-sharing arrangement.

The debt maturity profile of the receivables is as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Nominal value of outstanding lease payments	17.2	26.9
thereof due within 1 year	2.6	4.3
thereof due between 1 and 2 years	2.2	3.2
thereof due between 2 and 3 years	2.2	3.0
thereof due between 3 and 4 years	2.1	2.9
thereof due between 4 and 5 years	2.1	2.9
thereof due after more than 5 years	6.0	10.6
plus unguaranteed residual values	0.2	–
less unrealized financial income	-1.7	-3.4
Present value of outstanding lease payments	**15.7**	**23.5**

27 Financial Assets Accounted for Using the Equity Method

As of the reporting date, Deutsche Wohnen held interests in 16 joint ventures and seven associates (December 31, 2023: 16 joint ventures and six associates).

Mosaik Funds

In August 2024, Deutsche Wohnen sold seven development projects for € 272.9 million to a fund launched by HIH Invest, Projekt Mosaik GmbH & Co. KG. A transfer of six properties with a purchase price of € 166.6 million had been made by December 31, 2024. Further QUARTERBACK Immobilien AG project developments were also sold to the fund for € 141.7 million. The transfer of properties worth € 28.0 million had already been completed by December 31, 2024.

Deutsche Wohnen has a 26.7% stake in Projekt Mosaik GmbH & Co. KG. Interim profits from the disposal of real estate inventories in the amount of € 0.4 million were deducted from the consolidated results as part of the sale.

In the 2024 fiscal year, the funds contributed € 0.0 million to Deutsche Wohnen's consolidated results.

The table below provides financial information for Projekt Mosaik GmbH & Co. KG:

in € million	Dec. 31, 2024 Projekt Mosaik GmbH & Co. KG
Total current assets	404.9
Non-current liabilities	174.9
Current liabilities	10.2
Equity (100%)	**219.8**
Group share in %	26.7%
Group share of net assets	58.8
Group adjustments	-0.5
Carrying amount of share in joint venture	**58.3**
Interest income	0.4
Other operating expenses	-0.1
Interest expenses	0.0
Total gain and comprehensive income for the fiscal year (100%)	**0.3**

QUARTERBACK Group

Deutsche Wohnen also holds 40% of the non-listed QUARTERBACK Immobilien AG whose registered office is situated in Leipzig. QUARTERBACK Immobilien AG is a project developer with operations throughout Germany focusing on the central German region. The investment strengthens the Deutsche Wohnen Group's development business.

On July 6, 2024, the new energies business area previously management within QUARTERBACK Immobilien AG was sold to the sister company QUARTERBACK New Energy Holding GmbH and removed from the group structure. In the future, the company will operate under the name QUARTERBACK New Energy Holding GmbH as an independent sister company of QUARTERBACK Immobilien AG.

Prior to this transaction, Deutsche Wohnen had purchased 40% of the shares in QUARTERBACK New Energy Holding GmbH, which has its registered office in Leipzig, via its wholly-owned subsidiary Larry II Targetco GmbH, which has its registered office in Berlin. This means that the stake in QUARTERBACK New Energy Holding GmbH matches that in QUARTERBACK Immobilien AG.

The value for the initial recognition of the stake in QUARTERBACK New Energy Holding GmbH is € 0.1 million. As part of the agreed shareholder loan for up to € 100.0 million, € 90.0 million had been paid out by December 31, 2024 and a further € 4.0 million was paid into the company as a capital contribution.

An expected credit loss of € 45.0 million was recognized as part of a review of the recoverability of the loan.

Deutsche Wohnen also holds interests in eleven (December 31, 2023: eleven) non-listed financial investments of QUARTERBACK Immobilien AG, with equity interests of between 44% and 50% (QUARTERBACK property companies), that were classified as joint ventures.

The 40% interest in the non-listed QUARTERBACK Immobilien AG and in the eleven non-listed financial investments of QUARTERBACK Immobilien AG and QUARTERBACK New Energy Holding was adjusted on the basis of the financial information as of December 31, 2024 that was available on the preparation cut-off date.

in € million	Dec. 31, 2023 QUARTER-BACK Immobilien AG	Dec. 31, 2024 QUARTERBACK Immobilien AG	Sep. 30, 2024 QUARTER-BACK New Energy Holding GmbH	Dec. 31, 2024 QUARTERBACK New Energy Holding GmbH	Dec. 31, 2023 QUARTER-BACK-Objektge-sellschaften	Dec. 31, 2024 QUARTERBACK-Objektge-sellschaften
Non-current assets	752.3	235.1	61.7	70.0	235.0	20.8
Current assets						
Cash and cash equivalents	90.1	86.2	12.9	7.3	16.1	9.4
Other current assets	1,494.5	1,855.3	82.2	139.0	480.3	660.9
Total current assets	1,584.6	1,941.5	95.1	146.3	496.4	670.3
Non-current liabilities	595.7	371.1	74.2	69.7	139.1	102.5
Current liabilities	1,537.1	1,746.6	148.5	146.5	409.0	462.8
Non-controlling interests	39.5	36.0	-1.0	–	10.9	9.8
Equity	**164.6**	**22.9**	**-64.9**	**0.1**	**172.3**	**116.0**
Group share in %	40%	40%	40%	40%	44% to 50%	44% to 50%
Group share of net assets	65.8	9.2	-26.0	0.0	79.9	52.8
Group adjustments	-51.3	-9.2	26.1	0.0	7.7	4.1
Carrying amount of share in joint venture	**14.5**	**0.0**	**0.1**	**0.0**	**87.6**	**56.9**
Revenues	427.5	493.2	1.2	2.3	101.6	76.2
Change in inventories	94.5	-56.1	64.8	70.0	6.9	-9.2
Interest income	6.0	5.7	0.1	0.1	7.8	5.7
Depreciation, amortization and impairment	-6.1	-5.6	-0.2	-0.5	-0.2	-0.1
Interest expenses	-101.6	-121.1	-4.0	-8.2	-28.6	-32.5
Income taxes	37.9	4.5	-0.7	-1.1	6.6	5.1
Profit from continuing operations (100%) and total comprehensive income for the fiscal year	**-147.4**	**-154.6**	**-2.8**	**-10.6**	**-58.6**	**-56.3**

The at-equity adjustment of the investments in the QUARTERBACK Group results in a negative result of € -49.3 million as of December 31, 2024 (2023: € -73.2 million). The part of the loss for the reporting period that was not recognized comes to € 47.3 million (2023: € - million).

In the 2024 fiscal year, Deutsche Wohnen concluded purchase agreements to acquire land to build on from the QUARTERBACK Immobilien Group. Within the same context, selective purchase agreements were also concluded to acquire property management units from QUARTERBACK Immobilien AG. The total volume of the purchase agreements concluded in 2024 comes to around € 1.3 billion. The transactions are scheduled to be closed in the first half of 2025.

Further transactions in order to acquire land to build on from the QUARTERBACK property companies are planned for the first half 2025. The total volume of the other planned purchase agreements comes to around € 0.2 billion.

The loan receivables from the QUARTERBACK Immobilien Group and the QUARTERBACK property companies 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 from the QUARTERBACK Immobilien Group following the closing of the transactions will not be recoverable. As a result, it has recognized a corresponding cumulative impairment loss of € 296.8 million on these receivables, with € 276.7 million recognized in the 2024 fiscal year.

Interest income collected in the 2024 fiscal year was also impaired in full. The impairment loss recognized for this interest income is shown netted against the interest income.

Deutsche Wohnen also assumes that the receivables of the QUARTERBACK property companies will not be recoverable. As a result, it recognized a corresponding impairment loss of € 43.2 million on these receivables in the 2024 fiscal year. The additional impairment loss recognized for loan receivables is shown in the line item "Impairment losses on financial assets" in the consolidated income statement.

Other investments accounted for using the equity method

In addition to these investments, Deutsche Wohnen also holds interests in nine (December 31, 2023: ten) other entities that are accounted for using the equity method and are currently of minor importance; quoted market prices are not available. The interests were adjusted for these entities provided that corresponding financial information was available.

The following table shows, in aggregated form, the carrying amount and the share of profit and other comprehensive income of these companies:

in € million	Dec. 31, 2023	Dec. 31, 2024
Carrying amount of shares in companies accounted for using the equity method	24.2	16.1
Group share of net income of non-material companies accounted for using the equity method	10% to 50%	10% to 50%
Pro rata total comprehensive income	**-1.9**	**-8.0**

With regard to the other nine entities, Deutsche Wohnen has no significant financial obligations or guarantees with respect to joint ventures and associates.

28 Other Assets

in € million	Dec. 31, 2023 non-current	Dec. 31, 2023 current	Dec. 31, 2024 non-current	Dec. 31, 2024 current
Advance payments for real estate projects	203.7	246.1	240.8	268.0
Receivables from insurance claims	0.2	15.9	0.3	27.8
Work in progress relating to ancillary costs bills	–	39.3	–	1.4
Miscellaneous other assets	–	89.8	9.7	93.7
	203.9	**391.1**	**250.8**	**390.9**

The advance payments made for real estate projects include ongoing project developments by third parties (forward deals) in which the purchase price is paid in installments during the project development phase.

The contract assets from ancillary costs comprise the excess of ancillary cost payments made during the year and the payments made by tenants in advance before billing. The value in the 2024 fiscal year reflects the higher energy prices and the increase in other ancillary costs.

Miscellaneous other assets include the entitlement to the additional purchase price payment as part of the ongoing judicial review proceedings in connection with the control agreement concluded in 2014 between Deutsche Wohnen SE and GSW Immobilien AG in the amount of € 69.7 million (December 31, 2023: € 67.8 million).

29 Income Tax Receivables

The income tax receivables disclosed relate to corporate income tax and trade tax receivables for the current fiscal year and prior years as well as capital gains tax.

30 Trade Receivables

The trade receivables break down as follows:

in € million	Impaired: Gross amount	Impaired: Impairment losses	Not impaired: Neither impaired nor past due at the end of the reporting period	Not impaired – Overdue in the following time bands as on the reporting date: less than 30 days	between 30 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days	Carrying amount: Corresponds to maximum risk of loss*
Receivables from the sale of investment properties	–	–	2.2	0.6	–	–	–	–	2.8
Receivables from the sale of real estate inventories	–	–	159.3	–	–	–	–	–	159.3
Receivables from property letting	36.1	-13.5	–	–	–	–	–	–	22.6
Receivables from other supplies and services	–	–	2.9	–	0.1	0.2	–	0.1	3.3
Receivables from affiliated companies	–	–	12.6	–	–	–	–	–	12.6
As of Dec. 31, 2024	**36.1**	**-13.5**	**177.0**	**0.6**	**0.1**	**0.2**	**-**	**0.1**	**200.6**
Receivables from the sale of investment properties	–	–	11.1	2.0	–	–	–	–	13.1
Receivables from the sale of real estate inventories	–	–	68.9	–	–	–	–	–	68.9
Receivables from property letting	56.3	-15.5	–	–	–	–	–	–	40.8
Receivables from other supplies and services	–	–	2.3	0.6	–	–	–	–	2.9
Receivables from affiliated companies	–	–	14.6	–	–	–	–	–	14.6
As of Dec. 31, 2023	**56.3**	**-15.5**	**96.9**	**2.6**	**-**	**-**	**-**	**-**	**140.3**

* The maximum default risk on the receivables from the sale of properties is limited to the margin and the transaction unwinding costs as the title to the properties remains with Deutsche Wohnen as security until receipt of payment.

Accounting Policies

Impairment losses on financial assets are determined based on the expected credit loss model. The guiding principle of the model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments, taking losses that are already expected into account.

The IFRS 9 approach includes the following measurement levels:

> Level 1: Twelve-month expected credit losses (ECLs), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
> Level 2: Lifetime ECLs (homogeneous debtor portfolios), which applies when a significant increase in credit risk has occurred on an individual or a collective basis of financial instruments.
> Level 3: Lifetime ECLs (based on an individual assessment): If an individual assessment of assets produces objective indications of a need for impairment, then an assessment of the entire maturity of the financial instrument is decisive.

The simplified impairment approach is used with regard to **trade receivables** (e. g., rent receivables, receivables from ancillary costs, receivables from the sale of properties) and for **contract assets** pursuant to IFRS 15. This means that there is no need to track the changes in credit risk. Instead, Deutsche Wohnen has to set up loan loss provisions in the amount of the lifetime expected credit losses both at the time of initial recognition and on each following reporting date.

The carrying amounts of current trade receivables correspond to their fair values.

Receivables from the sale of properties arise on economic transfer of ownership. The due date of the receivable may, however, depend on the fulfillment of contractual obligations. Some purchase contracts provide for the purchase price to be deposited in an escrow account. Impairment losses for doubtful debts are recorded up to the amount of the posted proceeds from sales.

Deutsche Wohnen's receivables from property letting generally arise at the beginning of the month, are of a short-term nature and result from claims in relation to tenants relating to operating business activities. Due to the (subsequent) measurement at amortized cost, an impairment test has to be performed. The receivables fall under the scope of the calculation of expected credit losses.

In accordance with the general provisions set out in IFRS 9, expected credit losses are to be recognized using the simplified approach for current trade receivables without any significant financing component.

Deutsche Wohnen uses a credit loss matrix when calculating expected credit losses for trade receivables. The matrix is based on historical default rates and takes current expectations into account. The matrix can be used to calculate the expected credit losses for various homogeneous portfolios.

In order to create portfolios for the purpose of assessing the probability of default, the individual clusters of receivables need to have homogeneous credit risk characteristics. As far as receivables from its operating business activities are concerned, i.e., the letting of rental properties, Deutsche Wohnen makes a distinction between receivables from existing tenants and receivables from former tenants. Both portfolios include current receivables that are exposed to a low level of volatility, as the company's core operating business is hardly exposed to any major fluctuations.

Impairment losses on trade receivables developed as follows:

in € million	
Impairment losses as of Jan. 1, 2024	**15.5**
Addition	7.4
Utilization	-9.1
Reversal	-0.3
Impairment losses as of Dec. 31, 2024	**13.5**
Impairment losses as of Jan. 1, 2023	**25.6**
Addition	2.6
Utilization	-11.7
Reversal	-1.1
Impairment losses as of Dec. 31, 2023	**15.5**

In principle, all impaired trade receivables are due and payable. As regards the trade receivables that are neither impaired nor past due, there was no indication on the reporting date that the debtors would not meet their payment obligations.

Calculation Method for Receivables from Former Tenants

The calculation of the probability of default is based on the results of an analysis of the historical probability of default. Cash flows relating to outstanding receivables were analyzed and an average amount of incoming payments was calculated on a monthly basis. Ultimately, Deutsche Wohnen has been able to collect approx. 5% of the average receivables over the last few years. The risk provisions recognized on receivables from former tenants therefore correspond to 95%.

The loss given default comprises the following:

The receivables of former tenants that are being analyzed (amount of the receivable at the time of default) are corrected to reflect retained deposits that serve as security for Deutsche Wohnen. This is already taken into account as part of the calculation method used for the probability of default.

The average receivables taken as a basis do not include receivables subject to specific valuation allowances that were written off in full.

Receivables from Existing Tenants

When it comes to determining the probability of default with regard to receivables associated with ongoing lease agreements, Deutsche Wohnen analyzes those receivables that have actually been derecognized over the last few years.

The following table shows the expenses for the full derecognition of receivables as well as income from the receipt of derecognized receivables:

in € million	2023	2024
Expenses for the derecognition of receivables	4.9	0.9
Income from the receipt of derecognized receivables	1.4	3.5

31 Cash and Cash Equivalents

Accounting Policies

Cash and cash equivalents include cash on hand, checks and deposits at banking institutions as well as marketable securities with an original term of up to three months.

Cash and cash equivalents are measured using the general impairment approach in accordance with IFRS 9.

Cash and cash equivalents include cash on hand, checks and deposits at banking institutions totaling € 388.6 million (December 31, 2023: € 157.1 million).

€ 2.0 million (December 31, 2023: € 1.6 million) of the bank balances are restricted with regard to their use.

32 Real Estate Inventories

Accounting Policies

Properties from the sales-related development business and land and buildings intended for sale are reported within real estate inventories. The **sales-related development business** refers to subsidized or independently financed condominiums that are under construction or have already been completed. These properties are not held with the aim of generating rental income or achieving increases in value within the meaning of IAS 40, but rather are developed and constructed to be sold at a later date. These development projects are recognized depending on whether there is a customer contract for the residential units that are intended for sale. If this is not the case, the valuation is performed, due to the intention to sell according to IAS 2, at amortized cost or at net realizable value, whichever is lower, with a corresponding disclosure under real estate inventories.

As inventories are current assets, they are not subject to depreciation. IAS 36 is not applicable either, as the assets recognized in accordance with IAS 2 are explicitly excluded from its scope of application. Instead, the strict lower-of-cost-or-market principle applies, meaning that checks are to be performed at regular intervals, or in the event of corresponding indications, to determine whether the net realizable value has fallen below the amortized cost. Any impairment losses are recognized in the cost of materials due to the short-term nature of inventories.

Cost is calculated for each project development on the basis of an individual project cost estimate that includes the planned costs, and the actual costs incurred, at the level of the individual trades.

The net realizable values are determined on the basis of a sales estimate of the sale prices likely to be achieved per square meter. Undeveloped land is generally valued on the basis of standard land values using an indirect comparative value method.

Recognized real estate inventories in the amount of € 641.7 million (December 31, 2023: € 752.6 million) mainly concern development projects. These are projects to construct residential units planned for sale that are currently being built or that have been completed but have not yet been sold.

33 Assets and Liabilities Held for Sale, and Discontinued Operations

Accounting Policies

Assets **held for sale** include those non-current assets that can, and are extremely likely to be, sold at standard conditions in their current state. A sale is deemed to be highly probable if there is a commitment to a plan to sell the asset, an active program to locate a buyer and complete the plan has been initiated, the asset is being actively marketed for sale at a reasonable price, and a sale is expected to be completed within one year of the date on which the asset is classified as held for sale.

This item not only includes individual non-current assets that are to be sold, but also groups of assets (disposal groups). Discontinued operations are reported separately as an item in their own right. In cases involving disposal groups and discontinued operations, all liabilities to be sold together with the corresponding assets as part of one and the same transaction are also reclassified to the items “Liabilities in connection with assets held for sale” or “Liabilities of discontinued operations.”

Deutsche Wohnen accounts for investment properties as **assets held for sale** when notarized purchase contracts have been signed or a declaration of intent to purchase has been signed by both parties as of the reporting date but transfer of title will, under the contract, not take place until the subsequent reporting period. Investment properties held for sale are recognized at the contractually agreed sales price. If there is a **disposal group**, it is recognized at fair value less costs to sell, if the latter is lower than the net carrying amount of the disposal group. A **discontinued operation** refers to a scenario in which a separate major line of business or a geographical area of operations is classed as held for sale, or if a business activity is part of a single coordinated plan for such a sale. A line of business has to be distinct from the other activities for accounting purposes before it can be classified as a discontinued operation. The result is presented separately from the continuing operations in the consolidated income statement. The comparative year is restated as if the discontinued operation had been classified as such from the start of that year.

Assets held for sale

The assets held for sale include properties totaling € 185.3 million (December 31, 2023: € 74.0 million) for which notarized purchase contracts had already been signed as of the reporting date.

Deutsche Wohnen had successfully concluded a notarized sales contract for around 1,089 residential units and six commercial units in the Rental segment on July 26, 2024. The purchase price of around € 160 million is slightly higher than the carrying amounts of the properties sold recognized at the time of the negotiations. Part of the portfolio had already been transferred as of the reporting date. Assets worth around € 79 million, for which the risks and rewards are expected to be transferred in the first half of 2025, are presented as assets held for sale in the balance sheet as of December 31, 2024.

The change in assets held for sale during the fiscal year is also due to other portfolios in the Rental segment where sales efforts have progressed to the point that a sale within one year can be expected. The purchase price estimates/offers to date are slightly higher than the carrying amounts recognized for the properties to be sold.

The sale in the first half of 2024 of real estate portfolios from the Rental segment which, as of December 31, 2023, had been classified as assets and liabilities held for sale had the opposite effect.

Discontinued Operations

As of December 31, 2024, the assets and liabilities of the discontinued Care segment were as follows:

in € million	Dec. 31, 20223	Dec. 31, 2024
Intangible assets	22.6	9.3
Property, plant and equipment	28.9	34.3
Investment properties	619.4	606.0
Other assets	40.3	4.0
Total non-current assets of discontinued operations	**711.2**	**653.6**
Inventories	0.9	0.5
Trade receivables	9.0	25.9
Other assets	2.0	5.9
Income tax receivables	2.6	0.5
Cash and cash equivalents	44.4	43.5
Total current assets of discontinued operations	**58.9**	**76.3**
Total assets of discontinued operations	**770.1**	**729.9**

The drop in non-current assets and liabilities of the discontinued operation is due to the sale of Care properties with a carrying amount of € 90.8 million. This was offset primarily by capitalizable maintenance and modernization expenses within investment properties, as well as by the reclassification of advance payments to investment properties due to the purchase of the property concerned.

in € million	Dec. 31, 2023	Dec. 31, 2024
Provisions	30.7	32.4
Non-derivative financial liabilities	35.6	–
Lease liabilities	3.6	1.7
Deferred tax liabilities	23.2	5.0
Total non-current liabilities of discontinued operations	**93.1**	**39.1**
Provisions	1.0	13.3
Trade payables	11.2	6.4
Non-derivative financial liabilities	0.8	–
Lease liabilities	1.0	1.8
Current income taxes	11.4	0.3
Other liabilities	23.5	16.5
Total current liabilities	**48.9**	**38.3**
Total equity and liabilities of discontinued operations	**142.0**	**77.4**

Measurement of Discontinued Operations

In 2023, impairment losses of € 149.4 million were incurred and reported under depreciation, amortization and impairment losses. The impairment losses related to the impairment of the entire goodwill of the former Care segment in the amount of € 140.0 million, other intangible assets and property, plant and equipment within the discontinued operations.

The measurement of the discontinued operations at the lower of their carrying amount and fair value less costs to sell as of December 31, 2024 produced impairment losses of € 12.1 million (tax effect: deferred tax income of € 3.0 million). The impairment losses relate primarily to a drop in the value of the operation's customer base in the amount of € 13.4 million. The impairment losses are reported as net income from the measurement of the discontinued operations.

The earnings contribution from discontinued operations is comprised as follows.

in € million	2023	2024
Revenue from property letting	0.6	–
Other revenue from property management	266.7	296.2
Revenue from property management	**267.3**	**296.2**
Income from disposal of properties	–	87.7
Carrying amount of properties sold	–	-90.8
Profit from the disposal of properties	**–**	**-3.1**
Net income from fair value adjustments of investment properties	-193.3	-8.2
Cost of materials	-55.4	-54.5
Personnel expenses	-164.3	-184.0
Depreciation and amortization	-197.5	–
Other operating income	24.8	17.6
Net income from the derecognition of financial assets measured at amortized cost	0.4	0.3
Other operating expenses	-20.9	-22.1
Interest income	–	0.2
Interest expenses	-1.8	-1.7
Earnings before tax	**-340.7**	**40.7**
Income taxes	7.2	-1.9
Profit for the period from discontinued operations (before revaluation of discontinued operations)	**-1.8**	**38.8**
Net income from revaluation of discontinued operations	7.2	-12.1
Profit for the period from discontinued operations	**-333.5**	**26.7**

Intra-Group transactions were eliminated from the consolidated financial results in full. The eliminations were allocated to continuing operations and discontinued operations so as to take account of the decision not to continue these transactions after the disposal, as the Management Board considers this type of presentation to be useful.

For this purpose, the Management Board has eliminated the revenue generated from transactions with continuing operations in the result from continuing operations, as no services will be exchanged between the continuing operations and the discontinued operations after the sale.

In the fiscal year, in addition to the sale of three nursing care properties for which the transfer of title had already been completed in 2024, further sales contracts were signed for 40 nursing care properties and the "Katharinenhof" and "PFLEGEN & WOHNEN HAMBURG" nursing care businesses. The transactions for which the contracts have been signed include all assets and liabilities of the discontinued operations and are scheduled to result in a transfer of title in the first nine months of the 2025 fiscal year.

Disclosures on Employees

As of December 31, 2024, Deutsche Wohnen had 3,912 employees (December 31, 2023: 3,806) working in the business areas belonging to the discontinued operations. 2,977 were female as of December 31, 2024 (December 31, 2023: 2,931) and 935 were male (December 31, 2023: 875). The average figure for the year was 3,881 employees (2023: 3,864). As of December 31, 2024, Deutsche Wohnen had 417 apprentices (December 31, 2023: 385) working in the business areas belonging to the discontinued operations.

Cumulative Income or Expenses Included in Other Comprehensive Income

A cumulative result from the measurement of actuarial gains and losses in connection with the disposal group in the amount of € -4.5 million taking into account deferred tax effects (December 31, 2023: € -7.5 million), and € -5.4 million excluding tax effects (December 31, 2023: € -8.7 million), is included in other comprehensive income.

Earnings per Share

The earnings per share attributable to the profit for the period of the discontinued operations came to € 0.06 (2023: € -0.84) for the 2024 fiscal year.

Cash Flows from the Discontinued Operation

in € million	2023	2024
Cash flow from operating activities	57.1	47.1
Cash flow from investing activities	-43.2	-46.4
Cash flow from financing activities	-11.1	-1.6
Net changes in cash and cash equivalents of discontinued operations	2.8	-0.9
Cash and cash equivalents at the beginning of the period	**41.6**	**44.4**
Cash and cash equivalents at the end of the period of discontinued operations	**44.4**	**43.5**

Section (E): Capital Structure

34 Total Equity

Accounting Policies

Other comprehensive income includes changes in total comprehensive income not affecting net income except that resulting from capital transactions with equity holders (e.g., capital increases or dividend distributions). Deutsche Wohnen includes under this item unrealized gains and losses from the fair value measurement of equity instruments and derivative financial instruments that are designated as cash flow hedges. The item also includes actuarial gains and losses from defined benefit pension commitments as well as certain currency translation differences.

The **other reserves** contain cumulative changes in equity not affecting income. At Deutsche Wohnen, the effective portion of the net change in the fair value of cash flow hedging instruments, the equity instruments at fair value as well as currency translation differences are recognized in other comprehensive income.

Subscribed Capital

The subscribed capital as of December 31, 2024 was unchanged at € 396.9 million. Share capital was unchanged as against the previous year at € 400,296,988.00. The company also still holds 3,362,003 own shares, as in the previous year. These shares account for share capital of € 3,362,003.00.

Capital Reserves

The capital reserve was unchanged at € 4,174.7 million as of December 31, 2024.

Dividend

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 therefore came to € 15,877,399.40.

Authorized Capital

On the basis of the resolution passed by the Annual General Meeting on June 15, 2023, entered in the Charlottenburg Commercial Register on September 12, 2023, the Management Board is authorized, pursuant to Article 5 of the Articles of Association, with the consent of the Supervisory Board, to increase the company's share capital by up to € 120 million once or several times on or before June 14, 2028 by issuing up to 120 million new ordinary bearer shares in return for cash contributions and/or contributions in kind (2023 Authorized Capital). Shareholders shall be granted a subscription right.

The deadline for the use of the 2018/I Authorized Capital expired.

Conditional Capital

Pursuant to the resolution passed by the Annual General Meeting on June 15, 2023, entered in the Charlottenburg Commercial Register on September 12, 2023, Article 6 of the Articles of Association was amended with regard to conditional capital. Based on this amendment, a conditional capital was created in order to satisfy convertible bonds, bonds with warrants, participating rights and/or participating bonds (or a combination of these instruments) (hereinafter collectively "debentures") to be issued. The share capital is conditionally increased by up to € 120 million through the issuance of up to 120,000,000 new no-par-value registered shares with an entitlement to dividend ("2023 Conditional Capital").

The conditional capital increase will only be implemented to the extent that the holders/creditors of debentures issued/guaranteed by the company or dependent companies or companies in which the company holds a majority interest directly or indirectly, on the basis of the authorization resolution passed by the Annual General Meeting as referred to above, make use of their conversion or option rights or fulfill their conversion or option obligations under these debentures, or to the extent that the company grants shares in the company instead of paying the monetary amount due and to the extent that the conversion or option rights, or conversion or option obligations, are not satisfied using own shares, shares from authorized capital or other forms of payment.

Conditional Capitals 2014/III, 2015/I, 2017/I and 2018/I on which resolutions were passed in 2014, 2015, 2017 and 2018 no longer exist based on the resolution passed by the Annual General Meeting on June 15, 2023. The corresponding amendment to Articles 6, 6a, 6c, 6d, 6e and 6f of the Articles of Association was entered in the Charlottenburg Commercial Register on September 12, 2023.

Conditional Capital 2014/II is still in force. Conditional Capital 2014/II serves to grant compensation in shares of the company to the external shareholders of GSW AG in accordance with the provisions of the control agreement dated April 30, 2014.

Retained Earnings

Retained earnings of € 8,455.7 million (December 31, 2023: € 9,034.6 million) were reported as of December 31, 2024. This figure includes actuarial gains and losses of € 9.6 million (December 31, 2023: € 10.7 million), which cannot be reclassified and therefore may no longer be recognized in profit or loss in subsequent reporting periods.

Other Reserves

Changes in other comprehensive income during the reporting period in the amount of € -2.2 million (2023: € -7.5 million) are due to the development of cash flow hedges.

Non-Controlling Interests

Shares of third parties in Group companies are recognized under non-controlling interests.

Non-controlling interests fell by € 5.5 million in the 2024 fiscal year from € 387.1 million as of January 1, 2024 to € 381.6 million as of December 31, 2024.

35 Provisions

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Provisions for pensions and similar obligations	50.2	–	45.3	–
Other provisions for taxes (excl. deferred taxes)	–	19.1	–	18.2
Other provisions				
Personnel obligations	0.7	6.9	1.5	0.8
Miscellaneous other provisions	13.0	64.4	1.7	77.6
Total other provisions	13.7	71.3	3.2	78.4
Total provisions	**63.9**	**90.4**	**48.5**	**96.6**

Provisions for Pensions and Similar Obligations

Accounting Policies

When valuing the **provisions for pensions**, the company pension obligations are determined using the projected unit credit method pursuant to IAS 19 "Employee Benefits," whereby current pensions and vested pension rights as of the reporting date as well as expected future increases in salaries and pensions are included in the valuation. An actuarial valuation is performed at every reporting date.

The amount shown in the balance sheet is the total present value of the defined benefit obligations (DBO) after offsetting against the fair value of plan assets.

Actuarial gains and losses are accounted for in full in the period in which they occur and recognized in retained earnings as a component of other comprehensive income and not in profit or loss. The actuarial gains and losses are also no longer recognized affecting net income in subsequent periods.

Service cost is shown in personnel expenses. The service cost is the increase in the present value of a defined benefit obligation resulting from employee service in the reporting period.

The interest expense is recognized in the financial result. Interest expense is the increase during a period in the present value of a defined benefit obligation that generally arises due to the fact that the benefit obligation is one period closer to being discharged.

Reinsurance contracts that qualify as plan assets have been taken out to cover the pension obligations toward particular individuals. Where the value of those reinsurance contracts exceeds the related pension obligations, the excess is recognized as an asset and shown under other assets.

Obligations from joint defined benefit multi-employer plans at Versorgungsanstalt des Bundes und der Länder (VBL), a pension institution of the Federal Republic of Germany and the Federal States, are stated, in line with IAS 19.34, in the same way as obligations from defined contribution plans. The data and information required for recognition as defined benefit plans for accounting purposes are not available (in particular information on the individual vested rights and the plan assets assigned to the member company), meaning that the plan is treated as a defined contribution plan in line with IAS 19.34.

Deutsche Wohnen's company pension scheme consists of defined benefit and defined contribution pension plans. The pension commitments – for which Deutsche Wohnen guarantees a certain level of benefit – are financed through provisions for pensions. The pension commitments awarded to specific individuals are financed via the fund assets of the provident fund ufba – Unterstützungskasse.

The pension commitments cover 757 (December 31, 2023: 798) vested rights.

The expenses for the benefits paid out under defined benefit plans are calculated using the projected unit credit method. Actuarial gains and losses are recognized in the Group's total comprehensive income, not affecting net income.

Deutsche Wohnen pays contributions to state pension insurance providers under defined contribution plans based on statutory provisions. The current contribution payments are reported as social security contributions under personnel expenses in the amount of € 3.0 million (2023: € 3.7 million). The Group has no further performance obligations upon payment of the contributions.

There is also a pension plan based on the regulations governing the public-sector supplementary pension scheme. It is based on the membership of a group company of Bayerische Versorgungskammer (hereinafter referred to as BVK) – pension institution of the Federal Republic of Germany and the Federal States (VBL). The supplementary pension scheme includes a partial or full pension for reduced earnings capacity. The levy charged by BVK and the VBL is calculated based on the employee remuneration that is subject to supplementary pension insurance. Structural changes or a decision to leave the VBL can result in significant claims for the equivalent amount. As a result, BVK and the VBL both constitute a defined benefit multi-employer plan. The data and information required for recognition as defined benefit plans for accounting purposes are not, however, available (in particular information on the individual vested rights and the plan assets assigned to the member company), meaning that the plan is treated as a defined contribution plan in line with IAS 19.34.

The pension obligations assumed as part of the BauBeCon acquisition are financed via the provident fund ufba – Unterstützungskasse zur Förderung der betrieblichen Altersversorgung e. V. – and recognized as fund assets.

The following actuarial assumptions were made on the reporting date – in each case related to the end of the year and with economic effect for the following year.

Actuarial Assumptions

in %	Dec. 31, 2023	Dec. 31, 2024
Actuarial interest rate	3.17	3.39
Pension trend	2.25	2.00
Salary trend	3.00	3.00

In order to take into account the pension adjustments that are anticipated due to the high levels of inflation in recent years, a one-time increase of 2.20% (December 31, 2023: 5.45%) was applied to current pensions for the calculation of pension obligations. The 2018 G mortality tables of Prof. Dr. Klaus Heubeck have been taken for the biometric assumptions without any changes.

The defined benefit obligation (DBO) developed as follows:

in € million	2023	2024
DBO as of Jan. 1	**80.6**	**57.4**
Interest expense	2.9	1.7
Current service cost	0.8	0.1
Actuarial gains and losses:		
Experience-based adjustment of the obligation	-0.4	-2.6
Changes in the financial assumptions	2.7	-2.4
Transfer	-0.3	–
Benefits paid	-1.1	-2.7
Transfer into discontinued operations	-27.8	–
DBO as of Dec. 31	**57.4**	**51.5**

The present value of the pension obligation is divided among the groups of eligible persons as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Active employees	4.7	3.7
Former employees with vested pension rights	11.3	8.3
Pensioners	41.4	39.5
DBO as of Dec. 31	**57.4**	**51.5**

The plan assets consist exclusively of fund assets from the provident fund and relate primarily to reinsurance contracts.

The fair value of the plan assets has developed as follows:

in € million	2023	2024
Fair value of plan assets as of Jan. 1	**7.4**	**7.1**
Return calculated using the actuarial interest rate	0.2	0.2
Actuarial gains:		
Income from plan assets not already included in interest income	–	-0.6
Benefits paid	-0.5	-0.5
Fair value of plan assets as of Dec. 31	**7.1**	**6.2**

The net liability recognized in the balance sheet developed as follows:

in € million	2023	2024
Net pension obligation as of January 1	**73.2**	**50.2**
Interest expense	2.6	1.5
Current service cost	0.8	0.1
Actuarial gains and losses:		
Experience-based adjustment of the obligation	-0.4	-2.6
Changes in the financial assumptions	2.7	-2.4
Income from plan assets not already included in interest income	–	0.7
Transfer	-0.3	–
Benefits paid	-0.6	-2.2
Transfer into discontinued operations	-27.8	–
Net pension obligation as of December 31	**50.2**	**45.3**

The following table shows a reconciliation of the defined benefit obligation to the pension obligation recognized in the balance sheet:

in € million	Dec. 31, 2023	Dec. 31, 2024
Present value of funded obligations	12.5	10.4
Present value of unfunded obligations	44.8	41.1
Total present value of defined benefit obligations	**57.3**	**51.5**
Fair value of plan assets	-7.1	-6.2
Net liability recognized in the balance sheet	**50.2**	**45.3**
Provisions for pensions recognized in the balance sheet	**50.2**	**45.3**

In 2024, actuarial gains of € 1.1 million (excluding deferred taxes) were recognized in other comprehensive income (2023: actuarial gains of € 2.3 million), including actuarial losses from discontinued operations of € 3.3 million (2023: actuarial gains of € 1.0 million). This results in actuarial gains for the continuing operations of € 4.4 million (2023: actuarial gains of € 1.3 million).

The average term of the commitments is 10.77 years (December 31, 2023: 11.36 years).

The following table contains the estimated, undiscounted pension payments of the coming five fiscal years and the total of those in the subsequent five fiscal years:

in € million	Projected pension payments
2025	3.6
2026	3.6
2027	3.5
2028	3.5
2029	3.5
2030–2034	16.1

Sensitivity Analyses

An increase or decrease in the material actuarial assumptions would have led to the following defined benefit obligation, providing the other assumptions did not change:

in € million		Dec. 31, 2023	Dec. 31, 2024
Actuarial interest rate	Increase of 0.5%	54.4	49.0
	Decrease of 0.5%	60.7	54.3
Pension trend	Increase of 0.25%	58.7	52.7
	Decrease of 0.25%	56.1	50.4

An increase in life expectancy of 4.8% would have resulted in an increase in the DBO of € 2.2 million as of December 31, 2024. This percentage rise corresponds to a one-year increase in the life expectancy of a man who was 65 on the reporting date.

If several assumptions are changed simultaneously, the cumulative effect is not necessarily the same as if there had been a change in just one of the assumptions.

Other Provisions

Accounting Policies

Other provisions are recognized when there is a present obligation, either legal or constructive, vis-à-vis third parties as a result of a past event if it is probable that a claim will be asserted and the probable amount of the required provision can be reliably estimated. Provisions are discounted if the resulting effect is material. The carrying amount of discounted provisions increases in each period to reflect the passage of time and the unwinding of the discount is recognized within interest expense. The discount rate is a pre-tax rate that reflects current market assessments.

Provisions for restructuring expenses are recognized when the Group has set up and communicated a detailed formal plan for restructuring and has no realistic possibility of withdrawing from these obligations.

Provisions for onerous contracts are recognized when the expected benefits from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is stated at the lower of the present value of the fulfillment obligation and the cost of terminating the contract, i.e., a possible indemnity or fine for breach or non-fulfillment of contract.

Provisions are reviewed regularly and adjusted to reflect new information or changed circumstances.

The **provisions for pre-retirement part-time work arrangements** are basically to be classified as other long-term employee benefits that are to be accrued over the employees' service periods.

The assets of the insolvency policy to secure fulfillment shortfalls arising from pre-retirement part-time work arrangements are offset against the amounts for fulfillment shortfalls contained in the provisions for pre-retirement part-time work arrangements.

A contingent liability is a possible obligation toward third parties that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that arises from past events for which an outflow of resources is not probable or the amount of which cannot be estimated with sufficient reliability. According to IAS 37, contingent liabilities are not generally recognized.

Development of Other Provisions During the Fiscal Year

in € million	As of Jan. 1, 2024	Changes in scope of consolidation	Additions	Reversals	Interest accretion to provisions	Transfer	Transfers related to discontinued operations	Utilization	As of Dec. 31, 2024
Other provisions									
Environmental remediation	–	–	–	–	–	–	–	–	–
Personnel obligations	7.7	–	1.3	-5.9	–	–	–	-0.9	2.2
Miscellaneous other provisions	77.3	–	20.2	-4.0	–	0.8	–	-15.0	79.3
	85.0	**–**	**21.5**	**-9.9**	**–**	**0.8**	**–**	**-15.9**	**81.5**

Development of Other Provisions During the Prior Year

in € million	As of Jan. 1, 2023	Changes in scope of consolidation	Additions	Reversals	Interest accretion to provisions	Transfer	Transfers related to discontinued operations	Utilization	As of Dec. 31, 2023
Other provisions									
Environmental remediation	9.6	–	–	-0.3	–	-8.9	–	-0.4	0.0
Personnel obligations	14.7	–	2.1	-0.2	–	0.6	-1.2	-8.3	7.7
Miscellaneous other provisions	83.8	–	18.3	-11.7	–	17.6	-3.1	-27.6	77.3
	108.1	**–**	**20.4**	**-12.2**	**–**	**9.3**	**-4.3**	**-36.3**	**85.0**

Reversals of provisions are generally offset against the expense items for which they were originally established.

The personnel obligations relate primarily to provisions for bonuses and severance payments and other personnel expenses.

Miscellaneous other provisions include cost items related to legal disputes in the amount of € 23.4 million (December 31, 2023: € 20.1 million) and litigation costs of € 16.0 million (December 31, 2023: € 16.0 million).

The Group expects to settle the lion's share of the provisions over the coming year.

36 Trade Payables

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Liabilities				
Outstanding trade invoices	–	46.1	–	53.7
From property letting	–	29.2	–	39.3
From other supplies and services	2.6	99.4	2.4	100.7
	2.6	**174.7**	**2.4**	**193.7**

37 Non-Derivative Financial Liabilities

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Non-derivative financial liabilities				
Liabilities to banks	4,452.0	177.6	3,559.8	888.1
Liabilities to other creditors	3,796.3	21.8	3,225.8	594.3
Deferred interest from non-derivative financial liabilities	–	34.6	–	33.9
	8,248.3	**234.0**	**6,785.6**	**1,516.3**

Accounting Policies

Deutsche Wohnen recognizes **non-derivative financial liabilities**, which mainly include liabilities to banks and to investors, at their fair value on the day of trading, less the directly attributable transaction costs (this generally corresponds to the acquisition cost). These liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when Deutsche Wohnen's obligations specified in the contract expire or are discharged or canceled.

Liabilities bearing no interest or interest below market rates in return for occupancy rights at rents below the prevailing market rates are recorded at present value.

Deferred interest is presented as current in order to show the cash effectiveness of the interest payments transparently. In principle, the deferred interest is part of the non-derivative financial liability. Of the deferred interest from non-derivative financial liabilities, € 13.6 million (December 31, 2023: € 13.6 million) is from bonds reported under non-derivative financial liabilities to other creditors.

The non-derivative financial liabilities developed as follows in the fiscal year under review:

in € million	As of Jan. 1, 2024	New loans	Scheduled repayments	Unscheduled repayments	Adjusted for effective interest method	Transfers related to discontinued operations	Other adjustments	As of Dec. 31, 2024
Bond	1,739.6	–	–	–	3.9	–	–	1,743.5
Registered bond	472.7	–	–	–	0.5	–	–	473.2
Bearer bond	1,247.2	–	–	–	1.2	–	–	1,248.4
Promissory note loan	50.0	–	–	–	-0.4	–	–	49.6
Mortgages	4,938.2	–	-82.7	-140.3	2.2	35.7	–	4,753.1
Accrued interests	34.6	–	–	–	–	–	-0.7	33.9
	8,482.3	**–**	**-82.7**	**-140.3**	**7.4**	**35.7**	**-0.7**	**8,301.7**

The non-derivative financial liabilities developed as follows in the previous year:

in € million	As of Jan. 1, 2023	New loans	Scheduled repayments	Unscheduled repayments	Adjusted for effective interest method	Transfers related to discontinued operations	Other adjustments	As of Dec. 31, 2023
Bond	1,735.7	–	–	–	3.9	–	–	1,739.6
Registered bond	472.3	–	–	–	0.4	–	–	472.7
Bearer bond	1,246.0	–	–	–	1.2	–	–	1,247.2
Promissory note loan	50.0	–	–	–	–	–	–	50.0
Mortgages	5,434.3	–	-401.6*	-60.9	1.7	-35.9	0.6	4,938.2
Accrued interests	33.4	–	–	–	–	–	1.2	34.6
	8,971.7	**–**	**-401.6**	**-60.9**	**7.2**	**-35.9**	**1.8**	**8,482.3**

* Repayments include debt servicing not yet rendered not affecting cash in the amount of € 3.9 million.

The maturities and average interest rates of the nominal obligations for non-derivative financial liabilities are as follows during the fiscal year:

				Repayment of the nominal obligations is as follows:					
in € million	Nominal obligation Dec. 31, 2024	Average end of maturity	Average interest rate	2025	2026	2027	2028	2029	from 2030
Bond*	1,760.7	2030	1.12%	589.7	–	–	–	–	1,171.0
Registered bond*	475.0	2029	1.53%	–	100.0	70.0	50.0	80.0	175.0
Bearer bond*	1,260.2	2032	1.77%	–	–	33.5	10.0	–	1,216.7
Promissory note loan*	50.0	2030	0.80%	–	–	–	–	–	50.0
Mortgages**	4,762.0	2028	1.94%	892.1	787.1	777.7	1,121.9	496.6	686.6
	8,307.9			**1,481.8**	**887.1**	**881.2**	**1,181.9**	**576.6**	**3,299.3**

* Under the conditions of existing loan agreements, Deutsche Wohnen is obliged to fulfill certain financial covenants, which it fulfilled.
** For a portion of the mortgages, Deutsche Wohnen is obliged to fulfill certain financial covenants, which it fulfilled.

In the previous year, the maturities and average interest rates of the nominal obligations for non-derivative financial liabilities were as follows:

				Repayment of the nominal obligations is as follows:					
in € million	Nominal obligation Dec. 31, 2023	Average end of maturity	Average interest rate	2024	2025	2026	2027	2028	from 2029
Bond*	1,760.7	2030	1.12%	–	589.7	–	–	–	1,171.0
Registered bond*	475.0	2029	1.53%	–	–	100.0	70.0	50.0	255.0
Bearer bond*	1,260.2	2032	1.77%	–	–	–	33.5	10.0	1,216.7
Promissory note loan*	50.0	2030	0.80%	–	–	–	–	–	50.0
Mortgages**	4,949.2	2028	2.01%	198.8	893.4	787.8	778.4	1,064.8	1,226.0
	8,495.1			**198.8**	**1,483.1**	**887.8**	**881.9**	**1,124.8**	**3,918.7**

* Under the conditions of existing loan agreements, Deutsche Wohnen is obliged to fulfill certain financial covenants, which it fulfilled.
** For a portion of the mortgages, Deutsche Wohnen is obliged to fulfill certain financial covenants, which it fulfilled.

The loan repayments shown for the following years contain contractually fixed minimum repayment amounts.

Of the nominal obligations to creditors, € 4,762.0 million (December 31, 2023: € 4,949.2 million) are secured by land charges and other collateral (account pledge agreements, assignments, pledges of company shares and guarantees of Deutsche Wohnen SE or other Group companies). In the event that payment obligations are not fulfilled, the securities provided are used to satisfy the claims of the banks.

Financial liabilities to banks and other creditors have an average interest rate of approximately 1.71% (December 31, 2023: 1.76%). The financial liabilities as a whole do not contain any significant short-term interest rate risks as they relate either to loans with long-term fixed interest rates or variable-interest liabilities that are hedged using suitable derivative financial instruments (see → **[G49] Financial Risk Management**).

38 Derivatives

in € million	Dec. 31, 2023 non-current	Dec. 31, 2023 current	Dec. 31, 2024 non-current	Dec. 31, 2024 current
Derivatives				
Stand-alone derivatives	7.6	–	7.9	–
Deferred interest from derivatives	0.1	–	–	0.5
	7.7	**–**	**7.9**	**0.5**

Regarding derivative financial liabilities, please refer to chapter → **[G47] Additional Financial Instrument Disclosures** and chapter → **[G51] Cash Flow Hedges and Stand-alone Hedging Instruments.**

39 Leases

Accounting Policies

All contracts that give the Deutsche Wohnen Group the right to control the use of an identified asset over a certain period of time in return for consideration are considered **leases** within the meaning of IFRS 16.

For all lease contracts that meet the definition of leases according to IFRS 16, Deutsche Wohnen recognizes lease liabilities equal to the present value of the future lease payments, discounted using the term-specific incremental borrowing rate. Correspondingly, right-of-use assets are recognized in the amount of the lease liabilities, plus any advance payments or any initial direct costs.

The lease liabilities are adjusted in line with financial principles. They are increased by the periodic interest expenses and reduced by the lease payments made.

The right-of-use assets are generally recognized at amortized cost, taking depreciation and impairments into account. Right-of-use assets that meet the definition of investment properties (IAS 40) are recognized at fair value in line with the recognition and measurement rules set out in IAS 40.

Changes within the lease term or within the lease payments lead to a remeasurement of the present value and, as a result, to an adjustment of the lease liability and the right-of-use asset.

Periods resulting from extension or termination options granted on a unilateral basis are assessed on a lease-by-lease basis and are only taken into account if their use is sufficiently probable – for example, due to financial incentives.

There is an accounting option available for short-term leases and leases of low-value assets. Deutsche Wohnen makes use of this option, meaning that such leases are not recognized. As far as rented meter-reading technology is concerned, portfolios are set up for leases with the same terms and a single discount rate has been applied to these portfolios.

Such variable lease payments, which are not included in the measurement of the lease liabilities, as well as lease payments associated with short-term leases, with leases of low-value assets and with lease contracts that do not meet the definition of leases according to IFRS 16 are recognized as expenses on a straight-line basis over the lease term.

In addition to the leasing of nursing care properties for subleasing (interim rental agreements), properties reported under the assets/liabilities of discontinued operations as of December 31, 2024, the Deutsche Wohnen Group also leases heat generation plants to supply the Group's own properties with heat (contracting) and water and heat meters (metering technology). Long-term leasehold contracts involve leasing land for the rental of constructed residential and commercial properties. These contracts generally have a term of 99 years.

Development of Right-of-use Assets

in € million	Dec. 31, 2023	Dec. 31, 2024
Right-of-use assets		
Leasehold contracts	71.2	59.7
Interim rental agreements	–	–
Right-of-use assets within investment properties	**71.2**	**59.7**
Lease agreements for commercial premises	–	0.8
Contracting	66.6	56.3
Metering technology	16.2	12.0
Right-of-use assets within property, plant and equipment	**82.8**	**69.1**
	154.0	**128.8**

As of December 31, 2024, the right-of-use assets resulting from leases amount to € 128.8 million (2023: € 154.0 million).

The right-of-use assets amounting to € 59.7 million reported under **investment properties** result from leasehold contracts that have been concluded. The other right-of-use assets totaling € 69.2 million are reported under **property, plant and equipment** and include right-of-use assets resulting from heating supply contracts (€ 56.3 million) and leased metering technology (€ 12.1 million). The € 25.1 million year-on-year drop in right-of-use assets is mainly due to amortization (€ 14.6 million) and the remeasurement of leasehold contracts (€ -12.4 million).

in € million	Dec. 31, 2023 Due within one year	Due in 1 to 5 years	Due after 5 years	Dec. 31, 2024 Due within one year	Due in 1 to 5 years	Due after 5 years
Lease liabilities						
Leasehold contracts (IAS 40)	0.2	0.9	19.2	0.2	1.0	19.8
Lease agreements for commercial premises	–	–	–	0.2	0.6	–
Contracting	10.4	26.1	31.8	9.0	22.5	26.8
Metering technology	3.2	10.4	2.9	2.8	8.2	1.5
	13.8	**37.4**	**53.9**	**12.2**	**32.3**	**48.2**

As of December 31, 2024, the lease liabilities amount to € 92.7 million (2023: € 105.1 million). The decrease of € 12.4 million as against the previous year is due primarily to repayments made in the 2024 fiscal year, in particular for contracts for leased heat generation plants (€ 10.6 million) and metering technology (€ 3.2 million).

Totaling € 48.2 million, more than half of the lease liabilities recognized as of December 31, 2024 is due after more than five years.

The following table shows the development of the right-of-use assets reported under property, plant and equipment:

in € million	Carrying amount of right-of-use assets Jan. 1, 2024	Additions 2024	Depreciation 2024	Transfers related to discontinued operations	Carrying amount of right-of-use assets Dec. 31, 2024	Interest expenses 2024
Lease agreements for commercial premises	–	0.9	-0.2	–	0.8	0.0
Contracting	66.6	0.7	-11.0	–	56.3	1.7
Metering technology	16.2	3.7	-3.4	–	12.0	0.6
	82.8	**5.3**	**-14.6**	**–**	**69.1**	**2.3**

in € million	Carrying amount of right-of-use assets Jan. 1, 2023	Additions 2023	Depreciation 2023	Transfers related to discontinued operations	Carrying amount of right-of-use assets Dec. 31, 2023	Interest expenses 2023
Lease agreements for commercial premises	1.4	0.1	-0.3	-1.2	–	–
Contracting	80.1	3.3	-11.7	-0.7	66.6	1.9
Vehicle leases	0.8	–	-0.2	-0.3	–	–
Metering technology	22.6	8.7	-3.5	–	16.2	0.7
	104.9	**12.1**	**-15.7**	**-2.2**	**82.8**	**2.6**

The interest expenses recognized in the 2024 fiscal year resulting from leases pursuant to IFRS 16 amounted to € 2.9 million (2023: € 3.2 million).

In the 2024 fiscal year, a total of 49 lease contracts (2023: 42) were classified as short-term leases and thus were not recognized in line with the accounting option available. The corresponding expenses, recognized in the 2024 fiscal year, amounted to € 0.1 million (2023: € 0.1 million). Expenses relating to leases of low-value assets amounting to € 1.1 million in the 2024 fiscal year (2023: € 1.2 million) mostly result from leased office equipment. Expenses totaling € 6.4 million were incurred in connection with variable lease payments in the 2024 fiscal year (2023: € 28.7 million), mainly due to energy costs under heat supply contracts. The marked drop in energy costs under heat supply contracts is due to the energy crisis in 2023, which resulted in higher costs. Variable lease payments have not been included in the measurement of lease liabilities.

In addition to variable lease payments as well as payments resulting from short-term leases and low-value assets, each included in the cash flow from operating activities, interest payments and repayments of lease liabilities totaling € 18.2 million were incurred in the 2024 fiscal year (2023: € 18.7 million). Thus, the total cash outflow for leases in the reporting year amounted to € 25.3 million (2023: € 48.7 million).

Income from subleasing of rented care home properties and metering technology amounted to € 4.7 million in the reporting year (2023: € 4.5 million).

40 Liabilities to Shareholders

Accounting Policies

Liabilities to shareholders, which include obligations from the guaranteed dividend agreements, in particular, are stated at fair value when they are recognized for the first time. The fair value is, in principle, determined by the value of the respective company; if a contractually agreed minimum purchase price is higher than this amount, this purchase price is recognized.

The liabilities to shareholders relate specifically to the obligations to pay several guaranteed dividends under valid profit-and-loss transfer agreements or co-investor agreements in an amount of € 160.9 million (December 31, 2023: € 190.5 million).

41 Other Liabilities

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Advance payments received	–	16.3	–	58.7
Accruals	–	7.4	–	6.6
Other taxes	–	5.9	–	9.2
Miscellaneous other liabilities	0.1	7.4	4.5	1.6
	0.1	**37.0**	**4.5**	**76.1**

Section (F): Corporate Governance Disclosures

42 Related Party Transactions

Deutsche Wohnen had business relationships with unconsolidated parent companies, subsidiaries, sister companies, associates and joint ventures in the 2024 fiscal year. These transactions resulted from the normal exchange of deliveries and services, as well as from financing activities, and are shown in the table below:

in € million	Provided services 2023	Provided services 2024	Purchased services 2023	Purchased services 2024	Receivables Dec. 31, 2023	Receivables Dec. 31, 2024	Liabilities Dec. 31, 2023	Liabilities Dec. 31, 2024	Advanced payments Dec. 31, 2023	Advanced payments Dec. 31, 2024
Associated companies	47.5	32.2	15.4	98.0	666.2	403.4	2.8	3.1	422.2	215.0
Joint ventures	11.6	15.5	118.0	73.2	171.1	140.5	0.2	0.3	22.3	33.3
Other non-consolidated subsidiaries	82.7	109.2	301.7	384.1	334.9	14.3	65.3	52.6	57.4	-
	141.8	**156.9**	**435.1**	**555.3**	**1,172.1**	**558.2**	**68.3**	**56.0**	**501.9**	**248.3**

Deutsche Wohnen has significant business relationships with the Vonovia Group. In January 2022, Vonovia SE was granted a loan that was repaid in full ahead of schedule in May 2024 with a residual value of € 320.0 million (December 31, 2023: € 320.0 million). The interest income from the loan extended to Vonovia SE amounted to € 5.4 million (2023: € 18.0 million) in the 2024 fiscal year.

Deutsche Wohnen also recognized receivables from cost allocations of € 12.1 million as of December 31, 2024 (December 31, 2023: € 6.5 million) and liabilities from cost allocations of € 12.2 million (December 31, 2023: € 15.9 million) to the Vonovia Group, and provided services within this context in the amount of € 50.8 million (December 31, 2023: € 56.5 million), receiving services worth € 109.2 million (December 31, 2023: € 109.6 million). In addition, as of December 31, 2024, Deutsche Wohnen had purchased maintenance and modernization services, caretaker and craftsmen's services as well as energy services in the amount of € 265.2 million (December 31, 2023: € 183.2 million) from Vonovia Group companies. Within this context, there are liabilities of € 38.4 million as of the reporting date (December 31, 2023: € 44.4 million).

As of December 31, 2024, Deutsche Wohnen's significant business relations were with the QUARTERBACK Group. As of December 31, 2024, loan receivables were recognized in the amount of € 521.8 million (December 31, 2023: € 814.3 million), with € 521.8 million (December 31, 2023: € 664.8 million) repayable in twelve months and € - million (December 31, 2023: € 149.5 million) repayable in 24 months. The average interest rate for the loans is 8.1%. The interest income from the loans extended to the QUARTERBACK Group amounted to € 14.6 million (2023: € 58.1 million) in the 2024 fiscal year. As of December 31, 2024, there were also interest receivables in the amount of € - million (December 31, 2023: € 17.0 million). Further information on the loan receivables from the QUARTERBACK Immobilien Group can be found in chapter → **[D26] Financial Assets**.

In addition, there are real estate project sales of the QUARTERBACK Group to Deutsche Wohnen in the amount of € 876.0 million (December 31, 2023: € 876.0 million), for which Deutsche Wohnen had made advance payments of € 248.3 million in total as of December 31, 2024 (December 31, 2023: € 501.9 million). In connection with agency services contracted by the QUARTERBACK Group in the amount of € 97.9 million (2023: € 12.4 million), Deutsche Wohnen has outstanding balances on liabilities of € 3.2 million as of December 31, 2024 (December 31, 2023: € 2.8 million).

As of December 31, 2024, there is also a guarantee to secure non-current loan liabilities of the QUARTERBACK Group in the amount of € 12.3 million (December 31, 2023: € 12.3 million).

QUARTERBACK New Energy Holding GmbH, which has its registered office in Leipzig, was included as an associate for the first time as of July 4, 2024 (see → **[D27] Financial Assets Accounted for Using the Equity Method**). There were loan receivables of € 45.0 million (December 31, 2023: € - million) from QUARTERBACK New Energy Holding GmbH, Leipzig, as of December 31, 2024.

Deutsche Wohnen had other major business relationships with Projekt Mosaik GmbH & Co. KG, Hamburg, and Projekt Mosaik II GmbH & Co. KG, Hamburg, as of December 31, 2024. Both companies have also been reported as an associate, or in the case of Projekt Mosaik II GmbH & Co. KG, Hamburg, as another investment, of Deutsche Wohnen since the fourth quarter. As of December 31, 2024, there were receivables from Projekt Mosaik GmbH & Co. KG, Hamburg, of € 3.0 million (December 31, 2023: € - million), and receivables from Projekt Mosaik II GmbH & Co. KG, Hamburg, in the amount of € 1.7 million (December 31, 2023: € - million). In the 2024 fiscal year, services worth € 31.9 million (2023: € - million) were delivered to Projekt Mosaik GmbH & Co. KG, Hamburg, and services worth € 49.6 million (2023: € - million) to Projekt Mosaik II GmbH & Co. KG, Hamburg.

As of December 31, 2024, Deutsche Wohnen has outstanding balances on receivables of € 0.1 million (December 31, 2023: € 0.0 million) vis-à-vis G+D Gesellschaft für Energiemanagement mbH, Magdeburg, and outstanding balances on liabilities in the amount of € 0.3 million (December 31, 2023: € 0.1 million). In the reporting period, services worth € 0.4 million (2023: € 0.3 million) were provided to G+D Gesellschaft für Energiemanagement mbH, Magdeburg, while services worth € 71.3 million (2023: € 116.6 million) were purchased.

In addition, Deutsche Wohnen purchased services worth € 3.8 million in the 2024 fiscal year (2023: € - million) from SIAAME Development GmbH, Berlin, and services worth € 1.7 million (2023: € 1.6 million) from GSZ Gebäudeservice und Sicherheitszentrale GmbH, Berlin.

There were also loan receivables of € 23.2 million from OLYDO Projektentwicklungsgesellschaft mbH, Berlin, as of December 31, 2024 (December 31, 2023: € 5.7 million). The loan has a fixed interest rate of 3.0%. The loan receivable was written off in full in the amount of € 23.2 million in 2024.

At Deutsche Wohnen, the individuals in key positions pursuant to IAS 24 include the members of the Management Board and the Supervisory Board of Deutsche Wohnen SE.

The remuneration to key management personnel, which is subject to a disclosure requirement under IAS 24, includes the remuneration of the active members of the Management Board and Supervisory Board in the current fiscal year.

The active members of the Management Board and Supervisory Board received the following remuneration:

in € million	2023	2024
Short-term benefits	1.4	1.3
Long-term benefits	-0.1	0.4
	1.3	**1.7**

A provision has been recognized for payments due in the short term which amounted to € 0.6 million as of December 31, 2024 (December 31, 2023: € 0.8 million). As of December 31, 2024, the provisions for payments due in the long term came to € 0.5 million (December 31, 2023: € 0.1 million).

The payments due in the short term for members of the Supervisory Board include the relevant basic remuneration, comprising the fixed remuneration and committee remuneration, which is paid out after the end of the fiscal year in accordance with the Articles of Association.

The payments due in the short term for the members of the Management Board include the basic remuneration (fixed amount paid out in twelve equal monthly installments), the short-term variable remuneration (STIP) and the fringe benefits. The STIP entitlement is earned in full with the activities in the fiscal year, and is paid out in the first half of the year following the end of the fiscal year concerned. The actual amount paid out (which is measured in the January after the end of the fiscal year in question) depends on the target achievement level calculated by the Supervisory Board based on the current Management Board remuneration system. It is determined based on financial performance criteria.

As part of the payments due in the long term, the members of the Management Board are granted annual long-term variable remuneration (LTIP) over a performance period of four years. The amount of this LTIP depends on the achievement of specific financial targets and, in general, also on the achievement of specific sustainability targets.

The Management Board and Supervisory Board members were not granted any loans or advances.

43 Share-Based Payments

Accounting Policies

The cash-settled share-based payments are shown under other provisions and remeasured at fair value on each reporting date. The expenses are also recognized as personnel expenses over the vesting period (see → **[E35] Provisions**).

Since the 2023 fiscal year, the Group works council agreement entitled “Employee Profit Share” has applied to some parts of the company. The eligible employees have to have had at least one full year of service as of December 31 of the calendar year concerned to participate. Shares (in Vonovia SE) with a value of between € 90 and € 360 at the most are granted to employees, depending on their gross annual salary, without the employees having to make any contribution of their own. The shares granted are subject to a vesting period of six months. The costs associated with the securities deposit account are borne by Deutsche Wohnen. This means that the Employee Share Program is a cash-settled plan pursuant to IFRS 2. Deutsche Wohnen purchases shares in Vonovia SE within this context.

The new employee share program results in total expenses of € 0.2 million in the 2024 reporting year (2023: € 0.5 million).

44 Remuneration Pursuant to Section 314 of the German Commercial Code (HGB)

Remuneration of the Supervisory Board

The members of the Supervisory Board received total remuneration of € 0.4 million (2023: € 0.4 million) for their work during the 2024 fiscal year.

Catrin Coners, Christoph Schauerte and Dr. Fabian Heß are employees of Vonovia SE and do not receive any remuneration for their duties on the Supervisory Board of the group company Deutsche Wohnen SE. As a result, the disclosures above do not include any further information on these individuals.

Total Remuneration of the Management Board

The total remuneration paid to the members of the Management Board comprises the following:

Total remuneration of the Management Board in €	Total remuneration	
	2023	**2024**
Non-performance-related remuneration	778,526	734,692
Performance-related remuneration	238,203	261,284
Total remuneration	**1,016,729**	**995,976**

The remuneration paid to the Management Board members includes the remuneration for all mandates at Deutsche Wohnen Group companies, subsidiaries and participating interests.

Remuneration of Former Management and Supervisory Board Members and Their Surviving Dependents

No remuneration was granted to former members of the Management Board or the Supervisory Board or their surviving dependents for the 2024 fiscal year.

There are no defined benefit obligations (DBO) to former members of the Management Board or the Supervisory Board or their surviving dependents.

45 Auditors' Fees

In the fiscal year, the following fees (including expenses and excluding VAT) have been recognized for the services rendered by the Group auditors PwC GmbH Wirtschaftsprüfungsgesellschaft:

in € million	2023	2024
Audits	2.7	3.0
Other confirmation services	0.1	0.0
	2.8	**3.0**

46 Declaration of Conformity with the German Corporate Governance Code

In March 2025, the Management Board and the Supervisory Board issued a Declaration of Conformity with the recommendations of the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently available on the **company's website**.

Other Notes and Disclosures

47 Additional Financial Instrument Disclosures

Measurement categories and classes: in € million	Carrying amounts Dec. 31, 2024
Assets	
Cash and cash equivalents	
Cash on hand and deposits at banking institutions	388.6
Trade receivables	200.6
Financial assets	
Finance lease receivables	23.5
Non-current loans to affiliated companies	–
Other non-current loans	0.6
Other non-current loans to associates and joint ventures	522.0
Other investments	36.0
Derivative financial assets	
Cash flow hedges	8.6
Stand-alone interest rate swaps and interest rate caps	16.5
Liabilities	
Trade payables	196.1
Bonds	1,743.5
Other non-derivative financial liabilities	6,558.4
Derivative financial liabilities	
Stand-alone interest rate swaps and interest rate caps	7.9
Deferred interest from derivatives	0.5
Lease liabilities	92.7
Liabilities to shareholders	160.9

	Amounts recognized in balance sheet in accordance with IFRS 9						
	Amortized cost	Fair value affecting net income	Fair value recognized in equity without reclassification	Hedge accounting no classification in accordance with IFRS 9	Amounts recognized in balance sheet in acc. with IFRS 16	Fair value Dec. 31, 2024	Fair value hierarchy level
	388.6	–	–	–	–	388.6	n.a.
	200.6	–	–	–	–	200.6	n.a.
	–	–	–	–	23.5	–	n.a.
	–	–	–	–	–	–	2
	0.6	–	–	–	–	0.6	2
	522.0	–	–	–	–	522.0	2
	–	36.0	–	–	–	36.0	3
	–	–	–	8.6	–	8.6	2
	–	16.5	–	–	–	16.5	2
	196.1	–	–	–	–	196.1	n.a.
	1,743.5	–	–	–	–	1,579.1	1
	6,558.4	–	–	–	–	6,224.6	2
	–	7.9	–	–	–	7.9	2
	–	0.5	–	–	–	0.5	2
	–	–	–	–	92.7	–	n.a.
	160.9	–	–	–	–	160.9	n.a.

Measurement categories and classes: in € million	Carrying amounts Dec. 31, 2023
Assets	
Cash and cash equivalents	
Cash on hand and deposits at banking institutions	157.1
Trade receivables	140.3
Financial assets	
Finance lease receivables	15.7
Non-current loans to affiliated companies	320.0
Other non-current loans	0.6
Other non-current loans to associates and joint ventures	837.3
Other investments	33.8
Derivative financial assets	
Cash flow hedges	12.6
Stand-alone interest rate swaps and interest rate caps	27.7
Liabilities	
Trade payables	177.3
Bonds	1,739.6
Other non-derivative financial liabilities	6,742.7
Derivative financial liabilities	
Stand-alone interest rate swaps and interest rate caps	7.6
Deferred interest from derivatives	0.1
Lease liabilities	105.1
Liabilities to shareholders	190.5

The section below provides information on the financial assets and financial liabilities not covered by IFRS 9:

> Amount by which the fair value of plan assets exceeds the corresponding obligation of € 1.7 million (December 31, 2023: € 1.5 million).
> Provisions for pensions and similar obligations: € 45.3 million (December 31, 2023: € 50.2 million).

	Amounts recognized in balance sheet in accordance with IFRS 9						
	Amortized cost	Fair value affecting net income	Fair value recognized in equity without reclassification	Hedge accounting no classification in accordance with IFRS 9	Amounts recognized in balance sheet in acc. with IFRS 16	Fair value Dec. 31, 2023	Fair value hierarchy level
	157.1	–	–	–	–	157.1	n.a.
	140.3	–	–	–	–	140.3	n.a.
	–	–	–	–	15.7	–	n.a.
	320.0	–	–	–	–	320.0	2
	0.6	–	–	–	–	0.6	2
	837.3	–	–	–	–	837.3	2
	–	33.8	–	–	–	33.8	3
	–	–	–	12.6	–	12.6	2
	–	27.7	–	–	–	27.7	2
	177.3	–	–	–	–	177.3	n.a.
	1,739.6	–	–	–	–	1,518.7	1
	6,742.7	–	–	–	–	6,621.0	2
	–	7.6	–	–	–	7.6	2
	–	0.1	–	–	–	0.1	2
	–	–	–	–	105.1	–	n.a.
	190.5	–	–	–	–	190.5	n.a.

The following table shows the assets and liabilities that are recognized in the balance sheet at fair value and their classification according to the fair value hierarchy:

in € million	Dec. 31, 2024	Level 1	Level 2	Level 3
Assets				
Investment properties	22,539.7	–	–	22,539.7
Financial assets				
Other investments	36.0	–	–	36.0
Assets held for sale				
Investment properties (contract closed)	185.3	–	185.3	–
Derivative financial assets				
Cash flow hedges	8.6	–	8.6	–
Stand-alone interest rate swaps and caps	16.5	–	16.5	–
Liabilities				
Derivative financial liabilities				
Accrued interest from derivatives	0.5	–	0.5	–
Stand-alone interest rate swaps and caps	7.9	–	7.9	–

in € million	Dec. 31, 2023	Level 1	Level 2	Level 3
Assets				
Investment properties	23,021.5	–	–	23,021.5
Financial assets				
Other investments	33.8	–	–	33.8
Assets held for sale				
Investment properties (contract closed)	74.0	–	74.0	–
Derivative financial assets				
Cash flow hedges	12.6	–	12.6	–
Stand-alone interest rate swaps and caps	27.7	–	27.7	–
Liabilities				
Derivative financial liabilities				
Accrued interest from derivatives	0.1	–	0.1	–
Stand-alone interest rate swaps and caps	7.6	–	7.6	–

Accounting Policies

In general, Deutsche Wohnen measures its investment properties on the basis of the discounted cash flow (DCF) methodology (**Level 3**). The material valuation parameters and valuation results can be found in chapter → **[D25] Investment Properties**.

The investment properties classified as assets held for sale are recognized at the time of their transfer to assets held for sale at their new fair value, the agreed purchase price (**Level 2**).

Securities and shares in listed companies included in other investments are generally measured using the quoted prices in active markets (**Level 1**).

All **investments in equity instruments** that do not relate to associates are measured at fair value in other comprehensive income. The Group's primary aim is to hold its investments in equity instruments in the long term for strategic purposes. Measurement is at Level 3, as the share price of the relevant investments and the partly underlying cash flows are not directly observable. They are measured either directly via the share price or using a discounted cash flow model.

The fair value of the **bonds** listed on the market is calculated based on the market prices that apply on the reporting date **(Level 1)**.

The fair value of the **other non-derivative financial liabilities** is calculated by means of a discounted cash flow (DCF) model. In addition to the tenor-specific EURIBOR rates (3M; 6M), Vonovia's own credit risk is also used here **(Level 2)**.

For the measurement of **derivative financial instruments**, cash flows are first calculated and then discounted. In addition to the tenor-specific EURIBOR rates (3M; 6M), the respective credit risk is taken as a basis for discounting. Depending on the expected cash flows, either Vonovia's own credit risk or the counterparty risk is taken into account in the calculation.

The amount of the estimated **impairment loss on cash and cash equivalents** was calculated based on the losses expected over a period of twelve months.

No financial instruments were reclassified to different hierarchy levels vis-à-vis the comparative period.

For the consolidated financial statements, Vonovia’s own credit risk was fundamentally relevant for interest rate swaps. This credit risk is derived for material risks from rates observable on the capital markets and ranges from 10 to 160 basis points, depending on the residual maturities of financial instruments.

The fair values of the cash and cash equivalents, trade receivables, other financial receivables and trade payables approximate their carrying amounts on the reporting date owing to their mainly short maturities.

It was determined that the cash and cash equivalents have a low risk of default due to the external ratings and short residual maturities and that there is no need for any material impairment of cash and cash equivalents.

				From subsequent measurement							
in € million	From interest	Income from other non-current loans	Dividends from other investments	Impairment losses	Expected credit loss Other non-current loans to associates	Derecognized receivables	Derecognized liabilities	Financial result affecting income 2024	Measurement of cash flow hedges	Measurement of financial instruments categorized as equity instruments	Total financial result 2024
2024											
Debt instruments carried at (amortized) cost	16.6	21.0	–	-7.2	-375.2	2.6	–	-342.2	–	–	-342.2
Derivatives measured at FV through P&L	9.7	–	–	–	–	–	–	9.7	–	–	9.7
Effective hedge accounting - no classification in accordance with IFRS 9	–	–	–	–	–	–	–	–	-4.1	–	-4.1
Equity instruments measured at FV	-3.0	–	–	–	–	–	–	-3.0	–	–	-3.0
Financial liabilities measured at (amortized) cost	-179.2	–	–	–	–	–	–	-179.2	–	–	-179.2
	-155.9	**21.0**	**–**	**-7.2**	**-375.2**	**2.6**	**–**	**-514.7**	**-4.1**	**–**	**-518.8**

				From subsequent measurement							
in € million	From interest	Income from other non-current loans	Dividends from other investments	Impairment losses	Expected credit loss Other non-current loans to associates	Derecognized receivables	Derecognized liabilities	Financial result affecting income 2023	Measurement of cash flow hedges	Measurement of financial instruments categorized as equity instruments	Total financial result 2023
2023											
Debt instruments carried at (amortized) cost	9.8	76.7	–	-1.5	-12.0	-3.5	–	69.5	–	–	69.5
Derivatives measured at FV through P&L	-7.7	–	–	–	–	–	–	-7.7	–	–	-7.7
Effective hedge accounting no classification in accordance with IFRS 9		–	–	–	–	–	–	–	-11.1		-11.1
Equity instruments measured at FV	-5.8	–	–	–	–	–	–	-5.8	–	–	-5.8
Financial liabilities measured at (amortized) cost	-173.3	–	–	–	–	–	–	-173.3	–	–	-173.3
	-177.0	**76.7**	**–**	**-1.5**	**-12.0**	**-3.5**	**–**	**-117.3**	**-11.1**	**–**	**-128.4**

48 Information on the Consolidated Statement of Cash Flows

Accounting Policies

The **statement of cash flows** shows how Deutsche Wohnen's cash has changed during the reporting year as a result of cash inflows and outflows. In accordance with IAS 7 (Statement of Cash Flows), a distinction is made between changes in cash flow from operating activities, investing activities and financing activities.

The cash flow from operating activities is determined from the profit for the period using the indirect method. This includes the profit for the period being adjusted for effects of transactions that are not cash-effective, any deferrals or accruals of past or future operating cash receipts or payments as well as items of income or expense associated with investing or financing cash flows.

The effects of changes in the scope of consolidation are shown separately. Therefore, direct comparison with the corresponding changes in the items of the consolidated balance sheet is not possible.

The proceeds from the disposal of intangible assets, property, plant and equipment and investment properties are shown in cash flow from investing activities.

Exercising the IAS 7 option, interest received is shown under cash flow from investing activities and interest paid is shown under cash flow from financing activities.

Proceeds from dividends received and from operating leases are reported under cash flow from operating activities.

The item "Payments for acquisition of investment properties" mainly shows expenses for modernization measures.

Repayments on lease liabilities and interest payments from lease liabilities are reported under cash flow from financing activities.

49 Financial Risk Management

In the course of its business activities, Deutsche Wohnen is exposed to various financial risks. The Group-wide financial risk management system aims to identify any potentially negative impact on the financial position of the Group early on and take suitable measures to limit this impact. For the structure and organization of financial risk management, we refer to the management report (see → **"Risk Management Structure and Instruments"**).

Market Risks

Interest Rate Risks

In the course of its business activities, Deutsche Wohnen is exposed to cash-effective interest rate risks as a result of floating-rate debt as well as new and follow-on loans. Within this context, the interest markets are continually monitored by the Corporate Finance department. Its observations are incorporated into the financing strategy.

As part of its financing strategy, Deutsche Wohnen uses derivative financial instruments, in particular interest rate swaps and caps, to limit or manage interest rate risks. Deutsche Wohnen's policies permit the use of derivatives only if they are associated with underlying assets or liabilities, contractual rights or obligations and planned, highly probable transactions.

A sensitivity analysis for cash flow hedges is provided under chapter → **[G51] Cash Flow Hedges and Stand-alone Hedging Instruments**.

Credit Risks

Deutsche Wohnen is exposed to a default risk resulting from the potential failure of a counterparty to fulfill its part of the contract. In order to minimize risks, major financial transactions are only executed with banks and partners whose credit rating has been found by a rating agency to be at least investment grade. The counterparty risks are managed and monitored centrally by the Corporate Finance department.

Liquidity Risks

The companies of Deutsche Wohnen are financed by borrowings to a notable degree. Due to their high volume, the loans are in some cases exposed to a considerable refinancing risk. The liquidity risks arising from financing transactions with high volumes (volume risks) have become apparent in the financial sector, especially in the wake of the financial crisis. In order to limit these risks, Deutsche Wohnen is in constant contact with many different market players, continuously monitors all financing options available on the capital and banking markets and uses these options in a targeted manner. Moreover, Deutsche Wohnen subjects its existing financings to an early review prior to the respective final maturity date in order to ensure refinancing.

Under the conditions of existing loan agreements, Deutsche Wohnen is obliged to fulfill certain financial covenants such as the debt service coverage ratio or debt-equity ratio. If financial covenants are violated, the breach is not rectified within so-called cure periods and no mutually acceptable agreement can be reached with the lenders, the financing may be restructured and the cost structure changed. Should all commonly practiced solutions be unsuccessful, the lenders could call in the loan. The fulfillment of these financial covenants is continually monitored by the Corporate Finance department on the basis of current actual figures and budgetary accounting.

In order to ensure its ability to pay at all times, Deutsche Wohnen has put a system-supported cash management system in place. This system monitors and optimizes Deutsche Wohnen's cash flows on an ongoing basis and provides the Management Board with regular reports on the Group's current liquidity situation. Liquidity management is supplemented by short-term rolling, monthly liquidity planning for the current fiscal year, of which the Management Board is also promptly notified. In order to minimize credit risks, large amounts of cash on hand are avoided wherever possible. In the event that large reserves are necessary on a short-term basis due to pending investments or refinancing, these are distributed among various instruments and banking partners with good credit ratings.

The following table shows the forecast for undiscounted cash flows of the non-derivative financial liabilities and derivative financial instruments for the 2024 reporting year. The loan repayments shown for the following years contain only contractually fixed minimum repayment amounts:

		2025		2026		2027 to 2031		from 2032	
in € million	Carrying amount as of Dec. 31, 2024	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities									
Liabilities to banks	4,447.9	72.1	888.1	68.6	783.1	115.7	2,743.8	30.1	82.2
Liabilities to other creditors	3,820.1	40.7	593.7	48.5	104.0	211.5	2,225.8	75.5	887.2
Deferred interest from other non-derivative financial liabilities	33.9	33.9	–	–	–	–	–	–	–
Lease liabilities	92.7	2.5	12.1	2.2	9.2	7.5	33.6	36.3	37.8
Derivative financial assets and liabilities									
Cash flow hedges/stand-alone interest rate derivatives	-16.2	-8.8	–	-3.1	–	-6.0	–	-2.8	–
Deferred interest from swaps	-0.5	-0.5	–	–	–	–	–	–	–

		2024		2025		2026 to 2030		from 2031	
in € million	Carrying amount as of Dec. 31, 2023	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities									
Liabilities to banks	4,629.6	117.4	177.6	106.0	890.0	208.3	3,486.4	26.0	86.0
Liabilities to other creditors	3,818.1	34.6	21.2	34.6	593.1	160.3	1,167.3	67.1	2,073.4
Deferred interest from other non-derivative financial liabilities	34.6	34.6	–	–	–	–	–	–	–
Lease liabilities	105.1	2.8	13.8	2.4	12.0	8.5	38.0	37.0	41.3
Derivative financial assets and liabilities									
Cash flow hedges/stand-alone interest rate derivatives	-32.7	-23.0	–	-21.1	–	-40.0	–	–	–
Deferred interest from swaps	0.1	0.1	–	–	–	–	–	–	–

Credit Facilities

Deutsche Wohnen has a guarantee framework agreement with Euler Hermes in the amount of € 50 million, and another with Atradius in the amount of € 20 million. Guarantees totaling around € 42.7 million had been issued under both agreements as of the reporting date.

All in all, Deutsche Wohnen has cash on hand and deposits at banking institutions of € 388.6 million as of the reporting date (December 31, 2023: € 157.1 million). We refer to the information on financial risk management in the management report.

50 Capital Management

Deutsche Wohnen's management aims to achieve a long-term increase in value in the interests of customers, employees and investors. Within this context, maintaining a degree of financial flexibility in order to be able to pursue the company's growth and portfolio optimization strategy is crucial. The priority is to ensure sufficient liquidity resources and maintain an efficient ratio between secured and non-secured capital components.

As part of the opportunities and risk management of Deutsche Wohnen, the members of the Management Board are given monthly reports on the development of results and their potential effects on the capital structure.

The equity situation of the subsidiaries is regularly examined.

Deutsche Wohnen's equity developed as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Total equity	13,998.2	13,411.6
Total assets	27,186.0	26,359.9
Equity ratio	51.5%	50.9%

Deutsche Wohnen plans to continue funding possible acquisitions by an optimal mix of debt capital and equity.

In order to protect itself against changes in interest rates, Deutsche Wohnen regularly contracts derivative hedging transactions in the case of liabilities with variable interest rates or liabilities in foreign currencies. The Corporate Finance department is responsible for implementing the approved financing strategy.

51 Cash Flow Hedges and Stand-alone Hedging Instruments

On the reporting date, the nominal volume of cash flow hedges held in euros amounts to € 205.7 million (December 31, 2023: € 207.5 million). Interest rates on hedging instruments are between 0.880% and 1.485% with original swap periods of between nine and ten years.

As the hedges were significantly effective, no deferred interest was reclassified in profit or loss in the reporting year.

All derivatives are included in netting agreements with the issuing banks.

No economic or accounting offsetting was performed in the reporting year.

Key parameters of the cash flow hedges held in euros were as follows:

in € million	Face value	Beginning of term	End of term	Current average interest rate (incl. margin)
DZ Bank				
Hedged item	54.0	Aug. 15, 2018	Jul. 31, 2028	3M EURIBOR Margin: +0.73%
Interest rate swaps	54.0	Aug. 15, 2018	Jul. 31, 2028	0.880%
LBBW/MBS				
Hedged item	3.3	Jul. 30, 2014	Jun. 30, 2025	3M EURIBOR Margin: +1.00%
Interest rate swaps	3.3	Jul. 30, 2014	Jun. 30, 2025	1.485%
HVB				
Hedged item	226.0	Jul. 16, 2018	Jan. 31, 2029	3M EURIBOR Margin: +2.77%
Interest rate swaps	148.2	Jul. 16, 2018	Jan. 31, 2029	0.942%

As of the reporting date, Deutsche Wohnen recognized 17 stand-alone interest rate derivatives. The nominal value came to € 963.1 million as of December 31, 2024 (December 31, 2023: € 968.6 million); three transactions (December 31, 2023: three) result in a negative market value of € 7.9 million (December 31, 2023: € 7.7 million), while the positive market values of the other interest rate derivatives total € 15.5 million (December 31, 2023: € 26.8 million).

The designation of the cash flow hedges as hedging instruments is prospectively determined on the basis of a sensitivity analysis, retrospectively on the basis of the accumulated dollar offset method. The fair value changes of the hedged items are determined on the basis of the hypothetical derivative method. In the reporting year – as in the prior year – the impact of default risk on the fair values is negligible and did not result in any adjustments of the balance sheet item.

In the reporting year, the cash flow hedges held in euros were shown at their clean fair values totaling € 8.6 million as of December 31, 2024 (December 31, 2023: € 12.6 million). The corresponding deferred interest amounted to € 0.3 million (December 31, 2023: € 0.9 million).

The impact of the cash flow hedges (after income taxes) on the development of other reserves is shown below:

in € million	As of Jan. 1	Changes in the period	Reclassification affecting net income	As of Dec. 31
2024	**-12.7**	**-4.1**	**–**	**-16.8**
2023	**-23.8**	**11.1**	**–**	**-12.7**

The impact of the cash flow hedges (including income taxes) on total comprehensive income is shown below:

Cash Flow Hedges

in € million	2023	2024
Change in unrealized gains/losses	-11.1	-4.1
Taxes on the change in unrealized gains/losses	3.4	1.6
Net realized gains/losses	–	–
Taxes due to net realized gains/losses	–	–
Total	**-7.7**	**-2.5**

On the basis of the valuation as of December 31, 2024, Deutsche Wohnen used a sensitivity analysis to determine the change in equity given a parallel shift in the interest rate structure of 50 basis points in each case:

	Change in Equity		
in € million	Other reserves not affecting net income	Income statement affecting net income	Total
2024			
+50 basis points	3.3	7.3	10.6
-50 basis points	-3.4	-7.2	-10.6
2023			
+50 basis points	4.2	9.9	14.1
-50 basis points	-4.3	-9.8	-14.1

Another sensitivity analysis revealed that, for a minority of variable-rate loans not designated as hedges, a parallel shift in the interest structure of 50 basis points in each case would have an effect in the income statement of € +6.6 million/€ -6.6 million (December 31, 2023: € +5.9 million/€ -5.9 million).

52 Contingent Liabilities

Contingent liabilities exist for cases in which Deutsche Wohnen SE and its subsidiaries give guarantees to various contractual counterparts. The terms are in many cases limited to an agreed time. In some cases, the term is unlimited.

Contingent liabilities of Deutsche Wohnen are as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Guarantees in connection with Development	49.4	51.2
Other	1.9	1.9
	51.3	**53.1**

Deutsche Wohnen is involved in a number of legal disputes resulting from normal business activities.

In particular, this involves disputes under the law of tenancy and sales disputes. None of the legal disputes, taken in isolation, will have any material effects on the net assets, financial position or results of operations of Deutsche Wohnen.

53 Other Financial Obligations

Other financial obligations are as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Other financial obligations		
Obligations resulting from acquisition	–	1,052.0
Investment obligations	1,239.5	1,089.5
Commitments under purchase orders for modernization and new construction	562.8	307.5
Cable TV service contracts	4.7	2.9
IT service contracts	22.8	50.5
Surcharges under the German Condominium Act	0.9	–
Other	2.5	2.3
	1,833.2	**2,504.7**

In the 2024 fiscal year, Deutsche Wohnen concluded purchase agreements to acquire land to build on from the QUARTERBACK Immobilien Group. Within the same context, selective purchase agreements were also concluded to acquire property management units from QUARTERBACK Immobilien AG. The total volume of the purchase agreements concluded in 2024 comes to around € 1.3 billion. The transactions are scheduled to be closed in the first half of 2025. Further transactions in order to acquire land to build on from the QUARTERBACK property companies are planned for the first half 2025. The total volume of the other planned purchase agreements comes to around € 0.2 billion. Payment obligations due for 2024 in the amount of € 0.2 billion have already been fulfilled. The remaining obligations will not fall due until 2025.

The obligations under cable TV service contracts are set against future income from the marketing of the cable TV service.

Berlin, March 10, 2025

Lars Urbansky (CEO) | Olaf Weber (CFO) | Eva Weiß (CDO)

Information

List of Deutsche Wohnen Shareholdings

as of December 31, 2024, according to Section 313 (2) HGB

Company	Company domicile	Interest %
Deutsche Wohnen SE	Berlin	
Consolidated Companies		
Germany		
AGG Auguste-Viktoria-Allee Grundstücks GmbH	Berlin	100.00 [1]
Algarobo GmbH (vormals Algarobo Holding B.V.)	Nuremberg	100.00 [1]
Alpha Asset Invest GmbH	Berlin	100.00 [1]
Amber Dritte VV GmbH	Berlin	94.90 [1]
Amber Erste VV GmbH	Berlin	94.90 [1]
Amber Zweite VV GmbH	Berlin	94.90 [1]
Aragon 13. VV GmbH	Berlin	94.90 [1]
Aragon 14. VV GmbH	Berlin	94.90 [1]
Aragon 15. VV GmbH	Berlin	94.90 [1]
Aragon 16. VV GmbH	Berlin	94.90 [1]
Aufbau-Gesellschaft der GEHAG mit beschränkter Haftung	Berlin	100.00 [1]
BauBeCon BIO GmbH	Berlin	100.00 [1]
BauBeCon Immobilien GmbH	Berlin	100.00 [1]
BauBeCon Wohnwert GmbH	Berlin	100.00 [1]
Beragon VV GmbH	Berlin	94.90 [1]
C. A. & Co. Catering KG	Wolkenstein	100.00
Ceragon VV GmbH	Berlin	94.90 [1]
Communication Concept Gesellschaft für Kommunikationstechnik mbH	Leipzig	100.00
DELTA VIVUM Berlin I GmbH	Berlin	94.90 [1]
DELTA VIVUM Berlin II GmbH	Berlin	94.90 [1]
Deutsche Wohnen Asset Immobilien GmbH	Frankfurt am Main	100.00 [1]
Deutsche Wohnen Berlin 5 GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin 6 GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin 7 GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin I GmbH	Berlin	94.00 [1]
Deutsche Wohnen Berlin II GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin III GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin X GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XII GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XIII GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XV GmbH	Berlin	94.80 [1]

Company	Company domicile	Interest %
Deutsche Wohnen Berlin XVI GmbH	Berlin	94.80 [1)]
Deutsche Wohnen Berlin XVII GmbH	Berlin	94.80 [1)]
Deutsche Wohnen Beteiligungen Immobilien GmbH	Frankfurt am Main	100.00 [1)]
Deutsche Wohnen Beteiligungsverwaltungs GmbH & Co. KG	Berlin	100.00 [2) 3)]
Deutsche Wohnen Care SE	Berlin	100.00
Deutsche Wohnen Construction and Facilities GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Corporate Real Estate GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Direkt Immobilien GmbH	Frankfurt am Main	100.00 [1)]
Deutsche Wohnen Dresden I GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Dresden II GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Fondsbeteiligungs GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Immobilien Management GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Kundenservice GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Management GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Management- und Servicegesellschaft mbH	Frankfurt am Main	100.00 [1)]
Deutsche Wohnen Multimedia Netz GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Reisholz GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Technology GmbH	Berlin	100.00 [1)]
Deutsche Wohnen Zweite Fondsbeteiligungs GmbH	Berlin	100.00 [1)]
DW Pflegeheim Dresden Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Eschweiler Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Frankfurt am Main Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Friesenheim Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Glienicke Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Konz Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Meckenheim Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Potsdam Grundstücks GmbH	Munich	100.00
DW Pflegeheim Weiden Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeheim Würselen Grundstücks GmbH	Munich	100.00 [1)]
DW Pflegeresidenzen Grundstücks GmbH	Munich	100.00 [1)]
DW Property Invest GmbH	Berlin	100.00 [1)]
DWRE Alpha GmbH	Berlin	100.00 [1)]
DWRE Braunschweig GmbH	Berlin	100.00 [1)]
DWRE Dresden GmbH	Berlin	100.00 [1)]
DWRE Halle GmbH	Berlin	100.00 [1)]
DWRE Hennigsdorf GmbH	Berlin	100.00 [1)]
DWRE Leipzig GmbH	Berlin	100.00 [1)]
Eisenbahn-Siedlungs-Gesellschaft Berlin mit beschränkter Haftung	Berlin	94.90 [1)]
EMD Energie Management Deutschland GmbH	Berlin	100.00 [1)]
Eragon VV GmbH	Berlin	94.90 [1)]
FACILITA Berlin GmbH	Berlin	100.00 [1)]
Faragon V V GmbH	Berlin	94.90 [1)]
Fortimo GmbH	Berlin	100.00 [1)]
Gehag Acquisition Co. GmbH	Berlin	100.00 [1)]
GEHAG Beteiligungs GmbH & Co. KG	Berlin	100.00 [2) 3)]
GEHAG Dritte Beteiligungs GmbH	Berlin	100.00 [1)]
GEHAG Erste Beteiligungs GmbH	Berlin	100.00 [1)]
GEHAG Erwerbs GmbH & Co. KG	Berlin	100.00 [2) 3)]

Company	Company domicile	Interest %
GEHAG GmbH	Berlin	100.00 [1)]
GEHAG Grundbesitz I GmbH	Berlin	100.00 [1)]
GEHAG Grundbesitz II GmbH	Berlin	100.00 [1)]
GEHAG Grundbesitz III GmbH	Berlin	100.00 [1)]
GEHAG Vierte Beteiligung SE	Berlin	100.00 [1)]
GEHAG Zweite Beteiligungs GmbH	Berlin	100.00 [1)]
Geragon VV GmbH	Berlin	94.90 [1)]
GGR Wohnparks Kastanienallee GmbH	Berlin	100.00 [1)]
GGR Wohnparks Nord Leipziger Tor GmbH	Berlin	100.00 [1)]
GGR Wohnparks Süd Leipziger Tor GmbH	Berlin	100.00 [1)]
Grundstücksgesellschaft Karower Damm mbH	Berlin	100.00 [1)]
GSW Acquisition 3 GmbH	Berlin	100.00 [1)]
GSW Corona GmbH	Berlin	100.00 [1)]
GSW Gesellschaft für Stadterneuerung mbH	Berlin	100.00
GSW Grundvermögens- und Vertriebsgesellschaft mbH	Berlin	100.00 [1)]
GSW Immobilien AG	Berlin	94.90
GSW Immobilien GmbH & Co. Leonberger Ring KG	Berlin	94.00 [2) 3)]
GSW Pegasus GmbH	Berlin	100.00 [1)]
GSW-Fonds Weinmeisterhornweg 170–178 GbR	Berlin	82.92
Hamburger Ambulante Pflege- und Physiotherapie "HAPP" GmbH	Hamburg	100.00
Hamburger Senioren Domizile GmbH	Hamburg	100.00
Haragon VV GmbH	Berlin	94.90 [1)]
Haus und Heim Wohnungsbau-GmbH	Berlin	100.00 [1)]
HESIONE Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.00
Holzmindener Straße/Tempelhofer Weg Grundstücks GmbH	Berlin	100.00 [1)]
HSI Hamburger Senioren Immobilien GmbH	Hamburg	100.00
HSI Hamburger Senioren Immobilien Management GmbH	Hamburg	100.00
Iragon VV GmbH	Berlin	94.90 [1)]
ISABELL GmbH	Berlin	100.00
ISARIA Dachau Entwicklungsgesellschaft mbH	Munich	100.00
ISARIA Hegeneck 5 GmbH	Munich	100.00
ISARIA Objekt Achter de Weiden GmbH	Munich	100.00
Isaria Objekt Erminoldstraße GmbH	Munich	100.00
ISARIA Objekt Garching GmbH	Munich	100.00
ISARIA Objekt Hoferstraße GmbH	Munich	100.00
ISARIA Objekt Norderneyer Straße GmbH	Munich	100.00
ISARIA Objekt Preußenstraße GmbH	Munich	100.00 [1)]
ISARIA Stuttgart GmbH	Munich	100.00
IWA GmbH Immobilien Wert Anlagen	Berlin	100.00 [1)]
Karagon VV GmbH	Berlin	94.90 [1)]
KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH	Berlin	100.00
KATHARINENHOF Service GmbH	Berlin	100.00
Laragon VV GmbH	Berlin	94.90 [1)]
Larry Bestand 1 GmbH	Berlin	100.00
Larry Bestand 2 GmbH	Berlin	100.00
Larry I Targetco (Berlin) GmbH	Berlin	100.00 [1)]
Larry II Targetco (Berlin) GmbH	Berlin	100.00 [1)]

Company	Company domicile	Interest %
LebensWerk GmbH	Berlin	100.00
Main-Taunus Wohnen GmbH	Eschborn	100.00 [1]
Maragon VV GmbH	Berlin	94.90 [1]
Objekt Gustav-Heinemann-Ring GmbH	Munich	100.00
Olympisches Dorf Berlin GmbH	Berlin	100.00
PFLEGEN & WOHNEN HAMBURG GmbH	Hamburg	100.00
PFLEGEN & WOHNEN Service GmbH	Hamburg	100.00
PFLEGEN & WOHNEN Textil GmbH	Hamburg	100.00
PUW AcquiCo GmbH	Hamburg	100.00
PUW OpCo GmbH	Hamburg	100.00
PUW PFLEGENUNDWOHNEN Beteiligungs GmbH	Hamburg	100.00
Rhein-Main Wohnen GmbH	Frankfurt am Main	100.00 [1]
Rhein-Mosel Wohnen GmbH	Mainz	100.00 [1]
Rhein-Pfalz Wohnen GmbH	Mainz	100.00 [1]
RMW Projekt GmbH	Frankfurt am Main	100.00 [1]
Seniorenresidenz "Am Lunapark" GmbH	Leipzig	100.00
Seniorenwohnen Heinersdorf GmbH	Berlin	100.00
SGG Scharnweberstraße Grundstücks GmbH	Berlin	100.00 [1]
Sophienstraße Aachen Vermögensverwaltungsgesellschaft mbH	Berlin	100.00 [1]
Stadtentwicklungsgesellschaft Buch mbH	Berlin	100.00
SYNVIA energy GmbH	Magdeburg	100.00
SYNVIA media GmbH	Magdeburg	100.00
TELE AG	Leipzig	100.00
WIK Wohnen in Krampnitz GmbH	Berlin	100.00 [1]
Wohnanlage Leonberger Ring GmbH	Berlin	100.00 [1]
Zisa Grundstücksbeteiligungs GmbH & Co. KG	Berlin	94.90 [2] [3]
Zisa Verwaltungs GmbH	Berlin	100.00
Other countries		
Long Islands Investments S.A.	Luxembourg/LU	100.00

1) Exemption according to Section 264 (3) HGB.
2) Exemption according to Section 264b HGB.
3) The unlimited liable shareholder of this company is a company which is integrated in the financial consolidated statement.

Company	Company domicile	Interest %
Joint ventures consolidated using the equity method		
Casa Nova 2 GmbH	Grünwald	50.00
Casa Nova 3 GmbH	Grünwald	50.00
Casa Nova GmbH	Grünwald	50.00
G+D Gesellschaft für Energiemanagement mbH	Magdeburg	49.00
GSZ Gebäudeservice und Sicherheitszentrale GmbH	Berlin	33.34
LE Property 2 GmbH & Co. KG	Leipzig	49.00
LE Quartier 1 GmbH & Co. KG	Leipzig	46.50
LE Quartier 1.1 GmbH & Co. KG	Leipzig	49.00
LE Quartier 1.4 GmbH	Leipzig	50.00
LE Quartier 1.5 GmbH	Leipzig	44.00
LE Quartier 1.6 GmbH	Leipzig	50.00
LE Quartier 5 GmbH & Co. KG	Leipzig	44.00
OLYDO Projektentwicklungsgesellschaft mbH	Berlin	50.00
Projektgesellschaft Jugendstilpark München mbH	Munich	50.00
Siwoge 1992 Siedlungsplanung und Wohnbauten Gesellschaft mbH	Berlin	50.00
WB Wärme Berlin GmbH	Schönefeld	49.00

Company	Company domicile	Interest %
Associated companies consolidated using the equity method		
Comgy GmbH	Berlin	10.28 [3)]
Krampnitz Energie GmbH	Potsdam	25.10
Projekt Mosaik GmbH & Co. KG	Hamburg	26.70
QUARTERBACK Immobilien AG	Leipzig	40.00
QUARTERBACK New Energy Holding GmbH	Leipzig	40.00
Telekabel Riesa GmbH	Riesa	26.00
Zisa Beteiligungs GmbH	Berlin	49.00

	Company domicile	Interest %	Equity € k Dec. 31, 2023	Net income for the year € k Dec. 31, 2023
Other investments with more than 10% of Vonovia's share in the capital				
Entwicklungsgesellschaft Erfurt-Süd Am Steiger mbH	Leipzig	11.00	-39	738
GbR Fernheizung Gropiusstadt	Berlin	46.10	512	-60 [4]
GETEC mobility solutions GmbH	Hanover	10.00	1,175	-890
Implementum II GmbH	Leipzig	11.00	-623	77
LE Central Office GmbH	Leipzig	11.00	-76	541
Projekt Mosaik II GmbH & Co. KG	Hamburg	13.15	5	0 [2]
QUARTERBACK Premium 1 GmbH	Leipzig	11.00	474	948
QUARTERBACK Premium 10 GmbH	Munich	11.00	-13,699	-300
QUARTERBACK Premium 4 GmbH	Leipzig	11.00	-2	97
QUARTERBACK Premium 6 GmbH	Leipzig	11.00	-406	-95
QUARTERBACK Premium 7 GmbH	Leipzig	11.00	1,587	171
QUARTERBACK Premium 8 GmbH	Leipzig	11.00	-408	-53
QUARTERBACK Premium 9 GmbH	Leipzig	11.00	-1,026	714
Quartier 315 GmbH	Leipzig	15.00	5,558	-30
Sea View Projekt GmbH	Leipzig	11.00	6,278	167
SIAAME Development GmbH	Leipzig	20.00	656	564
VRnow GmbH	Berlin	10.00	n.a.	n.a.
WirMag GmbH	Grünstadt	14.85	824	-415 [1]
Zuckerle Quartier Investment GmbH (vormals: Zuckerle Quartier Investment S.à r.l.)	Munich	11.00	-2,975	-88 [2]

1) Equity and net income/loss are conform to December 31, 2020.
2) Equity and net income/loss comply with local GAAP.
3) Other contractual relationships give rise to significant influence, which requires accounting using the equity method despite a share in the capital of less than 20%.
4) The equity method is not applied due to immateriality.

Further Information About the Bodies

Management Board

The Management Board of Deutsche Wohnen SE consisted of three members as of December 31, 2024.

Lars Urbansky, CEO

Function: Chief Executive Officer Responsible for Rental business, Value-add, HR, transactions and Care.

Appointments:
> Pflegen und Wohnen Hamburg GmbH (Member of the Supervisory Board)[2, 3]
> Deutsche Wohnen Care SE (Member of the Supervisory Board) (since May 27, 2024)[1]

Olaf Weber, Member of the Management Board

Function: Chief Financial Officer
Responsible for Finance, Accounting, Tax, Controlling, Valuation, Procurement, Insurance and Investor Relations.

Eva Weiß, Member of the Management Board

Function: Chief Development Officer
Responsible for Development, IT, Legal and Compliance, Sustainability, Internal Audit and Corporate Communications.

Supervisory Board

The current Supervisory Board consists of six members, three of whom were reelected at the 2024 Annual General Meeting. The terms of office range from two to three years.

Dr. Fabian Heß, Chair

General Counsel/Head of Legal at Vonovia SE

Appointment:
> BUWOG Holding GmbH, Austria (Chairman of the Supervisory Board)[2, 3]

Dr. Florian Stetter, Deputy Chair

Self-employed residential real estate investor

Appointments:
> C&P Immobilien AG, Austria (Member of the Supervisory Board)
> Intelliway Services AD, Bulgaria (Member of the Administrative Board)
> RockHedge Asset Management AG (Chairman of the Supervisory Board)

Catrin Coners

Head of Sustainability, Vonovia SE

Peter Hohlbein

Managing Partner, Hohlbein & Cie. Consulting

Christoph Schauerte

Head of Accounting at Vonovia SE

Appointments:
> BUWOG Holding GmbH, Austria (Member of the Supervisory Board)[2, 3]
> GEHAG Vierte Beteiligung SE (Chairman of the Supervisory Board)[1, 4]
> GSW Immobilien AG (Chairman of the Supervisory Board)[1, 4]

Simone Trapp

Senior Specialist Structured Finance at BMW AG

[1] Exempted Group mandate in accordance with Section 100 (2) sentence 2 of the German Stock Corporation Act (AktG).
[2] Membership of a comparable German or foreign supervisory body at a commercial company.
[3] Other Group mandate.
[4] Related party of the Deutsche Wohnen Group.

Independent Auditor's Report

To Deutsche Wohnen SE, Berlin

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Deutsche Wohnen SE, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Deutsche Wohnen SE, which is combined with the the company's management report, for the financial year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the disclosures in the "Corporate Governance" subsection of the → **"Further Statutory Disclosures"** section of the group management report that are labelled as unaudited.

In our opinion, on the basis of the knowledge obtained in the audit,

> the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

> the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the abovementioned disclosures in the subsection "Corporate Governance" of the section → **"Further Statutory Disclosures"** referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the → **"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report"** section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

> Valuation of investment property

> Valuation of properties under development and under construction

Our presentation of these key audit matters has been structured in each case as follows:

> Matter and issue

> Audit approach and findings

> Reference to further information

Hereinafter we present the key audit matters:

Valuation of investment properties

Investment properties amounting to EUR 22,297.1 million are reported in the consolidated financial statements as at December 31, 2024 of Deutsche Wohnen SE. Deutsche Wohnen SE exercises the option set out in IAS 40.30 of accounting for investment properties amounting to EUR 22,297.1 million using the fair value model in accordance with IFRS 13. Accordingly, changes in market value realized when properties are sold, as well as unrealized changes in market value, are recognized at fair value through profit or loss. In the past financial year, impairment losses of EUR 639.9 million in unrealized changes in market value were recognized through profit or loss in the consolidated statement of comprehensive income.

When determining the fair value of investment property, it is assumed that the current use corresponds to the highest and best use of the property. Fair values are determined using a measurement model developed internally by the company which uses the discounted cash flow method. Under that model, expected net cash inflows from the management of the properties (e.g., actual rent and market rent per m², planned maintenance per m²) are estimated, taking into account future vacancy rates, among other things, and corresponding present values are determined based on the discount and capitalization rates as derived from the real estate market. A market value is determined for properties with no positive net cash inflows (usually vacant buildings) using a liquidation valuation method. Undeveloped land is usually measured based on an indirect comparison of indicative land values.

To the extent possible, the company uses data directly observable on the market to determine fair value (sources include property market reports prepared by expert committees and public and subscriptions-based market databases). In addition, a valuation report for the entire portfolio is prepared by independent appraisers and is used to verify the plausibility of internal calculations.

The fair value of the care homes is determined based on valuation reports prepared by an external appraiser. This appraiser determines the fair value analogously using the discounted cash flow method as well as, to the extent possible, information that is observable on the market. The measurement of investment properties is based on a large number of relevant parameters which are normally subject in some respects to uncertainties with regard to estimates and judgments by the executive directors. Even small changes in the measurement parameters can result in material changes in fair value. Against this background, this matter was of particular significance in the context of our audit.

As part of our audit, with the collaboration of our specialists for process audits we recorded the internal controls in place relating to the measurement of investment property and assessed their appropriateness and effectiveness, among other things. In addition, in collaboration with our specialists for property valuation, we assessed the measurement models used by the company with respect to their compliance with IAS 40 in conjunction with IFRS 13, the homogeneity of the properties being valued, the accuracy and completeness of the property portfolio data used and the appropriateness of the valuation parameters used, such as the expected net cash inflows, the assumed vacancy rate as well as the discount and capitalization rate. We also carried out analytical audit procedures and tests of details with respect to the material parameters having an influence on value. Furthermore, we checked the results at portfolio level by comparing them against our expectations as regards changes in value.

As part of our audit, we furthermore prepared a property-specific comparison calculation on a test basis using the discounted cash flow method and conducted inspections of selected properties.

With regard to the care homes, we furthermore assessed the valuation reports obtained and the professional qualifications of the external experts and the calculation of fair value. We also assessed the respective valuation technique applied and the valuation parameters used.

The valuation technique applied by the executive directors of the company is appropriately designed as a whole and suitable, in general, the measurement of investment property.

> The company's disclosures relating to investment property are contained in section → D25 of the notes to the consolidated financial statements.

Valuation of Properties Under Development and Under Construction

In the consolidated financial statements of Deutsche Wohnen SE as at December 31, 2024, properties in development or under construction are reported as investment property at an amount of EUR 242.6 million and as property inventories at an amount of EUR 641.7 million. Inventories comprise properties in connection with the sales-related project development business.

Properties in development or under construction are classified as investment property in accordance with IAS 40 if they are intended to be used as a financial investment upon completion, and are initially recognized at cost. The fair value model is generally applied for the purposes of subsequent measurement, provided a reliable fair value can be determined for the properties. Due to the inherent risks that exist during the construction phase, development projects are generally carried at cost (cost model) until completion. The recoverability of development projects is generally assessed in accordance with the value in use concept. The option also provided for in accordance with IAS 36 to use fair value less costs to sell is not considered due to the uncertainty in relation to fair value. Upon completion of the construction phase, the property is initially recognized in accordance with the fair value model.

Due to the intention to sell inventories stemming from the sales-related project development business, these are carried at the lower of amortized cost and net realizable values in accordance with IAS 2 as part of subsequent measurement if there are no customer orders for the residential units held for sale.

Regardless of whether the respective development projects are classified as investment property or as inventory, the cost for every project is determined on the basis of an individual project calculation that includes the planned costs yet to be incurred as well as the actual costs incurred at the level of the individual trades.

The net realizable values and the values in use are determined depending on the use of the development project upon completion on the basis of a sales estimate regarding the sales prices per square meter that are expected to be realized or based on the projected net cash inflows from the management of the properties which are derived using the discounted cash flow method. Undeveloped land is usually measured based on an indirect comparison of indicative land values.

The measurement of properties in development and under construction is based on a large number of relevant parameters that are generally subject to specific uncertainties with regard to estimates and judgments. Significant measurement parameters include in particular the planned costs yet to be incurred as well as, for the purposes of determining the net realizable values and/or values in use, the expected cash flows as well as discount and capitalization rate. Even small changes in the measurement parameters can result in material changes in the net disposal proceeds and/or the value in use. In our view, this matter was of particular significance in the context of our audit because the measurement of properties in development and under construction is generally subject to substantial judgments and estimation uncertainties, and there is the risk that the planned net disposal proceeds and/or value in use do not fall within an appropriate range and no corresponding impairment loss is recognized.

As part of our audit, in collaboration with specialists for process audits, we recorded the internal controls in place and assessed their appropriateness and effectiveness, among other things. In addition, in collaboration with our specialists for property valuation, we assessed the accuracy and completeness of the development project data used in the individual project calculations by Deutsche Wohnen as well as the appropriateness of the measurement parameters used, such as the expected market rent per m^2, on the one hand, and the planned net disposal proceeds for the inventories and the determination of fair values for the investment properties on the other. We also carried out analytical audit procedures and tests of details with respect to the material parameters having an influence on value. We also analyzed the assumed production costs for various cost groups and compared these against external benchmarks. Furthermore, we conducted inspections of a selected sample of development projects. During those visits, we noted the location and surroundings, including access, infrastructure, etc., in order to categorize the project. We also obtained an impression of the existence of the project and the current state of the buildings. For the purposes of assessing their plausibility, we compared the actual costs submitted and reviewed to the planned total investment costs. For larger projects, which are broken down into different construction areas and phases, the inspection served to better delimit and validate the calculation data. Impressions of quality (floors, tiles, sanitary facilities, outdoor facilities, etc.) were also possible, particularly in instances where construction work was at an advanced stage. In addition, the projects in the sample were presented by the respective project managers at various meetings and key issues (schedule, construction status, award status of costs, changes to plans, leasing and sales status, etc.) were discussed with us.

The valuation technique applied by the executive directors of the company is appropriately designed as a whole and suitable in general for accounting in accordance with IAS 40 and IAS 2.

The company's disclosures related to property in development or under construction reported as investment property are contained in section → D25 of the notes to the consolidated financial statements and to inventories in section → D32 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the information contained in the "Corporate Governance" subsection of the → "Further Statutory Disclosures" section of the Group management report, which has been labelled as unaudited and is not audited as part of the Group management report.

The other information comprises further

> the statement on corporate governance pursuant to § 289f HGB and § 315d HGB

> the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and, consequently, we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

> is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

> otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined it necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

> Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

> Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

> Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB.

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Deutsche_Wohnen_SE_KA+LB_ESEF2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

> Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

> Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

> Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 in the version in force on the date of the consolidated financial statements on the technical specification for this electronic file.

> Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

> Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force on the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the Annual General Meeting on May 6, 2024. We were engaged by the supervisory board on 20 December 2024. We have been the group auditor of Deutsche Wohnen SE, Berlin, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Frederik Mielke.

Berlin, March 21, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Preiß	Dr. Frederik Mielke
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Responsibility Statement

Balance Sheet Oath

"To the best of our knowledge and belief, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, and the combined management report includes a fair review of the business development and position of the Group, including the results, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year."

Berlin, March 10, 2025

Lars Urbansky (CEO)	Olaf Weber (CFO)	Eva Weiß (CDO)

Financial Calendar

March 25, 2025
Publication of the 2024 Annual Report

May 13, 2025
Publication of the interim statement for the first three months of 2025

May 26, 2025
Annual General Meeting (virtual)

August 8, 2025
Publication of the interim financial report for the first half of 2025

November 11, 2025
Publication of the interim statement for the first nine months of 2025

Contact

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Note
This Annual Report is published in German and English. The German version is always the authoritative text. The Annual Report can be found on the website at www.deutsche-wohnen.com.

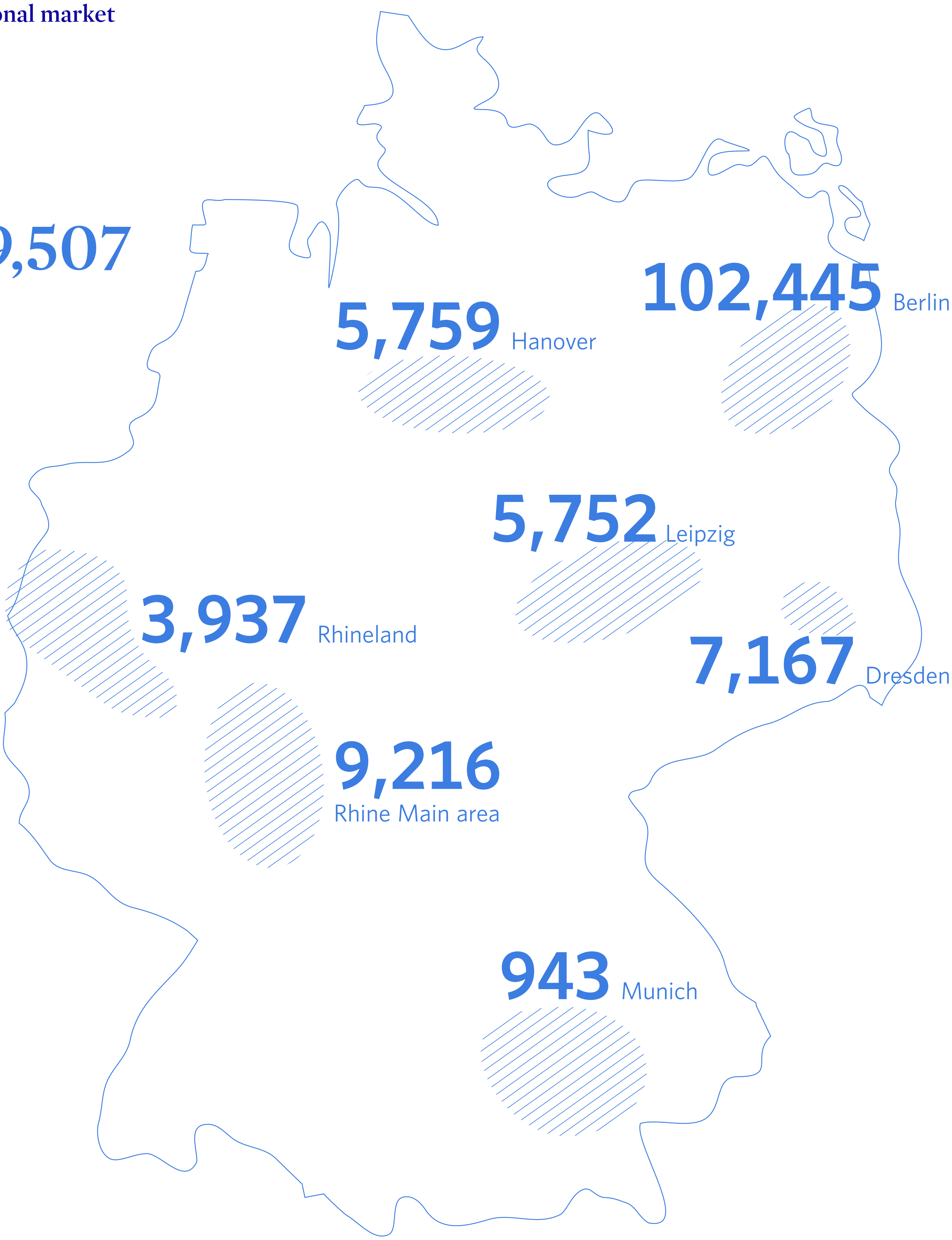
Disclaimer
This report contains forward-looking statements. These statements are based on the current experiences, assumptions and forecasts of the Management Board as well as information currently available to the Management Board. The forward-looking statements are not guarantees of the future developments 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 2024 Annual Report. We do not assume any obligation to update the forward-looking statements contained in this report. This financial 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
As of March 2025

Deutsche Wohnen Portfolio

by regional market

Germany
139,507
units*



* Including 3,419 residential units at other strategic locations and 869 residential units at non-strategic locations.

www.deutsche-wohnen.com