

We build on our responsibility



Consolidated Interim Statement
as of 30 September 2020

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GROUP KEY FIGURES

Income statement		9M 2020	9M 2019	Change
Contracted rental income	EUR m	634.5	622.5	1.9%
Earnings from Residential Property Management	EUR m	553.9	549.6	0.8%
Earnings from Disposals before valuation gains due to disposals	EUR m	45.3	24.8	82.7%
Earnings from Nursing and Assisted Living	EUR m	62.0	65.4	-5.2%
Corporate expenses	EUR m	-78.4	-72.5	8.1%
EBITDA	EUR m	508.0	560.6	-9.4%
EBT (adjusted)	EUR m	391.5	430.4 ⁴	-9.0%
EBT (as reported)	EUR m	425.9	853.1	-50.1%
Earnings after taxes	EUR m	307.9	634.7	-51.5%
Earnings after taxes ¹	EUR per share	0.86	1.73	-50.2%
FFO I	EUR m	422.4	427.7 ^{2,4}	-1.2%
FFO I (undiluted) ¹	EUR per share	1.21	1.20 ^{2,4}	0.8%
FFO I (diluted) ¹	EUR per share	1.21	1.20 ^{2,4}	0.8%
FFO II	EUR m	450.9	443.0 ⁴	1.8%
FFO II (undiluted) ¹	EUR per share	1.29	1.24 ⁴	4.0%
FFO II (diluted) ¹	EUR per share	1.29	1.24 ⁴	4.0%
Balance sheet		30/09/2020	31/12/2019	Change
Investment properties	EUR m	26,259.9	25,433.3	826.6
Current assets	EUR m	2,296.0	1,975.0	321.0
Equity	EUR m	12,604.1	13,107.3	-503.2
Net financial liabilities	EUR m	11,497.0	9,339.0	2,158.0
Loan-to-Value ratio (LTV)	in %	40.8	35.4	5.4
Total assets	EUR m	29,463.2	27,851.7	1,611.5
Share		30/09/2020	31/12/2019	Change
Share price (closing price)	EUR per share	42.69	36.42	17.2%
Number of shares (without own shares)	m	343.76	357.09	-3.7%
Market capitalisation (without own shares)	EUR bn	14.7	13.0	13.1%
EPRA Net Asset Value (NAV)		30/09/2020	31/12/2019	Change
EPRA NAV (undiluted)	EUR m	16,463.7	16,791.3	-327.6
EPRA NAV (undiluted)	EUR per share	47.89	47.02	1.9%
EPRA NAV (diluted)	EUR per share	47.89	47.02	1.9%
Fair values		30/09/2020	31/12/2019	Change
Fair value properties ³	EUR m	24,934	24,237	697
Fair value per sqm living and usable space ³	EUR per sqm	2,434	2,394	1.7%

1 Based on the weighted average of some 349.22 million shares in circulation in 2020 (without own shares) or some 357.77 million in 2019

2 Calculation method changed: taxes due to disposals are no longer included in FFO I - disclosures for prior years have been changed accordingly

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

4 Previous year's figure changed due to exercise of IAS 23 option

GROUP INTERIM MANAGEMENT REPORT

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

Its property portfolio comprises approximately 165,700 residential and commercial units and has a fair value of some EUR 24.9 billion.¹ Our holdings also include nursing properties with a fair value of around EUR 1.2 billion comprising approximately 10,500 beds and apartments for assisted living. The focus of our investment is on residential properties in metropolitan areas and conurbations in Germany. Economic growth, positive net immigration and insufficient new building activity in these regions form the basis for the further development of our portfolio value. We see the addition of nursing properties as another growth area, particularly in view of the demographic trends.

Deutsche Wohnen on the capital market

The coronavirus is causing lasting damage to the German economy

People and economies around the world are suffering from the coronavirus pandemic. Germany, too, is currently going through what is the deepest recession in its post-war history. In the second quarter, which was particularly hard hit by the lockdown, economic output fell by almost 10.0%. The German economy is now past the worst, but the pandemic is not over yet and the future remains highly uncertain in many respects.

According to estimates by the DIW Berlin (German Institute for Economic Research), gross domestic product will contract by 6.0% in Germany in 2020, followed by an increase of 4.1% in 2021. This means the forecast for this year is now 3.4 percentage points higher than that published in the summer, because it now includes the economic stimulus measures that have been adopted in the interim. International demand for domestic goods and services also recovered faster than originally expected. The inflation rate is expected to be low in 2020 at 0.6%. This is primarily due to the steep fall in oil prices in the first half-year and the reduction in the rate of VAT in effect since July 2020.

Short-time work made it possible to avoid a larger number of redundancies in Germany so far. An average unemployment rate of 6.0% is forecast for 2020 (previous year: 5.0%). Wages lost due to short-time working are partly made up by an income supplement. Social security payments have increased as a result. However, lower income from investments and from self-employed work mean that available household income will be lower this year. Altogether, DIW is expecting consumer spending to fall by 7.9% in 2020.²

¹ Excluding advance payments, units under construction and undeveloped land

² DIW weekly report 37/2020: Basic economic trends in autumn 2020

Steady recovery on stock markets

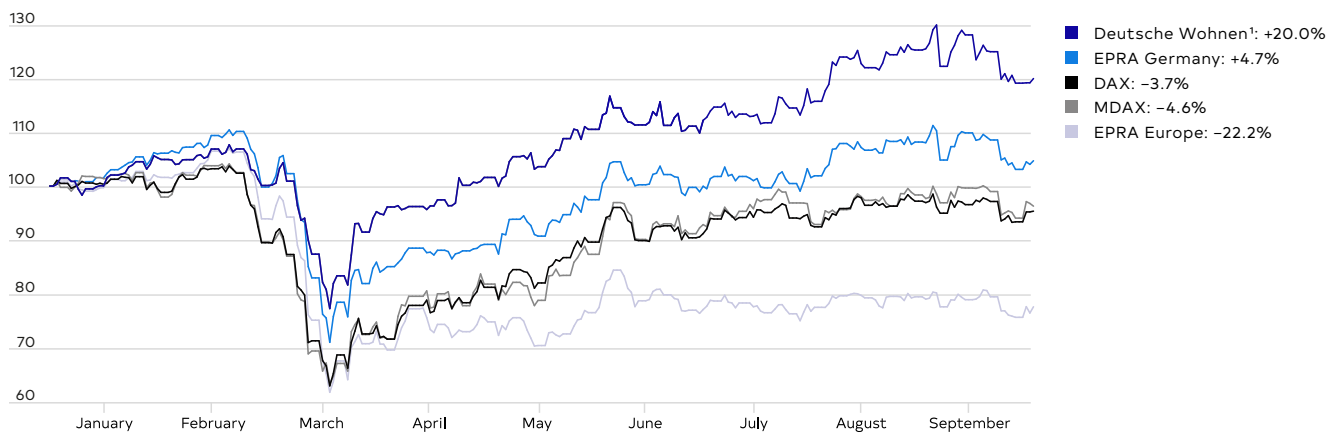
Stock markets were supported by several factors in the third quarter. They included the ongoing recovery of the ifo business confidence and ISM indices, the agreement by the EU on a EUR 750 billion economic recovery fund, the strategic shift at the US central bank towards an average inflation target, and the ongoing recovery of the Chinese economy, with rising automotive sales. Steady progress in the development of potential vaccines against the coronavirus also had a positive effect.

Deutsche Wohnen share again outperforms the indices

The Deutsche Wohnen share ended the first nine months of 2020 at a closing price of EUR 42.69, a gain of nearly 20.0% on year-end 2019. The share price reached a high for the year at EUR 46.20 in early September, so thus leaving the negative trend in the first quarter well behind it. The share also again outperformed the German share indices DAX (-3.7%) and MDAX (-4.6%) as well as the property indices EPRA Europe (-22.2%) and EPRA Germany: (-4.7%).

The market capitalisation of Deutsche Wohnen SE rose year-on-year by approximately 22% to EUR 14.7 billion as of the end of the third quarter 2020.³ Average turnover in Xetra trading rose over the nine months by around 22% from EUR 35.0 million to EUR 42.2 million. The average Xetra trading volume for the Deutsche Wohnen share in the first nine months of 2020 was around 1.1 million shares a day.

Share price performance, 9M 2020 (indexed)



1 Share price, adjusted for dividend

3 Including 359.8 million outstanding shares as of 30 September 2020 and less 16.1 million shares that were acquired by the end of the share buy-back programme

Key figures for the share	9M 2020	9M 2019
Number of shares in m	approx. 359.84	approx. 359.70
Of which own shares in m	approx. 16.07	0
Price at end of 9M ¹ in EUR	42.69	33.49
Market capitalisation in EUR bn	approx. 14.7 ³	approx. 12.0
Nine-month high ¹ in EUR	46.20	43.39
Nine-month low ¹ in EUR	27.62	29.19
Average daily Xetra trading volume ²	1,101,692	929,399

1 Closing price in Xetra trading

2 Shares traded

3 Including 359.8million outstanding shares as of 30 September 2020 and less 16.1million shares that were acquired by the end of the share buy-back programme

Source: Bloomberg, as of 1 October 2020

Broad analyst coverage continues

A total of 27 equity analysts are currently⁴ monitoring the performance of Deutsche Wohnen SE. Current⁴ price targets range from EUR 26.50 to EUR 60.00 per share. 18 analysts have set a target price equal to or above EUR 40.00 per share. The median of all analyst estimates is EUR 42.75⁴ per share, which is roughly the same as the closing price at the end of the third quarter 2020.

Rating	Number
Buy/Outperform/Overweight	14
Buy/Outperform/Overweight	7
Sell	6

Share buy-back programme terminated early

On 15 November 2019 the Management Board of Deutsche Wohnen SE, with the approval of the Supervisory Board, decided to buy back an amount of up to 25million company shares for a maximum of EUR 750million. An early end to the share buy-back programme was announced on 14 September 2020.

Deutsche Wohnen SE bought back a total of 16,070,566 shares for a total price of EUR 597,302,731.08 in the course of the programme. This represents 4.47% of the share capital of Deutsche Wohnen SE. The average purchase price per share was EUR 37.17, which was around 29% below the current EPRA NAV per share of EUR 47.89.

Further information about our share buy-back programme can be found at www.deutsche-wohnen.com/share-buy-back

Intensive dialogue with analysts and investors

Deutsche Wohnen maintains a transparent, wide-ranging dialogue with its shareholders and investors. We make particular use of investor conferences and roadshows on the national and international stage. The coronavirus pandemic and the ensuing precautions and travel restrictions meant that virtual meetings and conference calls were the rule in recent months. For the fourth quarter we are planning to attend further conferences, which will remain virtual for the time being.

An overview of these dates can be found in the financial calendar on page 32. It is updated regularly on our Investor Relations home page.

Property portfolio

Deutsche Wohnen manages one of the largest property portfolios in Germany, comprising approximately 162,700 residential and 3,000 commercial units (approximately 4% of its overall floor space). Our focus is on fast-growing metropolitan regions and conurbations, known as Core⁺ markets, which account for almost 92% of our residential properties.

As of 30 September 2020, the average in-place rent for the properties in Deutsche Wohnen's portfolio amounted to EUR 6.93 per sqm (previous year: EUR 6.82 per sqm), with a consistently low vacancy rate of 1.7% (previous year: 2.1%).

30/09/2020	Residential					Commercial	
	Residential units	Area	Share of total portfolio	In-place rent ¹	Vacancy rate	Commercial units	Area
	number	in thousand sqm	in %	EUR/sqm	in %	number	in thousand sqm
Core⁺	149,456	8,980	91.9	7.00	1.6	2,742	389
Greater Berlin	115,861	6,890	71.2	6.90	1.3	1,876	252
Rhine-Main	10,749	645	6.6	8.71	2.4	171	32
Dresden/Leipzig	10,587	690	6.5	6.29	3.6	562	83
Rhineland	6,672	413	4.1	7.30	2.7	73	8
Mannheim/ Ludwigshafen	4,644	289	2.9	6.31	2.0	43	12
Other Core ⁺	943	54	0.6	10.70	0.9	17	1
Core	13,106	839	8.1	6.11	2.9	211	40
Hanover/Brunswick	8,718	564	5.4	6.25	2.5	86	26
Other Core	4,388	275	2.7	5.80	3.8	125	14
Non-Core	144	9	0.1	5.20	5.8	0	0
Total	162,706	9,828	100.0	6.93	1.7	2,953	428

1 Contractually owed rent for let apartments divided by let surface area

Portfolio development

Acquisitions

Deutsche Wohnen expanded its new building business significantly in the first nine months of 2020. This included the acquisition of 13 construction projects from Munich-based ISARIA Wohnbau AG, with a total of some 2,700 residential units. Deutsche Wohnen also acquired a 40% equity stake in QUARTERBACK Immobilien AG. The project pipeline of the project developer from Leipzig comprises almost 70 projects with around 7,700 residential units.

In the first nine months of 2020, we also signed contracts for some 2,300 residential and commercial units for a total purchase price of approximately EUR 460 million. They are largely in Core⁺ markets. The acquisitions were mostly late 19th-century *Gründerzeit* houses and post-war *Altbau* buildings in central locations, which make a further contribution to improving the quality of our portfolio.

Disposals

In the first nine months of 2020, we sold and transferred the risks and rewards for a total of 1,585 residential units. Of these, 182 apartments were sold as part of the privatisation programme while institutional sales accounted for 1,403.

To streamline our portfolio, we also sold a residential property portfolio with around 6,400 units in western Germany to LEG Immobilien AG for EUR 658 million. The portfolio is spread across a total of 34 sites, mostly in the regions Mannheim/Ludwigshafen, Rhineland and Hanover/Brunswick. Risks and rewards for most of the properties will be transferred in the fourth quarter of 2020.

For further details of the segment earnings from Disposals, please refer to pages 12 and 13.

Operating performance

The following overview shows the changes in in-place rent and vacancy rates in a like-for-like comparison – that is, only for residential properties which were managed by our company on a consistent basis over the past twelve months.

Like-for-like rental growth was 0.9% in the reporting period. Without the impact of the rent cap, like-for-like rental growth was 2.4%.

The like-for-like vacancy rate for the whole portfolio sank from 2.0% to a very low 1.7%. Of the total vacancies, 0.6% was due to refurbishment as part of our investment programme.

Like-for-like	30/09/2020		30/09/2019		30/09/2020		30/09/2019	
	Residential units	In-place rent ¹	In-place rent ¹	Development	Vacancy rate	Vacancy rate		
	number	EUR/sqm	EUR/sqm	in %	in %	in %		
Total	158,665	6.92	6.86	0.9	1.7	2.0		
Letting portfolio ²	148,030	6.92	6.86	0.9	1.7	2.0		
Core⁺	135,675	7.00	6.94	0.8	1.6	2.0		
Greater Berlin	107,630	6.90	6.87	0.5	1.3	1.8		
Rhine-Main	8,909	8.64	8.52	1.4	2.5	1.9		
Dresden/Leipzig	8,804	6.27	6.09	3.0	3.8	4.0		
Rhineland	4,810	7.52	7.36	2.2	2.8	3.3		
Mannheim/ Ludwigshafen	4,579	6.31	6.22	1.6	1.7	1.7		
Other Core ⁺	943	10.70	10.58	1.2	0.9	1.0		
Core	12,355	6.10	6.00	1.7	2.9	2.9		
Hanover/Brunswick	8,678	6.26	6.14	1.9	2.5	2.7		
Other Core	3,677	5.71	5.64	1.2	3.8	3.4		

1 Contractually owed rent for let apartments divided by let surface area

2 Without disposal and Non-Core properties

Portfolio investments

In the nine-month period, we spent some EUR 250.8 million or around EUR 32.73 per sqm on maintenance and refurbishment. Of the total refurbishment costs of EUR 178.2 million, around EUR 75 million were for work completed between tenancies and EUR 103.2 million were for complex refurbishment projects.

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

EUR m	9M 2020	9M 2019
Maintenance	72.6	69.0
in EUR per sqm p.a.	9.47 ¹	8.86 ¹
Refurbishment	178.2	231.1
in EUR per sqm p.a.	23.26 ¹	29.68 ¹
Maintenance and refurbishment	250.8	300.1
in EUR per sqm p.a.	32.73 ¹	38.54 ¹

1 Based on the average surface area on a quarterly basis in each period

Nursing Assets segment

The Nursing and Assisted Living business field currently consists of 77 nursing properties with a total of some 10,500 beds (beds plus assisted living units). A total of 76 of these nursing properties are owned by Deutsche Wohnen. This makes us one of the largest owners of nursing properties in Germany.

We have two different business models for our nursing properties: 38 nursing facilities (approximately 5,340 beds) are operated by KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH and its subsidiaries, and by PFLEGEN & WOHNEN HAMBURG GmbH. The other 39 facilities (approximately 5,140 beds) are managed by various external operators on long-term contracts.

As in the residential segment, we focus our nursing care activities on cities and regions with positive development forecasts, since the need for nursing care and assisted living is particularly high there. In this context, we particularly ensure that we secure prime properties and high-quality nursing and residential care. We will therefore be increasing our investments in new building projects and by means of selective acquisitions in our strategic target regions.

To streamline our portfolio, we signed contracts for the sale of 13 nursing properties with some 1,700 beds or assisted living units as of year-end 2019. This particularly entailed the disposal of nursing properties that are not situated in our strategic target regions and are subject to structural and regulatory restrictions. The transaction was completed in the second and third quarters of 2020.

Demographic developments mean that the market for nursing care in Germany will continue to grow. We intend to expand the Nursing segment up to 15% of Group EBITDA by means of selected acquisitions and new construction. As of 30 September 2020, it accounted for some 11% of EBITDA (adjusted) before disposals.

Nursing business: properties and operations

Nursing properties operated by KATHARINENHOF and PFLEGEN & WOHNEN HAMBURG

Region	Facilities	Nursing	Assisted living	Beds ¹	
				Total	Occupancy 30/09/2020 ²
	number	number	number	number	in %
Hamburg	17	3,170	160	3,330	88.3
Berlin	12	1,070	360	1,430	98.6
Saxony	9	520	60	580	99.8
Total – operated through participations	38	4,760	580	5,340	92.3

- 1 The figure for beds is rounded to the nearest 10, because assisted living units can be used as care beds and double rooms used as single rooms, depending on market demand.
- 2 Two facilities in Hamburg are to be completely overhauled and rebuilt, occupancy rates will be reduced successively as a result.

Nursing properties with other operators

Federal state	Facilities	Nursing	Assisted living	Beds ¹	
				Total	WALT ²
	number	number	number	number	
Bavaria	12	1,480	50	1,530	8.8
North Rhine-Westphalia	9	1,000	240	1,240	12.8
Rhineland-Palatinate	3	390	120	510	11.2
Baden-Württemberg	4	490	10	500	8.6
Lower Saxony	1	110	0	110	10.0
Hessen	4	530	0	530	9.0
Other	6	720	0	720	7.1
Total – operated by other operators	39	4,720	420	5,140	9.9
Total nursing	77	9,480	1,000	10,480	

1 The figure for beds is rounded to the nearest 10, because assisted living units can be used as care beds and double rooms used as single rooms, depending on market demand.

2 Weighted Average Lease Term

Notes on the financial performance and financial position

Earnings

The following overview shows the course of business at the individual segments, as well as other items of the consolidated income statement for the first nine months of the financial year 2020 compared with the same period the previous year:

EUR m	9M 2020	9M 2019
Earnings from Residential Property Management	553.9	549.6
Earnings from Disposals	-1.6	24.8
Earnings from Nursing and Assisted Living	62.0	65.4
Corporate expenses	-78.4	-72.5
Other expenses/income	-27.9	-6.7
Operating result (EBITDA)	508.0	560.6
Depreciation and amortization	-29.2	-29.9
Changes in fair values of investment properties	171.7	447.0 ¹
Earnings from companies valued in accordance with the equity method	2.1	1.7
Financial result	-226.7	-126.3 ¹
Earnings before taxes (EBT)	425.9	853.1
Current taxes	-37.5	-29.7
Deferred taxes	-80.5	-188.7
Profit/loss for the period	307.9	634.7

1 Previous year's figure changed due to exercise of IAS 23 option

The profit for the period fell year-on-year by EUR 326.8 million to EUR 307.9 million, mainly due to lower earnings from the fair value adjustment for investment properties and the valuation result for the convertible bonds due to the positive share price performance, both after deferred taxes.

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

Adjusted earnings before taxes shows the standardised earnings performance:

EUR m	9M 2020	9M 2019
Earnings before taxes	425.9	853.1
Gains/losses from the valuation of properties	-171.7	-446.4 ¹
Net income from fair value adjustment to derivative financial instruments and convertible bonds	102.1	6.8
Non-recurring expenses and income	35.2	16.9
Adjusted earnings before taxes	391.5	430.4¹

¹ Previous year's figure changed due to exercise of IAS 23 option

The result of property valuation in the first nine months of 2020 mainly relates to gains on the valuation of non-current assets held for sale.

The result of fair value adjustments to derivative financial instruments (expenses of EUR 13.0 million; previous year: expenses of EUR 39.6 million) and convertible bonds (expenses of EUR 89.1 million; previous year: income of EUR 32.8 million) is due to changes in interest rates and the price of the Deutsche Wohnen share.

As in the previous year, non-recurring expenses and income for the first nine months of 2020 mainly include project and transaction-related expenses, of which EUR 34.9 million (previous year: EUR 5.8 million) were other expenses, EUR 3.3 million (previous year: EUR 14.2 million) were finance expenses and EUR 3.0 million (previous year: EUR 3.1 million) were finance income. Of the total for 2020, EUR 20.0 million relates to land transfer taxes, which arose in connection with a business combination accounted for in accordance with IFRS 3. This business combination entails the acquisition of the project business of ISARIA Wohnbau AG ("ISARIA"), which was completed on 1 July 2020.

Earnings from Residential Property Management

Earnings from Residential Property Management rose year-on-year by EUR 4.3 million or 0.8% to EUR 553.9 million.

EUR m	9M 2020	9M 2019
Contracted rental income	634.5	622.5
Income from operating costs	295.0	286.1
Rental income	929.5	908.6
Operating costs	-288.0	-279.5
Rental loss	-8.5	-5.8
Maintenance	-72.6	-69.0
Other	-6.5	-4.7
Earnings from Residential Property Management	553.9	549.6
Staff, general and administration expenses	-40.2	-39.4
Operating result (NOI)	513.7	510.2
NOI margin in %	81.0	82.0
NOI in EUR per sqm and month ¹	5.59	5.46
Change in NOI in EUR per sqm and month in %	2.4	

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

Despite net disposals, rent increases in the portfolio resulted in an increase in contract rental income of nearly 1.9% compared with the same period of the previous year.

Income from operating costs exceeded the expenses for operating costs, because accounting for leases meant that various expenses were not included in the operating costs. For the first nine months of the financial year 2020, these related to lease expenses for metering and heat contracting of EUR 14.5 million (previous year: EUR 14.2 million). As a proportion of contracted rental income, this represents an NOI margin of around 2.3% (previous year: 2.3%).

Rental losses increased due to higher expenses for write-downs. This is related to the rise in rent receivables.

Earnings from Disposals

A total of 9,018 units were sold up to 30 September 2020. The transfer of risks and rewards is expected to take place in 2020. Of the total, 2,031 units were sold on the basis of contracts signed in 2019.

	Units	Transaction volume	IFRS carrying amount of assets sold ¹	Gross margin	
	number	EUR m	EUR m	EUR m	in %
Privatisation	224	48.9	36.7	12.2	33
Institutional sales including nursing properties	8,794	1,216.6	932.9	283.6	30
	9,018	1,265.5	969.6	295.8	31

¹ IFRS carrying amounts of assets sold without valuation gains due to disposals

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

Of the 9,018 units sold, the transfer of risks and rewards for 1,585 took place in the first nine months of the 2020 financial year (previous year period: 729) and so are recognised in earnings from Disposals.

EUR m	9M 2020	9M 2019
Sales proceeds	386.3	122.3
Cost of sales	-8.5	-8.0
Net sales proceeds	377.8	114.3
Carrying amount of assets sold	-379.4	-89.5
Earnings from Disposals	-1.6	24.8
Valuation gains due to disposals ¹	46.9	0.0
Earnings from Disposals before valuation gains due to disposals¹	45.3	24.8

¹ Previous year presentation has been changed

Sales proceeds particularly include the sale of 13 nursing assets with some 1,700 beds and assisted living units for slightly more than the carrying amount before valuation gains due to disposals. We exclusively chose to dispose of externally managed nursing properties that are not situated in our strategic target regions and are subject to structural and regulatory restrictions.

The valuation gains due to disposals relate to the measurement of non-current assets held for sale at the agreed sales price – to the extent that this effect is included in the carrying amounts of assets sold for the current period.

Sales prices for privatised apartments came to an average of EUR 2,893 per sqm in the first nine months of 2020.

Of the 7,433 residential units sold for which the transfer of risks and rewards had not taken place by 30 September 2020, most relate to two portfolio transactions. One is a portfolio sale to degewo AG, a state-owned housing company. This portfolio transaction comprises 2,143 residential units and 32 commercial units in Berlin, of which the risks and rewards for 648 residential units were transferred in the third quarter of 2020. Risks and rewards are expected to be transferred for 930 of the residential units in the fourth quarter of 2020 and for a further 565 in the first quarter of 2021. The other portfolio sale relates to 6,380 residential units and 38 commercial units in Brunswick, Hanover, Cologne and the Rhine-Neckar region to the LEG Immobilien AG Group, of which the transfer of risks and rewards for 6,216 residential units is expected to take place in the fourth quarter of 2020 and for another 164 residential units in the first quarter of 2021.

Earnings from Nursing and Assisted Living

Earnings from Nursing and Assisted Living (EUR 62.0 million; previous year: EUR 65.4 million) is made up of segment earnings from nursing home operators (EUR 14.4 million; previous year: EUR 14.6 million) and nursing facilities (EUR 47.6 million; previous year: EUR 50.8 million).

Nursing Operations

EUR m	9M 2020	9M 2019
Income		
Nursing care	112.5	110.7
Rental income	44.4	44.5
Other	20.1	13.6
	177.0	168.8
Costs		
Nursing and corporate expenses	-32.8	-30.4
Staff expenses	-110.1	-103.9
Internal lease expenses	-19.7	-19.9
	-162.6	-154.2
Earnings from Nursing Operations	14.4	14.6
Without internal rental expenses	34.1	34.5

A total of 25 nursing facilities are managed by the KATHARINENHOF Group, in which we hold a 100% equity interest as of February 2020 (previously 49%), and 13 nursing facilities by the PFLEGEN & WOHNEN HAMBURG Group, which has been a wholly owned subsidiary of Deutsche Wohnen since 2 January 2019. Of the 38 facilities, 37 are owned by Deutsche Wohnen.

Earnings from the Nursing Operations segment before intragroup lease expenses (EBITDAR⁵) came to EUR 34.1 million for the first nine months of 2020 (previous year period: EUR 34.5 million). This represents an EBITDAR margin of 19.3% (previous year: 20.4%).

Whereas the EBITDAR margin of the KATHARINENHOF Group came to approximately 23.3% in the first nine months of 2020, the figure for the PFLEGEN & WOHNEN HAMBURG Group was 17.2% because it offers a different range of services and the vacancy rate in some properties was higher in preparation for refurbishment work.

Nursing Assets

EUR m	9M 2020	9M 2019
Income		
Rental income	30.1	34.1
Intragroup leasing income	19.7	19.9
	49.8	54.0
Costs		
	-2.2	-3.2
Earnings from Nursing Assets	47.6	50.8
Without internal rental income	27.9	30.9

The year-on-year decline in external leasing income is due to disposals.

⁵ EBITDAR is EBITDA from the operation of nursing facilities before internal rental and lease expenses, external rental and lease expenses are not included in the EBITDA calculation in accordance with IFRS 16 and are therefore not eliminated to obtain EBITDAR

Corporate expenses

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

EUR m	9M 2020	9M 2019
Staff expenses	-50.8	-45.2
Long-term remuneration component (share-based)	0.2	0.0
Operating costs	-27.8	-27.3
Total corporate expenses	-78.4	-72.5

Staff, general and administration expenses in connection with disposals amounted to EUR 2.4 million, on a par with last year. The increase in staff costs is due particularly to the measurement of the long-term incentive (LTI) for the Management Board members and managers. As of 31 December 2019, the minimum performance levels for the target component share price performance in the 2018 and 2019 tranches were not achieved. These hurdle rates were exceeded again as of 30 September 2020, so staff costs of some EUR 1.7 million were incurred in the first nine months of 2020.

Other expenses and income

Other expenses/revenues comprised expenses of EUR 50.8 million (previous year: EUR 25.5 million) and revenues of EUR 22.9 million (previous year: EUR 18.8 million).

Of these expenses, EUR 34.9 million (previous year: EUR 5.8 million) were ignored for the purpose of calculating adjusted earnings before taxes. The adjustments relate to project and transaction-related expenses, in 2020 mainly land transfer tax of EUR 20.0 million from the ISARIA acquisition.

Other unadjusted expenses (EUR 15.9 million; previous year: EUR 19.7 million) mainly related to the SYN VIA Group (EUR 8.3 million; previous year: EUR 6.7 million).

Other unadjusted income (EUR 22.9 million; previous year: EUR 18.8 million) included disposal gains from the sale of property, plant and equipment, income from the SYN VIA Group, income from broadband cable rental and from capitalised own work for engineering and construction project management services provided within the Group.

Depreciation and amortization

Depreciation and amortization came to EUR 29.2 million in the first nine months of 2020 (previous year: EUR 29.9 million). It mainly consisted of depreciation of right-of-use assets held as property, plant and equipment in the context of lease accounting (EUR 15.8 million; previous year: EUR 14.8 million), as well as depreciation of level 4 broadband cable networks and the amortization of customer contracts acquired in the course of the business combination with the PFLEGEN & WOHNEN HAMBURG Group.

Financial result

The financial result is made up as follows:

EUR m	9M 2020	9M 2019
Current interest expenses	-106.9	-96.7
Accrued interest on liabilities and pensions	-27.9	-17.5
Capitalized interest expenses	6.0	4.3 ¹
Transaction-related interest expense	-3.3	-14.2
Fair value adjustment to derivative financial instruments	-13.0	-39.6
Fair value adjustment to convertible bonds	-89.1	32.8
	-234.2	-130.9¹
Interest income	7.5	4.6
Financial result	-226.7	-126.3¹

¹ Previous year's figure changed due to exercise of IAS 23 option

Current interest expenses were higher, principally due to the higher volume of financial liabilities and corporate bonds.

Accrued interest on liabilities and pensions consisted mainly of expenses for the early repayment of loans in the first nine months of 2020.

For the first time, Deutsche Wohnen exercised the option under IAS 23 of capitalizing borrowing costs for qualifying assets accounted for in line with IAS 40. This concerns the project development business of the ISARIA Group, which has been fully consolidated in the Deutsche Wohnen Group since 1 July 2020. In line with IAS 8, the previous year's figures were changed accordingly for the effects of capitalizing borrowing costs.

Changes in long-term interest rates caused the negative market values of derivative financial instruments (interest rate hedges) to go up. To the extent that these financial instruments do not form part of an effective hedging relationship, the fair value adjustment is recognised as an expense in the financial result.

The year-on-year changes in the financial result are principally due to the increase in expenses from the fair value adjustment of convertible bonds with a total nominal value of EUR 1,600 million. The price of the convertible bonds follows the share price of Deutsche Wohnen SE. The convertible bonds are held at fair value in the consolidated balance sheet. The rise in the Deutsche Wohnen share price therefore resulted in a valuation loss on the convertible bonds of EUR 89.1 million (previous year: valuation gain of EUR 32.8 million).

The increase in interest income from EUR 4.6 million to EUR 7.5 million stems from higher interest income from investee companies, primarily the QUARTERBACK Group.

The coverage ratio of EBITDA (adjusted) before disposals to current interest expenses less interest income went down due to the higher debt and is as follows:

EUR m	9M 2020	9M 2019
EBITDA (adjusted) before disposals	546.9	544.6
Current interest expenses and interest income ¹	100.5	93.2
Interest cover ratio (ICR)	5.4	5.8

¹ Current interest expenses and interest income do not include interest income from finance leases for broadband cable networks.

Income taxes

Income taxes resulted in expenses of EUR 118.0 million in the first nine months of 2020 (previous year period: expenses of EUR 218.4 million). This consists of EUR 80.5 million in expenses from deferred taxes (previous year period: EUR 188.7 million) and expenses for current income taxes of EUR 37.5 million (previous year period: EUR 29.7 million). The amount of deferred taxes was particularly due to the adjustment to the fair values of investment properties and convertible bonds.

Assets and financial position

Here are some selected figures from the consolidated balance sheet:

	30/09/2020		31/12/2019	
	EUR m	in %	EUR m	in %
Investment properties	26,259.9	89	25,433.3	91
Other non-current assets	907.3	3	443.4	2
Total non-current assets	27,167.2	92	25,876.7	93
Current assets	1,967.8	7	1,289.4	5
Cash and cash equivalents	328.2	1	685.6	2
Total current assets	2,296.0	8	1,975.0	7
Total assets	29,463.2	100	27,851.7	100
Equity	12,604.1	43	13,107.3	47
Financial liabilities	6,563.2	22	6,327.7	23
Convertible bonds	1,748.2	6	1,682.8	6
Corporate bonds	3,513.8	13	2,014.1	7
Tax liabilities	59.9	0	26.2	0
Pension obligations	108.4	0	107.2	1
Deferred tax liabilities	3,886.9	13	3,713.8	13
Other liabilities	978.7	3	872.6	3
Total liabilities	16,859.1	57	14,744.4	53
Total assets	29,463.2	100	27,851.7	100

Investment properties remain the largest balance sheet item. They increased compared with 31 December 2019, mainly due to acquisitions and capitalised refurbishment expenses, which were higher than disposals and reclassifications as current assets. A significant portion of the acquisitions related to project developments at the ISARIA Group, which was fully consolidated as of 1 July 2020.

Other non-current assets increased following equity investments in companies in the QUARTERBACK Group (QUARTERBACK Immobilien AG, Leipzig, and its subsidiaries and investee companies), increasing the goodwill created by the acquisition of the ISARIA Group.

Group equity went down by EUR 503.2 million in the first nine months of 2020, while the equity ratio fell to around 43%. In the reporting period, some 52,500 bearer shares in Deutsche Wohnen SE were issued following the exercise of share options and another 67,100 bearer shares in Deutsche Wohnen SE were issued in exchange for some 28,400 bearer shares in GSW Immobilien AG. This share swap took place in accordance with the provisions of the control agreement between the two companies on the put options held by outside shareholders. In addition, total comprehensive income of EUR 316.0 million in the first nine months of 2020 also increased the capital of Deutsche Wohnen. Group equity fell by EUR 499.6 million as of the reporting date due to the purchase of own shares and by a further EUR 312.6 million following the payment of a dividend by Deutsche Wohnen SE.

Financial liabilities were decreased by the repayment of EUR 484.1 million in loans. They were increased by new borrowing of EUR 562.4 million and the non-cash assumption of EUR 138.1 million in financial liabilities of the ISARIA Group.

Liabilities from convertible bonds rose due to market fluctuations. The nominal amount of outstanding convertible bonds was unchanged at EUR 1,600 million as of the reporting date.

Liabilities under corporate bonds fell by EUR 478.8 million due to redemptions and increased by EUR 1,998.2 million due to the proceeds of new issues. EUR 200.0 million of the repayment related to a short-term bearer bond issued in 2019 and EUR 278.8 million to the remainder of the bond issued in 2015. Proceeds of new issues in the first nine months of 2020 included two long-term corporate bonds with a nominal value of EUR 1,190.0 million, plus other long-term bearer bonds (EUR 513.0 million) and short-term commercial paper (EUR 295.2 million).

EPRA NAV

EPRA NAV changed as follows:

EUR m	30/09/2020	31/12/2019
Equity (before non-controlling interests)	12,197.0	12,700.4
Market values of derivative financial instruments	58.3	50.8
Deferred taxes	4,208.4	4,040.1
EPRA NAV (undiluted)	16,463.7	16,791.3
Number of shares (undiluted) in millions (without own shares)	343.8	357.1
EPRA NAV (undiluted) in EUR per share	47.89	47.02
Effects of converting the convertible bonds	0.0	0.0
EPRA NAV (diluted)	16,463.7	16,791.3
Number of shares (diluted) in millions (without own shares)	343.8	357.1
EPRA NAV (diluted) in EUR per share	47.89	47.02

EPRA NAV (undiluted) fell by EUR 327.6 million in absolute terms and rose by EUR 0.87 per share. This is largely due to the share buy-backs, the dividend payment of EUR 312.6 million for 2019 and the total comprehensive income attributable to the shareholders of the parent company of EUR 308.5 million for the first nine months of 2020. Neither of the convertible bonds outstanding as of the reporting date is "in the money" (the conversion prices exceeded the closing price of the Deutsche Wohnen share on the closing date), so EPRA NAV is not diluted.

Goodwill of EUR 268.7 million was carried as of the reporting date (31 December 2019: EUR 148.1 million). The increase mainly stems from the business combination with the ISARIA Group, measured on the basis of the provisional purchase price allocation.

Loan-to-Value ratio

The debt ratio (Loan-to-Value ratio) changed as follows compared with 31 December 2019:

EUR m	30/09/2020	31/12/2019
Financial liabilities	6,563.2	6,327.7
Convertible bonds	1,748.2	1,682.8
Corporate bonds	3,513.8	2,014.1
	11,825.2	10,024.6
Cash and cash equivalents	-328.2	-685.6
Net financial liabilities	11,497.0	9,339.0
Investment properties	26,259.9	25,433.3
Less right-of-use assets held as investment properties from leases ¹	-61.2	-62.8
Non-current assets held for sale	952.0	571.2
Land and buildings held for sale	481.2	468.9
Investments in property companies	333.5	4.6 ²
Loans to property companies	224.3	0.0 ²
	28,189.7	26,415.2
Loan-to-Value ratio in %	40.8	35.4

1 Right-of-use assets in connection with leases accounted for according to IAS 40 are eliminated in the course of first-time application of IFRS 16.

2 Calculation method has been changed to include equity investments in and loans to property companies.

The Loan-to-Value ratio was approximately 40.8% as of the reporting date. Including the purchase prices paid and the carrying amounts of all the property disposals that had been contractually agreed as of 30 September 2020 but where no transfer of risks and rewards had yet taken place, the Loan-to-Value ratio was around 39.3%.

The average interest rate on the credit portfolio, including the convertible loans and corporate bonds, was approximately 1.2% as of 30 September 2020, with a hedging ratio⁶ of around 90%. The average term to maturity of the Group's loans, convertible bonds and bonds is 6.9 years.

Deutsche Wohnen SE received a long-term issuer rating from the two international rating agencies Standard & Poor's and Moody's. The rating from Standard & Poor's was unchanged at A- (as of 7 February 2020) and that from Moody's was unchanged at A3 (as of 29 July 2020), both currently with a negative outlook.

⁶ The ratio of financial liabilities, convertible bonds and corporate bonds at fixed interest rates or with interest rate hedges to the total nominal value of financial liabilities, convertible bonds and corporate bonds

Cash flow

The Group's cash flow was as follows:

EUR m	9M 2020	9M 2019
Net cash flow from operating activities	258.2	284.5 ¹
Net cash flow from investing activities	-1,356.8	-990.5 ¹
Net cash flow from financing activities	741.2	714.8
Net change in cash and cash equivalents	-357.4	8.8
Opening balance cash and cash equivalents	685.6	332.8
Closing balance cash and cash equivalents	328.2	341.6

¹ Previous year's figure changed due to exercise of IAS 23 option

Net cash flow from investing activities in the first nine months of the 2020 financial year included payments for investments of EUR 1,353.4 million, of which outflows of EUR 583.1 million related to acquisitions, EUR 180.1 million to refurbishment work and EUR 63.0 million to new building. This was offset by sales proceeds for investment properties of EUR 502.5 million. After deducting cash holdings, a net total of EUR 517.1 million was paid for the acquisition of the ISARIA Group.

Cash flow from financing activities in the reporting period consisted of issue proceeds from corporate bonds of EUR 1,998.2 million and from borrowing of EUR 562.4 million. Loans of EUR 484.1 million were repaid, bonds were redeemed for EUR 278.8 million and bearer bonds for EUR 200.0 million. EUR 505.7 million was paid to purchase own shares. Deutsche Wohnen SE also paid a dividend of EUR 312.6 million for 2019 in the second quarter of 2020.

FFO

The Funds from Operations (FFO I) indicator, which is relevant for us, fell by approximately 1.2% in absolute terms and rose by approximately 0.8% on a per share basis.

EUR m	9M 2020	9M 2019
EBITDA before gains/losses from fair value adjustments of investment properties	508.0	560.6
Measurement of current assets (properties)	0.0	0.6
Other non-recurring expenses and income	33.2	2.9
Restructuring and reorganisation expenses	1.7	2.9
EBITDA (adjusted)	542.9	567.0
Earnings from Disposals	1.6	-24.8
Staff, general and administration expenses of Disposals	2.4	2.4
EBITDA (adjusted) before Disposals	546.9	544.6
Long-term remuneration component (share-based)	-0.2	0.0
Finance leasing broadband cable networks	2.3	2.1
At-equity valuation	2.1	1.7
Interest income/expenses	-98.4	-93.1 ³
Income taxes	-23.1	-22.4 ²
Minority interests	-7.2	-5.2
FFO I	422.4	427.7^{2,3}
Earnings from Disposals	-1.6	24.8
Staff, general and administration expenses of Disposals	-2.4	-2.4
Valuation gains due to disposals	46.9	0.0
Income taxes due to disposals	-14.4	-7.1 ²
FFO II	450.9	443.0³
FFO I per share in EUR (undiluted) ¹	1.21	1.20 ^{2,3}
FFO I per share in EUR (diluted) ¹	1.21	1.20 ^{2,3}
FFO II per share in EUR (undiluted) ¹	1.29	1.24 ³
FFO II per share in EUR (diluted) ¹	1.29	1.24 ³

- 1 Based on the weighted average of some 349.22 million shares in circulation in 2020 (without own shares) or some 357.77 million in 2019
- 2 Calculation method changed: taxes due to disposals are no longer included in FFO I – disclosures for prior years have been changed accordingly
- 3 Previous year's figure changed due to exercise of IAS 23 option

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

Events after the reporting date

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

Risk report

For the risks of future business performance and a description of the risk management system (RMS), we refer to the risk report in the consolidated financial statements as of 31 December 2019. There have been no material changes in the overall risk assessment compared with the previous year. There are no concrete risks to the company's continued existence.

Forecast

The first nine months of 2020 went according to plan for Deutsche Wohnen. We therefore stand by the forecast made when we published our performance figures for 2019 in March 2020 and are anticipating FFO I at the same level as last year. As part of the valuation of the property portfolio, we expect a revaluation of approximately 6% by the end of the year, which will contribute to a significant increase in EPRA NAV.

Berlin, 12 November 2020

Deutsche Wohnen SE
Management Board



Michael Zahn
Chairman of the
Management Board



Philip Grosse
Member of the
Management Board



Henrik Thomsen
Member of the
Management Board



Lars Urbansky
Member of the
Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET

as of 30 September 2020

EUR m	30/09/2020	31/12/2019
Assets		
Investment properties	26,259.9	25,433.3
Property, plant and equipment	194.8	191.5
Intangible assets	307.5	188.9
Derivative financial instruments	2.9	1.1
Other non-current financial assets	396.7	61.8
Deferred tax assets	5.4	0.1
Non-current assets	27,167.2	25,876.7
Land and buildings held for sale	481.2	468.9
Other inventories	6.8	6.5
Trade receivables	50.5	25.0
Income tax receivables	149.0	112.2
Derivative financial instruments	0.4	0.2
Other financial assets	316.3	94.0
Other non-financial assets	11.6	11.4
Cash and cash equivalents	328.2	685.6
Subtotal current assets	1,344.0	1,403.8
Non-current assets held for sale	952.0	571.2
Current assets	2,296.0	1,975.0
Total assets	29,463.2	27,851.7

EUR m	30/09/2020	31/12/2019
Equity and liabilities		
Equity attributable to shareholders of the parent company		
Issued share capital	359.9	359.7
Own shares	-16.1	-2.6
Issued capital	343.8	357.1
Capital reserve	2,071.4	2,555.5
Accumulated other comprehensive income	-38.0	-46.3
Retained earnings	9,819.8	9,834.1
Total equity attributable to the shareholders of the parent	12,197.0	12,700.4
Non-controlling interests	407.1	406.9
Total equity	12,604.1	13,107.3
Non-current financial liabilities	6,474.4	6,154.4
Convertible bonds	1,744.2	1,676.9
Corporate bonds	2,883.8	1,518.6
Pension obligations	108.4	107.2
Derivative financial instruments	51.4	43.6
Other provisions	28.9	44.4
Other financial liabilities	305.9	302.5
Deferred tax liabilities	3,886.9	3,713.8
Total non-current liabilities	15,483.9	13,561.4
Current financial liabilities	88.8	173.3
Convertible bonds	4.0	5.9
Corporate bonds	630.0	495.5
Trade payables	429.8	300.5
Other provisions	26.8	7.6
Derivative financial instruments	10.2	8.5
Tax liabilities	59.9	26.2
Other financial liabilities	106.2	141.1
Other non-financial liabilities	19.5	24.4
Total current liabilities	1,375.2	1,183.0
Total equity and liabilities	29,463.2	27,851.7

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the period from 1 January to 30 September 2020

EUR m	9M 2020	9M 2019	Q3 2020	Q3 2019
Income from Residential Property Management	926.9	906.3	290.1	292.4
Income from Nursing Operations	169.6	167.0	57.1	56.2
Rental income from Nursing Assets	30.0	34.4	8.4	11.5
Other income	14.8	13.0	4.8	4.4
Sales proceeds	386.3	122.3	166.4	18.0
Carrying amount of assets sold	-379.4	-89.5	-162.6	-15.1
Sales proceeds	4.7	0.0	4.7	0.0
Carrying amounts of assets sold	-4.7	0.0	-4.7	0.0
Earnings from Disposals	6.9	32.8	3.8	2.9
Cost of materials and services	-422.3	-404.0	-122.6	-123.4
Staff expenses	-173.1	-158.6	-60.0	-53.0
Other operating expenses	-80.9	-55.2	-21.4	-20.4
Other operating income	39.4	28.3	14.6	8.9
	511.3	564.0	174.8	179.5
Depreciation, amortization and impairment	-29.2	-29.8	-10.2	-10.1
Gains/losses from the fair value adjustment of Investment properties	171.7	447.0 ¹	-2.5	-1.4 ¹
Impairment losses on financial assets	-5.2	-4.2	-1.7	-1.1
Earnings before interest and taxes (EBIT)	648.6	977.0¹	160.4	166.9¹
Finance income	7.7	4.6	5.8	3.5
Net income from fair value adjustment to derivative financial instruments and convertible bonds	-102.1	-6.8	-14.0	-65.4
Earnings from companies valued in accordance with the equity method	2.1	1.7	1.0	-0.2
Finance expenses	-130.4	-123.4 ¹	-39.8	-43.3 ¹
Earnings before taxes (EBT)	425.9	853.1	113.4	61.5
Income taxes	-118.0	-218.4	-22.2	-29.9
Profit/loss for the period	307.9	634.7	91.2	31.6
Of which attributable to:				
Shareholders of the parent company	300.2	617.3	88.1	29.5
Non-controlling interests	7.7	17.4	3.1	2.1
	307.9	634.7	91.2	31.6
Earnings per share				
Undiluted in EUR	0.86	1.73	0.26	0.08
Diluted in EUR	0.86	1.53	0.26	0.08

1 Previous year's figure changed due to exercise of IAS 23 option

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2020

EUR m	9M 2020	9M 2019	Q3 2020	Q3 2019
Profit/loss for the period	307.9	634.7	91.2	31.6
Other comprehensive income				
Items later reclassified through profit or loss				
Net gain/loss from derivative financial instruments	-6.2	-25.1	-0.3	-7.6
Income tax effects	1.5	6.3	0.1	1.9
	-4.7	-18.8	-0.2	-5.7
Items later not reclassified through profit or loss				
Net change in the fair value of Equity instruments	-2.0	0.0	0.0	0.0
Income tax effects	0.0	0.0	0.0	0.0
Actuarial gains/losses on pensions and effect of asset ceilings in pension plans	-1.3	-17.0	-7.8	-6.0
Income tax effects	0.2	4.0	1.7	1.4
Net gain/loss on convertible bonds	21.8	-30.3	-13.9	10.3
Income tax effects	-5.9	9.1	4.2	-3.0
	12.8	-34.2	-15.8	2.7
Other comprehensive income after taxes	8.1	-53.0	-16.0	-3.0
Total comprehensive income after taxes	316.0	581.7	75.2	28.6
Of which attributable to:				
Shareholders of the parent company	308.5	564.6	72.1	26.5
Non-controlling interests	7.5	17.1	3.1	2.1

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January to 30 September 2020

EUR m	9M 2020	9M 2019
Operating activities		
Profit/loss for the period	307.9	634.7
Finance income	-7.5	-4.6
Adjustment of derivative financial instruments and convertible bonds	102.1	6.8
Finance expenses	132.1	124.1
Earnings from companies valued in accordance with the equity method	-2.1	-1.7
Income taxes	118.0	218.4
Profit/loss for the period before interest and taxes	650.5	977.7
Non-cash expenses/income		
Fair value adjustment of investment properties	-171.6	-447.0
Depreciation and amortization	29.2	29.9
Other non-cash expenses/income	-1.2	-21.4
Change in net working capital		
Change in receivables, inventories and other current assets	-46.5	-56.0
Change in operating liabilities	-62.0	-73.7
Net operating cash flow	398.4	409.5
Proceeds from the disposal of properties held for sale	20.9	10.7
Investment in properties held for sale	-10.0	-1.5
Interest paid	-131.2	-111.6 ¹
Interest received	3.7	4.6
Taxes paid	-45.8	-54.8
Taxes received	22.2	27.6
Net cash flow from operating activities	258.2	284.5¹
Investing activities		
Sales proceeds	502.5	115.4
Payments for investments	-1,353.4	-1,024.0
Proceeds from dividends from shareholdings and joint ventures	0.1	0.1
Payments for business combinations, less cash acquired	-517.1	-83.2
Other proceeds of investing activities	11.1	1.6
Payments to limited partners in funds	0.0	-0.4
Net cash flow from investing activities	-1,356.8	-990.5¹
Financing activities		
Proceeds of new borrowing	562.4	423.1
Loan repayments	-484.1	-163.9
Proceeds from the issue of corporate bonds	1,998.2	1,059.5
Repayment of corporate bonds	-478.8	-341.2
One-off financing payments	-15.3	-14.7
Repayment of lease liabilities	-16.1	-15.4
Payments for the purchase of own shares	-505.7	0.0
Proceeds of the capital increase	0.1	0.1
Other payments for financing activities	-2.1	-1.8
Costs of capital increase	0.0	-0.4
Dividend payment to shareholders of Deutsche Wohnen SE	-312.6	-225.7
Dividend payment to non-controlling interests	-4.8	-4.8
Net cash flow from financing activities	741.2	714.8
Net change in cash and cash equivalents	-357.4	8.8
Opening balance cash and cash equivalents	685.6	332.8
Closing balance cash and cash equivalents	328.2	341.6

1 Previous year's figure changed due to exercise of IAS 23 option

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as of 30 September 2020

EUR m	Share capital	Own shares	Issued capital	Capital reserve	Pensions and convertible bonds	Cash flow hedge Reserve	Total other comprehensive income	Retained earnings company	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Equity as of 1 January 2019	357.0	0.0	357.0	2,918.1	10.5	-3.4	7.1	8,276.9	11,559.1	349.0	11,908.1
Profit/loss for the period								634.7	634.7		634.7
Of which non-controlling interests								-17.4	-17.4	17.4	0.0
Other comprehensive income					-34.2	-18.8	-53.0		-53.0		-53.0
Of which non-controlling interests					0.0	0.3	0.3		0.3	-0.3	0.0
Total comprehensive income					-34.2	-18.5	-52.7	617.3	564.6	17.1	581.7
Capital increase	2.7		2.7	82.8					85.5		85.5
Cost of capital increase less tax effect			0.0	-0.3					-0.3		-0.3
Change in non-controlling interests			0.0					-0.1	-0.1	-5.3	-5.4
Dividend			0.0					-310.6	-310.6		-310.6
Other			0.0					-17.2	-17.2		-17.2
Equity as of 30 September 2019	359.7	0.0	359.7	3,000.6	-23.7	-21.9	-45.6	8,566.3	11,881.0	360.8	12,241.8
Equity as of 1 January 2020	359.7	-2.6	357.1	2,555.5	-33.9	-12.4	-46.3	9,834.1	12,700.4	406.9	13,107.3
Profit/loss for the period								300.2	300.2	7.7	307.9
Other comprehensive income					12.8	-4.5	8.3		8.3	-0.2	8.1
Total comprehensive income					12.8	-4.5	8.3	300.2	308.5	7.5	316.0
Capital increase	0.2		0.2	2.2					2.4		2.4
Purchase of treasury shares		-13.4	-13.4	-486.1					-499.6		-499.6
Contribution in connection with Management Board remuneration			0.0	-0.2					-0.2		-0.2
Change in non-controlling interests			0.0					0.2	0.2	-7.3	-7.1
Dividend			0.0					-312.6	-312.6		-312.6
Other			0.0					-2.1	-2.1		-2.1
Equity as of 30 September 2020	359.9	-16.1	343.8	2,071.4	-21.1	-16.9	-38.0	9,819.8	12,197.0	407.1	12,604.1

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FINANCIAL CALENDAR 2021

25/03/2021	Publication of Consolidated/Annual Financial Statements 2020 – Annual Report 2020
12/05/2021	Publication of Interim Statement as of 31 March 2021/1st Quarter
01/06/2021	Annual General Meeting 2021
13/08/2021	Publication of Interim Report as of 30 June 2021/Half-year results
12/11/2021	Publication of Interim Statement as of 30 September 2021/1st-3rd Quarter

Disclaimer

This interim statement contains forward-looking statements, with the associated risks and uncertainties. The actual future performance and earnings of Deutsche Wohnen SE and the Group may differ significantly from the assumptions made in this interim statement. This interim statement is neither an offer to sell nor a solicitation to make an offer to buy securities of Deutsche Wohnen SE. There is no obligation to update the information contained in this interim statement. Because of rounding, the figures provided in the tables of this interim statement may in some cases not add up exactly to the total shown and the percentages may in some cases not add up exactly to 100% or to the subtotals shown.

