

Deutsche Wohnen Annual General Meeting 2024,

May 6, 2024

Speech Lars Urbansky, CEO Deutsche Wohnen

- the spoken word prevails –

[Intro]

Dear Ladies and Gentlemen,
Dear Shareholders,

Thank you for taking the time to join us and follow this event online. On behalf of the Management Board of Deutsche Wohnen SE, I would like to welcome you to our Annual General Meeting. You already know Olaf Weber, our Chief Financial Officer, and myself. I would also like to introduce Eva Weiß: Eva is our new member of the Management Board and has taken on the role of **Chief Development Officer** since September, and we are very pleased about this.

With her many years of experience and expertise in the real estate sector, particularly in project development, she is a great asset to our management team. Prior to her new role at Deutsche Wohnen, she held executive positions at several residential property developers. She is also a member of relevant organizations in the real estate sector. We are delighted to have Eva on board at Deutsche Wohnen.

Ladies and gentlemen, we have decided to hold a purely virtual Annual General Meeting again this year. This will give all our shareholders the opportunity to attend the meeting without having to travel.

Following my speech, you will have the opportunity to make your contributions and ask questions. I would first like to give you an overview of the past year, talk about the strategy of Deutsche Wohnen and look to the future.

[Overview of 2023]

The **environment of the real estate sector** has been challenging over the past year – and remains so for the time being. Although we are seeing some recovery, the economic outlook remains gloomy; interest rates and construction costs are still high. We are proud to have nevertheless exceeded expectations in our core rental business. In particular, continued strong demand for residential property has driven our core business.

Deutsche Wohnen's operating business developed solidly in the **financial year 2023**. Let me take a look at some of the key figures.

Last year, the Adjusted EBITDA Total of continued operations remained stable at just under EUR 635 million. The NAV per share decreased by 16.6% compared to the previous year to EUR 42.77 per share. The LTV increased from 28.1% to 30.4%.

Our rental business in the residential segment has continued to develop steadily. Particularly in Berlin, where around 75% of our portfolio is located, apartments that become vacant are immediately re-let. The strong demand for residential space is reflected in the high occupancy rate of our portfolio. At 1.5%, the **vacancy rate** remains at a very low level. This provides the basis for stable income, also in the coming financial year.

To ensure the best possible maintenance of our properties, we continued to invest in our own portfolio last year. EUR 149 million were invested in the maintenance of our apartments. We spent almost EUR 300 million on the new construction of our own properties and modernisation. These investments also benefit the climate, as we continue to reduce the CO₂ footprint of our properties.

Overall, however, it is still very difficult to realise **new construction projects** in the current environment. Rising construction costs and higher interest rates are contributing to this. As a result, the segment Development did not meet our expectations. Nevertheless, we completed 328 residential units last year, of which 113 are now part of our own portfolio.

[Outlook & performance indicator]

Ladies and gentlemen, I would now like to look ahead and start with the most important takeaway: Deutsche Wohnen is well positioned for the future.

We are financially stable: Deutsche Wohnen has a solid **capital structure** with a balanced maturity profile. We generate liquidity through targeted sales, which we use for investments.

As previously announced, we have changed **our performance indicator** since the beginning of the current financial year and will no longer use the Group FFO. In future, Adjusted EBT – earnings before taxes – will be the key performance indicator. Deutsche Wohnen will also report the Operating Free Cash Flow (OFCF) as key indicator of internal financing.

Why are we doing this? The new key figures allow for an even clearer distinction between earnings-oriented and liquidity-oriented performance indicators. EBT is a common performance indicator for the earnings development of companies. Its advantage is that it offers a high degree of transparency and comparability with other industries. In contrast to the Group FFO, Adjusted EBT includes depreciation and amortisation, but does not include current income taxes.

[Dividend proposal]

Let me now move on to the dividend proposal.

Together with the Supervisory Board, we are proposing a **dividend** of 4 cents per share, as in the last two years.

[Strategy & Value Drivers]

Ladies and gentlemen, Deutsche Wohnen is well positioned despite a difficult market environment. The business combination with Vonovia has undoubtedly contributed to this. Last year, we successfully harmonised and standardised our processes with Vonovia. Following the **completed integration**, we are now benefiting from numerous synergy effects and advantages of the combined Group.

With regard to the independence of Deutsche Wohnen, the principles of good corporate governance are observed.

The business combination agreement already stipulated that the high degree of complementarity between the strategies of the two companies should be

exploited. Accordingly, the Management Boards of Deutsche Wohnen and Vonovia have aligned their respective strategies. However, the integration is not the only reason for the ongoing refocusing of the **strategy**. The current complex conditions in the real estate sector also require it.

As the Management Board of Deutsche Wohnen, we have once again mapped out the key value drivers of our strategy. Specifically, we see five strong pillars supporting our business model: 1) a strong property management platform, 2) an optimised capital structure, 3) investments in line with the megatrends of climate change, urbanisation, and demographic development, 4) the development business and 5) an efficient capital allocation.

Let me take a closer look at these **value drivers**.

- A key value driver following the business combination with Vonovia is the joint **property management platform**, which we use to optimise and efficiently manage our residential units. By using the platform, we have been able to reduce fixed costs while improving the quality of our services. In the future, we will analyse the data from our properties in even greater detail in order to provide more targeted services to our customers and improve the upkeep of our properties through predictive maintenance.
- Another value driver at Deutsche Wohnen is our **optimised capital structure**. This is particularly important for a real estate company with a capital-intensive business. Strengthening our internal financing is the basis for investments in the future.
- Investments that address the **megatrends** of our time are the long-term value drivers for our business. These include investments in the renovation of homes to make them more suitable for elderly people in response to demographic change, and in the optimisation and modernisation of existing residential properties. Of particular importance to us are investments in climate protection to reduce CO₂ emissions. We are committed to the Group's defined climate path and want to make further progress together.
- The fourth pillar of our strategy is the **development business**. We expand our own portfolio or generate income from third-party business, for example by building residential properties for our own portfolio or selling projects to investors. Of course, this is difficult at the moment, given the price increases in the construction and raw materials markets, but in the

medium to long term we want to build more properties again - to address the housing shortage and to optimise our portfolio.

- Another value driver is our **efficient capital allocation**. Inflation and rising interest rates have changed capital market conditions and increased the cost of capital. Deutsche Wohnen is currently optimising its portfolio through divestments in order to continue to make profitable investments. This provides us with maximum flexibility and ideally prepares us to respond to future developments.

As you are aware, the Management Board has also conducted a strategic review of our previous **nursing care activities**. We have come to the conclusion that these no longer form part of our corporate strategy. Since the fourth quarter of 2023, we have reported them as discontinued operations in our Group reporting. We will opportunistically exit the nursing care business through divestments. We are currently in constructive talks with various interested parties and have already sold nursing assets totalling around EUR 90 million at book value in recent months. We will continue to only realise a transaction if we consider it to be economically viable. Accordingly, we will proceed in a calm and cautious manner.

With this, I conclude my remarks on the strategic position of Deutsche Wohnen. As you can see, we have a viable **strategy that** is sustainable in the long term, not least in close cooperation with Vonovia.

[Initiatives]

The guiding principle of our strategy remains unchanged: People will always be at the heart of everything we do. We will continue to act as a reliable player in the interests of all our stakeholders. After all, as a property company, we are an integral part of society.

As a large real estate company with more than 200,000 tenants, we take on responsibility. We are socially involved where we know our way around: in our neighbourhoods where our tenants live.

What does it mean in detail? We support neighbourhood projects, promote educational initiatives for children and young people and provide housing for people in need. We do this out of conviction and on the basis of our corporate values. We firmly believe that the well-being in a residential neighbourhood is not only based on the quality of the apartments, but also on social interaction and good neighbourliness.

[Thanks & closing words]

The successful development of our business and of our company would not be possible without the commitment of our employees. I would therefore like to take this opportunity to express my sincere gratitude to our employees on behalf of the entire Management Board. It is our employees who give their best every day with great passion and enormous commitment – for our tenants and thus ultimately for Deutsche Wohnen.

Thank you for your attention!