

Deutsche Wohnen SE



Company presentation, November 2020
based on 9M 2020 results

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Highlights 9M 2020

Resilient operating business despite Covid-19 pandemic

- L-f-I rental growth at 0.9% for letting portfolio (2.4% excl. effects of Berlin rent freeze law)
- Adj. EBITDA margin (excluding disposals) stable at 80%
- FFO I per share at previous years level at EUR 1.21
- EPRA NAV per share at EUR 47.89
- Operational integration of development business on track

Further initiatives to improve energetic footprint

- Proposal to resolve conflicting goals of climate protection and affordability
 - Modernization charge to tenants shall be subsidized by funds generated by CO₂ emission trading
- Cooperation with GETEC to further enhance energy efficiency
 - 1,000 photovoltaic systems and 2,000 charging poles targeted
 - Savings potential of 14,000 t CO₂ p.a.

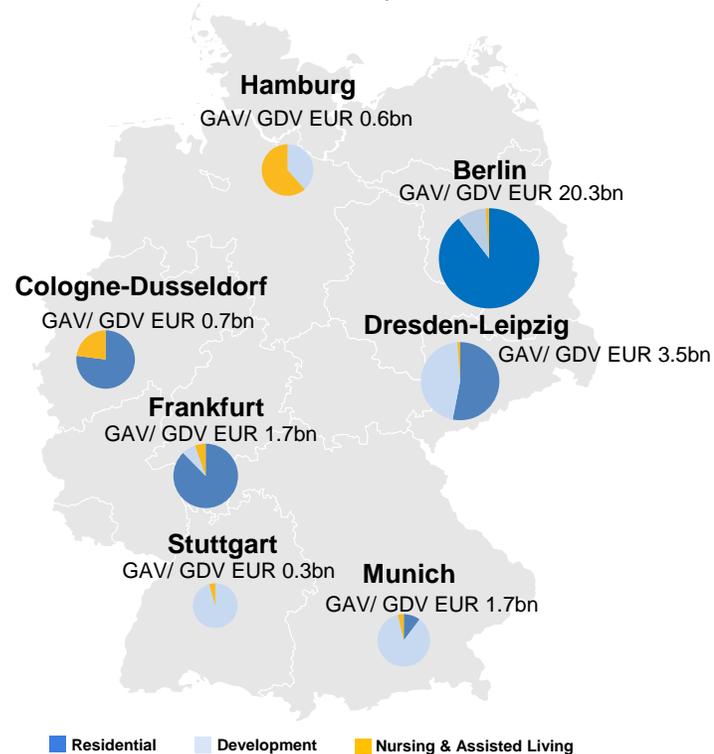
Outlook/ Guidance

- 2020 FFO I guidance confirmed
- Re-valuation result of 6% expected at FY 2020
- LTV pro-forma signed disposals and expected valuation uplift at mid point of targeted 35-40% LTV range

Deutsche Wohnen – focus on metropolitan regions and quality product

Unique market presence in dynamic regions

Geographic distribution of DW portfolio and development pipeline based on latest Fair Values / Gross Development Values¹:



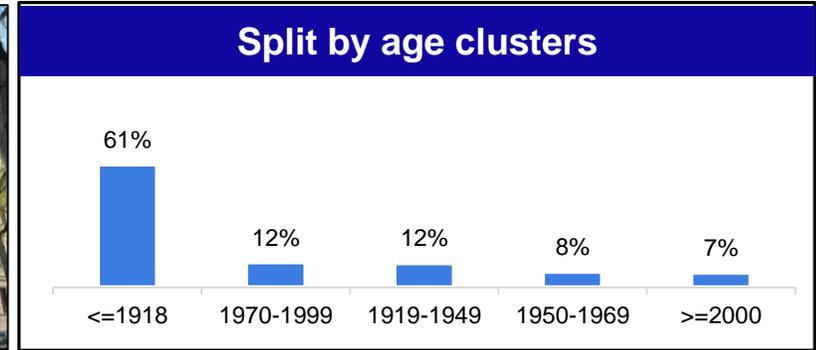
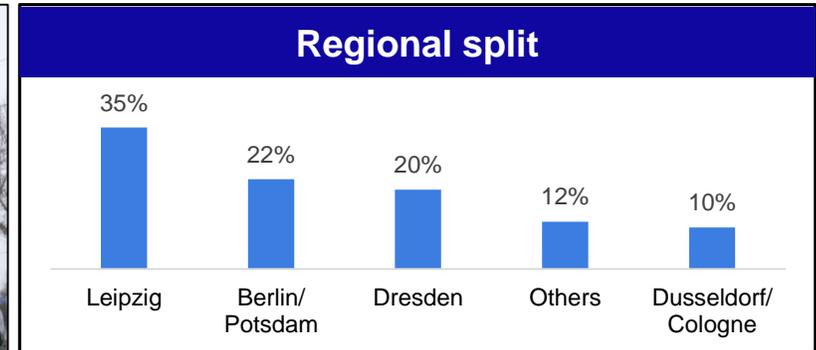
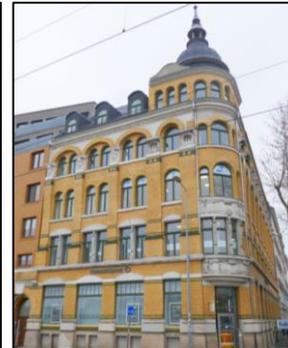
Highlights

- Almost 80% of our portfolio is located in the top 8 cities (by population) of Germany
- Almost 90% of our portfolio is located in cities with more than 500k inhabitants
- Excluding all disposals already signed, c. 20,000 residential units are classified as non-strategic, as neither quality nor location meet our defined requirements
- Focus on high quality products in terms of technical aspects
- Late 19th century Altbau buildings, postwar buildings and new buildings contribute to the improvement of portfolio quality
- 25% of our portfolio is listed memorial, ~5% UNESCO world heritage

¹ Including total GDV of 40% minority stake in QBIAG

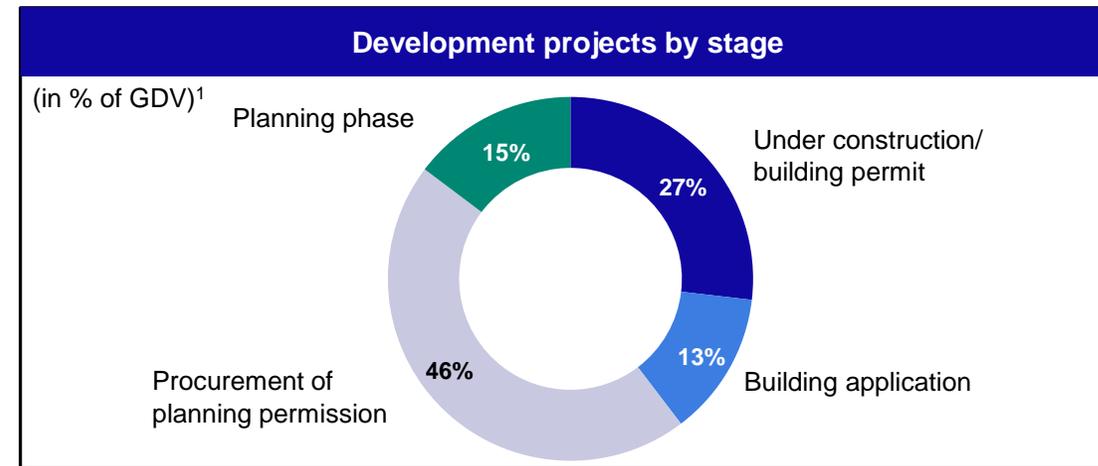
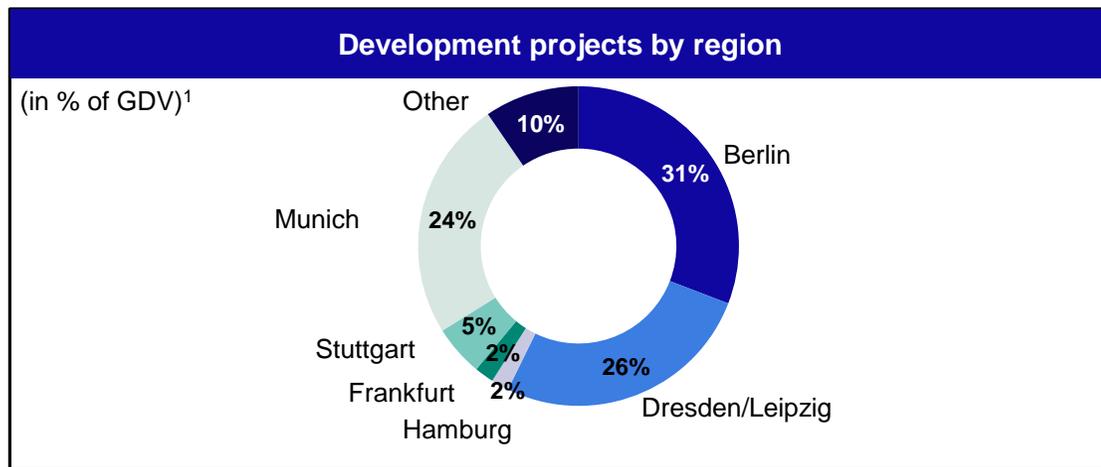
Acquisitions – total volume of almost EUR 500m signed YTD

Object of purchase	<ul style="list-style-type: none"> 2,300 units, thereof 91% residential
Acquisition price	<ul style="list-style-type: none"> EUR 460m / c. EUR 2,700 per sqm
Net cold rent	<ul style="list-style-type: none"> EUR 15m p.a. EUR 7.20 per sqm
Multiple	<ul style="list-style-type: none"> 31x in-place rent
Deal type	<ul style="list-style-type: none"> Asset deals
Financing	<ul style="list-style-type: none"> Through balance sheet capacity and disposal proceeds
Expected closing	<ul style="list-style-type: none"> Mainly Q3/ Q4 2020



- Selective acquisitions in our strategic Core+ markets
- Further enhancing overall portfolio quality – in terms of locations and type of product

Expansion of total development pipeline to EUR >5bn, focussed on dynamic hot spot regions



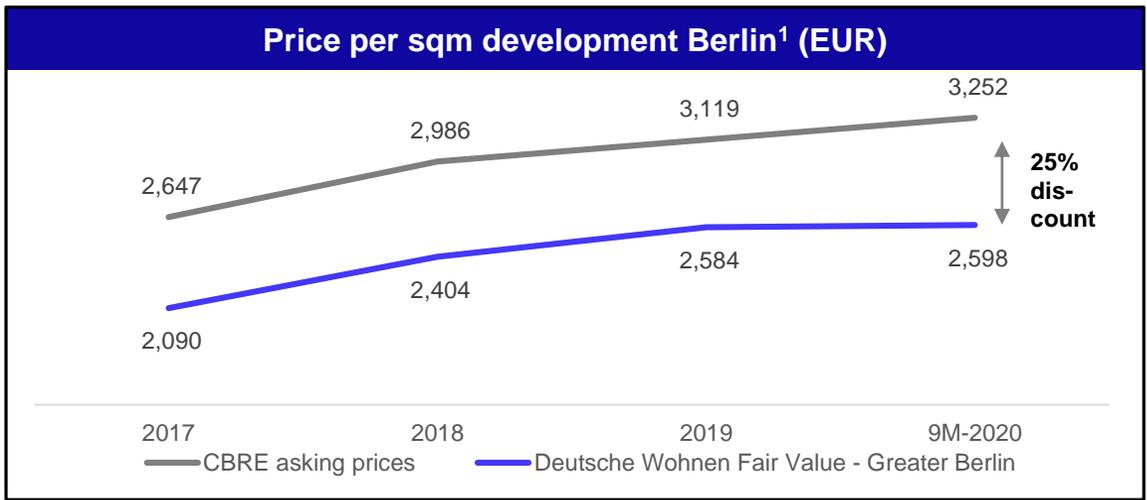
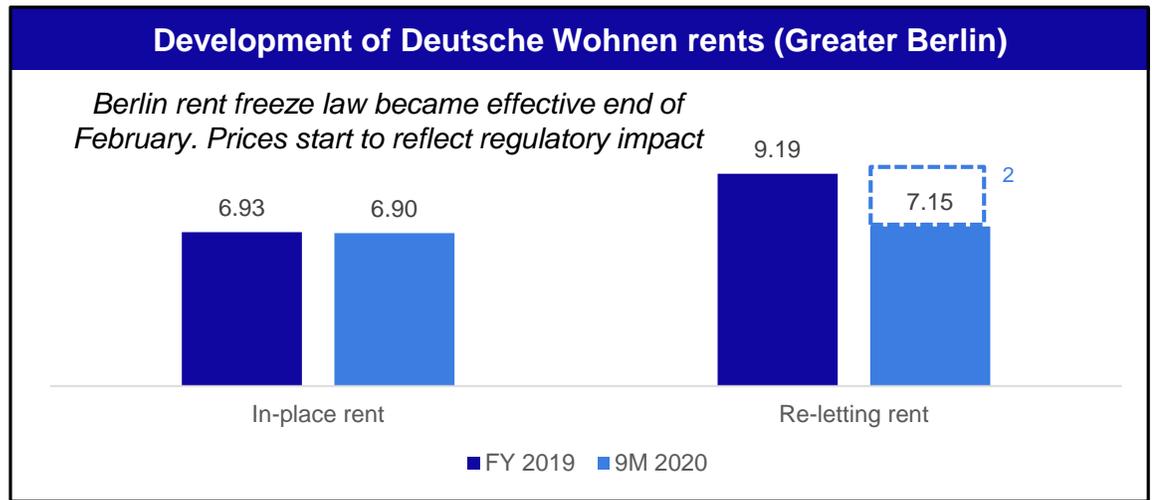
- Approximately 2/3 of projects “develop to hold” with expected average yield on cost of 3.3%²
- Approximately 1/3 of projects “develop to sell” with expected development margin of > 20%²
- Use of area: 80% residential, 20% commercial

- App. 40% in advanced development process
- Completion of total pipeline with outstanding investments of around EUR 3.2 bn¹ by 2030 expected
- Expected to add ~9k residential units to Deutsche Wohnen portfolio

¹ Including total GDV of 40% minority stake in QBIAG, total outstanding investments excluding land
² Based on total cost incl. purchasing cost

Portfolio overview

Strategic cluster 30/09/2020	Residential units (#)	% of total (measured by fair value)	In-place rent (EUR/sqm/month)	Fair value (EUR/sqm)	Multiple in-place rent (x)	Multiple re-letting rent ³ (x)	Vacancy (in %)
Core+	149,456	94.5%	7.00	2,519	29.9	23.2	1.6%
Core	13,106	5.5%	6.11	1,549	21.3	18.0	2.9%
Non-core	144	<0.1%	5.20	640	10.9	8.5	5.8%
Total	162,706	100%	6.93	2,434	29.2	22.8	1.7%
<i>Thereof Greater Berlin</i>	115,861	74.3%	6.90	2,598	31.2	23.8	1.3%



1 Based on CBRE asking prices for multi-family homes vs Deutsche Wohnen Fair Values for Greater Berlin
 2 Rental gap between Berlin rent freeze and German Civil Code (BGB)
 3 Calculation of multiple re-letting rent excluding Berlin rent freeze law
 deutsche-wohnen.com

Berlin residential market update

Development in rental offers and asking rents in Berlin

of rental offers

-36%

42,056

26,853

■ 9M 2019 ■ 9M 2020

Asking rents in EUR/sqm

-3%

10.49

10.19

■ 9M 2019 ■ 9M 2020

- Significant drop of rental offers by ~36% as a result of rent freeze law
- Average asking rents remain broadly stable

Development of transaction market for multifamily and condo

Multifamily asking price in EUR/sqm

+5%

3,105

3,252

■ 9M 2019 ■ 9M 2020

Condo asking price in EUR/sqm

+7%

4,582

4,916

■ 9M 2019 ■ 9M 2020

- Multifamily prices are stable due to uncertainty from rent freeze law
- Condo prices significantly up by 7%

- Value catch up of around 6% at year end expected, mainly driven by Berlin

- In Q2 2021 decision of the federal constitutional court regarding rent freeze law expected, providing positive stimulus in case law is deemed unconstitutional

Total like-for-like development at 0.9% y-o-y

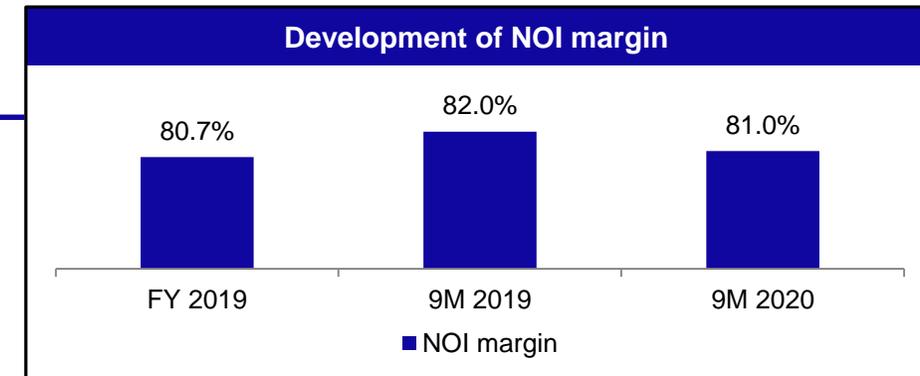
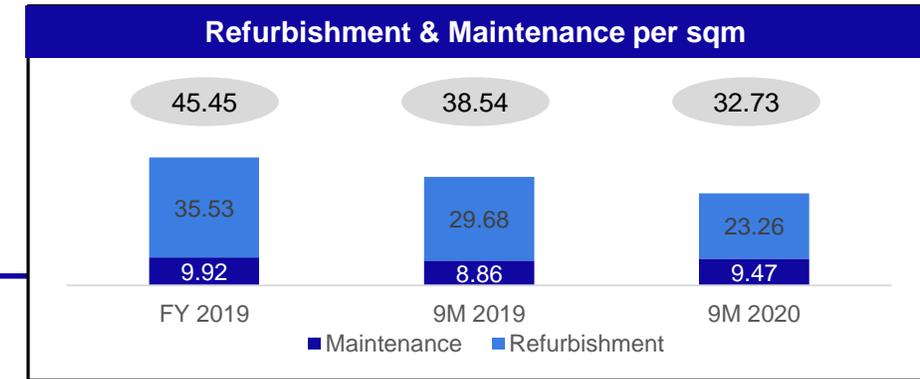
Like-for-like 30/09/2020	Residential units (#)	In-place rent 30/09/2020 (EUR/sqm/month)	In-place rent 30/09/2019 (EUR/sqm/month)	Change (y-o-y)	Vacancy 30/09/2020 (in %)	Vacancy 30/09/2019 (in %)	Change (y-o-y)
Letting portfolio ¹	148,030	6.92	6.86	0.9%	1.7%	2.0%	-0.3 pp
Core ⁺	135,675	7.00	6.94	0.8%	1.6%	2.0%	-0.4 pp
Core	12,355	6.10	6.00	1.7%	2.9%	2.9%	0.0 pp
Total	158,665	6.92	6.86	0.9%	1.7%	2.0%	-0.3 pp
Thereof Greater Berlin	107,630	6.90	6.87	0.5%	1.3%	1.8%	-0.5 pp

- Tenant churn per end of June at ~7% in Germany and ~6% in Berlin
- Like-for-like rental growth excluding rent freeze impact would have been 2.4% (total) and 2.6% (Berlin)
- We confirm our like for like guidance on a P&L basis of 1% for the full year 2020

¹ Excluding non-core and disposal stock

Stable letting business

in EUR m	9M-2020	9M-2019
Income from rents (rental income)	634.5	622.5
Income relating to utility/ancillary costs	295.0	286.1
Income from rental business	929.5	908.6
Expenses relating to utility/ancillary costs	(288.0)	(279.5)
Rental loss	(8.5)	(5.8)
Maintenance	(72.6)	(69.0)
Others	(6.5)	(4.7)
Earnings from Residential Property Management	553.9	549.6
Personnel, general and administrative expenses	(40.2)	(39.4)
Net Operating Income (NOI)	513.7	510.2
NOI margin in %	81.0	82.0
NOI in EUR / sqm / month	5.59	5.46



- Rental income increased by 2% with NOI margin (adjusted for maintenance) at previous year's level

Disposal business delivering double digit gross margins

Disposals	Privatization		Institutional sales		Total	
	9M-2020	9M-2019	9M-2020	9M-2019	9M-2020	9M-2019
with closing in						
No. of units	182	250	1,403	479	1,585	729
Proceeds (EUR m)	38.1	72.9	348.2	49.4	386.3	122.3
Book value (EUR m)¹	29.2	43.9	303.3	45.6	332.5	89.5
Price in EUR per sqm (residential)	2,893	3,425 ²	1,818	1,820	n/a	n/a
Earnings (EUR m)¹	5.0	22.4 ²	40.3	2.4	45.3	24.8
Gross margin	31%	66%	15%	8%	16%	37%
Cash flow impact (EUR m)	33.2	64.0	326.0	46.5	359.2	110.5

- Average privatization price in Berlin at c. EUR 3,200 per sqm ytd

- Around 7,400 signed disposals with gross margins of more than 30%. Majority of these with transfer of titles in Q4 2020

Note: Table only considers disposals that already had transfer of titles

¹ Earnings from Disposals are reported before disposal induced valuation gains.

² 2019 privatization prices elevated due to a mixed use (commercial/ residential) disposal in Berlin at a price of c. EUR 7,100 per sqm (1,300% gross margin).

EBITDA contribution from Nursing business

Operations (in EUR m)	9M-2020	9M-2019
Total income	177.0	168.8
Total expenses	(162.6)	(154.3)
EBITDA operations	14.4	14.5
EBITDA margin	8.1%	8.6%
Lease expenses	19.7	19.9
EBITDAR	34.1	34.4
EBITDAR margin	19.3%	20.4%
Assets (in EUR m)	9M-2020	9M-2019
Lease income	49.8	54.0
Total expenses	(2.2)	(3.1)
EBITDA assets	47.6	50.9
Operations & Assets (in EUR m)	9M-2020	9M-2019
Total EBITDA	62.0	65.4

in EUR m	9M-2020	9M-2019
Nursing & Assisted Living	156.9	155.2
Other	20.1	13.6

in EUR m	9M-2020	9M-2019
Staff	(110.1)	(103.9)
Rent/lease (inter-company)	(19.7)	(19.9)
Other	(32.8)	(30.4)

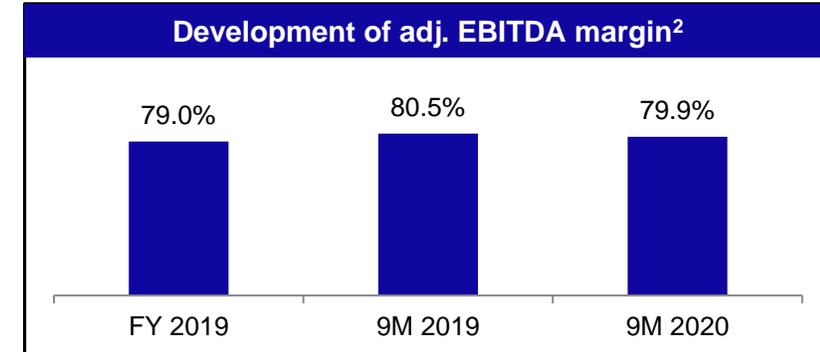
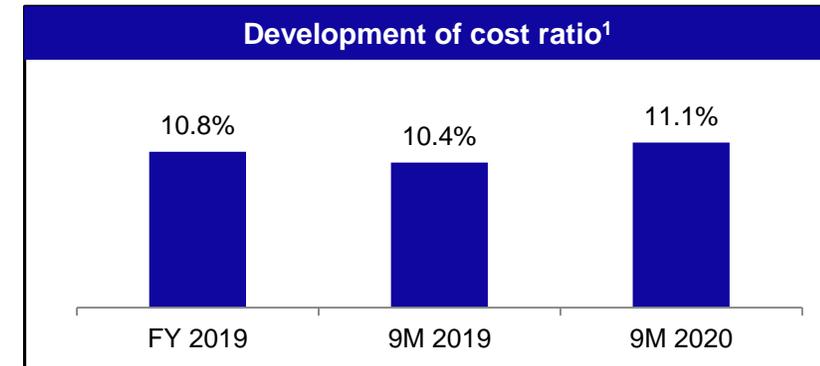
Slight margin decline mainly due to capex related vacancy in Hamburg facilities

Decrease in EBITDA due to disposals of nursing facilities as transfer of titles mainly took place end of May

▪ Nursing is expected to contribute around EUR 75m to group EBITDA in 2020 translating into RoCE of ~6%

Adjusted EBITDA margin stable at ~80%

in 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
Segment contribution	614.3	639.8
Corporate expenses	(78.4)	(72.5)
Other operating expenses/income	(27.9)	(6.7)
EBITDA	508.0	560.6
One-offs	34.9	6.4
Adj. EBITDA (incl. Disposals)	542.9	567.0
Earnings from Disposals	1.6	(24.8)
Corporate expenses for Disposals	2.4	2.4
Adj. EBITDA (excl. Disposals)	546.9	544.6



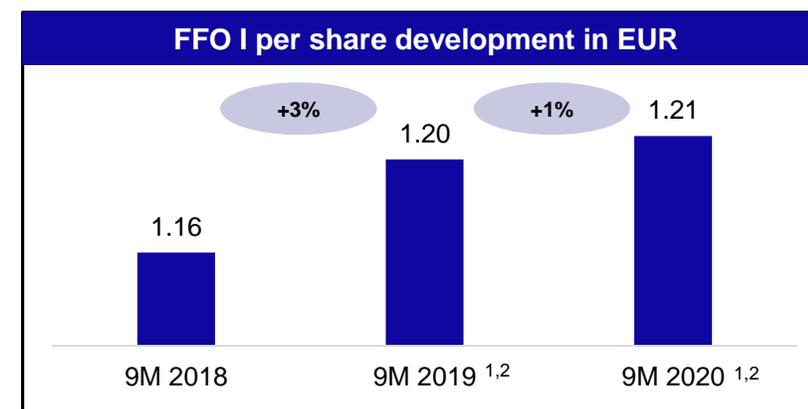
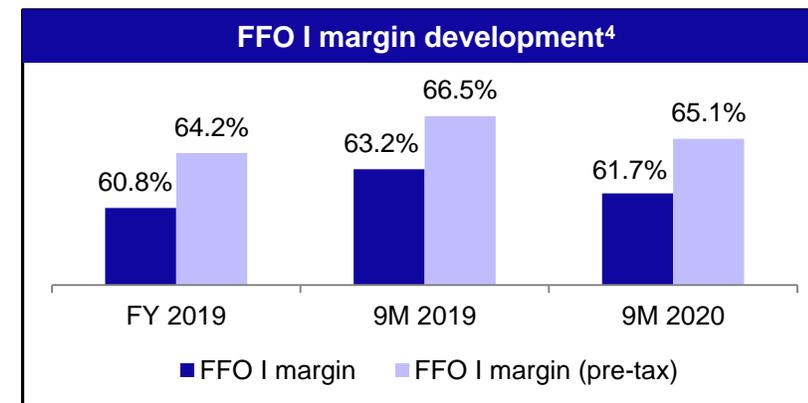
- One-offs are predominantly driven by EUR 20m real estate transfer tax related to ISARIA acquisition

¹ Cost ratio defined as corporate expenses divided by gross rental income and lease revenues, whereas corporate expenses are excluding corporate expenses for disposals

² Defined as adj. EBITDA excluding disposals divided by rental and lease income

FFO I per share at EUR 1.21

in EUR m	9M-2020	9M-2019
EBITDA (adjusted)	542.9	567.0
Earnings from Disposals	1.6	(24.8)
Corporate Expenses for Disposals	2.4	2.4
Long-term remuneration compensation (share based)	(0.2)	0.0
Finance lease broadband cable network	2.3	2.1
At equity valuation	2.1	1.7
Interest expense/income (recurring) ¹	(98.4)	(93.1)
Income taxes ²	(23.1)	(22.4)
Minorities	(7.2)	(5.2)
FFO I	422.4	427.7
Earnings from Disposals	(1.6)	24.8
Corporate expenses for Disposals	(2.4)	(2.4)
Income taxes related to Disposals ²	(14.4)	(7.1)
Sales related valuation of properties	46.9	0.0
FFO II	450.9	443.0
Weighted avg. number of shares outstanding ³ in m	349.22	357.77
FFO I per share in EUR	1.21	1.20
FFO II per share in EUR	1.29	1.24



- FFO I per share at previous year's level

1 Prior year figures changed according to IAS 23 policy change

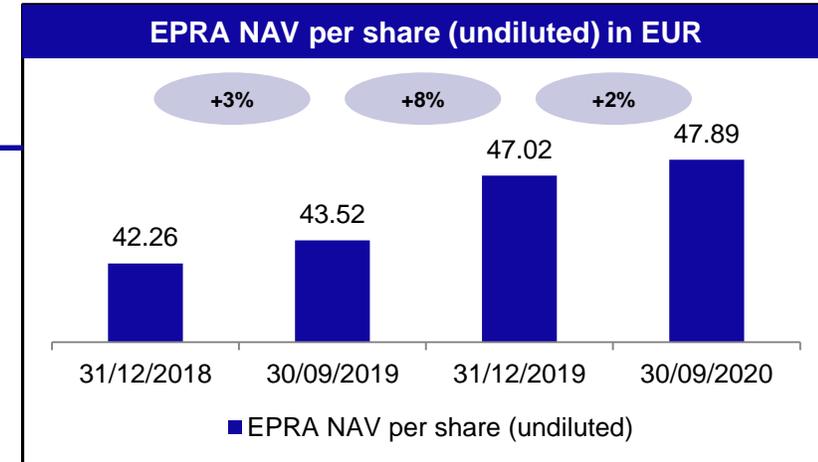
3 Excluding own shares

2 Change in calculation: Income taxes related to Disposals are no longer included in FFO I. Prior year figures were changed accordingly

4 FFO I margin defined as FFO I divided by rental and lease income

EPRA NAV per share at EUR 47.89

in EUR m	30/09/2020	31/12/2019
Equity (before non-controlling interests)	12,197.0	12,700.4
Fair values of derivative financial instruments	58.3	50.8
Deferred taxes (net)	4,208.4	4,040.1
EPRA NAV (undiluted)	16,463.7	16,791.3
<i>Shares outstanding in m (excluding own shares)</i>	343.8	357.1
EPRA NAV per share in EUR (undiluted)	47.89	47.02
Effects of exercise of convertibles	0.0	0.0 ¹
EPRA NAV (diluted)	16,463.7	16,791.3
<i>Shares diluted in m (excluding own shares)</i>	343.8	357.1
EPRA NAV per share in EUR (diluted)	47.89	47.02



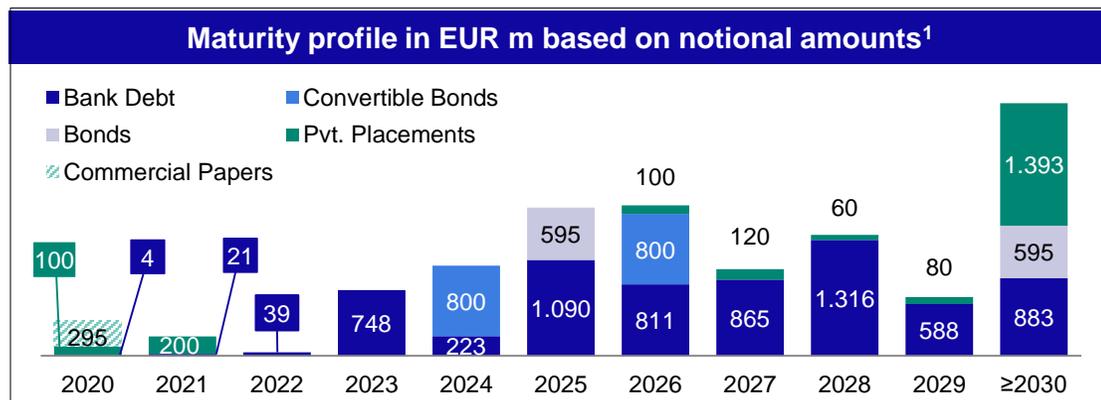
▪ EPRA NAV per share increased by c. 2% ytd to EUR 47.89

¹ Effects of convertible bonds are only considered if the respective instruments are in the money/ dilutive

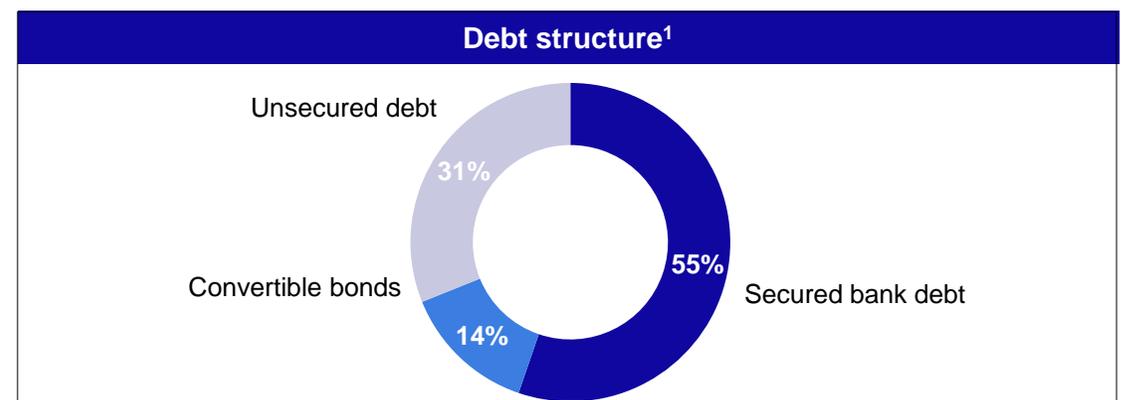
Conservative long-term capital structure

Rating	A- (negative outlook) / A3 (negative outlook)
Ø maturity	~ 6.9 years
% secured bank debt	55%
% unsecured debt	45%
Ø interest cost	~ 1.2% (~ 90% hedged)
LTV target range	35-40%

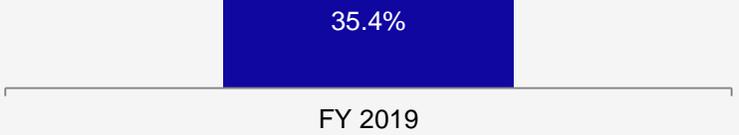
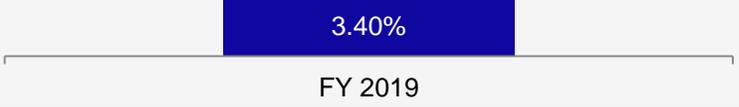
- The share buyback was terminated in Sept 2020. The programme has been utilized to c. 79.5%. A total volume of approx. EUR 597m was purchased corresponding to 16.07m shares.
- Short-term debt in the amount of EUR 395m will mature in Nov 2020 and will be repaid with sales proceeds from disposals.
- LTV is ~ 40.8%; pro-forma for signed disposals at 39.3%
- ICR (adjusted EBITDA excl. disposals / net cash interest) ~5.4x



¹ As of 30 September 2020



Outlook 2020

	FY-2019 reported	FY 2020 Guidance / comments
FFO I¹ (EUR m)	 <p>538.1 FY 2019</p>	<ul style="list-style-type: none"> FFO I flat
LTV	 <p>35.4% FY 2019</p>	<ul style="list-style-type: none"> Around mid-point of 35-40% target range
Like-for-like rental growth	 <p>3.40% FY 2019</p>	<ul style="list-style-type: none"> c. 1% l-f-l rental growth on a cash flow basis
Valuation	<ul style="list-style-type: none"> Valuation uplift in 2019 amounted to EUR 1.4bn 	<ul style="list-style-type: none"> Expected valuation uplift of c. 6%
Dividend	<ul style="list-style-type: none"> For 2019 we paid a dividend per share of EUR 0.90, resulting in a pay-out of c. 60% of FFO I Reduction of payout ratio from originally 65% to 60% to finance EUR 30 m relief fund for tenants affected by the corona crisis 	<ul style="list-style-type: none"> 65% pay-out ratio of FFO I for dividend payable in 2021

¹ FFO I guidance does not include recent acquisitions (ISARIA)

Appendix

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Portfolio and Development Update

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Value generation for all stakeholders

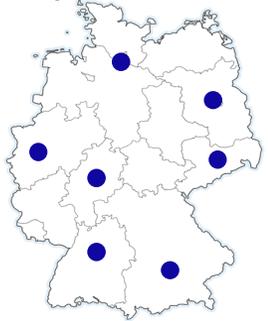


Deutsche Wohnen – key strategic elements



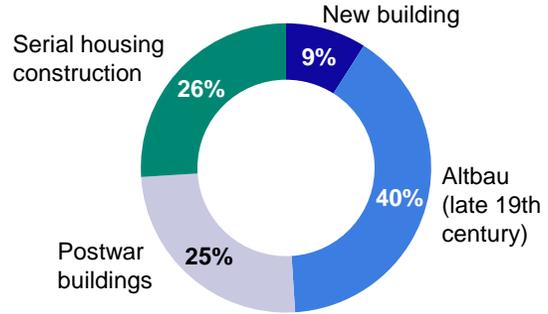
Location

- Focus on metropolitan areas
- Targeted investments in high quality development projects
- Benefitting from supply/ demand imbalance
- Best long-term outlook for capital growth




Product¹

- Focus on high quality products in terms of technical aspects
- Late 19th century Altbau buildings, postwar buildings and new buildings contribute to the improvement of portfolio quality



Product Type	Percentage
Altbau (late 19th century)	40%
Serial housing construction	26%
Postwar buildings	25%
New building	9%



Customer satisfaction

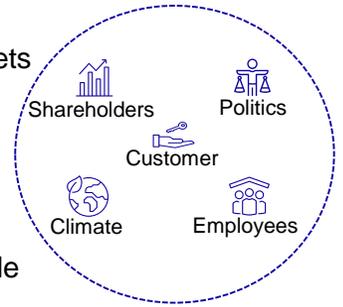
- Combination of high service quality, high quality products and affordability
- Sustainable investments
- Providing add-on services
- Covering the entire value chain though selected Joint Ventures





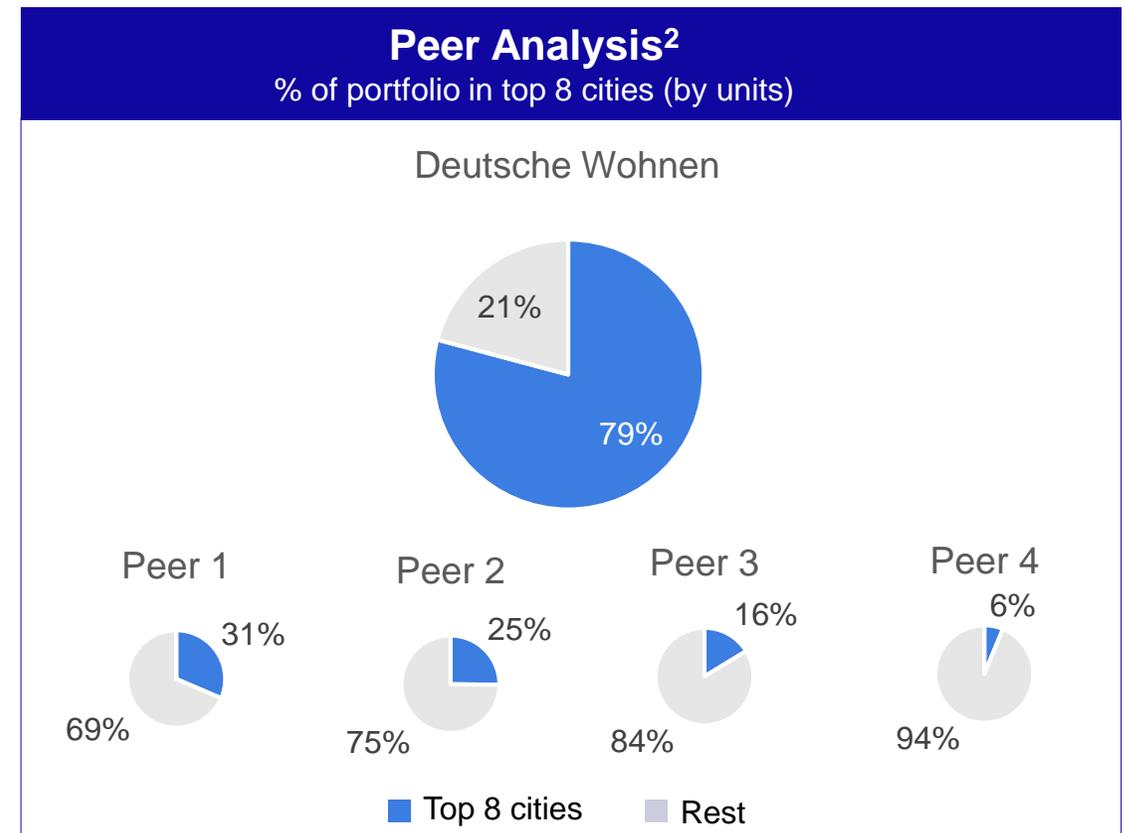
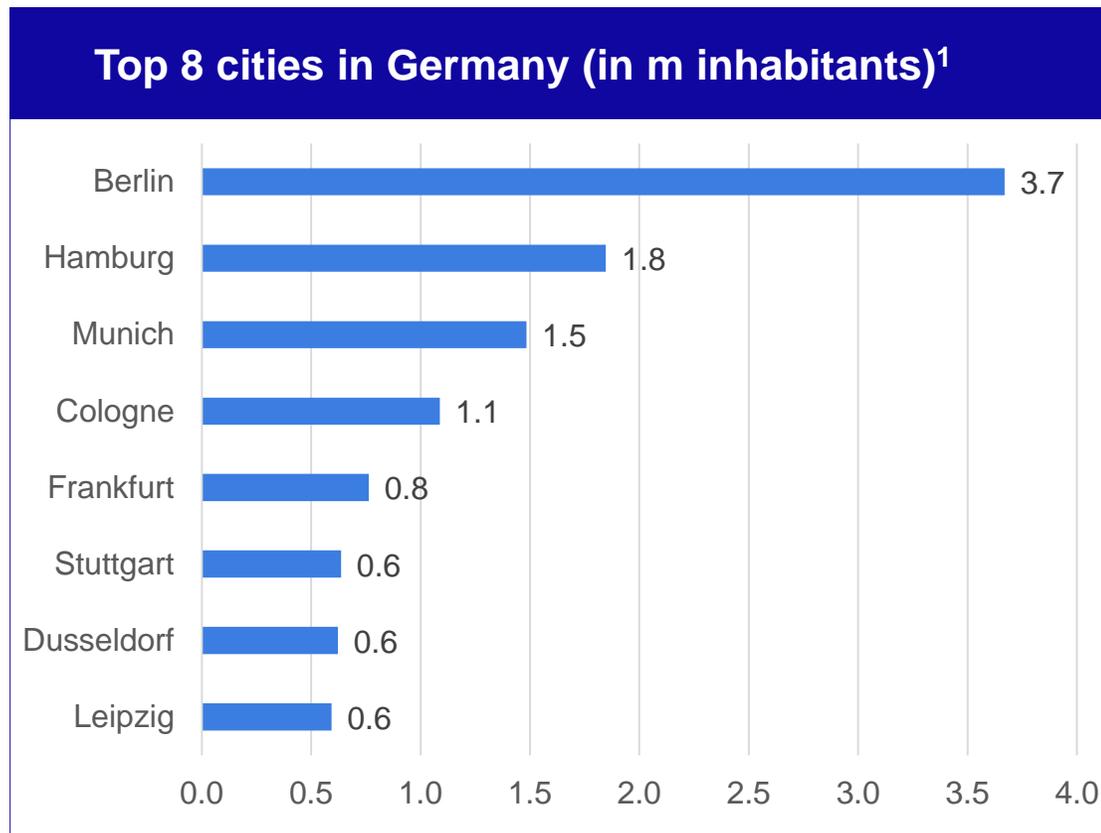
Investment

- Value creation by combining different stakeholder targets
- Solution to ongoing and future challenges:
 - Energetic refurbishment
 - Providing new housing
 - Continuous maintenance
 - Social compatibility
- Attractive returns while maintaining moderate risk profile



¹ Definition of product clusters: New buildings: 80's, 90's buildings and recent constructions, serial housing: skyscrapers, complex settlements and pre-fabricated buildings, postwar buildings: 50's and 60's buildings, Altbau: Wilhelminian/Gründerzeithäuser, pre-war buildings
deutsche-wohnen.com

Deutsche Wohnen, the only residential company with majority of assets in top 8 cities



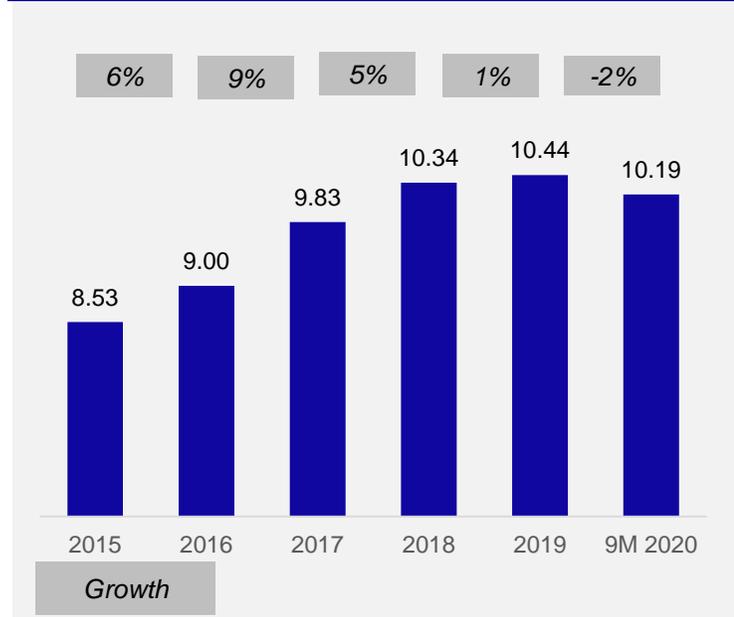
▪ Deutsche Wohnen portfolio is “best in class”, characterized by a high value upside potential driven by the attractive macro fundamentals of Germany’s top cities

¹ Source: Federal Statistical Office Germany

² Peers include top four stock exchange listed peers by market capitalization; Deutsche Wohnen pro-forma LEG portfolio disposal for Deutsche Wohnen

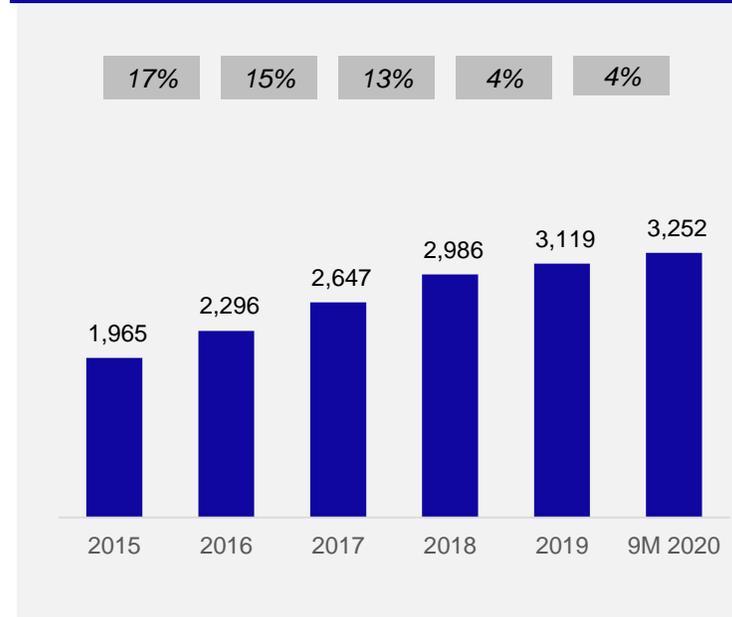
Update on Berlin residential market

Development of asking rents (EUR / sqm)



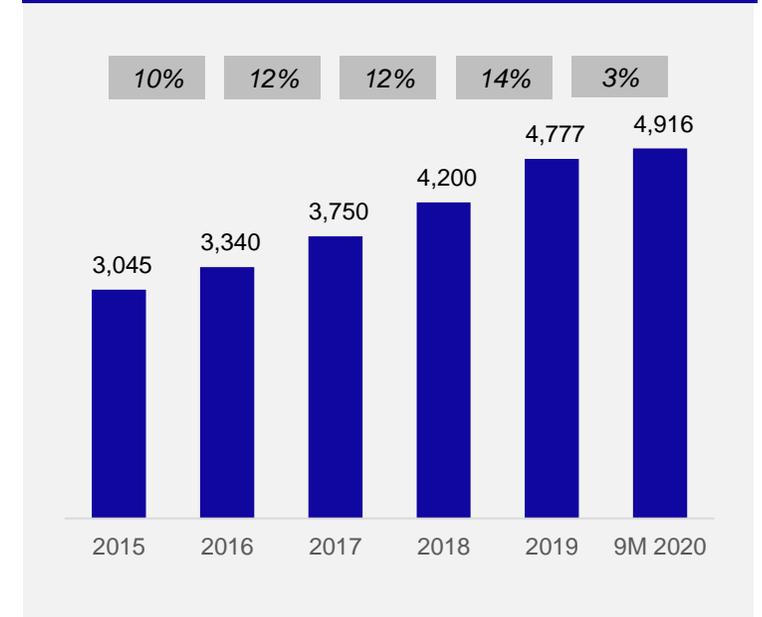
Slight decline due to Berlin rent freeze

Development of asking prices for multi-family-homes (EUR / sqm)



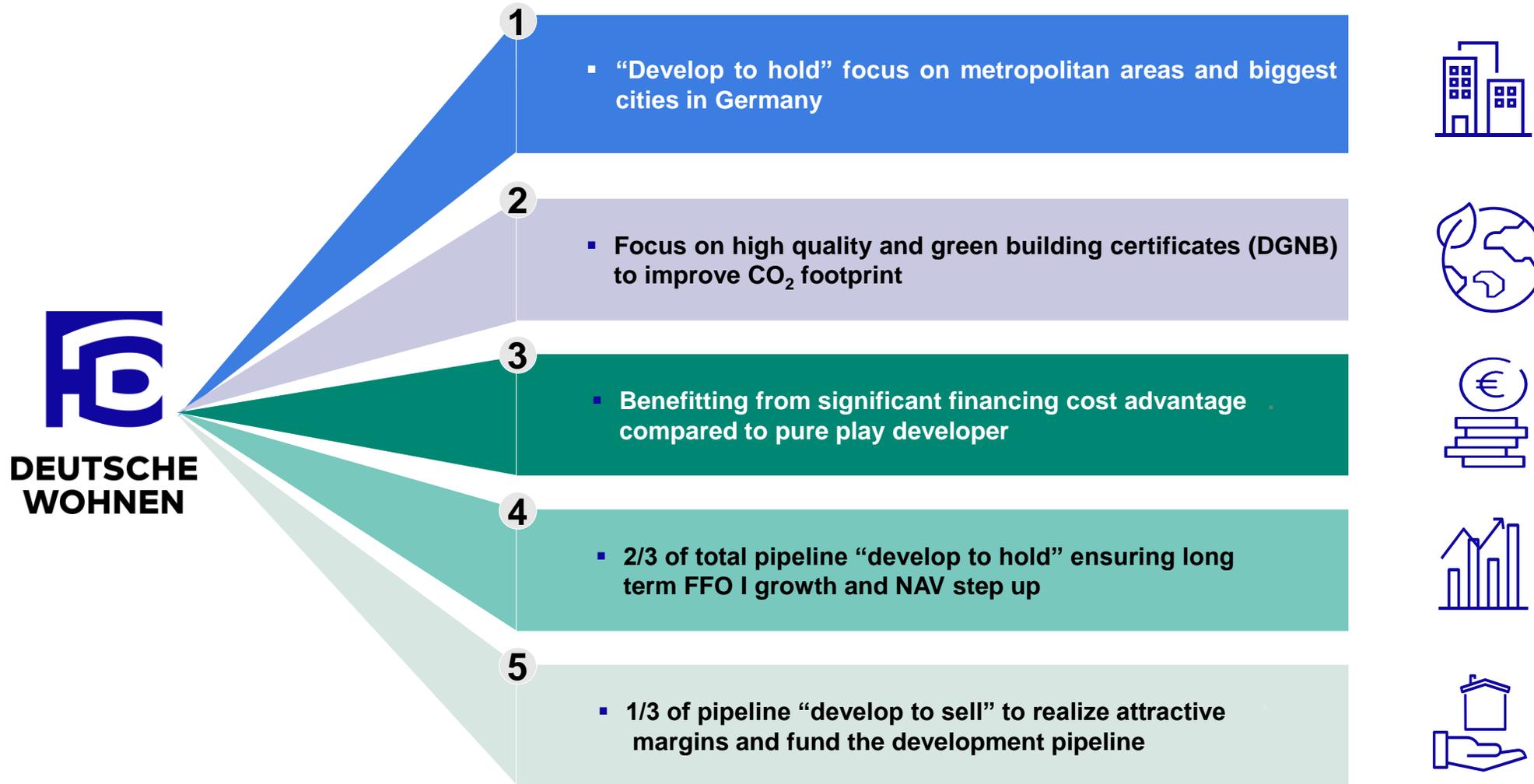
Price growth for multi family homes and condominiums continues at lower pace

Development of asking prices for condominiums (EUR / sqm)



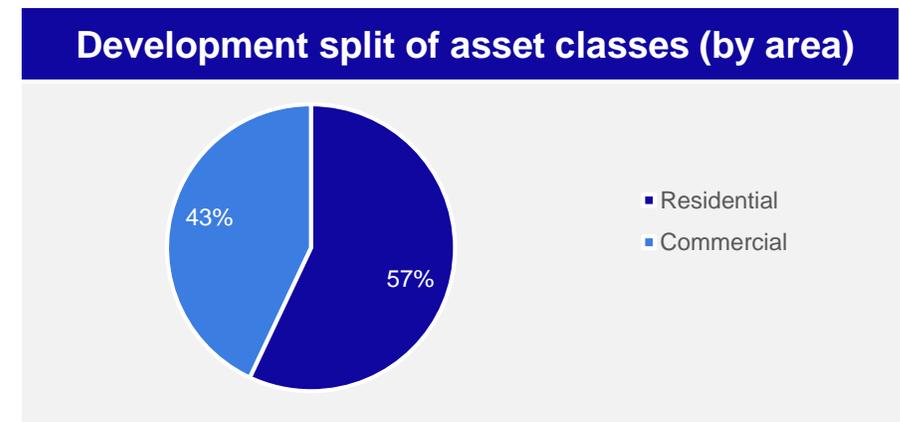
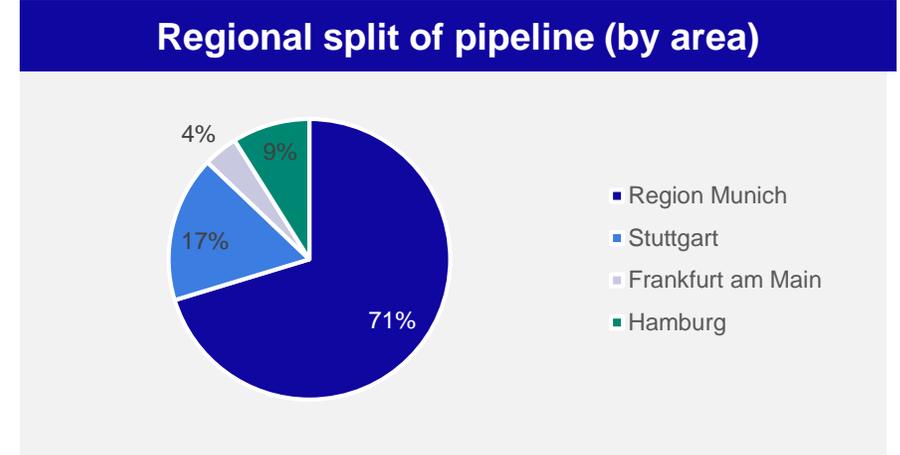
Source: CBRE

Deutsche Wohnen – Creating new supply



Isaria – Strong development pipeline across asset classes

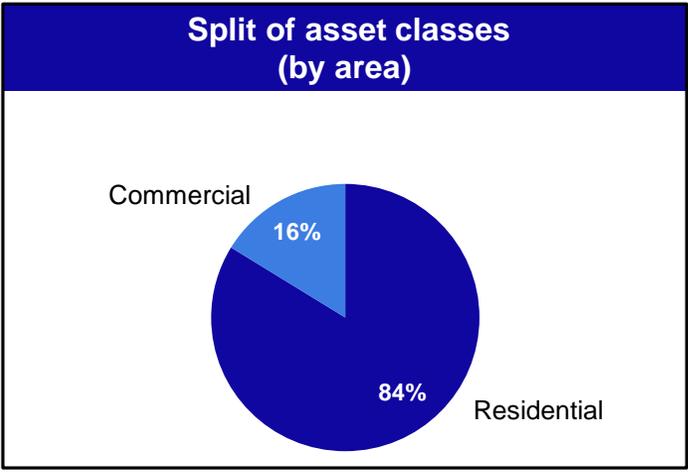
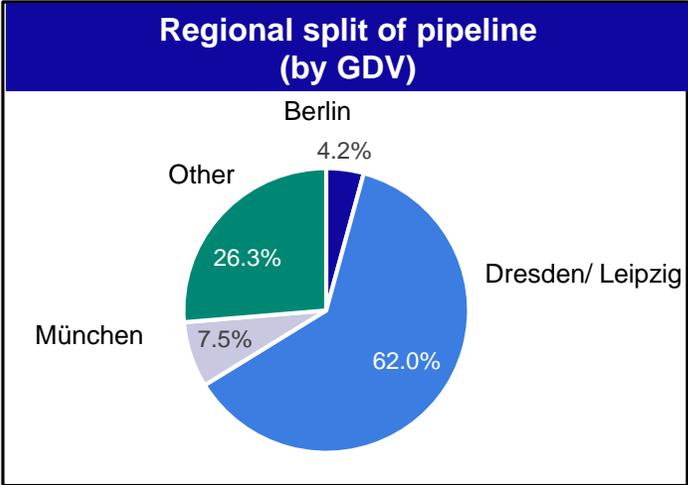
Object of purchase	<ul style="list-style-type: none"> 13 development projects of ISARIA AG
Acquisition price	<ul style="list-style-type: none"> c. EUR 600m (enterprise value)
Exp. Rent for pipeline	<ul style="list-style-type: none"> EUR 60m p.a. / c. EUR 15 per sqm Thereof 2,700 residential units
Investment	<ul style="list-style-type: none"> Total investments EUR 1.8bn
Initial yield	<ul style="list-style-type: none"> 3.3% / multiple 30x
Financing	<ul style="list-style-type: none"> Debt financing Further asset disposals Deutsche Wohnen LTV to be kept in target range
Expected closing	<ul style="list-style-type: none"> Q2-Q3 2020



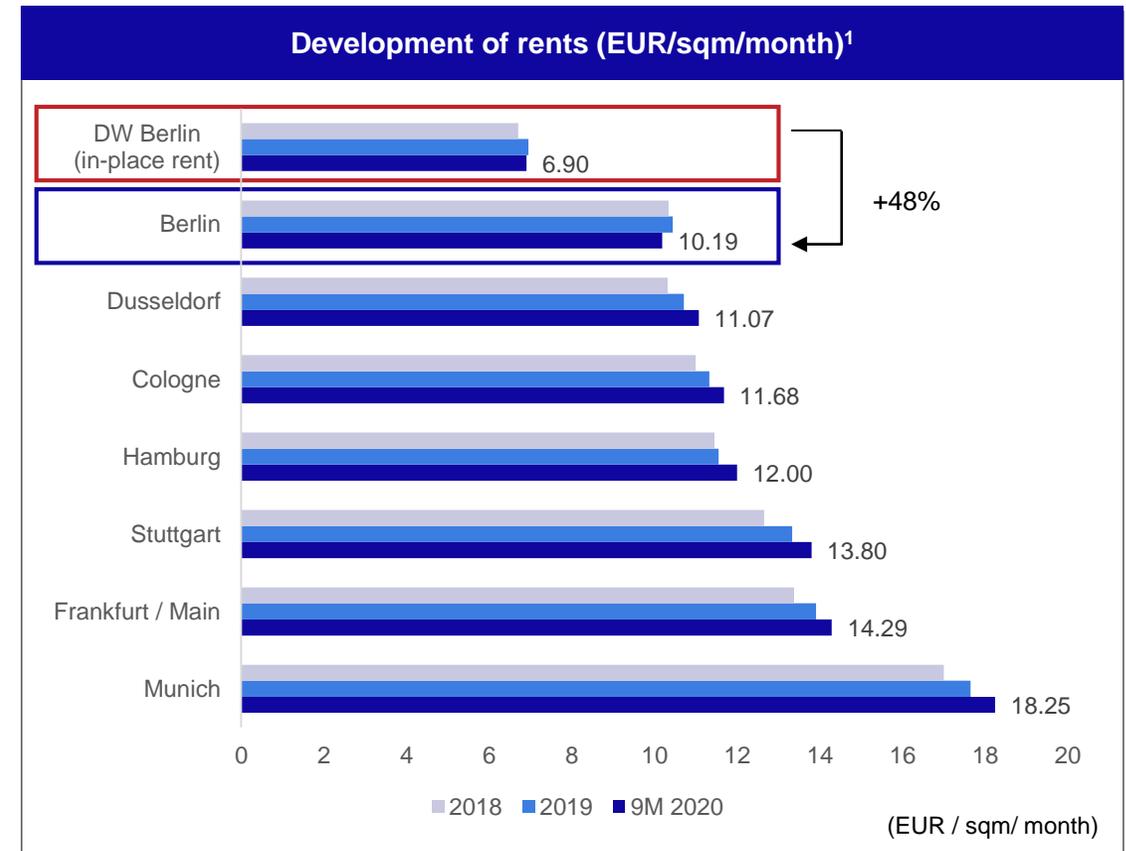
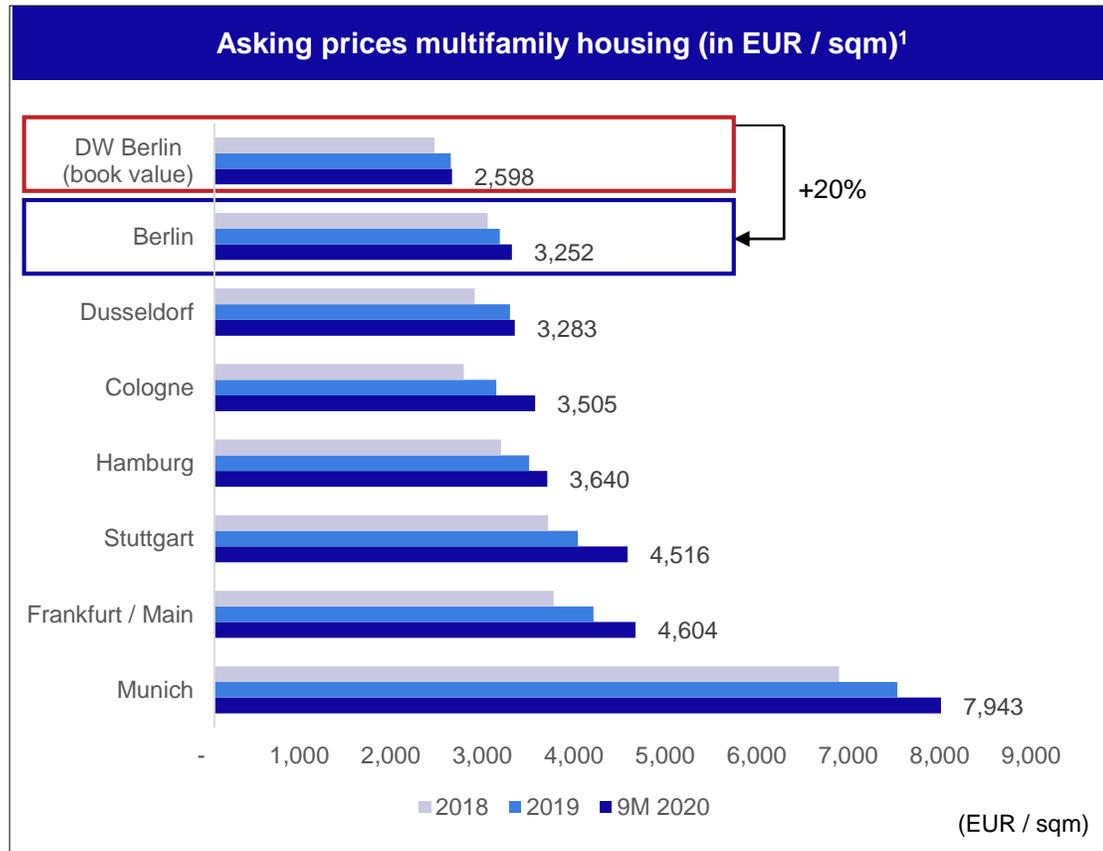
▪ Residential development capabilities to provide political support in addressing supply demand imbalance in German cities

QUARTERBACK Immobilien AG – EUR 2bn residential development pipeline

Object of purchase	<ul style="list-style-type: none"> ▪ Purchase of 40% shares of QBIAG plus direct investments in several project companies with a total GDV of ~EUR 2bn ▪ Further c. 1,500 residential units are in the asset stock of QBIAG with 2/3 located in Dresden/ Leipzig and Berlin region ▪ Economic ownership as of 01/01/2020
Acquisition price	<ul style="list-style-type: none"> ▪ EUR 210m for 40% shares of QBIAG and further c. EUR 190m for stakes in project companies (incl. debt)
Investment rationale	<ul style="list-style-type: none"> ▪ Professional platform with strong track record and foot print in Central Germany ▪ Strong access to residential development products in Dresden/Leipzig and Berlin region ▪ Participation in expected sales margin of Ø 30%, of which already ~20% at contractually agreed purchase prices (further 20% LOIs)
Expected rent for pipeline	<ul style="list-style-type: none"> ▪ EUR c. 90m p.a. / c. 10.50 per sqm
Yield on costs (incl. purchase price)	<ul style="list-style-type: none"> ▪ 3.6% / 27.7x
Financing	<ul style="list-style-type: none"> ▪ Capital recycling and new debt ▪ Deutsche Wohnen LTV to be kept in 35-40% target range
Expected closing	<ul style="list-style-type: none"> ▪ Q3 2020



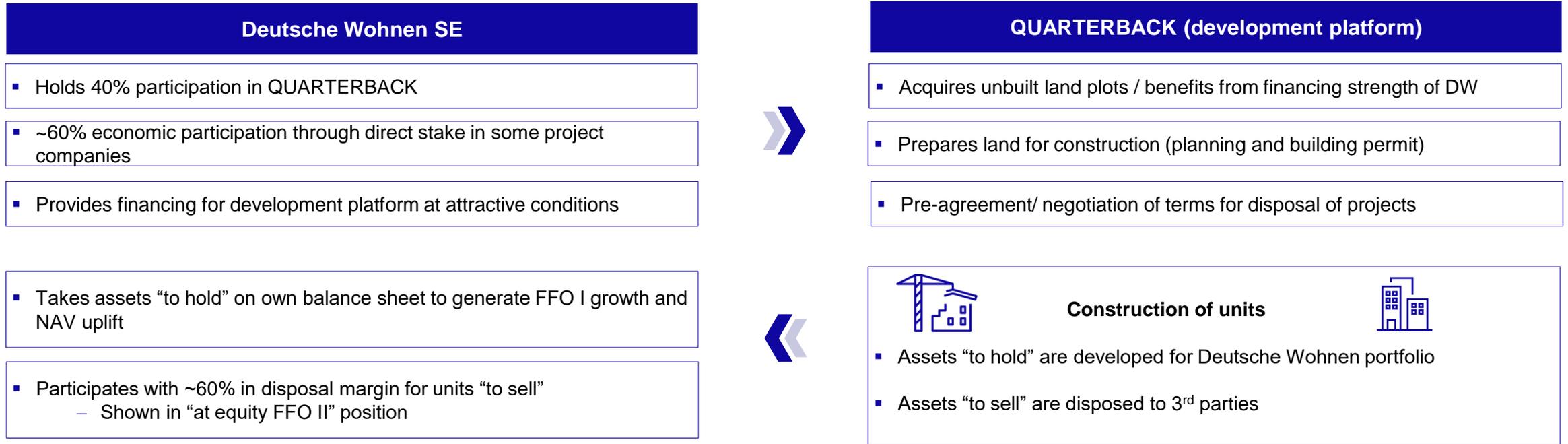
Current level of rents and prices in TOP German cities



▪ **Relative to other German cities Berlin continues to screen relatively attractive**

¹ Source: CBRE

Development concept through participation in QUARTERBACK



Corporate Governance / structure

- Deutsche Wohnen is represented at management and supervisory board level of QUARTERBACK
 - Reporting is provided and projects are continuously monitored by DW
 - Important business decisions need the consent of DW (the board)
 - The founder of QUARTERBACK serves as CEO and brings in dedicated experience and local development network

Berlin rent freeze

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Key points of Berlin rent regulation in force since 23rd of February 2020

General

- Applies to all residential apartments except for subsidized housing stock and new construction (age cluster after 2014)
- Rents are basically fixed to the rent level of June 18th, 2019 for 5 years and rent caps between 3.92 and 9.80 EUR/sqm have been defined
- Landlords shall provide existing tenants and new tenants with information on the applicable rent and the relevant criteria within 2 months after application
- Penalty fines of up to EUR 500k for individual cases

Existing contracts

- Modernization increase up to 1 EUR/sqm possible if rent caps are exceeded by max. 1 EUR and only for defined measures
- Rent ceiling levels can increase by 1 EUR if at least three of five defined quality criteria are fulfilled
- Starting from 2022 and up to 1.3% p.a. inflation adjustment up to the rental ceiling depending on wage inflation
- If individual rent level exceeds 120% of the respective cap landlords have to reduce rent (starting from 23rd Nov 2020)

New lettings

- The lower of rent ceiling or rent level of the previous tenant
- Rent ceiling levels can increase by 1 EUR if at least three of five defined quality criteria are fulfilled

Deutsche Wohnen Berlin properties clustered by building age

Age cluster	DW proportion ¹⁾	Rental ceiling (EUR/sqm/month)	Average net cold rent per month based on rental ceiling ³⁾ (EUR)
< 1918	6%	6.45	387
1919-1949	32%	6.27	376
1950-1964	26%	6.08	365
1965-1972	9%	5.95	357
1973-1990	20%	6.04	362
1991-2002	4%	8.13	488
Ø Deutsche Wohnen		EUR 6.20²⁾ rental ceiling vs EUR 6.96 DW in-place rent	372

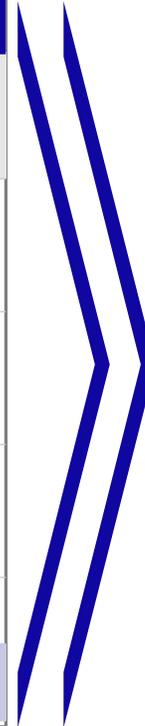
- Average rental cap at EUR 6.20 per sqm and c. 11% below Deutsche Wohnen in-place rent of EUR 6.96 per sqm for the Berlin portfolio
- Average monthly rent would amount to EUR 372 per month for a 60sqm apartment, regardless of individual income situation, micro-location and quality
- Berlin rent regulation is structured to provide relief for high income households

Source: Senatsverwaltung für Stadtentwicklung
 1) Focus on relevant Deutsche Wohnen clusters >3% of Berlin portfolio
 2) Weighted average rental ceiling for unrestricted units of Deutsche Wohnen portfolio in Berlin according to proposed law
 3) Based on 60 sqm apartment for typical 2 person household

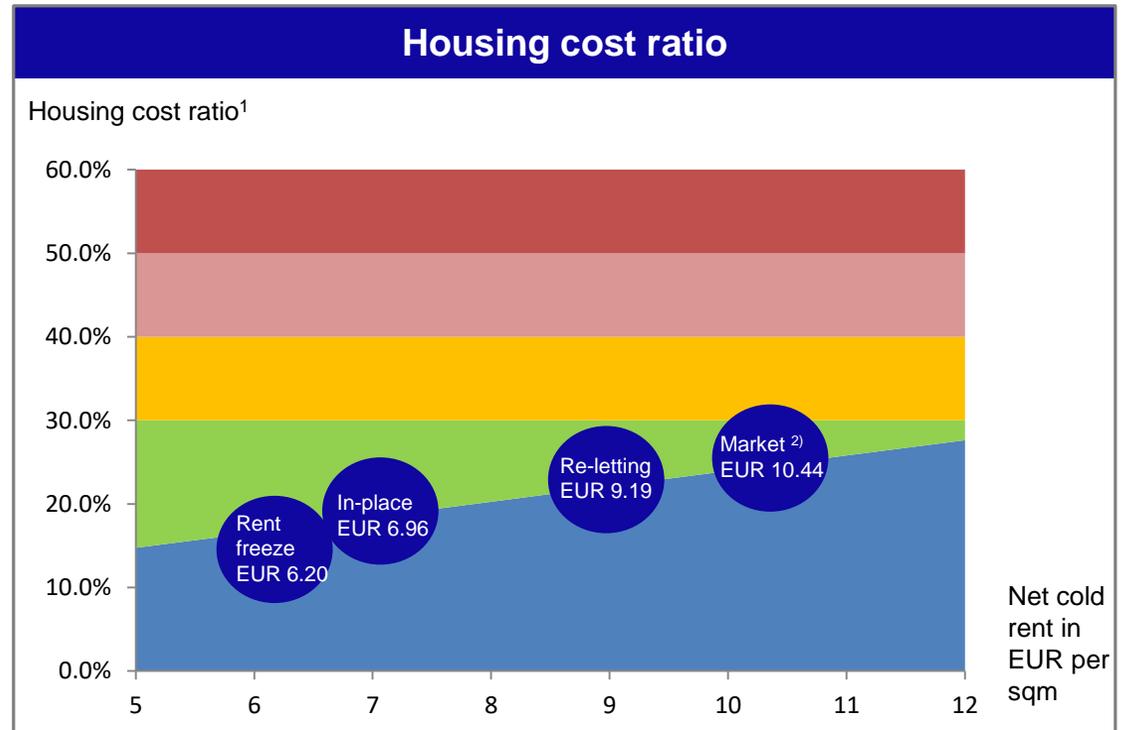
Size matters – Deutsche Wohnen’s below average apartment size is a clear affordability advantage

Affordability of average Deutsche Wohnen flat in Berlin

	DW In- place rent	DW- rent freeze rent	DW re- letting rent	Market rent ²
Net cold rent per sqm (EUR)	6.96	6.20	9.19	10.44
Ancillary cost per sqm (EUR)	3.00	3.00	3.00	3.00
Gross rent per sqm (EUR)	9.96	9.20	12.19	13.44
Monthly rent (EUR)	598	552	731	806
Housing cost ratio ¹	18%	17%	22%	25%



Housing cost ratio



- Average apartment size of c. 60 sqm on average screens affordable

¹ Based on net disposable household purchasing power in Berlin at EUR 3,258 according to CBRE 2018 (CBRE 2017: EUR 3,046)

² CBRE asking rent Berlin in 2019 at EUR 10.44 per sqm

ESG

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Deutsche Wohnen – ideally positioned to benefit from the existing megatrends and committed to ESG concerns

Urbanization

Continued growth of cities anticipated; rural areas to experience dramatic loss in population

Aging society

Further increase in demand for care expected – already an unmet need for Assisted Living housing of 550,000 units

Persistent low interest rate period

Persistent low interest rate period continues to drive flow of capital into real estate as an asset class



Letting business, Development

- Concentration on metropolitan areas
- Investing in development projects
- Consideration of diversity and individuality of customer and product

Nursing & Assisted Living

- One of the largest owners of nursing facilities in Germany
- Continuously expanding the segment and investing in existing facilities

Attractive market

- Investment pressure in real estate remains high, especially in growth markets
- Attractive yields with a low-risk profile

Value generation for all stakeholders

Environmental

- Commitment to sustainability, environment and climate
- Significant improvement of energy efficiency of our apartments
- ~ 64% of our units perform better than average residential property in Germany

Social

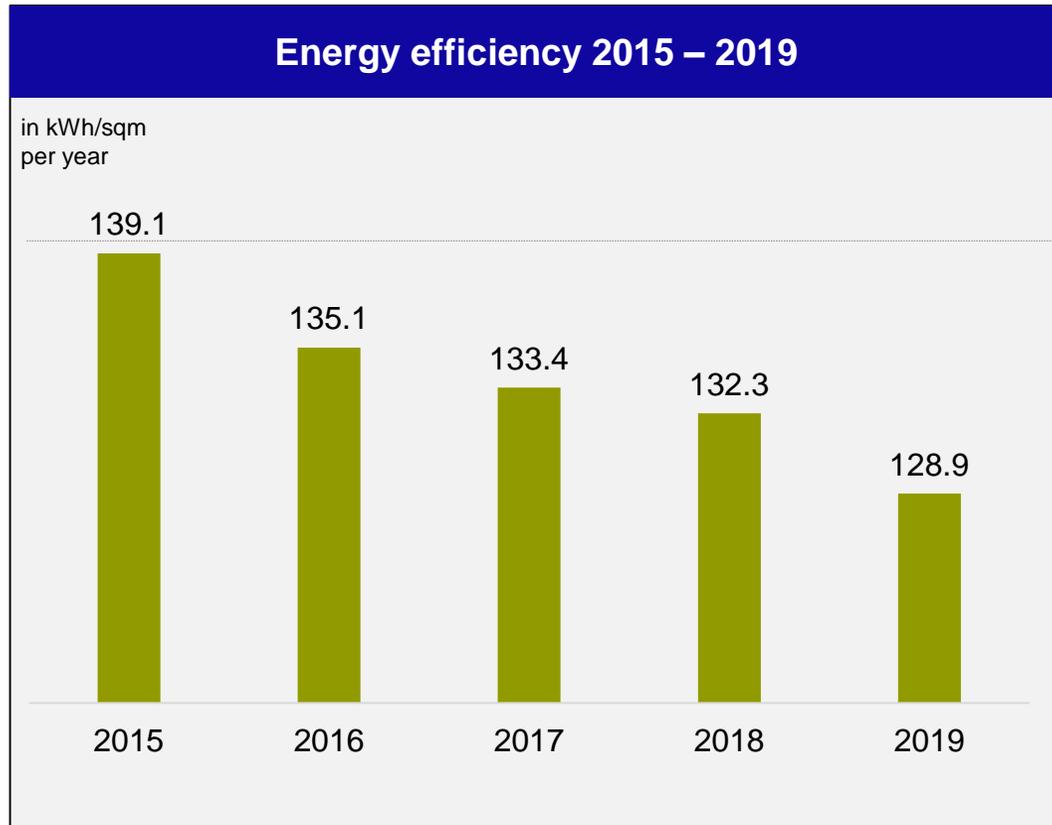
- Socially reliable landlord who goes beyond legal requirements
 - Corona aid fund
 - “Promise to our tenants”
- Affordable housing

Corporate Governance

- Permanently monitored and discussed the company’s corporate governance standards
- Good ESG rating results



Improvement of energy efficiency of our properties

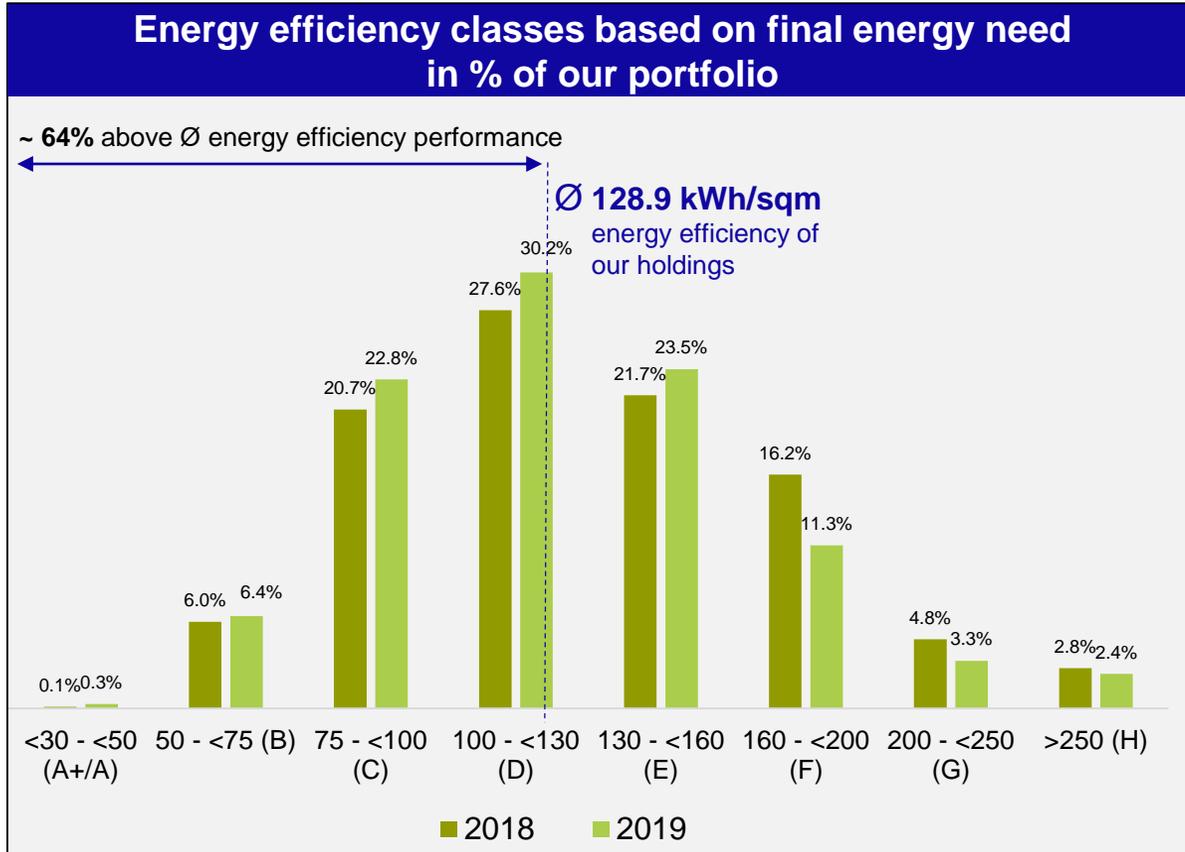


Achievements

- Energy efficiency improved from 139.1 kWh/sqm p.a. (2015) to 128.9 kWh/sqm p.a. (2019)
- 6,650 units with complex energetic refurbishment from 2015 – 2019 resulting in:
 - significantly reduced energy consumption of 25.7m kWh (6,200 t CO₂ p.a.)
 - improved energy efficiency by ~ 30% to 102 kWh/sqm p.a.
 - Ø CO₂ reduction of 1 t per refurbished apartment through complex energetic measures



Energy intensity of our properties better than German average



Results

- ~ 64% of our units perform better than average residential property in Germany (135.5 kWh/sqm p.a.)¹
- ~ 29% of our units perform well with less than 100 kWh/sqm p.a. (A+ to C)
- Ø consumption of our holdings at 128.9 kWh/sqm p.a. (2019: 132.3 kWh/sqm p.a.)

The weighted average of the final energy consumptions on the basis of the current energy performance certificate of properties. Discrepancies in the final energy requirements of approximately 20 kWh may arise due to the non-specification of the type of heating in question. The allocation according to current category of energy efficiency of properties is therefore based solely on the classification in accordance with the German Energy Saving Ordinance (EnEV). Taking account of approximately 30,000 listed units for which no energy performance certificate is required, the data comprises approximately 100% of our total portfolio.

¹ Source: Own calculations based on Techem Energiekennwerte 2018



Deutsche Wohnen - a socially reliable landlord who goes beyond legal requirements

EUR 30m Corona aid fund for our tenants and partners

Our promise to our tenants: In more than 800 cases no rent increases due to rent index adjustments or modernisation measures

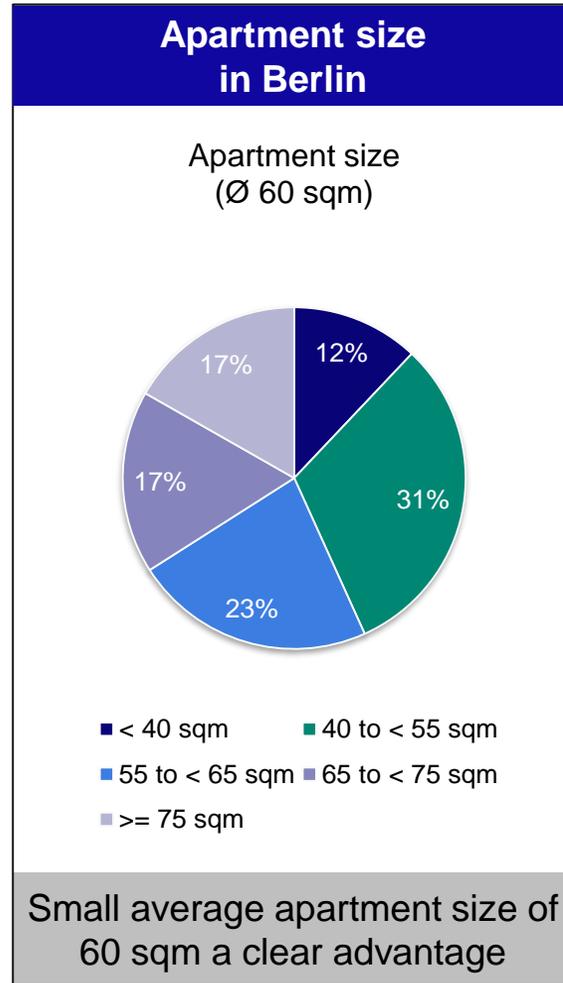
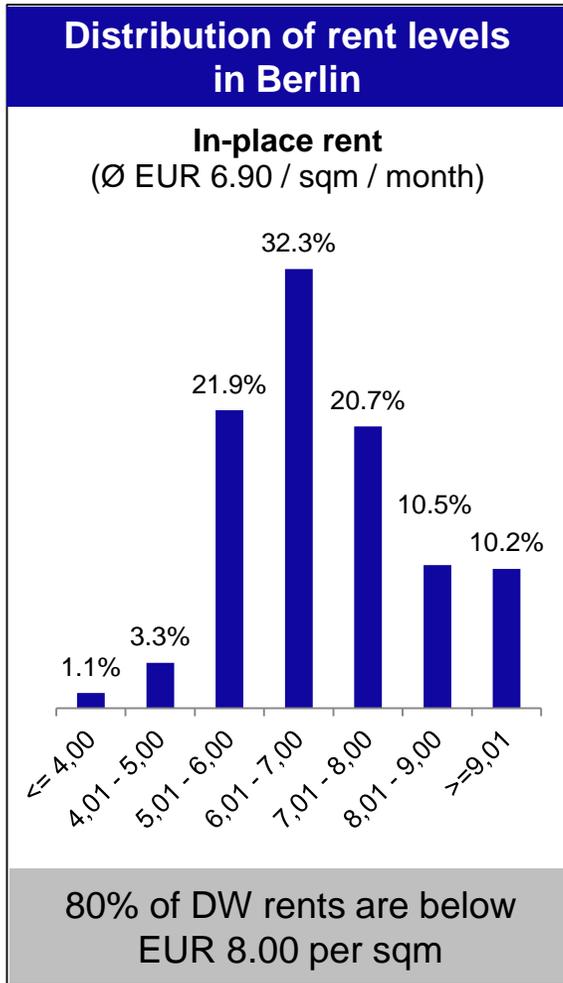
One in four re-letting residential units to tenants entitled to a certificate of eligibility to live in social-housing (“**Wohnberechtigungsschein**”) to mitigate gentrification in urban areas

Deutsche Wohnen provides affordable housing with Ø EUR 6.93 in-place rent and small apartment size of Ø 60 sqm

Regular annual tenant surveys to further improve tenant satisfaction and response times based on latest survey 87% are satisfied with their apartment and 78% with Deutsche Wohnen as their landlord



Deutsche Wohnen provides affordable housing



Affordability of average Deutsche Wohnen flat in Berlin

	DW in-place rent	Market rent ¹
Net cold rent per sqm (EUR)	6.90	10.19
Ancillary cost per sqm (EUR)	3.00	3.00
Gross rent per sqm (EUR)	9.90	13.19
Monthly rent (EUR)	~590	~790
Housing cost ratio²	18%	24%

Based on average size and average income Deutsche Wohnen apartments screen affordable

1) Market rent based on CBRE 9M 2020

2) Affordability based on average apartment size of 60 sqm and average household income in Berlin of EUR 3,278 (CBRE Wohnmarktreport 2020)

Responsible corporate management

Corporate Governance

- Supervisory board:
 - 1/3 are female
 - Rejuvenation: Ø age at 56
 - Ø tenure at 6.7x (2016: 9.5 years)
- Management board:
 - Remuneration: STI 80% Financial Targets / 20% Non-Financial Targets
 - 20% female quota until June 2025
- Employees:
 - At least 40% females in executive positions
 - 77% of employees are happy with Deutsche Wohnen as employee

Strategically manage sustainability activities

- Concept for incorporating the recommendations of TCFD into Group reporting
- Make carbon footprint quantifiable via upstream and downstream supply chains to refine the investment strategy for the achievement of the climate protection goals
- Add energy efficiency criteria to the portfolio management system
- ESG is element of management compensation as execution of sustainability programme forms part of STI compensation

Initiatives to improve CO₂ footprint

- **Deutsche Wohnen hosted a Climate Conference in October 2020**
 - Engagement with politics, science and stakeholders
 - Combine economic, social and ecologic aspects in the interest of landlords and tenants
 - Socially responsible climate protection is possible for the housing industry

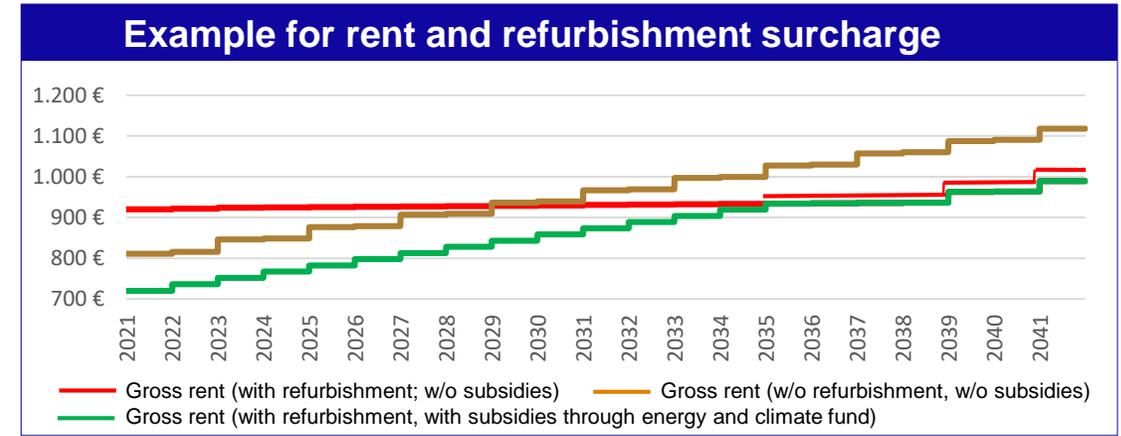
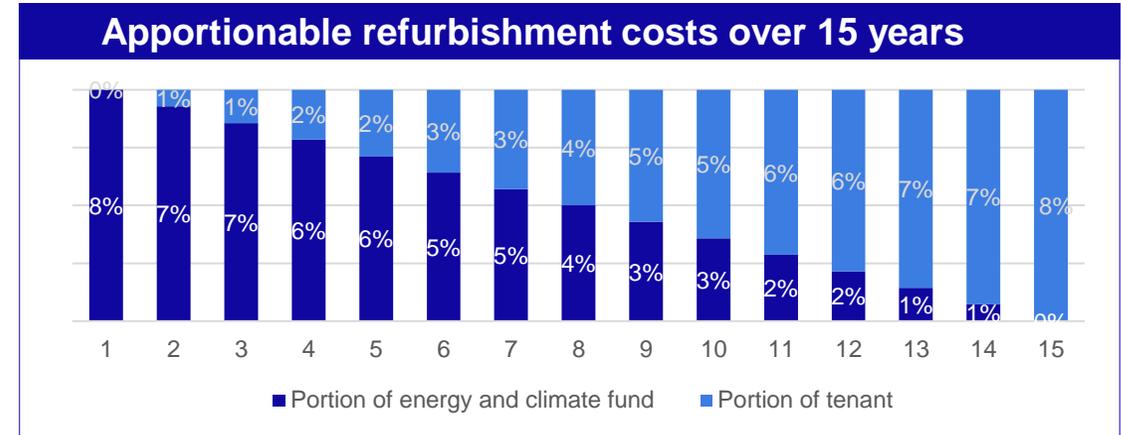
- **Proposal to resolve conflicting goals of climate protection and affordability**
 - Majority of tenants are in favor of climate protection but only willing/ able to pay a limited amount
 - Proposal: tenants receive subsidies to cover rental uplifts from energetic refurbishments for a limited time
 - Decreasing subsidy leading to slight rent adjustment over time but tenants benefit immediately from reduced energy costs
 - Funding through the Energy and Climate Fund (CO₂ pricing legislation by the German Federal Government)

- **Cooperation with GETEC to further enhance energy efficiency**
 - 1,000 photovoltaic systems and 2,000 charging poles targeted within the Deutsche Wohnen settlements
 - Savings potential of 14,000 t CO₂ p.a.
 - Investment of ca. EUR 75m over the next 10 years



Our proposal for a socially responsible climate protection in the residential property space

- Energy efficient refurbishment need to accelerate, refurbishment rate would need to increase from 1% to 2.5% in Germany
- Many tenants do not support refurbishment as this leads to rent increases whose amount exceeds potential energy cost savings
- **Deutsche Wohnen’s proposal is to cover modernization costs of up to 8% by the Energy and Climate Fund (“EKF”). It was set up by the federal government to finance measures for improving energy efficiency, funded by income from auctioning of CO2 emission rights**
- Over a period of 15 years, this support would taper off in a linear fashion, ensuring that tenants would only slowly begin to contribute to climate costs. At the same time, residents would benefit from lower energy consumption and improved quality of life from day one.
- We are also proposing the same level of support for owner-occupied property



Nursing & Assisted Living

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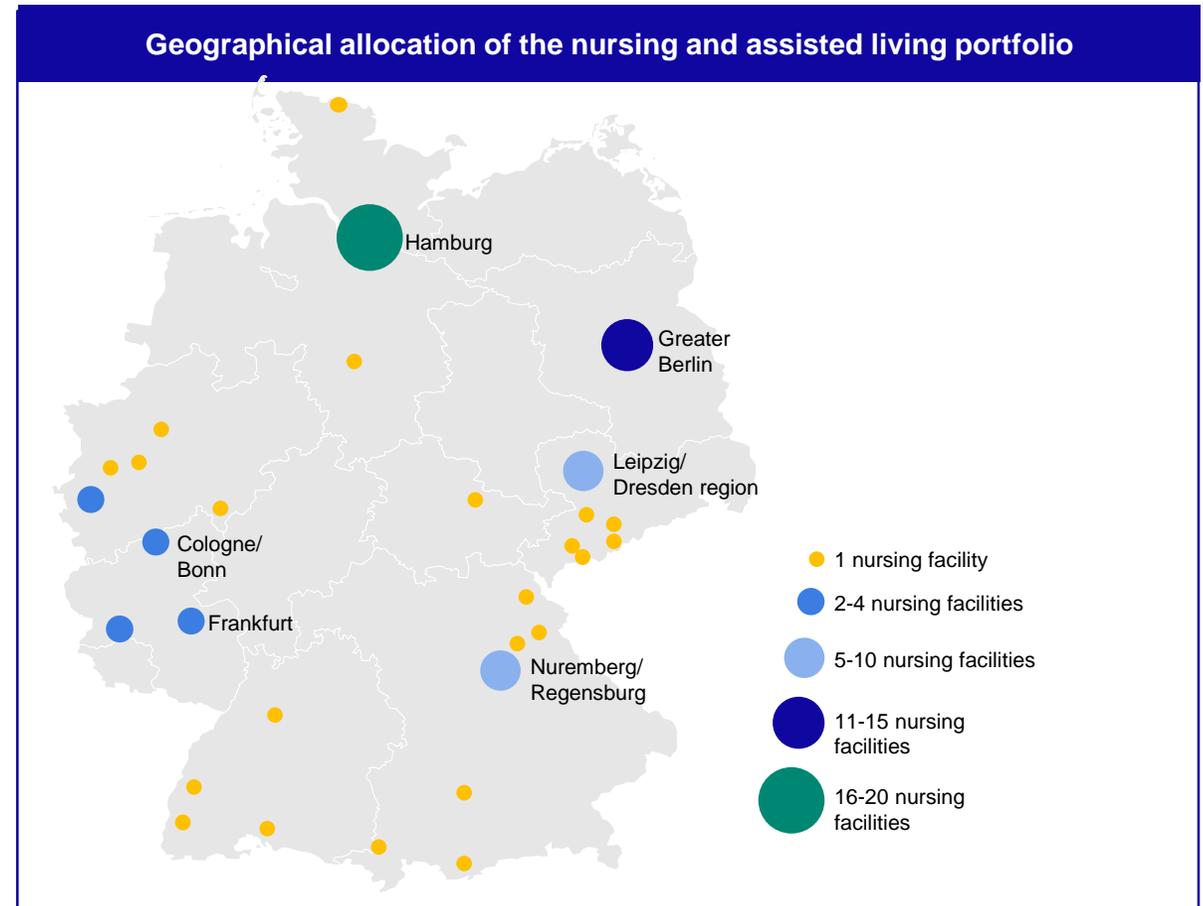


Nursing portfolio – regional distribution

Managed by owner ²	Region	Facilities #	Beds ¹ #	Occupancy rate
	Greater Hamburg	17	3,380	87.6%
	Greater Berlin	12	1,430	98.7%
	Saxony	9	580	99.1%
	In-house operations	38	5,340	91.9%

Assets excluding operations

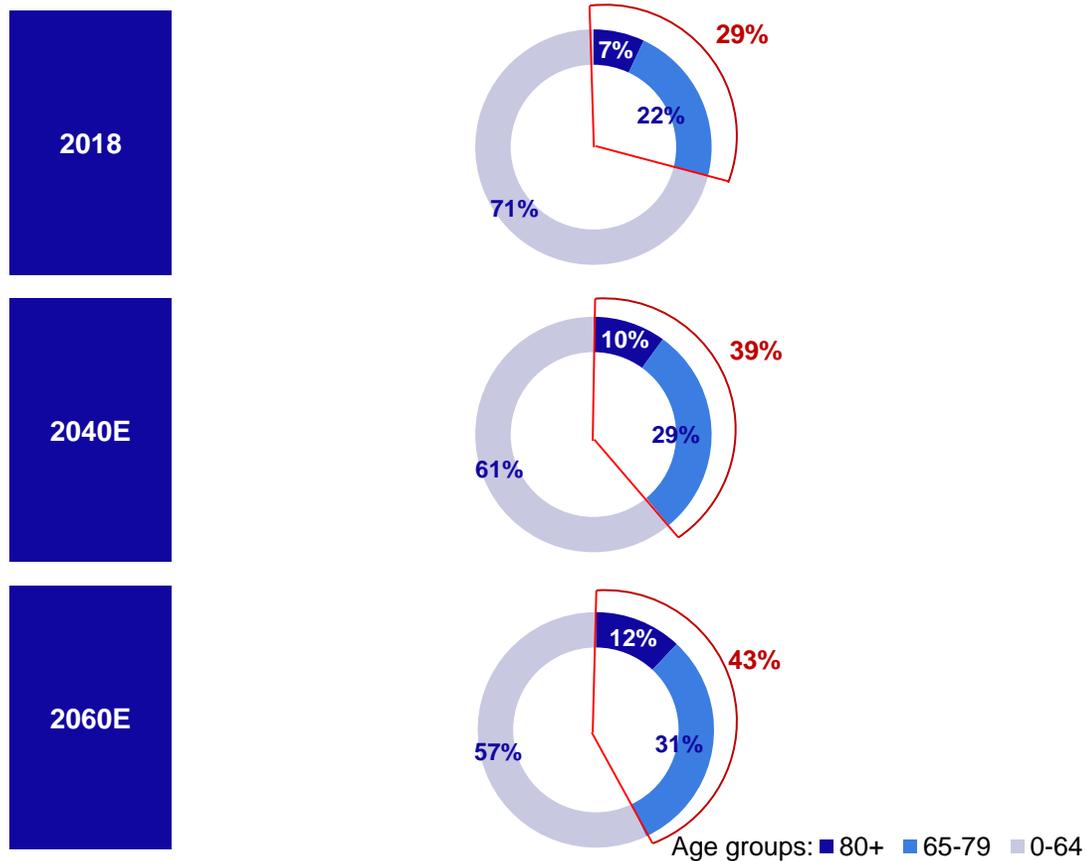
Other operators	Region	Facilities #	Beds ¹ #	WALT
	Bavaria	13	1,630	9.1
	North-Rhine Westphalia	9	1,240	13.1
	Rhineland-Palatinate	3	510	11.5
	Baden-Wuerttemberg	4	500	8.9
	Lower Saxony	1	110	10.3
	Hesse	4	530	9.2
	Other	6	720	7.4
	In-house operations	40	5,240	10.2
Total nursing	78	10,580	n/a	



▪ Deutsche Wohnen business model superior to most peers as owner with operational know-how, exposed to lower risk and low cost of funding

Demographic trends in Germany underpin rising demand

Increasing share of age groups 65+ and 80+



Source: Latest forecast of Bundesinstitut für Bevölkerungsforschung (BiB) in 2018

Ageing population leads to increasing demand for nursing homes

- Nursing care market driven by (irreversible) demographic trends - increasing demand for social, medical and nursing services
 - Increase in demand until 2040 by c. 40%, corresponding to additional 380k beds
 - New construction cannot meet increase in demand (supply demand imbalance)
- Main reasons for aging German population are:
 - Decreasing birth rates
 - Ageing of former baby boomer generations
 - Increasing life expectancy
- Until 2040 the age group >80 years is expected to increase by 30%
 - Approx. 10% of the German population will be >80 years in 2040
 - Increased demand for specialized facilities to serve e.g. Alzheimer's disease / dementia
- The requirement for professional service structures in nursing care are further boosted by ongoing trends:
 - Increasing mobility
 - Bigger distance between family members
 - Higher share of employment of all family members

Overview of elderly care market in Germany

	Description	Payment regulation
Nursing homes (inpatient care)	<ul style="list-style-type: none"> Covers all levels of inpatient care Focus on higher care degrees Daycare programs located in nursing homes Short-term inpatient care, if the need of care is only temporarily 	<ul style="list-style-type: none"> Reimbursement level depending on extend of care required (5 degrees available) Long-term care insurance (LTC) covers a monthly allowance, remainder has to be paid by pension / private wealth Social security system covers if no private wealth is available
Outpatient care	<ul style="list-style-type: none"> Covers all levels of outpatient care incl. domestic support Focus on lower care degrees Services are delivered at home or in assisted living facilities 	<ul style="list-style-type: none"> Reimbursement level depending on level of care required Social LTC insurance pays defined allowance, per month for either: <ul style="list-style-type: none"> Professional outpatient care service For a relative to take on care Remainder to be paid by pension / private wealth
Assisted living	<ul style="list-style-type: none"> Special form of outpatient care with focus on premium customers Apartments are rented out incl. complementary LTC packages and availability of extra services 	<ul style="list-style-type: none"> Relatively unregulated market in terms of rent regulation Not reimbursed by LTC insurance

Overview of regulatory environment for nursing homes (1/2)

New homes authorization

- No formal permission (except for building laws) required to set up new nursing homes
- Operators entitled to enter into new supply contract with Long-term care insurance (Pflegekassen) as soon as structural requirements for operating a nursing home are set

Quality requirements

- Independent operators MDK¹-score checks process structure and performance quality
- Mandatory publication of MDK quality reports of each nursing home planned through latest regulatory initiatives to increase transparency
- Frequency of quality assurance audits of outpatient and inpatient care has historically increased

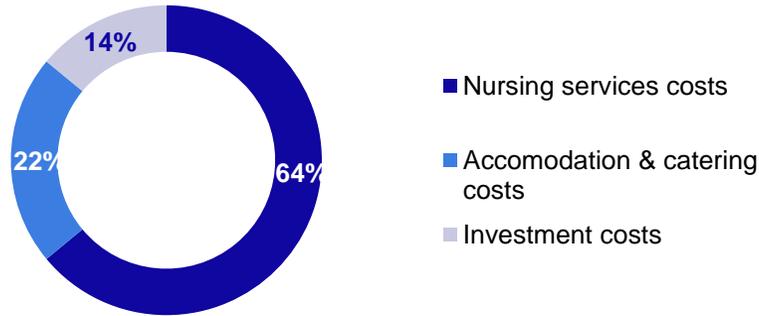
Pricing & financing

- Prices for nursing care services strictly regulated and negotiated with authorities and revised every 1-2 years, usually above cost inflation
- Total cost for a nursing home place is funded by the respective resident, long-term care insurance and, if required, social welfare (depending on residents' income)
 - Vast majority of nursing services costs is financed by long-term care insurance; level of reimbursements are defined by laws, depending on level of care required
 - Accommodation & catering as well as investment costs are, in principle, financed by resident (or social welfare system); investment rates are set freely for resident not receiving public aid
 - Operators are free to generate additional revenues from secondary services, financed by respective resident

¹ MDK – German Health Insurance Medical Service

Overview of regulatory environment for nursing homes (2/2)

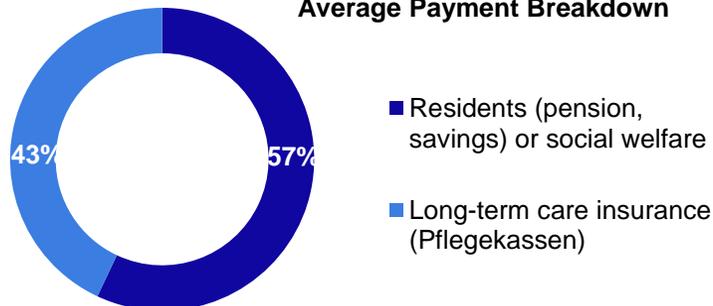
Standard daily cost breakdown of nursing homes



Source: TERRANUS, 2020

Funding of nursing home costs

Average Payment Breakdown



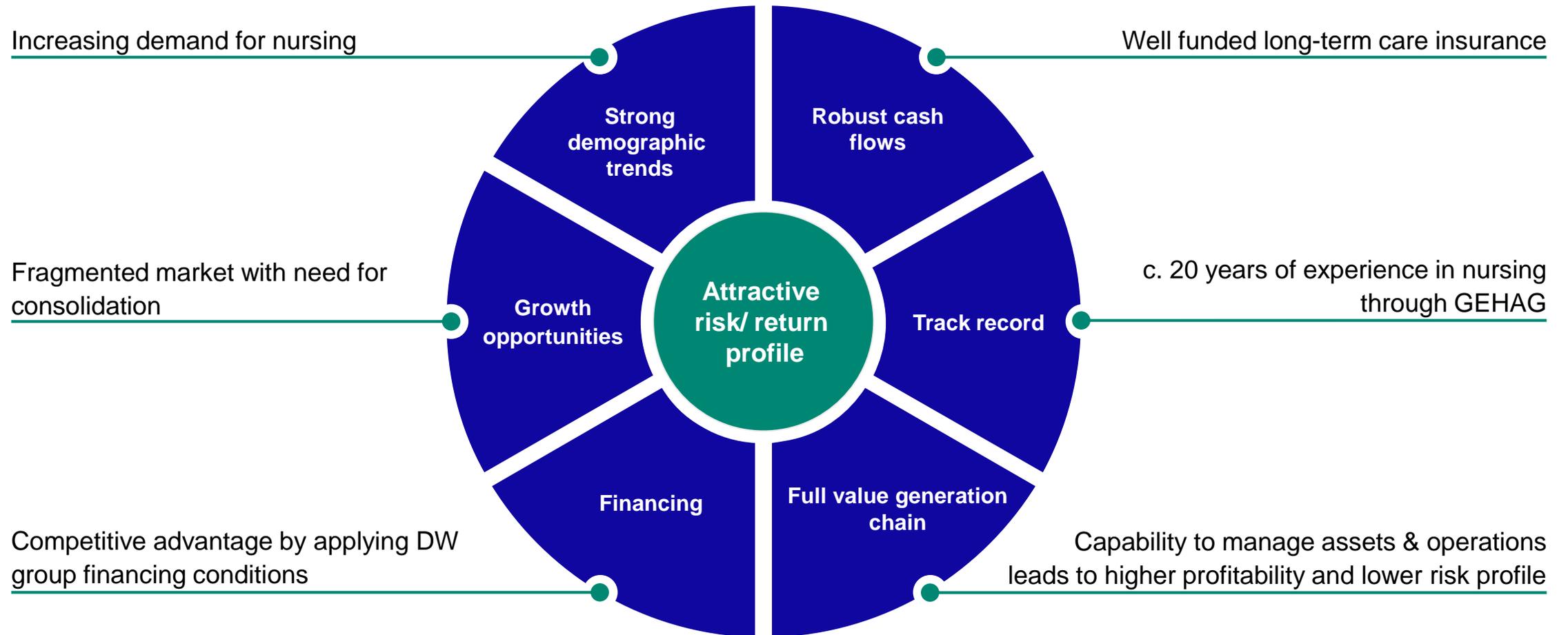
Source: TERRANUS, 2020

- Germany is one of few countries which requires all citizens to have either public or private long-term care insurance
 - Care Funds (Pflegekassen) provide a cost cover for care related services to the operator, based on the level of patient care necessary
 - Care Funds supported by mandatory social insurance as provided by care insurance law¹
 - Funded at a contribution rate of 3.05% of gross salary and 3.30% respectively for childless employees
- In addition to national regulation, there are different regional legislations on fit-out standards, multi-occupancy ratios minimum room measurement and employee skills (not homogeneous)

- **Germany has one of the most stable funding systems for long-term care in Europe**

1) Pflegeversicherungsgesetz

Why we target to increase our investment in nursing market



Nursing & Assisted Living – Strategy update

- Deutsche Wohnen is targeting an EBITDA contribution of 15% in the medium-term
 - Segment contribution to group EBITDA at c. 10%
- Further investments envisaged
 - Redensification and new constructions to provide further growth opportunities, predominately in Hamburg region
 - Opportunistic and selective M&A
- Improvement of quality of assets and services
 - Focus on self payers reduces regulatory risk
- Adjust mix of nursing and assisted living towards higher proportion of assisted living
 - Serviced apartments

Best in class Nursing and Assisted Living portfolio

Uferpalais, Berlin



Im Schlossgarten, Brandenburg



Wolkenstein, Saxony



Wilsdruff, Saxony



Bonn, North Rhine-Westphalia



Am Schwarzen Berg, Lower Saxony



Holstenhof, Hamburg



Am Albertpark, Saxony



Wiesbaden, Hessen



Finkenau, Hamburg



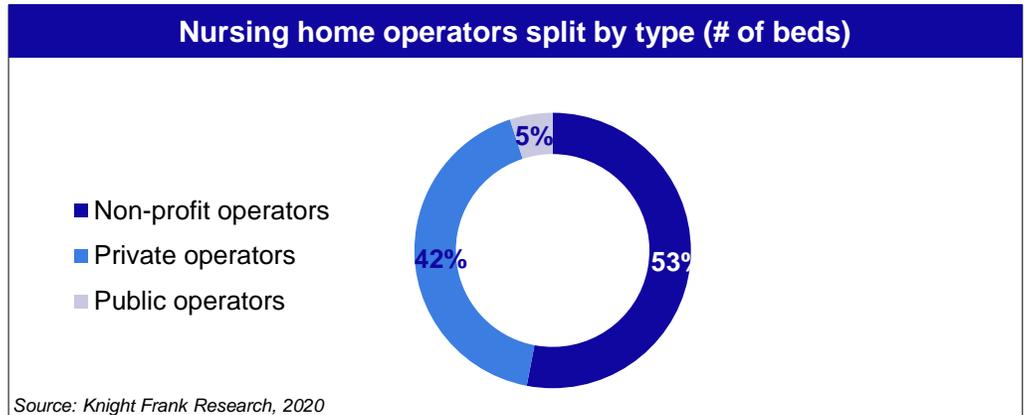
Nürnberg, Bavaria



Königstein, Hesse



Highly fragmented market structure for nursing home operators



Top private operators (by # of beds)

Operator	# of facilities	# of beds	Market share (%)
Korian	247	26,598	3.0%
Alloheim Gruppe	221	20,132	2.3%
Pro Seniore	120	14,928	1.7%
Orpea	134	11,868	1.4%
Kursana	96	9,043	1.0%
Azurit	84	8,030	0.9%
DOMICIL	49	6,135	0.7%

Source: www.pflegemarkt.com, 2020

- Nursing home operator market is very fragmented
 - Top ten private operators only c. 13% market share, expected to increase further
 - Private operators manage c. 42%
 - Many small (family) operators, often with less than 10 facilities and capex backlog
- Occupancy levels vary widely across operators and regions
 - Average occupancy rate of c. 90%
 - Free capacity in many instances does not fulfil today's standards for nursing homes (i.e.: free capacity ≠ available capacity)
- Significant consolidation trend among private operators in recent years
 - 3 of the top 5 operators are international companies
 - Consolidation is expected to continue and to accelerate professionalism (and therewith profitability) of overall sector
- Private operators increase their capacity the fastest (by acquisition or greenfield projects); growth of non-profit operators limited by funding constraints

Diverse

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Bridge from adjusted EBITDA to profit

in EUR m	9M-2020	9M-2019
EBITDA (adjusted)	542.9	567.0
Depreciation	(29.2)	(29.9)
At equity valuation	2.1	1.7
Financial result (net) ²	(124.3)	(108.4)
EBT (adjusted)²	391.5	430.4
Valuation properties ²	171.7	447.0
One-offs	(35.2)	(17.5)
Valuation SWAP and convertible bonds	(102.1)	(6.8)
EBT	425.9	853.1
Current taxes	(37.5)	(29.7)
Deferred taxes	(80.5)	(188.7)
Profit	307.9	634.7
<i>Profit attributable to the shareholders of the parent company</i>	300.2	617.3
Earnings per share ¹	0.86	1.73

in EUR m	9M-2020	9M-2019
Interest expenses	(106.9)	(96.7)
<i>In % of gross rents</i>	~17%	~16%
Interest expenses capitalized ²	6.0	4.3
Non-cash interest expenses	(27.9)	(17.5)
Interest income	4.5	1.5
Financial result (net)²	(124.3)	(108.4)

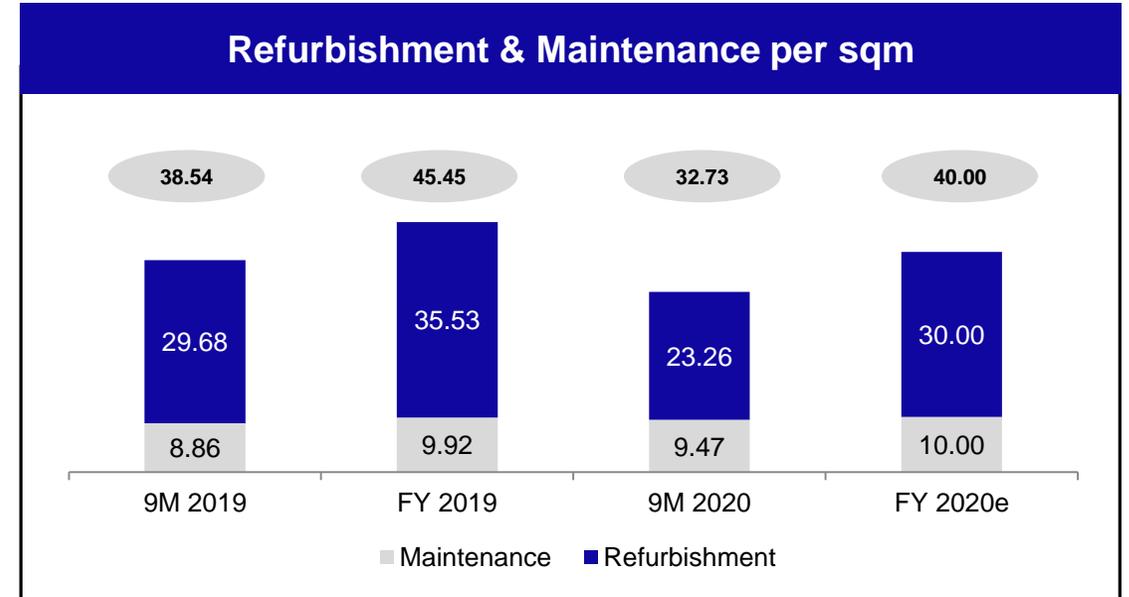
9M 2020 valuation result stems from signed disposals above recent book values

One-offs are predominately driven by EUR 20m 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

1 Based on weighted average shares outstanding excluding own shares (9M 2020: 349.22.50m ; 9M 2019: 357.77m)
 2 Prior year figures changed according to IAS 23 policy change

Ongoing investments into the portfolio

	9M-2020		9M-2019	
	EUR m	EUR / Sqm ¹	EUR m	EUR / sqm ¹
Maintenance (expensed through p&l)	72.6	9.47	69.0	8.86
Refurbishment (capitalized on balance sheet)	178.2	23.26	231.1	29.68
Total	250.8	32.73	300.1	38.54



- Maintenance at EUR 9.47 per sqm due to seasonality, FY 2020 level expected to be stable at around EUR 10 per sqm

- C. 42% of refurbishment investments (EUR 75m) are related to re-letting

¹ Annualized figure, based on quarterly average area

Summary balance sheet

Assets

in EUR m	09/30/2020	12/31/2019
Investment properties	26,259.9	25,433.3
Other non-current assets	899.0	442.2
Derivatives	2.9	1.1
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
Trade receivables	50.5	25.0
Other current assets	1,436.1	795.5
Cash and cash equivalents	328.2	685.6
Current assets	2,296.0	1,975.0
Total assets	29,463.2	27,851.7

Equity and Liabilities

in EUR m	09/30/2020	12/31/2019
Total equity	12,604.1	13,107.3
Financial liabilities	6,563.2	6,327.7
Convertibles	1,748.2	1,682.8
Bonds	3,513.8	2,014.1
Tax liabilities	59.9	26.2
Deferred tax liabilities	3,886.9	3,713.8
Derivatives	61.6	52.1
Other liabilities	1,025.5	927.7
Total liabilities	16,859.1	14,744.4
Total equity and liabilities	29,463.2	27,851.7

- Investment properties represent ~89% of total assets
- Strong balance sheet structure offering comfort throughout market cycles

Like-for-like development by regions

Like-for-like 30/09/2020	Residential units (#)	In-place rent ² 30/09/2020 (EUR/sqm)	In-place rent ² 30/09/2019 (EUR/sqm)	Change (y-o-y)	Vacancy 30/09/2020 (in %)	Vacancy 30/09/2019 (in %)	Change (y-o-y)
Letting portfolio¹	148,030	6.92	6.86	0.9%	1.7%	2.0%	-0.3pp
Core⁺	135,675	7.00	6.94	0.8%	1.6%	2.0%	-0.4pp
Greater Berlin	107,630	6.90	6.87	0.5%	1.3%	1.8%	-0.5pp
Rhine-Main	8,909	8.64	8.52	1.4%	2.5%	1.9%	+0.6pp
Dresden/Leipzig	8,804	6.27	6.09	3.0%	3.8%	4.0%	-0.2pp
Rhineland	4,810	7.52	7.36	2.2%	2.8%	3.3%	-0.5pp
Mannheim/Ludwigshafen	4,579	6.31	6.22	1.6%	1.7%	1.7%	0.0pp
Other Core ⁺	943	10.70	10.58	1.2%	0.9%	1.0%	+0.1pp
Core	12,355	6.10	6.00	1.7%	2.9%	2.9%	0.0pp
Hanover/Brunswick	8,678	6.26	6.14	1.9%	2.5%	2.7%	-0.2pp
Other Core	3,677	5.71	5.64	1.2%	3.8%	3.4%	+0.4pp
Total³	158,665	6.92	6.86	0.9%	1.7%	2.0%	-0.3pp

1 Excluding non-Core and disposal stock like Kiel / Lübeck

2 Contractually owed rent from rented apartments divided by rented area

3 Total I-f-I stock incl. non-Core

Fair Values across regions

Regions	Residential units (#)	FV 30/09/2020 (EUR m)	FV 30/09/2020 (EUR/sqm)	Multiple in-place rent 30/09/2020	Multiple re-letting rent ¹ 30/09/2020	Multiple spread
Core⁺	149,456	23,568	2,519	29.9	23.2	6.0x
Greater Berlin	115,861	18,522	2,598	31.2	23.8	6.5x
Rhine-Main	10,749	1,836	2,716	26.2	21.1	5.1x
Dresden/Leipzig	10,587	1,696	2,195	29.5	23.8	5.7x
Rhineland	6,672	903	2,144	24.6	20.5	4.1x
Mannheim/Ludwigshafen	4,644	434	1,445	19.3	15.9	3.4x
Other Core ⁺	943	176	3,184	24.5	20.7	3.8x
Core	13,106	1,361	1,549	21.3	18.0	3.3x
Hanover/Brunswick	8,718	932	1,579	20.9	17.5	3.4x
Other Core	4,388	429	1,487	22.0	19.1	2.9x
Non-Core	144	6	640	10.9	8.5	2.4x
Total	162,706	24,934	2,434	29.2	22.8	5.7x

¹ Calculation of multiple re-letting rent excluding Berlin rent freeze law

Recent residential portfolio disposals

	Signed in 2019		Signed in 2020
Region	Kiel, Lübeck, Chemnitz	Berlin	Across Germany (34 locations)
No. of units	6,350	2,175	6,380 residential, 38 commercial
Signing	Aug 19	Dec 19	Jun 20
Disposal price	EUR 615m	EUR 358m	EUR 658m
Disposal price per unit	c. EUR 1,600 per sqm	c. EUR 2,280 per sqm	c. EUR 1,540 per sqm
Gross margin	34%	30%	37%
Rental impact 2020 / p.a.	- EUR 28m p.a. / - EUR 28m p.a.	- EUR 2.9m / - EUR 12.5m p.a.	- EUR 5m / -EUR 30m p.a.
Transfer of titles	Dec 2019	Q4 2020 / Q1 2021	Nov 2020

- Opportunistic portfolio streamlining to continue in 2020 and beyond

Acquisition and disposal track record

Main acquisitions (>1,000 units deal size)				Fair Value in EUR/sqm			In-place rent in EUR/sqm		
Year	Deal	Units #	Location	At acquisition	30/06/2020	Δ	At acquisition	30/06/2020	Δ
2013	Centuria	5,200	Berlin	711	1,993	180%	4.65	5.96	28%
	Larry	6,500	Berlin	842	2,078	147%	4.97	6.21	25%
	GSW	60,000	Berlin	960	2,547	165%	5.44	6.90	27%
2015	Windmill	~4,600	Berlin	1,218	1,953	60%	5.12	6.01	17%
	Henry	~1,600	Berlin	1,302	2,158	66%	5.26	5.89	12%
	Accentro	1,200	Berlin	1,227	2,202	79%	5.14	5.83	13%
2016	Olav ¹	~ 14,000	diverse	1,365	2,450 ²	80%	5.93	6.93 ²	17%
		~5,200	Berlin	1,469	2,443	66%	5.55	6.91	25%
		~3,800	Kiel	1,043	1,173	12%	5.37	6.00	12%
2017	Helvetica	~3,900	Berlin	2,390	3,600	51%	6.95	8.47	22%
Main disposals				Fair Value in EUR/sqm					
Year	Location	Units #		At acquisition ³	FV before disposal	At disposal	Δ Margin at acquisition	Δ Margin at disposal	
2019	Kiel, Lübeck, Chemnitz, Others	6,355		1,020	1,197	~1,600	56%	34%	
	Berlin	2,175		798	1,747	~2,280	185%	30%	
2020	Westportfolio	6,418		804	1,123	~1,540	92%	37%	
Total		~14,948							

1 Includes 1,600 units on top of Olav portfolio

2 Based on remaining portfolio considering existing Olav portfolio in our books

3 Based on acquisition prices or historically available data

Deutsche Wohnen's residential portfolio is best-in-class

Siemensstadt, Berlin



Hellersdorf, Berlin



Carl-Legien-Siedlung, Berlin



Südwestkorso, Berlin



Oranienkiez, Berlin



Hufeisensiedlung, Berlin



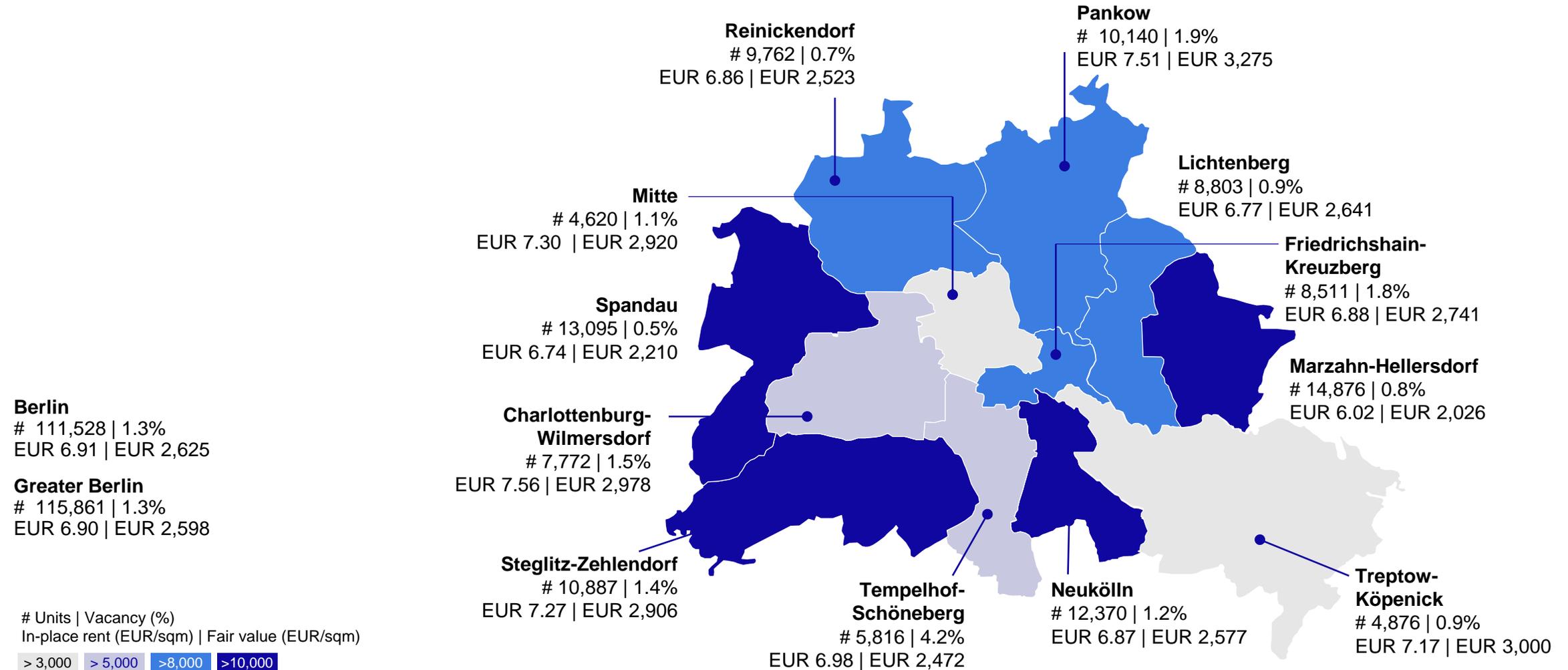
Dresden



Otto-Suhr-Siedlung, Berlin



The Berlin portfolio at a glance



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