

Deutsche Wohnen SE, Berlin

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SUBSCRIPTION OFFER

On 15 June 2018, the Management Board of Deutsche Wohnen SE (hereinafter referred to as the "**Company**" or "**Deutsche Wohnen**") resolved, with the approval of the Supervisory Board on the same day, to use the authorized capital in accordance with Article 5 of the Articles of Association (the "**Authorized Capital 2017**") and to increase the Company's registered share capital of EUR 354,666,078.00 by up to EUR 10,000,000.00 through the issue of up to 10,000,000.00 new bearer no-par value shares (the "**New Shares**") by way of rights issue capital increase against contributions in-kind (the "**Rights Issue Capital Increase**").

The dividend entitlements that have arisen from the resolution on the appropriation of the net income by the Annual General Meeting of the Company on 15 June 2018 of EUR 0.80 per no-par value share (the "**Dividend Entitlements**") will be paid out (i) in cash or (ii) in the form of shares in Deutsche Wohnen (the "**Script Dividend**"), at the shareholders' discretion.

After determining the total number of New Shares to be issued, the Management Board intends to determine, with the approval of the Supervisory Board, the precise amount of the Rights Issue Capital Increase as well as the number of New Shares in a specific resolution, presumably on 13 July 2018. The New Shares will be issued with full dividend entitlement as of 1 January 2018.

All shareholders who owned no-par value bearer shares of Deutsche Wohnen at 11:59 p.m. CEST on the evening of 15 June 2018, and have not sold them by this time are entitled to subscribe to New Shares.

The New Shares will be offered for subscription to the shareholders in accordance with their respective dividend entitlement at a yet-to-be-determined subscription price and in a yet-to-be-determined subscription ratio ("**Subscription Offer**"). Each existing share carries one subscription right and one Dividend Entitlement of EUR 0.80. Each shareholder will only be able to exercise his subscription right by commissioning and authorizing COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main („**COMMERZBANK**“) within the Subscription Period (as defined below) as third-party trustee

– under cession of its Dividend Entitlements to COMMERZBANK – to subscribe to the New Shares which such shareholder would like to receive based on its subscription right, in the name of COMMERZBANK but for the shareholder's account and, following subscription and entry of execution of the Rights Issue Capital Increase in the commercial register, to transfer the New Shares subscribed in this process to a Clearstream custody account for credit to the securities account of the respective shareholder. Such commissioning and authorization must be made during the subscription period from 18 June 2018 to 9 July 2018 (both inclusive) ("**Subscription Period**") via the own depository bank during normal business hours using the form provided by the depository bank for this purpose (the "**Declaration of Subscription and Cession**"). Shareholders who exercise their subscription rights must cede the Dividend Entitlements that they wish to use to subscribe to the New Shares to COMMERZBANK within the Subscription Period by submitting their Declaration of Subscription and Cession in due time. The exercise of the subscription rights shall take effect upon the book entry transfer in due time of the relevant Dividend Entitlements from ISIN DE000A2LQ7R9 / WKN A2L Q7R to ISIN DE000A2LQ7S7 / WKN A2L Q7S.

COMMERZBANK will process the Subscription Offer as a subscription agent based on a transaction agreement concluded on 7 May 2018 ("**Transaction Agreement**") in respect of shareholders who would like to exercise their subscription rights, subject to the conditions specified in the section "*Other important information*". In particular, COMMERZBANK undertook in the Transaction Agreement to contribute to the Company as a contribution in-kind the Dividend Entitlements ceded to it in accordance with the yet-to-be-determined subscription price and the yet-to-be-determined subscription ratio; to subscribe to the New Shares for the account of those shareholders who wish to exercise their subscription rights and to deliver the New Shares to the relevant shareholders in accordance with the yet-to-be-determined subscription ratio and at the yet-to-be-determined subscription price per New Share. COMMERZBANK is expected to subscribe to the New Shares on 13 July 2018. The execution of the Rights Issue Capital Increase is expected to be entered in the commercial register on 17 July 2018.

The subscription rights relating to the existing shares of the Company will automatically be posted by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn ("**Clearstream**") to the depository banks on 20 June 2018 as of 19 June 2018 (evening) at 11:59 p.m. CEST, (Record Date), together with the inextricably linked Dividend Entitlements (ISIN DE000A2LQ7R9 / WKN A2L Q7R). The Dividend Entitlements posted embody at the same time the corresponding subscription right. It is the responsibility of the depository banks to post the subscription rights and Dividend Entitlements to the securities accounts of the individual shareholders.

Our shareholders have the option to exercise their subscription rights for the New Shares in the period

**from 18 June 2018 as of the publication of the subscription offer to 9 July 2018
(inclusive)**

during normal business hours at the subscription agent named below via their depository bank, using the Declaration of Subscription and Cession provided by their depository bank as well as to cede to COMMERZBANK the Dividend Entitlements that are to be contributed as contributions in kind. Subscription rights that are not exercised in time shall expire. If subscription rights are not exercised or not exercised in time, the dividend will be paid out in cash without any further action being required.

Subscription agent and paying agent

The subscription agent is COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main.

The paying agent for the Company's dividend for the financial year 2017 is also COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main.

The general paying agent function of Deutsche Bank AG pursuant to Section 48 (1) German Securities Trading Act remains unaffected.

Important note

The Company asks its shareholders to note that the subscription price per New Share and the subscription ratio will only be published during the Subscription Period, presumably on Friday, 6 July 2018 about 3:00 p.m. CEST. Holders of subscription rights who do not exercise them, or do not exercise them in full, will receive for each no-par value share held for which the subscription right was not exercised, the cash dividend of EUR 0.80 per no-par value share, which is expected to be paid presumably on 17 July 2018 through the depository banks.

Subscription price

The subscription price is expected to be published in the German Federal Gazette (*Bundesanzeiger*) and on the webpage of Deutsche Wohnen under <https://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2018") presumably on Friday, 6 July 2018 about 3:00 p.m. CEST, i.e. three days before the Subscription Period expires.

The subscription price is the result in euro of dividing the reference price by EUR 0.80, less a 3.0 % discount of this result, then rounded down to one decimal place after the decimal point and multiplied by EUR 0.80 (the "**Subscription Price**"). The reference price is the volume-weighted average price of Deutsche Wohnen shares in euro in the XETRA trading system on the Frankfurt Stock Exchange on Thursday 5 July 2018 ("**Reference Price**").

Subscription ratio

The subscription ratio is also expected to be published together with the Subscription Price, in the German Federal Gazette (*Bundesanzeiger*) and on the webpage of Deutsche Wohnen under <https://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2018") presumably on Friday, 6 July 2018 about 3:00 p.m. CEST, i.e. three days before the Subscription Period expires.

The subscription ratio is the relation between the result of dividing the Reference Price by EUR 0.80, less a 3.0 % discount of this result and rounded down to one decimal place after the decimal point, to one New Share (the "**Subscription Ratio**").

The number of Dividend Entitlements required to be ceded and contributed in order to subscribe to one New Share is equivalent to the Subscription Price divided by EUR 0.80.

A shareholder's "residual balance" that is not sufficient to cover the subscription to one whole New Share, is compensated by making a dividend payment in cash, rounded down to the nearest whole cent. This means that shareholders for whom the number of Dividend Entitlements ceded for the purpose of the non-cash contribution is not sufficient to receive a

whole New Share, will receive their dividend to that extent in cash, rounded down to the nearest whole cent (the "**Residual Balance**"). The amount of the Residual Balance per shareholder is calculated by multiplying the number of Dividend Entitlements or portions thereof that are insufficient to cover the subscription to one additional (whole) share by EUR 0.80; if this calculation leads to an amount in euro with more than two decimal places after the decimal point, the result shall be rounded down to the nearest whole cent. The amount resulting from this rounding, that therefore is not paid out, will always be lower than EUR 0.01 per share portfolio. Any commercial rounding, which Clearstream and/or the depository banks may apply due to technical reasons, remain unaffected and shall neither be done on account of the Company nor on account of COMMERZBANK.

Subscription rights trading

There are no plans for the Company or COMMERZBANK to have the subscription rights traded and neither the Company nor COMMERZBANK will organize such trading. Nor is it intended for the subscription rights to be quoted on a stock exchange. Therefore, it is not possible for subscription rights to be purchased or sold on a stock exchange in the regulated market. Nor will the Company or COMMERZBANK arrange for any such purchases or sales. However, the subscription rights to which a shareholder is entitled can be freely transferred together with the Dividend Entitlements to which they are inextricably linked.

From the first trading day after the Annual General Meeting, i.e., from 18 June 2018, the Company's existing shares will be listed "ex rights" and "ex dividend".

Form and certification of the New Shares

In accordance with the Company's currently applicable Articles of Association, the New Shares will be issued as no-par value bearer shares. The New Shares will be represented by one global certificate without a bearer global profit share certificate, to be held by Clearstream in collective custody.

The right of shareholders to certification of their shares and dividends is excluded in Section 4(4) of the Articles of Association.

Delivery of the New Shares purchased on the basis of the Subscription Offer and payment of the Residual Balance(s)

The New Shares for which subscription rights were exercised in accordance with the Subscription Offer are expected to be made available to the depository banks for the purpose of delivery to shareholders via collective safe custody credit (Girosammelgutschrift) presumably on 19 July 2018.

The payment of the Residual Balance is expected to be effected via the depository banks presumably on 17 July 2018 together with the cash payment for Dividend Entitlements for which the Scrip Dividend was not chosen.

Depository bank's commissions

Deutsche Wohnen reimburses the depository banks for their services with a payment of EUR 0.60 per depository client and additional EUR 3.00 per depository client who opted for the Scrip Dividend. Nevertheless, shareholders who opt to receive the Scrip Dividend may incur depository bank fees. Please consult your depository bank about the details. Fees and costs which you are charged as securities deposit account customers by depository banks cannot be refunded by Deutsche Wohnen or by COMMERZBANK.

For the settlement of subscription rights COMMERZBANK, in its function as settlement agent, does not charge an additional commission to the shareholders who elect the Scrip Dividend.

Admission to the stock exchange and listing of the New Shares

Admission of the New Shares for trading to the regulated market on the Frankfurt Stock Exchange as well as to the regulated market sub-segment with additional post-admission obligations (Prime Standard) on the Frankfurt Stock Exchange is expected to take place on 17 July 2018, subject to the entry of the execution of the Rights Issue Capital Increase in the commercial register. The New Shares are expected to be included in the existing quotation of the Company's shares on 19 July 2018.

Other important information

In accordance with Sections 4 (1) No. 4, 4 (2) No. 5 of the German Securities Prospectus Act ("WpPG"), no securities prospectus will be prepared for the execution of the Subscription Offer and the admission of the New Shares, but only a single document for information purposes in accordance with Section 4 (1) No. 4 WpPG and Section 4 (2) No. 5 WpPG ("Prospectus-Exemption Document"). Before making a decision on whether to exercise their subscription right, interested shareholders should read carefully the Prospectus-Exemption Document (available on the webpage of Deutsche Wohnen under <https://ir.deutsche-wohnen.com> in the section "Annual General Meetings" > "Annual General Meeting 2018") and obtain detailed information about the Company. It is also recommended, also with regard to risks, that they visit the Company's website <https://ir.deutsche-wohnen.com> and read the available financial reports including the Company's financial statements for 2017 financial year, the most recent quarterly statement on the first quarter of 2018 from 15 May 2018, and the other information on the Company's website, and take them into account when making a decision.

The obligations of COMMERZBANK arising under the Transaction Agreement to enter into a contribution agreement and to subscribe to the New Shares and thus ultimately to execute the Subscription Offer are subject to a series of conditions precedent. These conditions include, in particular, that all warranties assumed by the Company under the Transaction Agreement are accurate and complete and that the Company has fulfilled all of its obligations under the Transaction Agreement prior to the conclusion of the contribution agreement and subscription to the New Shares.

If before the entry of the execution of the Rights Issue Capital Increase in the commercial register COMMERZBANK finds that one of the conditions has not been fulfilled in due time or completely, it may terminate the Transaction Agreement. Under certain conditions the Company is entitled to terminate the Transaction Agreement as well. In the event that the Transaction Agreement is terminated before the entry of the execution of the Rights Issue Capital Increase in the commercial register, the subscription rights of the shareholders will be cancelled. Instead, shareholders will receive their dividend of EUR 0.80 exclusively in cash. Once the execution of the Rights Issue Capital Increase has been entered into the commercial register, there is no longer any such right of termination and the shareholders who have exercised their subscription right in accordance with the above requirements will receive the New Shares at the Subscription Price.

Sales restrictions

The New Shares will only be offered to the public in the Federal Republic of Germany. Neither the subscription rights nor the New Shares are, or will be, registered in accordance with the U.S. Securities Act of 1933 as amended ("**Securities Act**"), or with the securities regulators of individual states or other territories of the United States of America. The subscription rights and the New Shares may not, at any time, be offered, sold, exercised, pledged, delivered or otherwise transferred, either directly or indirectly, within or into the United States of America except to "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A under the Securities Act") in accordance with Section 4(a)(2) of the Securities Act or another applicable exemption from, or in a transaction not subject to the registration requirements of the Securities Act provided that it does not constitute a breach of applicable securities legislation in the individual states of the United States of America.

Availability of the Prospectus-Exemption Document

The Subscription Offer is made on the basis of the Prospectus-Exemption Document, which states that there is no obligation to publish a prospectus for the public offering, Section 4 (1) no. 4 WpPG, and admission for trading, Section 4 (2) no. 5 WpPG, of dividends paid out to shareholders in the form of shares provided that a document is made available which contains information on the quantity and type of shares and which describes the reasons for and details of the offer. The document is published at <https://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2018").

Berlin, den 18 June 2018

Deutsche Wohnen SE

The Management Board

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