Deutsche Wohnen SE

Q1 2021 results

Conference Call 12 May 2021

Agenda

Highlights

Berlin, Hufeisensiedlung, UNESCO World Heritage

DEUTSCHE WOHNEN

Highlights

Operating Business

- Federal constitutional court ruling on Berlin rent freeze brings back legal certainty on rent regulation
- Adj. EBITDA of EUR 208.6m (+11.1% yoy)
- FFO I of EUR 154.8m (+8% yoy, 12.5% per share) on track to reach 2021 guidance
- EPRA NTA of 52.50 EUR per share (+1.1%)

Development business

- EUR 7bn new development pipeline with c. 18k residential units focused on top 8 cities in Germany, thereof c. 9k units as “build-to-hold” on Deutsche Wohnen’s balance sheet
- EUR 400-500m expected investment volume in 2021

ESG

- Latest sustainability report published in April 2021
- Clearly defined path to become climate neutral by 2040
- Deutsche Wohnen’s social engagement goes far beyond legal requirements (e. g. implementation of EUR 30m Corona relief fund, no rental increases during Corona pandemic, adherence to our “promise to tenants“)
- ESG anchored in remuneration system for management board proposed to AGM on 1st June 2021

Capital structure

- Successful issance of EUR 1bn green bonds underlying the ESG strategy
  - Average maturity of 15Y
  - Average interest rate of 0.9% p.a.
- Conservative capital structure with 37.3% LTV
- Average tenure of 7.4 years at average interest cost of 1.2% p.a. pro-forma of green bond issuance

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Decision on Berlin rent cap creates legal certainty

Federal Constitutional Court declared Berlin rent cap incompatible with constitution

- **We will handle settlements with greatest possible social responsibility**
  - Deutsche Wohnen offers a whole range of options for settling the balance of the rent due: one-off payments, instalment payments or deferments
  - In cases of social hardship, Deutsche Wohnen will find individual solutions together with the tenants
- **Overview of subsequent claims**
  - Applies to approx. 60,000 of Deutsche Wohnen tenants
  - Average claim at EUR 430 in total, 80% of affected tenants face claims of less than EUR 500 in total
- **Our approach is fully in line with the Association of Berlin-Brandenburg Housing Companies (BBU)**
  - Deutsche Wohnen is part of the initiative social housing sector of the BBU, which represents around 44 percent of Berlin's housing stock
  - Deutsche Wohnen will continue to engage in dialog with politicians and, in particular, the Berlin senate in order to achieve a relaxation on the housing market
  - We continue to stand by our promise to tenants, which is unique in the industry to date
- **New Berlin rent index 2021 published with inflation adjustment of 1.1% on Berlin rent index 2019**
  - Despite the fact, that the latest rent index has not been signed by the BBU, Deutsche Wohnen will follow latest adjustments to contribute to an overall easing of the housing situation in Berlin
  - Deutsche Wohnen decided to not apply any rent increases in 2021

- **Our promise: “No Deutsche Wohnen tenant will lose his/her home as a result of the Federal Constitutional Court's ruling“**

Market and Portfolio

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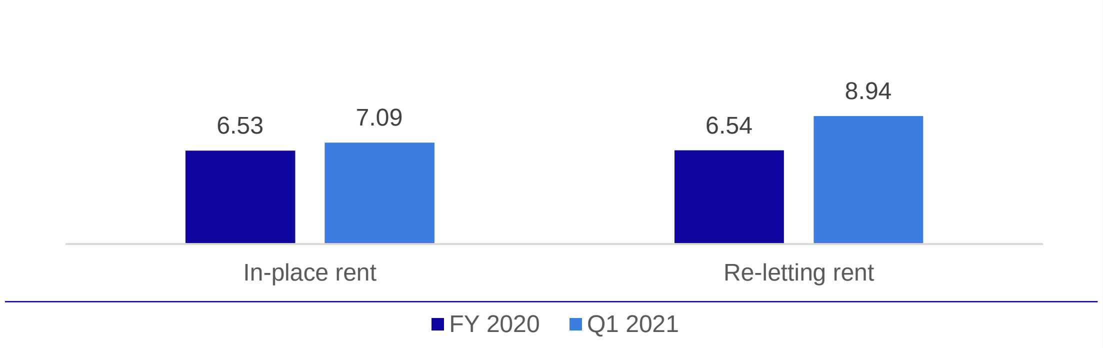
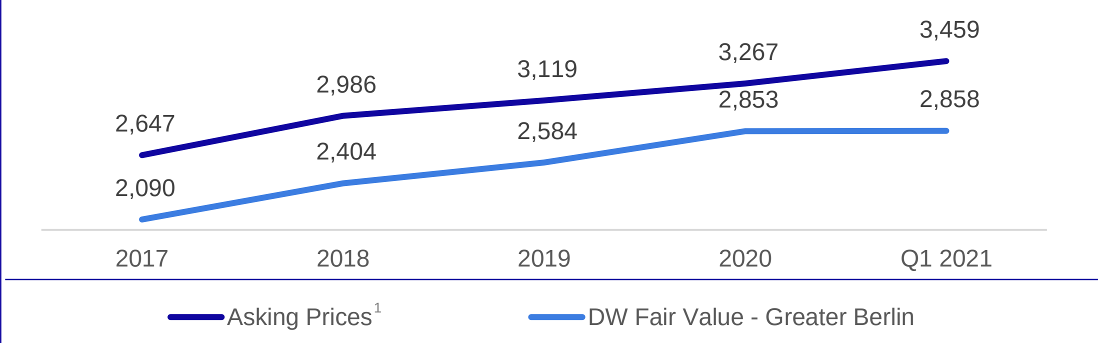
Portfolio focused on Germany's top 8 cities

Strategic cluster 31/03/2021	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 (x)	Vacancy (in %)
Core+	144,009	96%	**7.19**	**2,778**	31.6	24.9	1.5%
Core	10,379	4%	**6.21**	**1,520**	20.5	18.5	2.1%
Non-core	218	<0.1%	5.94	1,141	15.9	19.5	1.8%
Total	**154,606**	**100%**	**7.12**	**2,687**	**31.0**	**24.6**	**1.6%**
Thereof Greater Berlin	113,542	76%	7.09	2,858	**32.7**	**25.3**	**1.1%**

Development of Deutsche Wohnen rents (Greater Berlin)



Price per sqm development Berlin (EUR)



- **In-place rent already reflects normalized rent levels after unconstitutionality of Berlin rent freeze law**

1) CBRE based on empirica-systeme Marktdatenbank by Value AG, please note limited comparability with Deutsche Wohnen data due to location and quality

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Total like-for-like development 1.3%

Like-for-like 31/03/2021	Residential units (#)	In-place rent 31/03/2021 (EUR/sqm/month)	In-place rent 31/03/2020 (EUR/sqm/month)	Change (y-o-y)	Vacancy 31/03/2021 (in%)	Vacancy 31/03/2020 (in%)	Change (y-o-y)
Core+	141,744	7.18	7.09	1.3%	1.5%	1.7%	(0.2) pp
Core	10,125	6.19	6.10	1.4%	2.1%	2.5%	(0.4) pp
Total	**152,087**	**7.11**	**7.02**	**1.3%**	**1.6%**	**1.7%**	(0.1) pp
Thereof Greater Berlin	112,750	7.08	6.99	1.2%	1.1%	1.3%	**(0.2) pp**

- **Like-for-like rental growth at 1.3% for total portfolio, mainly driven by re-letting**
- **Tenant churn stable at c. 7% in total portfolio and c. 6% in Berlin**

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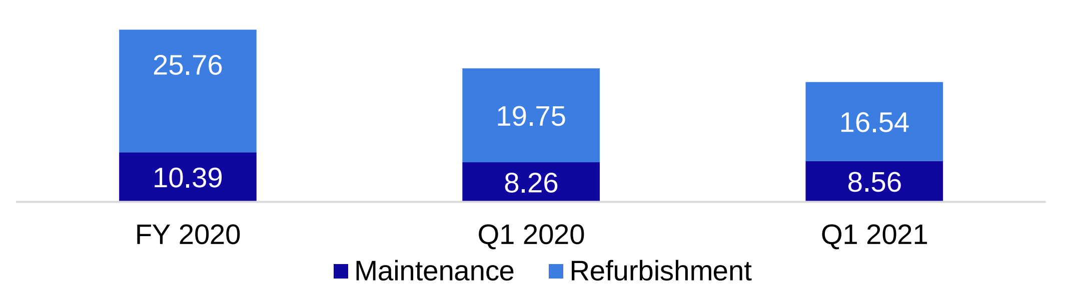
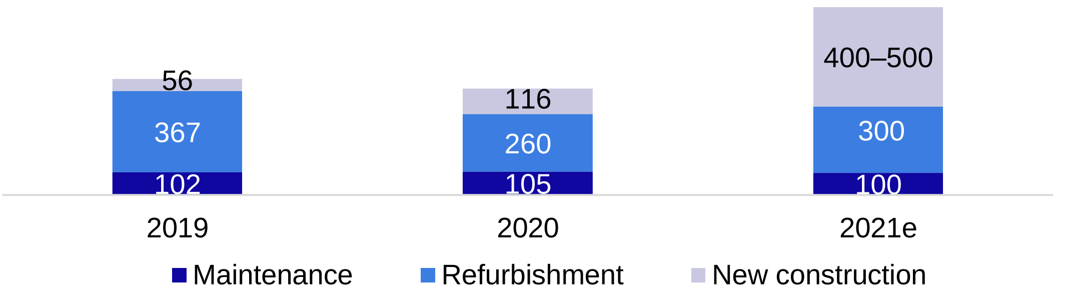
Ongoing investments into the portfolio and new construction

	Q1-2021		Q1-2020	
	EUR m	EUR/ sqm[1]	EUR m	EUR/ sqm[1]
Maintenance (expensed through p&l)	20.8	8.56	21.0	8.26
Refurbishment (capitalized on balance sheet)	40.2	16.54	50.2	19.75
Subtotal	**61.0**	**25.10**	**71.2**	**28.01**
New construction[2]	53.8		7.2	
Total	**114.8**		**78.4**	

Refurbishment & Maintenance (EUR per sqm)



Portfolio Investments (EUR m)



- **Capitalized investments expected to reach normalized levels after unconstitutionality of Berlin rent freeze law and overall improvement of pandemic situation**

1) Annualized figure, based on quarterly average area; **2)** Excluding proportionate purchase prices

Financials and Outlook

Potsdam, Eisenbahnersiedlung Babelsberg

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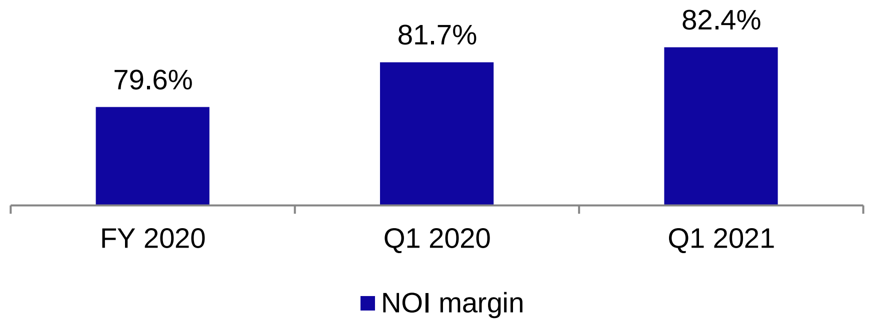
Stable letting business

in EUR m	Q1 2021	Q1 2020
Income from rents (rental income)	218.0	210.6
Income relating to utility/ancillary costs	97.0	107.3
Income from rental business	**315.0**	**317.9**
Expenses relating to utility/ancillary costs	(95.7)	(105.5)
Rental loss	(3.9)	(2.6)
Maintenance	(20.8)	(21.0)
Others	(1.5)	(2.4)
Earnings from Residential Property Management	**193.1**	**186.4**
Personnel, general and administrative expenses	(13.4)	(14.3)
Net Operating Income (NOI)	**179.7**	**172.1**
NOI margin in%	82.4	81.7
NOI in EUR/sqm/month	6.16	5.64

Including rental claims of EUR 21.9m due to the invalidity of the Berlin rent freeze. Rental loss increase mainly due to rise in impairment losses of EUR 1.5m relating to payment claims in conjunction with the invalidity of the Berlin rent freeze

Development of NOI margin



- **NOI margin slightly increased as Berlin rent freeze law was abolished retroactively and Q1 incorporates full impact**

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Disposal business continues to perform well

Disposals	Privatization		Institutional sales		Total	
with closing in	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**
No. of units	71	104	869	319	940	423
Proceeds (EUR m)	15.2	22.7	127.4	32	142.6	54.7
Book value (EUR m)[1]	11.8	17.4	111.4	26.7	123.2	44.1
Price in EUR per sqm (residential)	3,271	2,870	2,139	1,468	2,221.0	1,842.0
Earnings (EUR m)[1]	2.5	3.3	15.1	1.5	17.6	4.8
Gross margin	29%	31%	14%	20%	16%	24%
Cash flow impact (EUR m)	14.1	20.3	114.0	27.0	128.1	47.3

- **Average privatization price in Berlin continues to increase, in Q1 average reached EUR 3,600 per sqm**
- **With 535 units majority of institutional sales in Q1 stems from disposal to degewo, a state-owned housing company, signed end of 2019**

Note: Table only considers disposals that had transfer of titles in Q1 2021; **1)** Earnings from Disposals are reported before disposal induced valuation gains

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Nursing business proves resilient

Operations (in EUR m)	Q1-2021	Q1-2020
Total income	61.0	56.3
Total expenses	(56.6)	(52.9)
EBITDA operations	**4.4**	**3.4**
EBITDA margin	7.2%	6.0%
Lease expenses	7.2	6.7
EBITDAR	**11.6**	**10.1**
EBITDAR margin	19.0%	17.9%

Assets (in EUR m)	Q1-2021	Q1-2020
Lease income	15.9	18.0
Total expenses	(0.7)	(0.8)
EBITDA assets	**15.2**	**17.2**

Operations & Assets (in EUR m)	Q1-2021	Q1-2020
Total EBITDA	**19.6**	**20.6**

in EUR m	Q1-2021	Q1-2020
Nursing & Assisted Living	50.2	51.6
Other	10.8	4.7

The increase in other income includes compensation of EUR 5.1m from nursing care funds for loss of income and additional expenses as a result of the coronavirus pandemic

in EUR m	Q1-2021	Q1-2020
Staff	(37.4)	(35.5)
Rent/lease (inter-company)	(7.2)	(6.7)
Other	(12.0)	(10.7)

Decrease in EBITDA due to disposals of 13 nursing facilities in 2020

- **Despite disposal of 13 nursing facilities in 2020 Nursing & Assisted Living is expected to contribute around EUR 70m to group EBITDA in 2021 translating into RoCE of ~6%**

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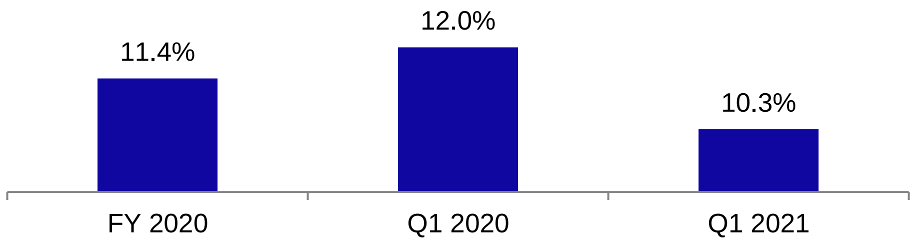
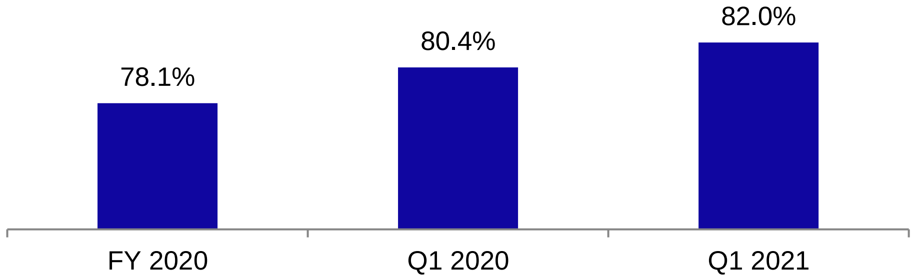
Adjusted EBITDA growth of 11% yoy

in EUR m	Q1-2021	Q1-2020
Earnings from Residential Property Management	193.1	186.4
Earnings from Disposals	(1.2)	(4.1)
Earnings from Nursing and Assisted Living	19.6	20.6
Corporate expenses	(24.8)	(28.2)
Other operating expenses/income	11.1	(18.8)
EBITDA	**197.8**	**155.9**
One-offs	(8.0)	23.0
Valuation gains due to disposals	18.8	8.9
Adj. EBITDA (incl. Disposals)	**208.6**	**187.8**
Earnings from Disposals	1.2	4.1
Valuation gains due to Disposals	(18.8)	(8.9)
Corporate expenses for Disposals	0.8	0.8
Adj. EBITDA (excl. Disposals)	**191.8**	**183.8**

Development of cost ratio[1]



Development of adj. EBITDA margin[2]



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 EBITDA (adjusted) excluding disposals divided by rental and lease income

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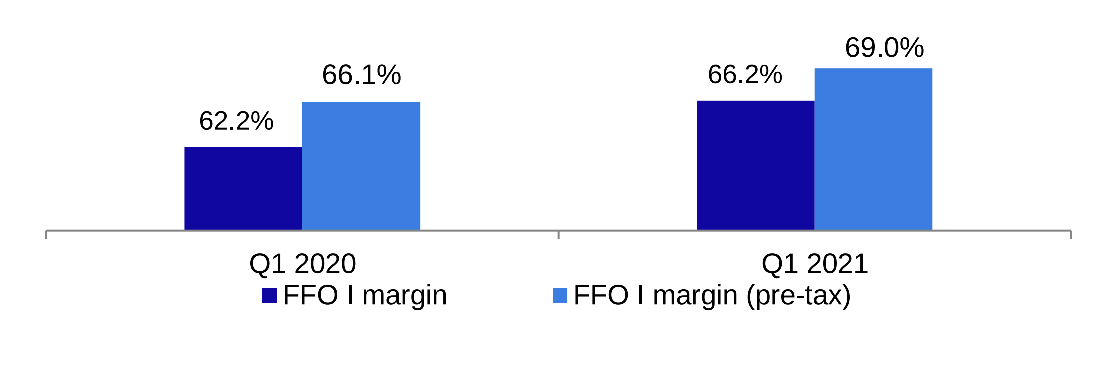
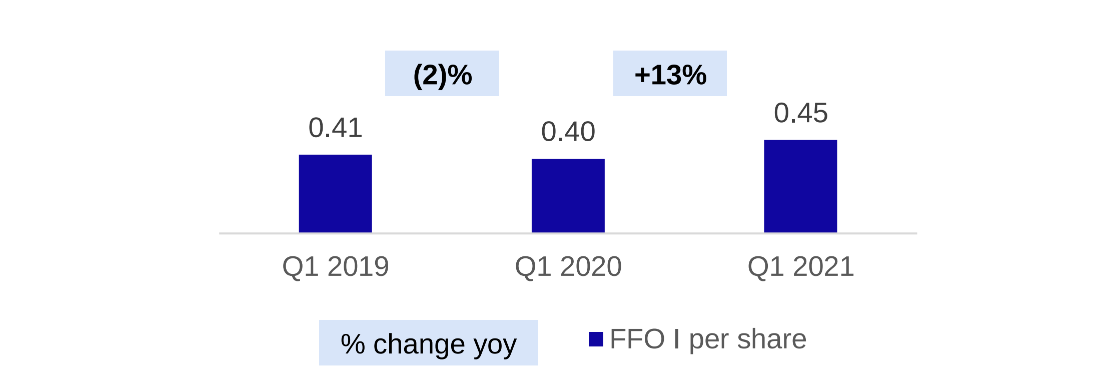
FFO I per share up by 13%

in EUR m	Q1-2021	Q1-2020
EBITDA (adjusted)	**208.6**	**187.8**
Earnings from Disposals (incl. valuation gains)	1.2	4.1
Valuation gains due to disposals	(18.8)	(8.9)
Corporate Expenses for Disposals	0.8	0.8
Long-term remuneration compensation (share based)	(0.2)	0.0
Finance lease broadband cable network	0.8	0.8
At equity valuation	0.8	0.5
Interest expense/income (recurring)[1]	(29.5)	(31.5)[1]
Income taxes	(6.5)	(8.9)
Minorities	(2.4)	(2.4)
FFO I	**154.8**	**142.3**[1]
Earnings from Disposals (incl. valuation gains)	17.6	4.8
Corporate expenses for Disposals	(0.8)	(0.8)
At equity valuation	(4.6)	0.0
Income taxes related to Disposals	(4.6)	(2.8)
FFO II	**162.4**	**143.5**[1]
Weighted avg. number of shares outstanding[2] in m	343.77	354.53
FFO I per share in EUR	**0.45**	**0.40**[1]
FFO II per share in EUR	**0.47**	**0.40**[1]

FFO I margin development[3]



FFO I per share and dividend development in EUR



1) Prior year figures changed according to IAS 23 policy change **2)** Excluding own shares; **3)** FFO I margin defined as FFO I divided by rental and lease income

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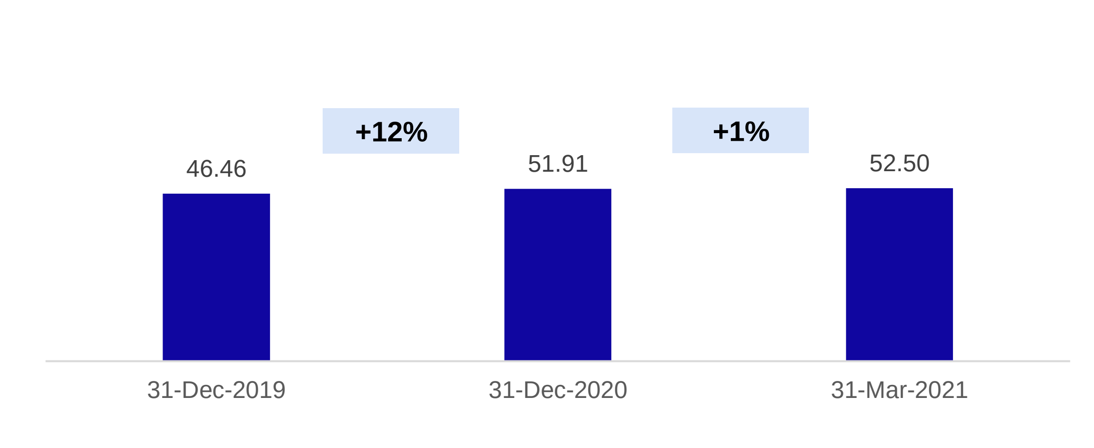
EPRA NTA at EUR 52.50 per share in Q1 2021

in EUR m	31-Mar-2021 EPRA NTA	31-Dec-2020 EPRA NTA
Equity (before non-controlling interests)	13,596.3	13,391.7
Hybrid Instruments	0.0	0.0
Diluted NAV	**13,596.3**	**13,391.7**
Revaluation of trading properties	39.2	43.9
Diluted NAV at Fair Value	**13,635.5**	**13,435.6**
Deferred taxes (net)	4,733.2	4,711.8
Fair values of derivative financial instruments	42.0	54.7
Goodwill as per the IFRS balance sheet	(319.6)	(319.7)
Intangibles as per the IFRS balance sheet	(36.7)	(38.0)
NAV	**18,054.4**	**17,844.4**
Fully diluted number of shares	343.87	343.77
NAV per share in EUR (diluted)	**52.50**	**51.91**

EPRA NTA per share (diluted) in EUR



- **Deutsche Wohnen makes no use of the option to add back any purchaser's cost**
- **Next revaluation is expected for year end 2021**

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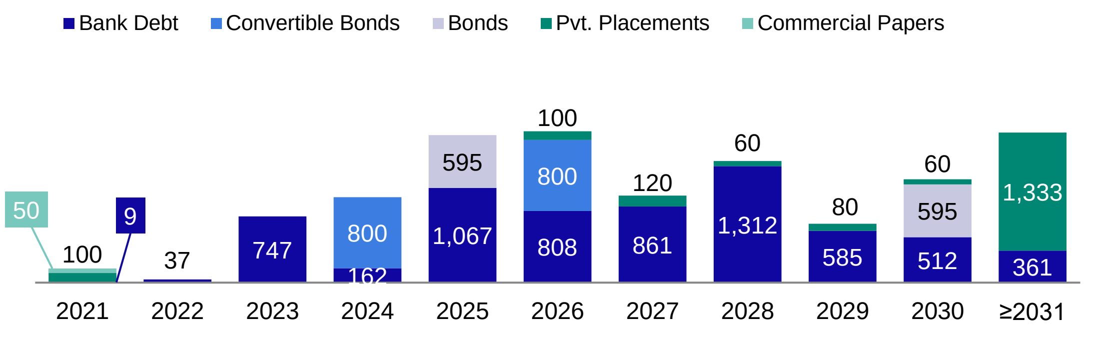
Diversified and robust capital structure

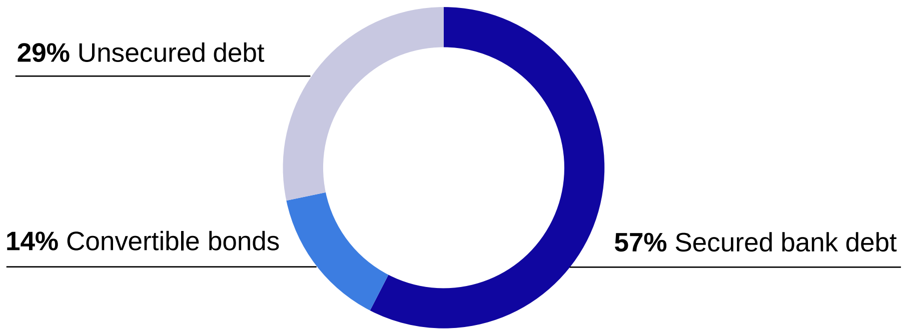
Rating	▪ A– (negative outlook)/ ▪ A3 (negative outlook)
Ø maturity	▪ ~ 6.7 years, pro-forma green bonds at 7.4 years
% secured bank debt	▪ 57%
% unsecured debt	▪ 43%
Ø interest cost	▪ ~ 1.2% (~ 90% hedged)
LTV target range	▪ 35–40%

- Implementation of a EUR 10 billion Debt Issuance Programme
- Introduction of a Green Financing Framework to raise funding through a range of green financing instruments (i.e. bonds, loans, commercial papers, etc.).
- Successful placement of the first green bonds in the amount of EUR 1 billion with an average term of 15 years and a coupon of 0.90%
- LTV at 37.3%
- ICR (adjusted EBITDA excl. disposals/net cash interest) ~5.8x

Maturity profile in EUR m based on notional amounts[1]



Debt structure[1]



[1] As of 31 March 2021; the new issue of the EUR 1 bn green bonds is not included

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Guidance 2021 reiterated

	Guidance 2021
FFO I (EUR m)	▪ Stable at 2020 level (2020: EUR 544m)
Adj. EBITDA (ex disposals)	▪ Stable at 2020 level (2020: EUR 704.8m)
EBITDA Nursing & Assisted Living	▪ EUR 70m (accounting for disposal of 13 nursing facilities in 2020)
LTV	▪ 35–40% LTV target range
Disposals	▪ Disposals of at least EUR 300m with additional disposals on an opportunistic basis envisaged ▪ Double digit gross margin expected
Investments into the portfolio	▪ EUR 400m in the existing portfolio (thereof c. 25% maintenance) ▪ EUR 400–500m new construction
Suggested dividend	▪ Constant pay-out ratio of 65% of FFO I

- **Guidance included effects of unconstitutionality of Berlin rent freeze law**

Appendix

Dresden

Portfolio

Berlin, Weiße Stadt, UNESCO World Heritage

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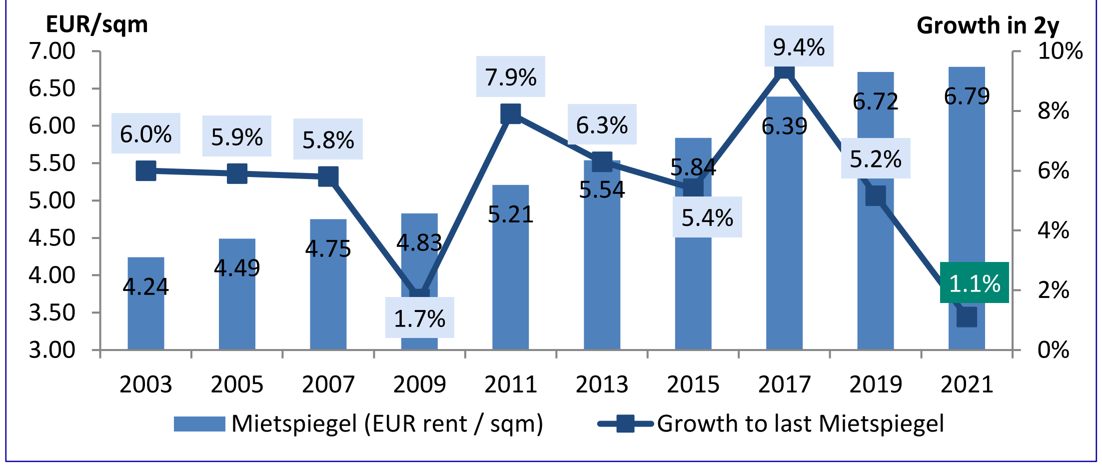
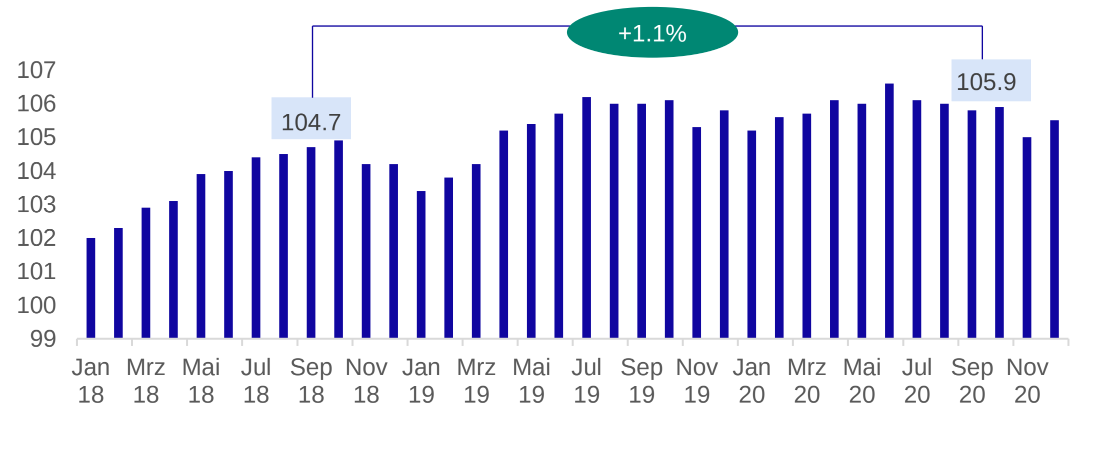
Update on Berlin rent index 2021

Historical development of rent index[1]



CPI Germany[2]



- New rent index based on 1.1% CPI indexation of last rent index 2019 (different methodology applied as Berlin rent freeze law did not allow to collect local comparable market rents data as in previous rent indices)
- Limited drafting opportunities led to indexation, as a consequence and in contrast to history BBU did not sign Berlin rent index
- However Berlin rent index provides a solid and legally safe opportunity in shaping rental contracts, landlords are expected to adhere to it
- To contribute to an easing of the tense market situation in Berlin, especially in times of the pandemic, Deutsche Wohnen refrains from rent increases in 2021

1) Source: Senate administration for urban development Berlin, **2)** Source: Statistical office Germany

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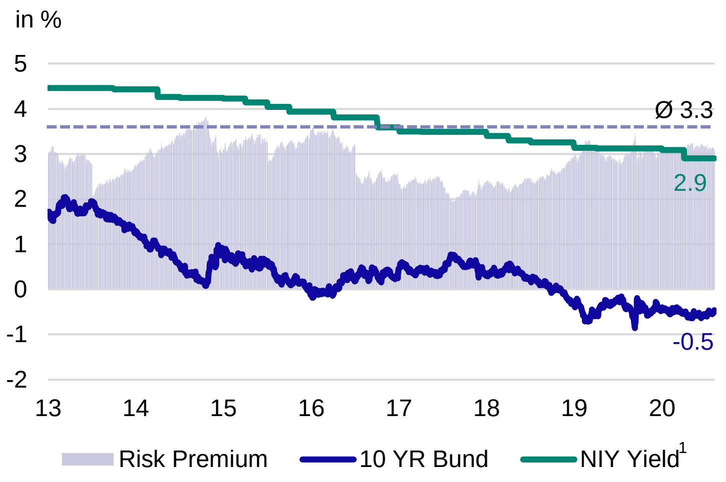
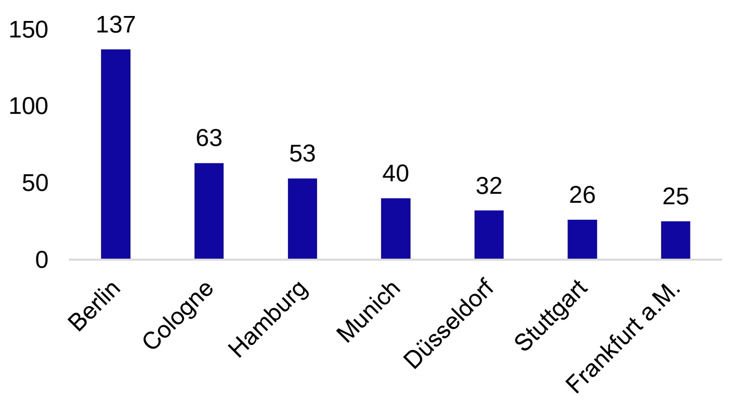
Continued attractive market fundamentals

Risk premium



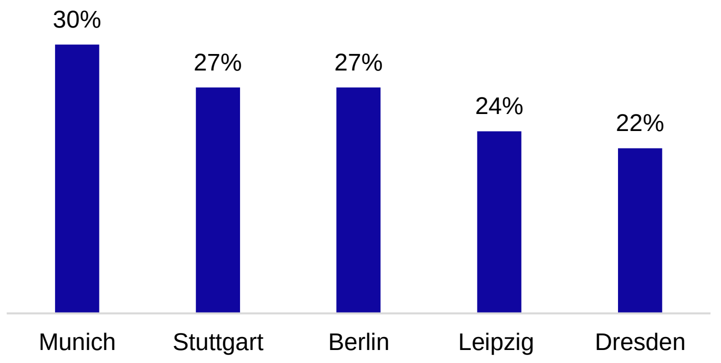
Source: Bloomberg, CBRE, Deutsche Wohnen

Supply/demand imbalance remains



Source: ImmoScout24 Nachfrage Check (2021)

Affordability[2]



Source: CBRE, MB Research

- Interest rates remain low for longer
- Despite compressing residential yields, risk premium remains stable

- Supply demand gap continues to persist

- Based on average 65sqm apartment size housing cost ratio across Deutsche Wohnen's metropolitan regions mostly below 30%

1) Average NIY for multi-family homes for top 7 German cities (let at market, incl. vacancy at market) according to CBRE; **2)** Affordability based on average household income in coresponding cities according to Michael Bauer 2020, assumption average apartement size of 65sqm and average market rent according to CBRE in 2020 assumed EUR 3.00 per sqm ancillary costs

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Ownership structure of residential real estate in Germany and Berlin

Germany

\# of appartments: 21.2m

- **34%** Professional landlords
  - **13%** Private companies
  - **11%** Public domain
  - **9%** Housing associations
  - **1%** Non-profit organisations
- **66%** Private individuals and community of apartment owners

Berlin

\# of appartments: 1.9m
there of in rental market 1.5m

- **60%** Professional landlords
  - **29%** Private companies
  - **17%** Public domain
  - **12%** Housing associations
  - **1%** Non-profit organisations
- **40%** Private individuals and community of apartment owners

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- Ownership structure of residential real estate in Berlin different to German average
- Market share of professional landlords in Berlin almost twice as high as in Germany
- Private landlords dominate the market
- Biggest portion of professional landlords in Germany and Berlin are private companies (private residential companies as well as insurance companies, banks, funds, etc.)
- Berlin more institutionalized, liquid market

Source: Savills, Ownership structure in the German Residential Market, March 2019

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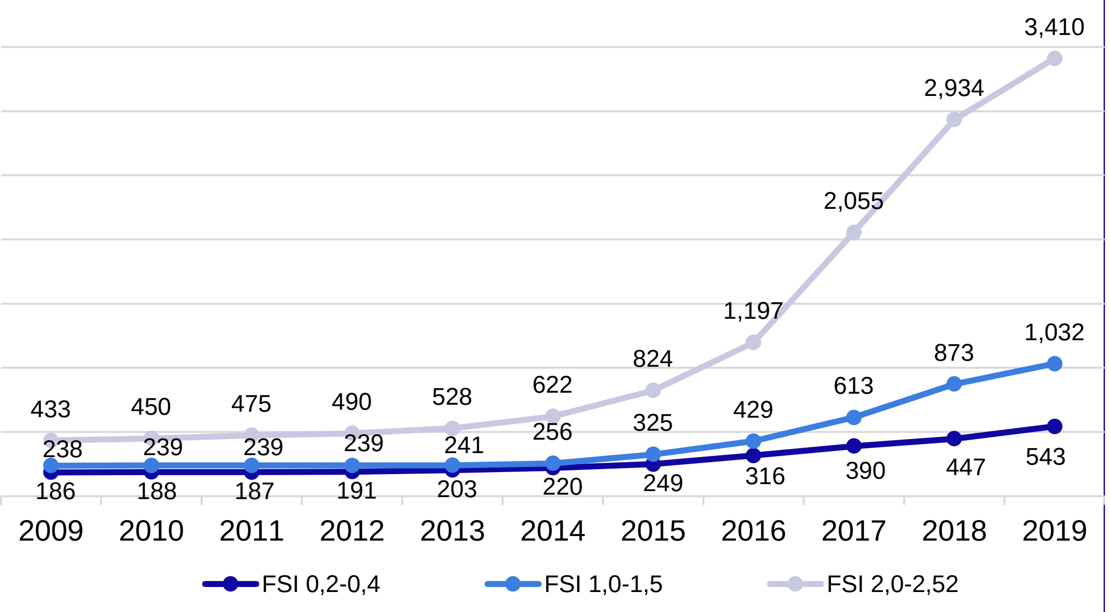
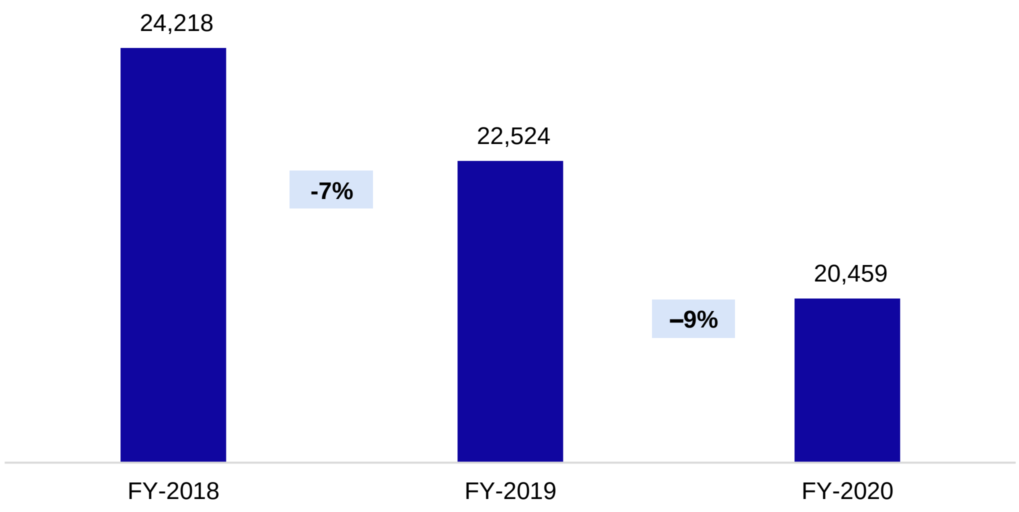
Development of land prices and building permits in Berlin

Prices for undeveloped land in Berlin (in EUR/sqm)



Floor Space Index (total floor area in relation to total plot area)

Building permits are decreasing in Berlin

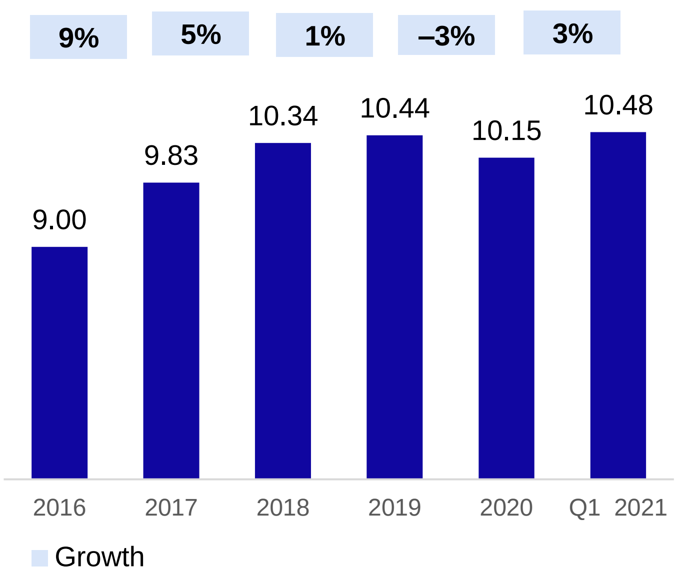


- **Many investors have put new development projects on hold in light of recently introduced rent regulation in Berlin**
- **Pressure on housing market increasing**

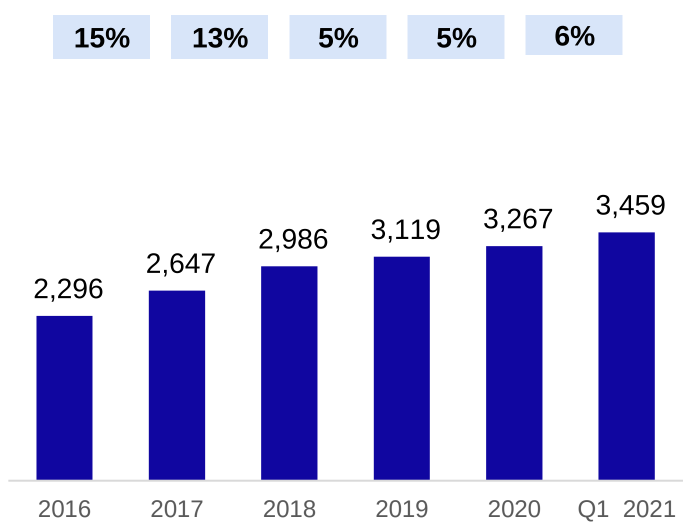
Source: Senate administration for urban development Berlin, Statistical office Berlin-Brandenburg

Update on Berlin residential market

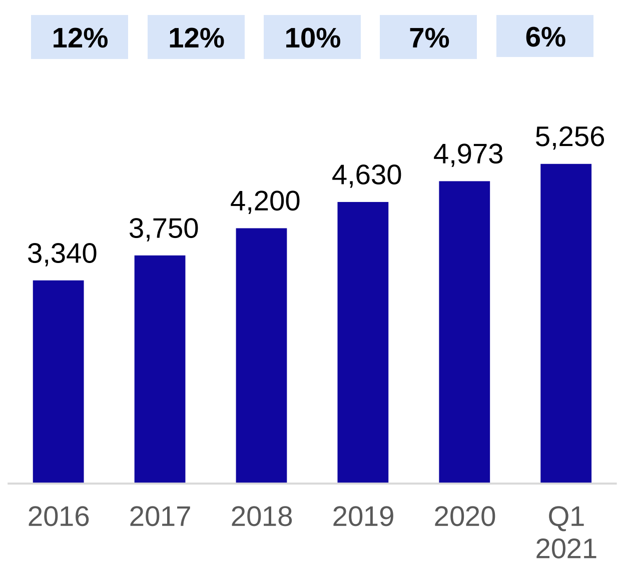
Development of asking rents (EUR/sqm)



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



Development of asking prices for condominiums (EUR/sqm)



- Slight increase due to court decision against Berlin rent freeze

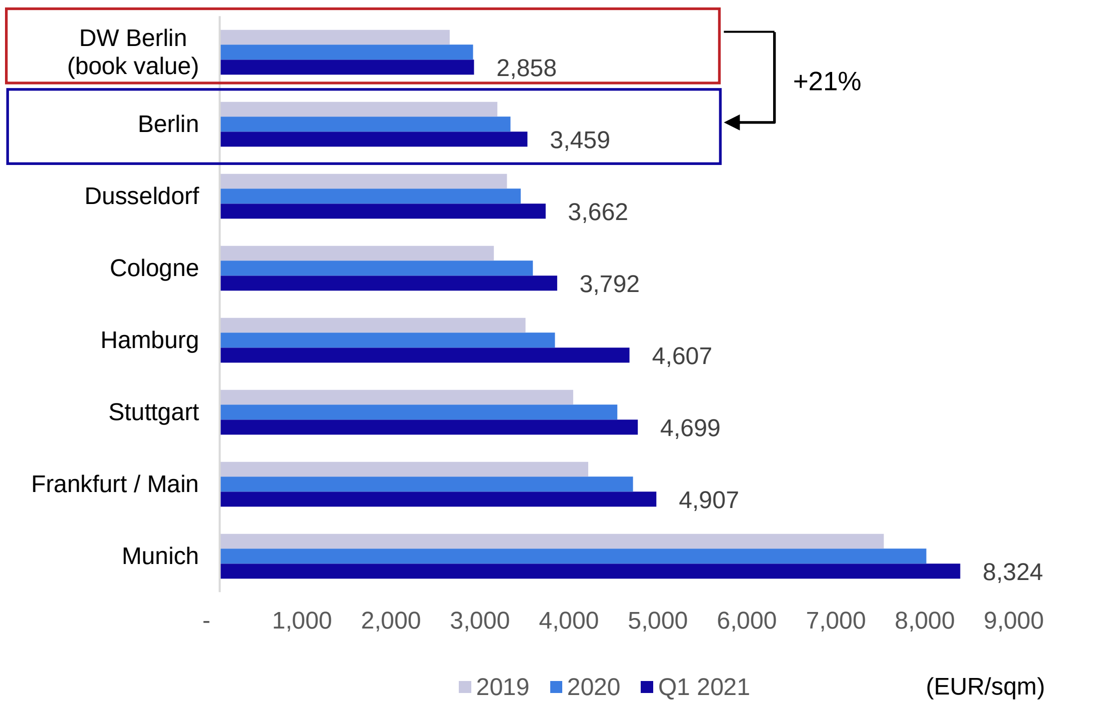
- Price growth for multi family remains stable at a low level

- Price growth for condominiums continues

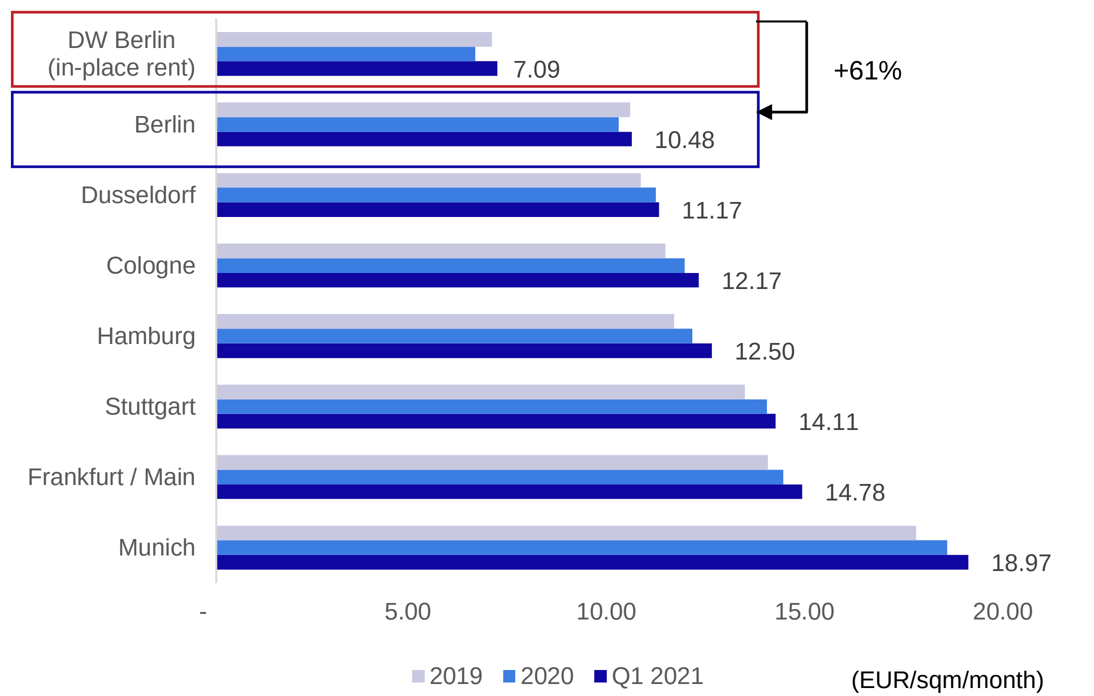
Source: CBRE

Current level of rents and prices in top German cities

Asking prices multifamily housing (in EUR/sqm)[1]



Development of rents (EUR/sqm/month)[1]



- **Relative to other German cities Berlin continues to screen attractive**

1) Source: CBRE

DEUTSCHE WOHNEN

Like-for-like development by regions

Like-for-like 31/12/2020	Residential units (#)	In-place rent[1] 31/03/2021 (EUR/sqm)	In-place rent[1] 31/03/2020 (EUR/sqm)	Change (y-o-y)	Vacancy 31/03/2021 (in %)	Vacancy 31/03/2020 (in %)	Change (y-o-y)
Core+	**141,744**	**7.18**	**7.09**	**1.3%**	**1.5%**	**1.7%**	(0.2)pp
Greater Berlin	112,750	7.08	6.99	1.2%	1.1%	1.3%	(0.2)pp
Dresden/Leipzig	9,375	6.33	6.18	2.4%	3.3%	2.8%	0.5pp
Frankfurt	9,577	8.90	8.80	1.2%	3.1%	1.5%	1.6pp
Hanover/Brunswick	5,912	6.49	6.38	1.7%	2.4%	1.1%	1.3pp
Cologne/Düsseldorf	2,513	9.30	9.21	1.0%	3.4%	4.4%	(1.0)pp
Other Core+	1,617	9.16	9.07	1.0%	1.0%	0.4%	0.6pp
Core	**10,125**	**6.19**	**6.10**	**1.4%**	**2.1%**	**2.5%**	(0.4)pp
Non-Core	218	5.94	5.89	1.0%	1.8%	2.0%	(0.2)pp
Total	**152,087**	**7.11**	**7.02**	**1.3%**	**1.6%**	**1.7%**	0.1pp

1) Contractually owed rent from rented apartments divided by rented area

DEUTSCHE WOHNEN

Fair Values across regions

Regions	Residential units (#)	FV 31/03/2021 (EUR m)	FV 31/03/2021 (EUR/sqm)	Multiple in-place rent 31/03/2021	Multiple re-letting rent 31/03/2021	Multiple spread
Core+	**144,009**	**25,034**	**2,778**	**31.6**	**24.9**	**6.7**
Greater Berlin	113,542	19,940	2,858	32.7	25.3	7.4
Dresden/Leipzig	10,580	1,809	2,344	30.9	26.3	4.6
Frankfurt	9,582	1,799	2,988	28.5	23.1	5.4
Hanover/Brunswick	5,913	684	1,720	21.6	19.0	2.6
Cologne/Düsseldorf	2,774	550	3,352	31.1	26.3	4.8
Other Core+	1,618	252	2,545	23.2	21.4	1.8
Core	**10,379**	**1,039**	**1,520**	**20.5**	**18.5**	**2.0**
Non-Core	218	16	1,141	15.9	19.5	(3.6)
Total	**154,606**	**26,089**	**2,687**	**31.0**	**24.6**	**6.4**

DEUTSCHE WOHNEN

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

Siemensstadt, Berlin

Hellersdorf, Berlin

Carl-Legien-Siedlung, Berlin

Südwestkorso, Berlin

Oranienkiez, Berlin

Hufeisensiedlung, Berlin

Dresden

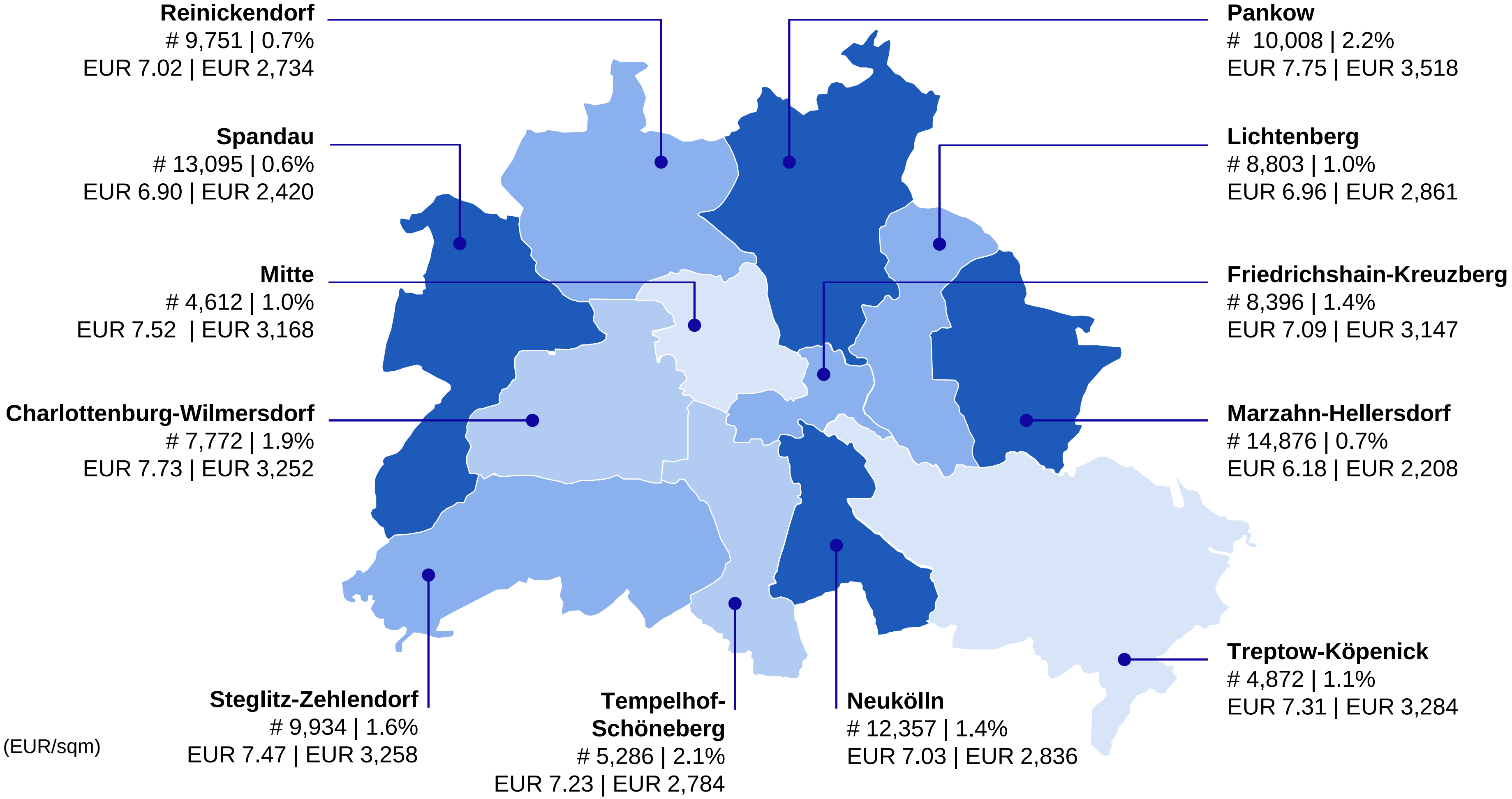
Otto-Suhr-Siedlung, Berlin

DEUTSCHE WOHNEN

The Berlin portfolio at a glance

Berlin
109,762 | 1.3%
EUR 7.09 | EUR 2,874

Greater Berlin
113,542 | 1.2%
EUR 7.08 | EUR 2,858

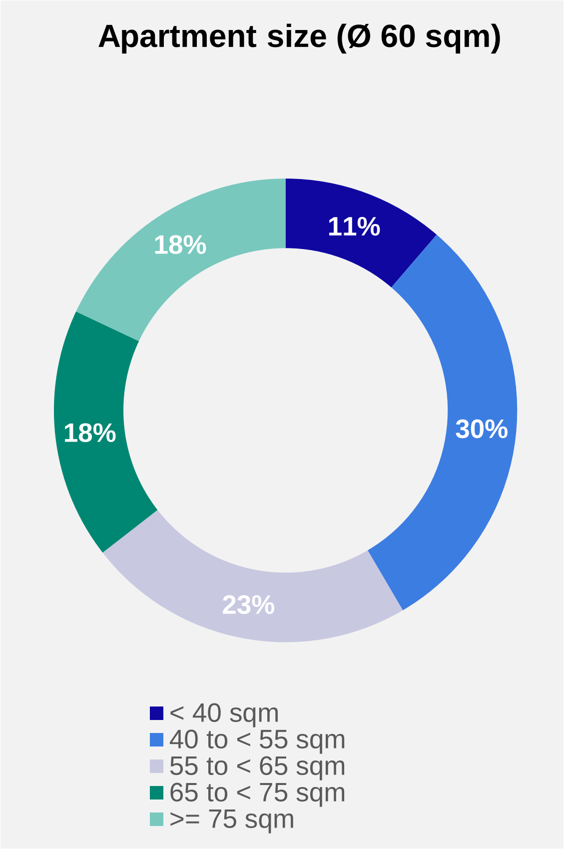


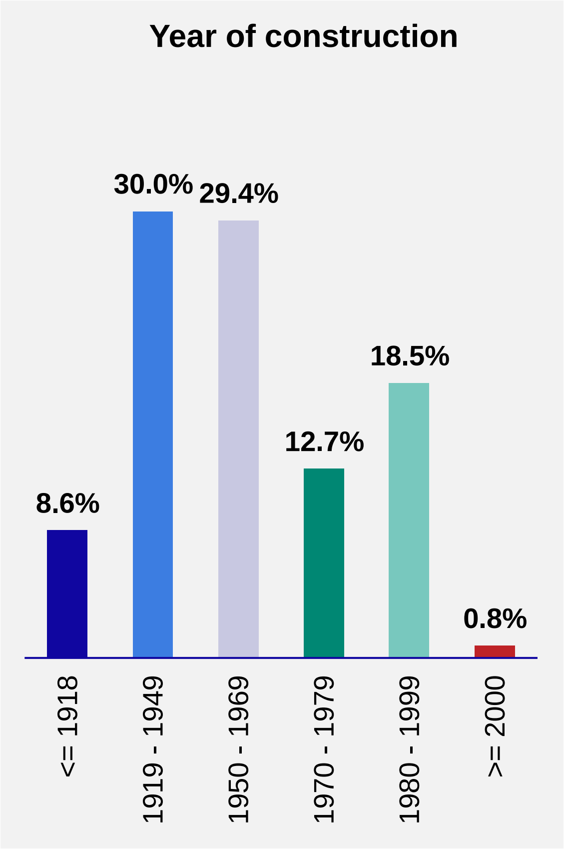
Units | Vacancy (%)
In-place rent (EUR/sqm) | Fair value (EUR/sqm)

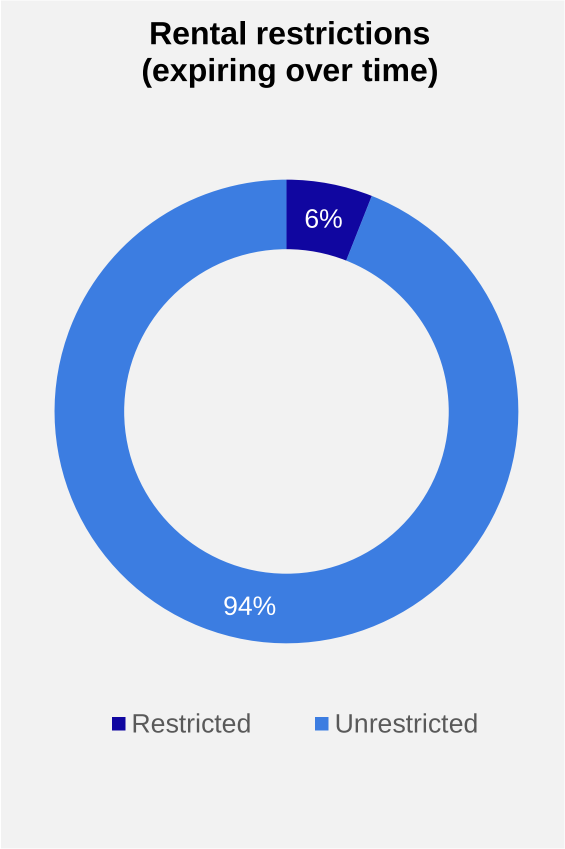
> 3,000 | > 5,000 | >8,000 | >10,000

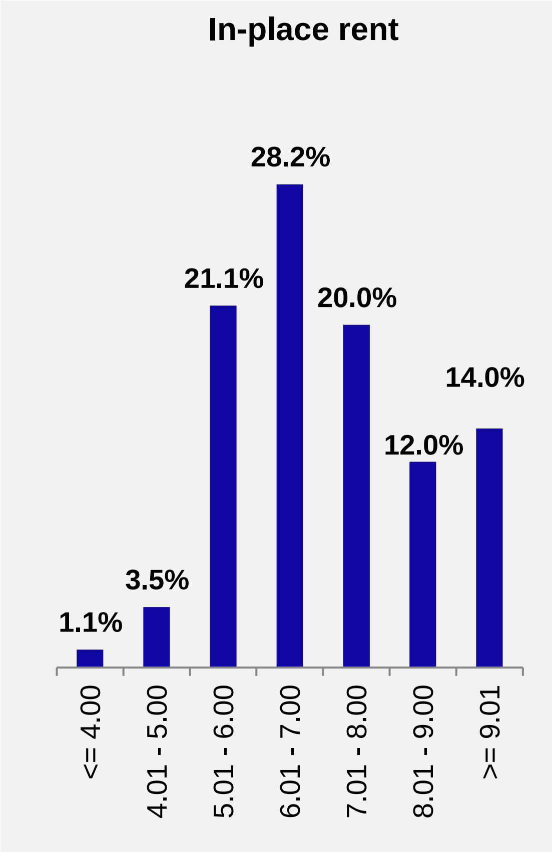
DEUTSCHE WOHNEN

Portfolio structure – characteristics meeting strong demand









ESG

Quartiere Berlin Waldsiedlung

DEUTSCHE WOHNEN

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

Climate change

Increase in global warming due to the consumption of resources and the emission of greenhouse gases

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

Large leverage in the real estate

- Property sector contributes to around 1/3 of national carbon emissions
- Climate strategy for carbon neutral property portfolio until 2040 with clear targets and milestones

Value generation for all stakeholders

Shareholders
Politics
Customers
Climate
Employees

Environmental

- Commitment to sustainability, environment and climate
- Significant improvement of energy efficiency of our apartments (2020: 125.1 kWh/m²*a)
- ~ 62% of our units perform better than average residential property in Germany

Social

- Socially reliable landlord who goes beyond legal requirements
  - Corona aid fund of EUR 30m
  - "Promise to our tenants"
- Affordable housing

Corporate Governance

- Permanently monitored and discussed the company's corporate governance standards
- Good ESG rating results
- ESG performance linked to management board remuneration (LTI)

DEUTSCHE WOHNEN

Key strategic challenges for the German residential real estate industry for the next decades

1 Reduction of environmental impact and carbon footprint

30% of Germany's carbon emissions are related to the building sector[1]

- Reduce energy consumption of existing building stock
- Increase renewable energy supply and on-site power generation

2 Creating sufficient housing supply in key demand regions

Key driver of increasing rents in Germany is prevailing supply/ demand imbalance

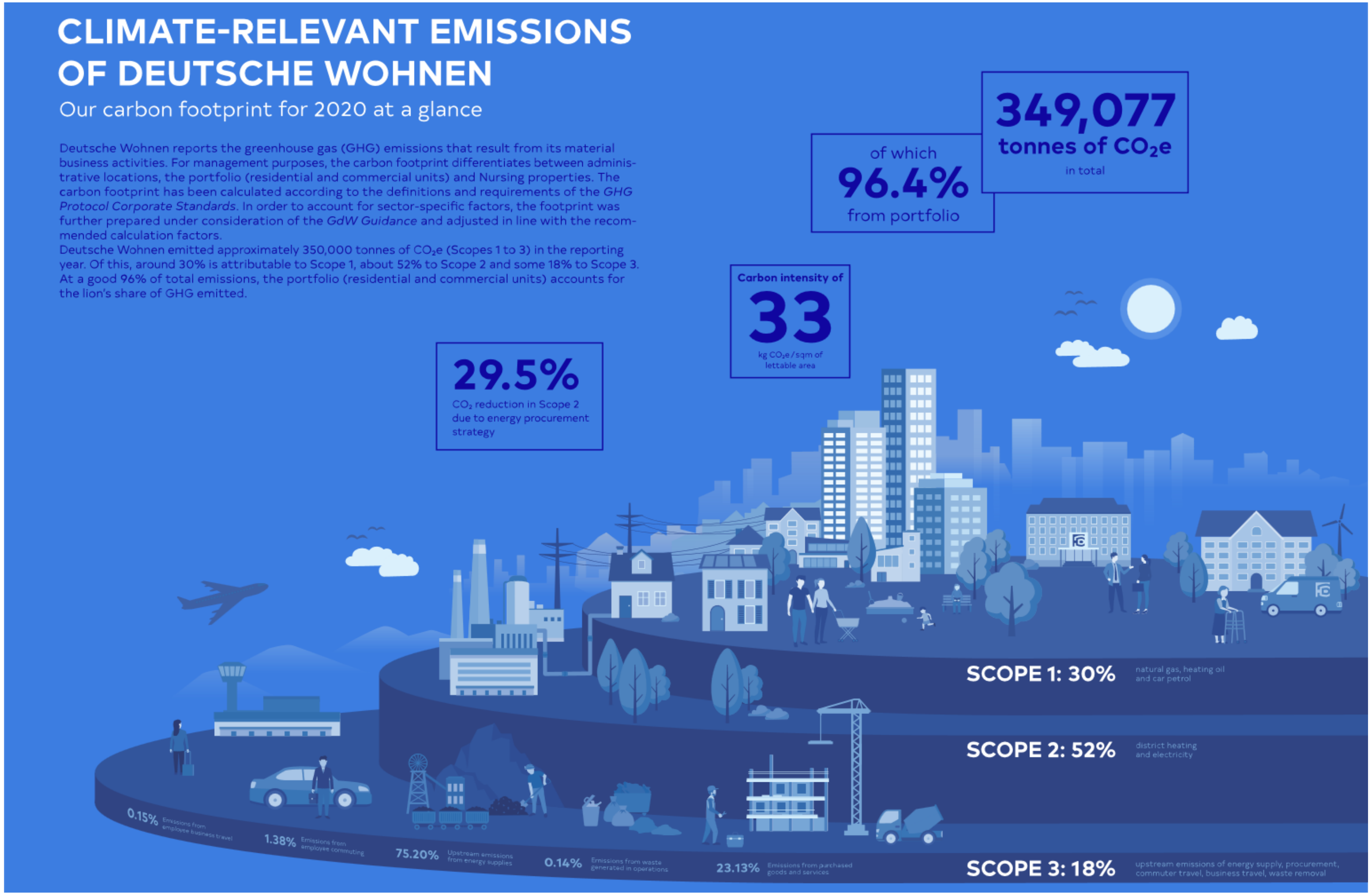
- Build significant number of residential apartments in key demand areas
- Create efficient development platform serving all stakeholders

Solutions for both challenges require significant amounts of time and capital

Deutsche Wohnen's Core+ portfolio enables good economic returns on these sizeable investments

1) According to the Federal Environment Agency (Umweltbundesamt)

Carbon footprint of Deutsche Wohnen 2020



DEUTSCHE WOHNEN

Mission climate neutrality

The two key fields of action

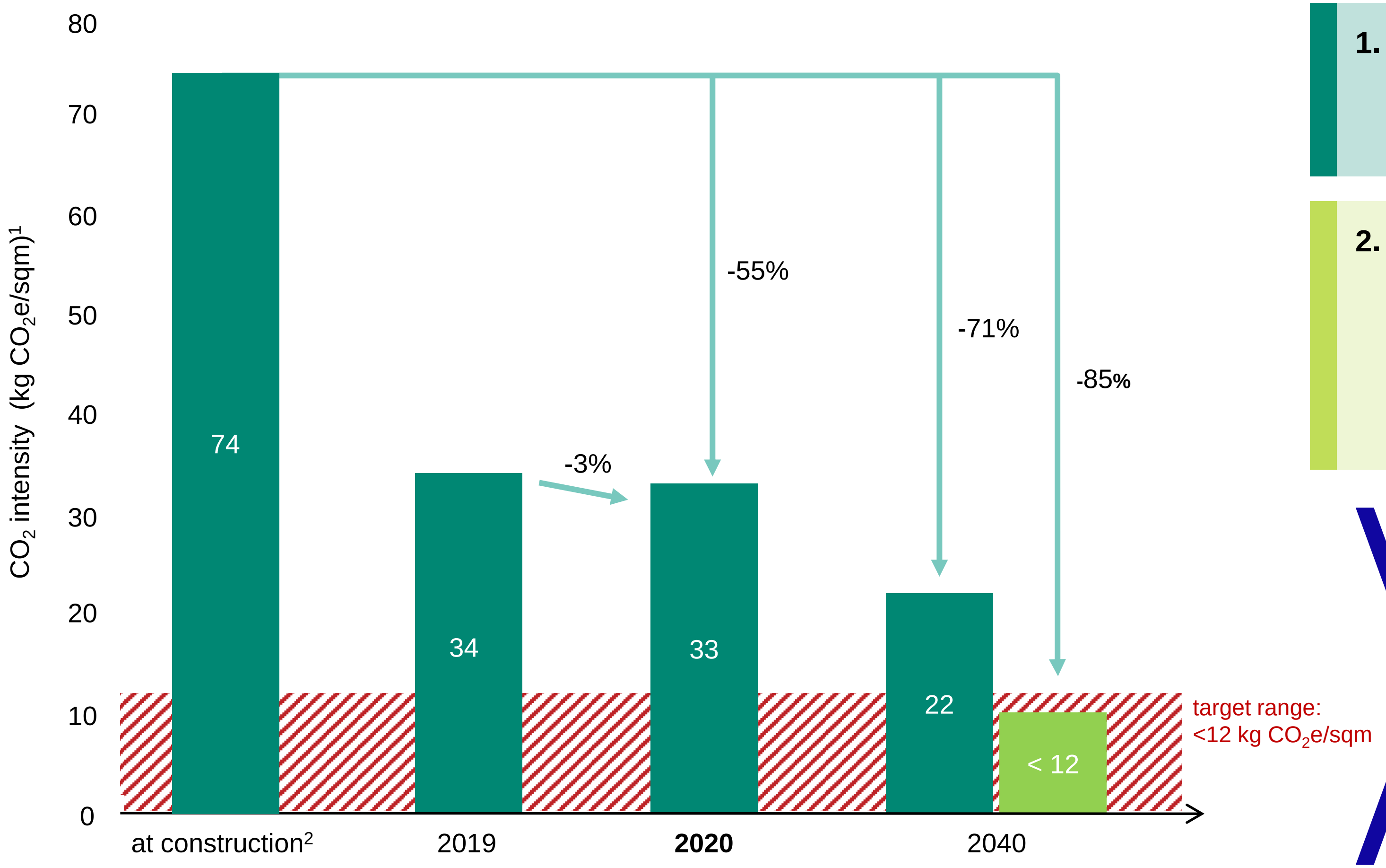
2040

Climate neutrality
Deutsche Wohnen

1. Reducing energy consumption
2. Increasing renewable energies & on-site power generation

DEUTSCHE WOHNEN

CO_2 target path until 2040



1. Focus on energetic refurbishments

- Economically sensible investments in energy-efficient building refurbishment will reduce the carbon intensity to 22 kg CO_2 e/sqm by 2040

2. Cross-sector approach

- Expansion of low-carbon heat and power generation
- Use of self-generated green power
- Further savings possible through building automation to promote climate-friendly user behavior
- Climate-friendly new construction (certified by renowned sustainability agency)

Supporting regulatory framework required

- Resolving the tenant-landlord dilemma and increasing the rate of refurbishment (see our proposal "Concept for socially responsible climate protection in the property sector")
- Strong user involvement required. First projects show that savings of up to 10% of energy consumption are possible (see our MIA pilot project)
- Further adjustments to the modernization charge or in the regulatory landscape can have a negative impact on the achievement of targets

1) The climate path shown is calculated on the basis of the CO_2 technology tool provided by the Initiative Wohnen 2050 (IW.2050) and does not include nursing homes. This is used across the industry as the basis for setting a climate target path for housing companies. The target range of < 12 kg CO_2e/sqm is derived from the available carbon budget for the sector and iis considered by the industry to be an acceptable level of carbon emissions to achieving climate neutrality in the property sector. 2) This figure represents the theoretical carbon intensity per sqm of a given product cluster of a standard house with construction-period standards.

DEUTSCHE WOHNEN

EUR 1.5 bn investments in energetic refurbishment of existing buildings until 2040

Investment Criteria	Portfolio	Action	
Tenant affordability	▪ ~158,000 units	▪ Basement ceiling insulation	Increasing share of energetic investments in complex refurbishments[1]
Legislative requirements	▪ ~9.7m sqm	▪ Attic insulation	**~30% to >50%**
Subsidy regimes		▪ Facade insulation	**~5,000 units/year**
Adequate proportion of investments to benefits		▪ Insulating glass windows	
		▪ Heating replacement and network optimization	
	Carbon intensity 2020: 33 kg CO_2 e/sqm	**Target:** >30% CO_2 reduction	**Carbon intensity 2040:** 22 kg CO_2 e/sqm

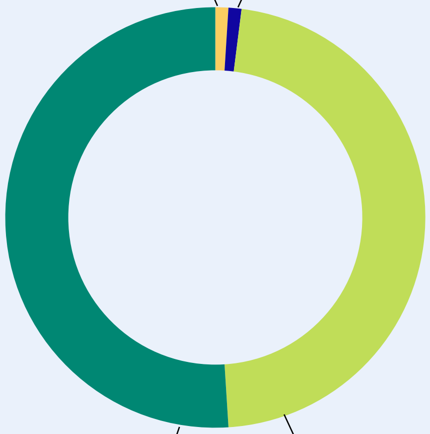
- **Deutsche Wohnen will increase share of energetic refurbishments to EUR 1.5 bn to achieve >30% carbon reduction by 2040. Given the good condition of the building stock, this will be achievable at good returns**

1) This relates purely to investments in building modernization. Measures relating to re-lettings and capitalized maintenance are not included.

DEUTSCHE WOHNEN

EUR 0.5 bn investments to expand heat and power generation with low carbon footprint

2020 Energy mix



Oil

- Portfolio streamlining for oil-fired heating systems almost completed
- Removing remaining oil heaters

Gas

- Replacement of gas-only generation with combined heat and power plants (CHP)
- Admixture of green gas

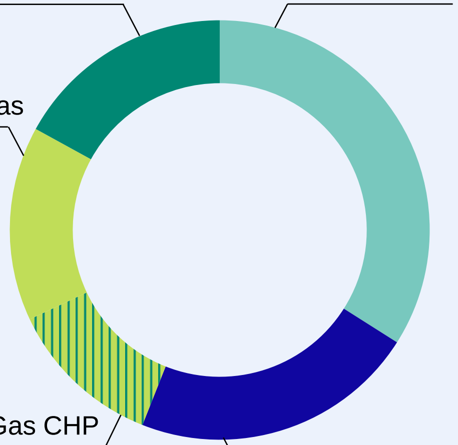
District heating

- Expansion of share of green district heating

Renewable energy

- Use of renewable energies through expansion of heating pumps and pellet heating systems
- Only decentralized (green) power generation can help achieve climate targets

2040 Energy mix



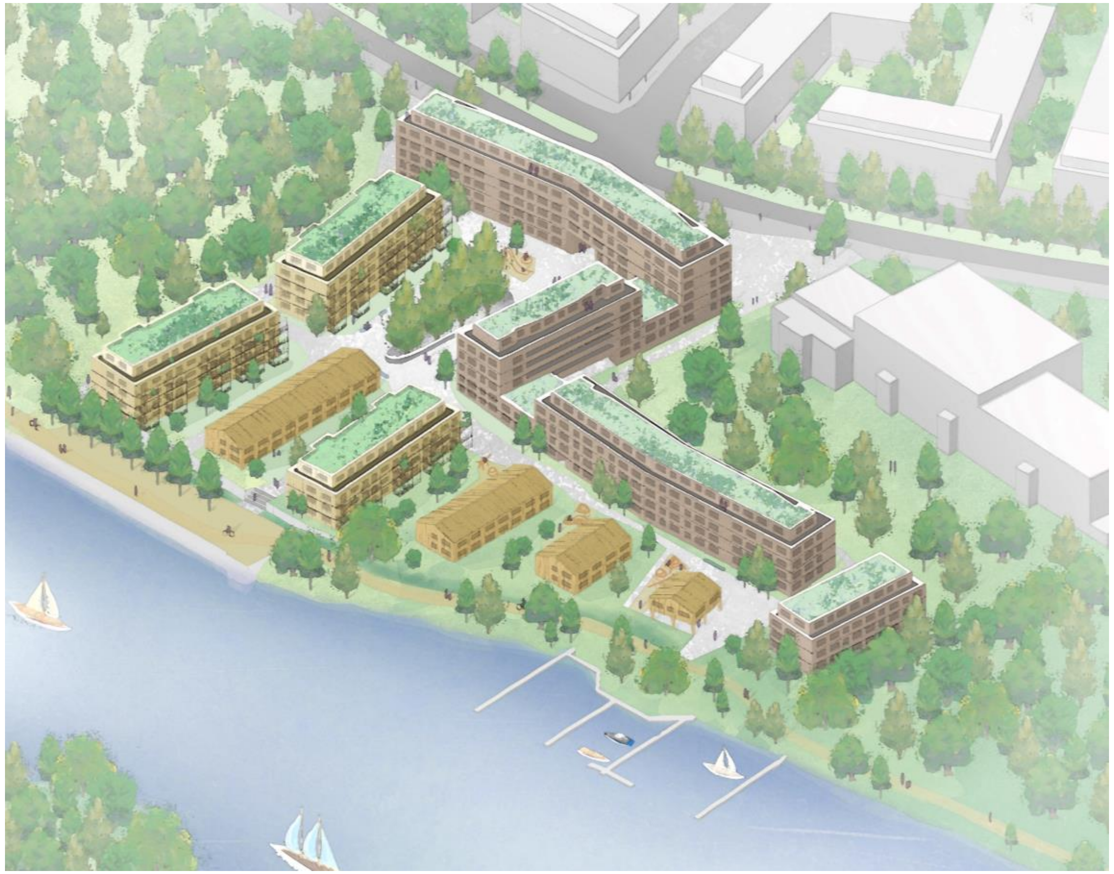
District Heating

- Deutsche Wohnen's Core⁺ portfolio has largely access to district heating due to its strategic location
- One of the most efficient ways of providing heating for residential dwellings (highest yields/lowest energy loss)
- Energy/heat providers converting district heating to be 100% climate-neutral[1]

1) Vattenfall, district heating supplier for Berlin, publicly announced to supply 100% climate-neutral generated heat for Berlin by 2050 at the latest.

DEUTSCHE WOHNEN

Extensive project pipeline focused on sustainable new construction



- Creating a center-of-competence for new construction in Germany while focusing on sustainable building
- Ensuring sustainable approach through membership in the **German Sustainable Building Council (DGNB)** and the aspiration to strive for at least the Gold Standard
- Focusing on wood hybrid construction: Depending on the type of building wood hybrid construction for example releases 50–70[1] kg less CO_2 per sqm of floor area compared to conventional construction

Daumstraße-Berlin Deutsche Wohnen is planning a unique neighbourhood development with timber hybrid construction

- 287 apartments
- Smartliving applications
- eMobility with own mobility hub
- DGNB Gold Standard
- KfW 55 standard
- Cradle2Cradle approach
- Holistic energy concept
- Home office workstations for tenants

1) This is based on information from the DGNB and takes into account the various life cycle phases of a building over a 50-year period (production of the entire building component, energy use during operation, replacement of parts with a service life shorter than 50 years, etc.)

DEUTSCHE WOHNEN

Generation of green energy in the neighborhood

Deutsche Wohnen has founded SYNVIA energy for the expansion of PV and the marketing of decentrally generated energy as tenant electricity

- Green power for prospective tenant electricity
- Relief of the power grid
- EUR 50m investment volume for PV programme in the next 10 years
- Development of charging infrastructure for electromobility
- Together with GETEC another EUR 25m investments planned for around 2,000 additional charging poles
- Currently 8 charging stations installed

Picture shows Heinrich Böll Siedlung, Berlin- Pankow

PV efficiency program already started

2021
- 1,000 t/a CO_2 savings
- ~ 3,000 mWh
- 76 PV

2030
- ~14,000 t/a CO_2 savings
- ~ 35,000 mWh
- ~ 1,000 PV

Note: The dynamics on the energy market cannot be estimated and accordingly our PV-expansion and connected calculations are a theoretical perspective taking into account the presumed developments on the energy market. Unpredictable changes in the electricity composition can affect the measures presented here.

DEUTSCHE WOHNEN

Optimization potential for climate protection through building automation

Building

Potential benefits:

Optimization and remote monitoring of technical systems increases energy efficiency, availability and customer satisfaction

Actions Deutsche Wohnen:

- Development and roll-out of a monitoring solution (dashboard) for heating systems
- Currently implemented in > 100 heating systems, target up to 2,000

Results:

- Transparency regarding condition of the heating systems
- Shorter reaction times in case of failure
- Detection of anomalies already before failure

Tenant

Potential benefits:

If users are consistently supported by automations in the home, energy efficiencies can be demonstrably leveraged

Actions Deutsche Wohnen:

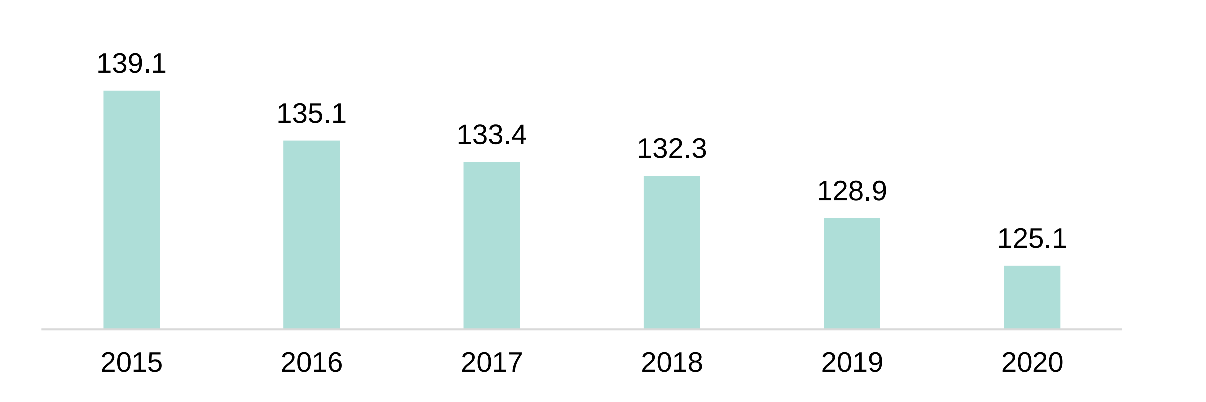
- Sample project MiA – My intelligent assistance system
- Installation of intelligent assistance system MiA in approx. 700 units

Results:

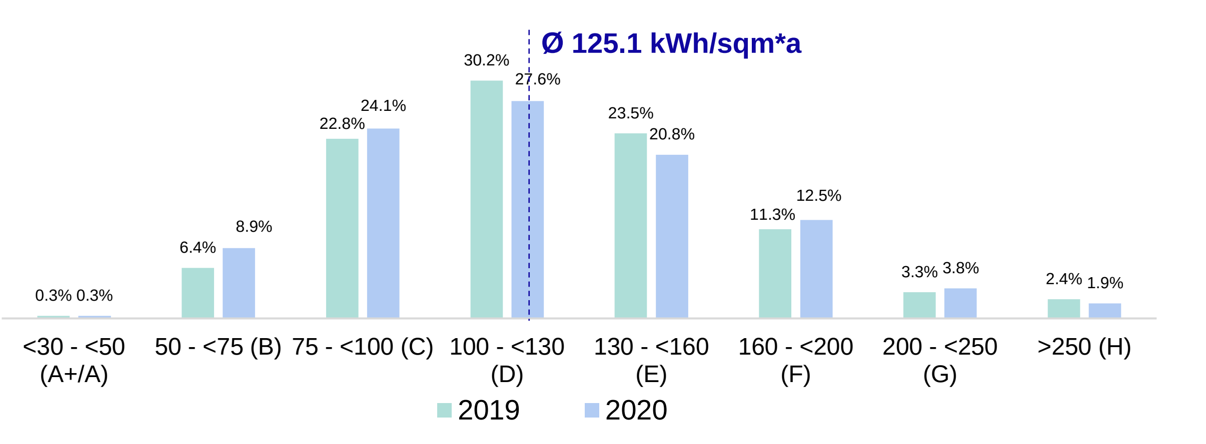
- After installation of automation, consumption of thermal energy actually decreases by up to 10%.
- Challenges: Tenant acceptance/building fabric

Improvement of energy efficiency of our properties

Energy efficiency 2015–2020 (in kWh/sqm*a)



Energy efficiency classes in % of our portfolio



- Wide-ranging refurbishment measures with positive impact on energy efficiency of portfolio
- Energy efficiency of approx. 62% of residential properties better than the average for residential buildings in Germany (133.0 kWh/sqm per annum)[1]
- Average consumption of our holdings at 125.1 kWh/sqm*a

Note: Energy efficiency based on the current energy performance certificate (EPC) of properties in relation to the gross internal floor area. Entire portfolio considered, excluding listed units for which no EPC is required
1) BMWi, 2019a, 107

DEUTSCHE WOHNEN

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

Key Achievements

- ✓ Implementation of EUR 30m Corona relief fund for our tenants and business partners in 2020
- ✓ Since the beginning of the Corona pandemic no rental increases have been implemented and no tenant has lost his/her home because of late payment
- ✓ In 2020, around 30% re-lettings of 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 an average monthly net cold rent of ~ EUR 400[1]
- ✓ Regular annual tenant surveys to further improve tenant satisfaction and response times; based on latest survey 88% are satisfied with their apartment (2019: 87%) and 82% with Deutsche Wohnen as their landlord (2019: 78%)

Details on “Our promise to tenants”

- **Our promise #1**
  No tenant will have to give up their apartment due to rent increases
- **Our promise #2**
  No tenant will have to give up their apartment due to modernisation measures
- **Our promise #3**
  In the new lettings process, we will let one in four apartments to tenants who are entitled to a certificate of eligibility for social housing
- **Our promise #4**
  As part of the local community, we will fund social and non-profit projects promoting diverse and vibrant districts with several million euros a year
- **Our promise #5**
  We intend to significantly invest in new construction to combat the housing shortage

1) ø EUR 6.53 in place rent per sqm/month and average apartment size of 60 sqm

DEUTSCHE WOHNEN

Our concept for socially responsible climate protection in the property sector

- **Initial situation**
  - Current refurbishment rate at around 1% not sufficient; at least 2.5% required to meet national climate goals
  - Climate protection as a task for society as a whole, involving the state, companies and citizens
  - The majority of tenants are in favor of climate protection, but are only willing / able to pay a limited amount

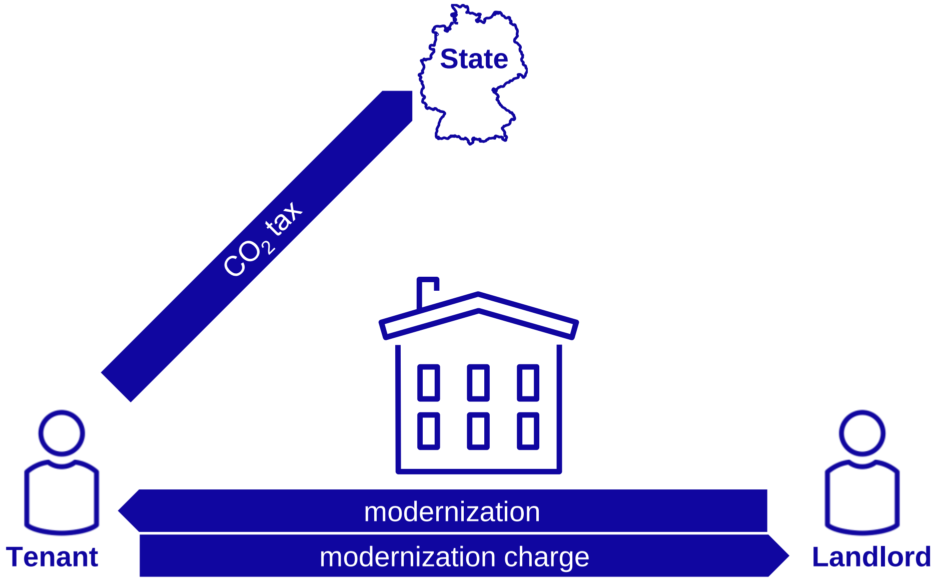
- **Proposal to resolve conflicting goals of climate protection and affordability**
  - Funding through the Energy and Climate Fund (CO_2 pricing legislation by the German Federal Government)
  - EUR 498 billion have to be invested in modernising residential properties for a carbon neutral building stock
  - The financing model for energetic refurbishments relieves tenants by EUR 123 billion (EUR 4.1 billion a year)

- **Deutsche Wohnen as host of a climate conference in October 2020**
  - Engagement with politics, science and economy
  - Proposal combines economic, social and environmental aspects in the interest of tenants and landlords
  - Socially responsible climate protection is possible in the property sector

DEUTSCHE WOHNEN

Balancing climate costs through CO_2 pricing

Current legal situation



- National emissions trading system started in 2021 with a fixed path until 2025
- CO_2 tax currently forms part of recoverable expenses
- Politically, it is currently being discussed how the CO_2 tax should be shared between tenants and landlords

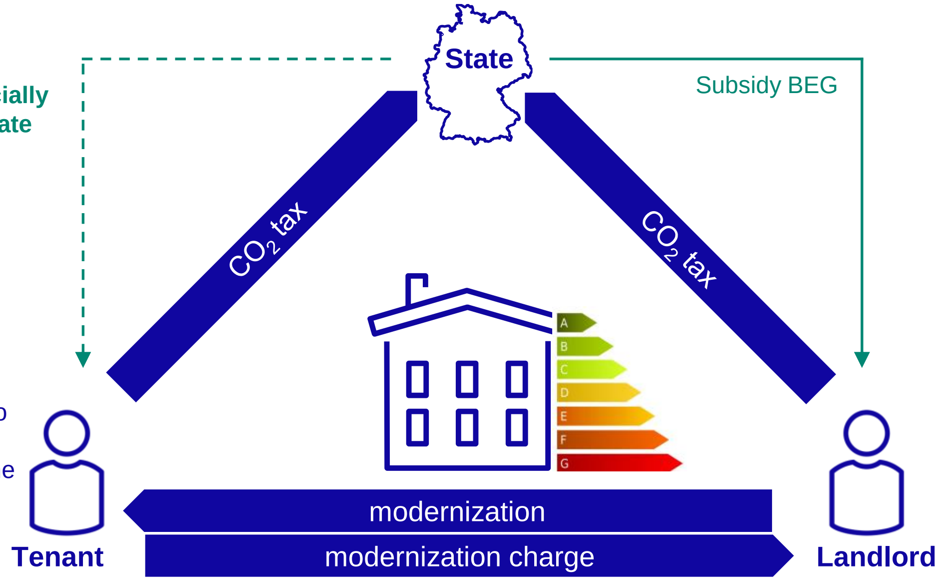
Our proposal for a socially acceptable solution

Our proposal "Concept for socially responsible climate protection in the property sector"

- Subsidy of modernization charge

Social hardship considerations

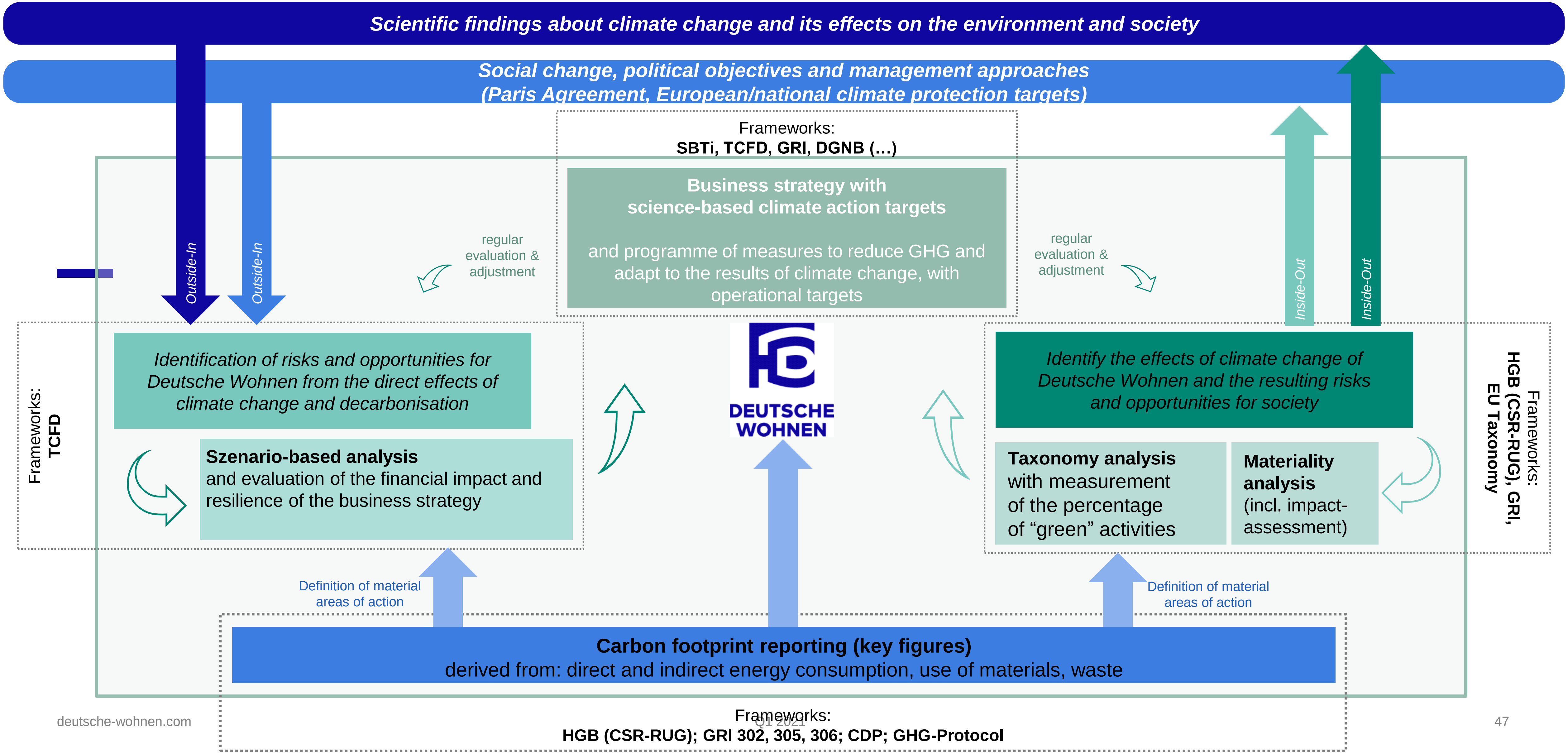
- Our Promise to Our Tenants
- Limitation of the modernization charge



- Landlord continues to receive full refinancing for energy modernizations
- Tenants and landlords bear a share of the CO_2 costs, depending on the building energy efficiency
- Tenant is supported with modernization costs from CO_2 pricing funds

Year	2021	2022	2023	2024	2025	As of 2026
CO_2 price in EUR/t	25	30	35	45	55	55–65

Our environmental and climate strategy



Responsible corporate management

Gorporate Governance		
Independent Supervisory Board	**Management Board**	**Employees**

▪ 1/3 are female
▪ Rejuvenation: Average age at 56
▪ Average tenure at 6.7x (2016: 9.5 years)
	▪ ESG is element of management remuneration as part of LTI
	▪ LTI: 70% financial targets + 30% ESG targets
	▪ ESG Targets: new
	  ▪ **15%** reduction carbon intensity per sqm
	  ▪ **7.5%** employer satisfaction based on employee satisfaction survey
	  ▪ **7.5%** customer satisfaction based on customer satisfaction survey
	▪ 20% female quota until June 2025
		▪ Approx. 50% of our employees are female
		▪ At least 40% females in executive positions
		▪ 77% of employees are happy with Deutsche Wohnen as an employer

Our contribution to the UN SDGs

3 GOOD HEALTH AND WELL-BEING

- The health and well-being of our customers, employees and business partners is central to Deutsche Wohnen
- Holistic approach to health and well-being during refurbishments and new constructions

13 CLIMATE ACTION

- Climate neutrality until 2040 with clear targets and goals
- Substantial investments into the building stock to reduce energy consumption and carbon emissions
- New constructions following DGNB-gold standard

7 AFFORDABLE AND CLEAN ENERGY

- Electricity for stairwell and hallway/corridor lighting for approx. 90% of our letting portfolio and majority of our administrative locations entirely sourced from hydroelectric power
- Advancement of decentralized electricity generation and heating through photovoltaic and CHP plants

15 LIFE ON LAND

- Initiative to create a healthy, diverse and resistant tree population ("Klima-Baumkonzept")
- Improvement of the micro-climate through shade producing trees and ecologic optimization of front yards
- Preservation of biological diversity by converting outdoor facilities in meadows and gardens

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Conversion of Deutsche Wohnen's car fleet to alternative drives
- Installation and operation of electric car charging stations and related infrastructure
- Installation of smart building technologies

17 PARTNERSHIPS FOR THE GOALS

- Member of the Foundation 2° - German Businesses for Climate Protection (Deutsche Unternehmer für Klimaschutz)
- Partner of the sector initative IW.2050 to combine climate protection activities in the housing industry
- Member of German Sustainable Building Council (DGNB)

11 SUSTAINABLE CITIES AND COMMUNITIES

- Commitment to making cities better places to live and strengthening social structures as an urban partner
- Continous engagement with residents, politicians and social organisations
- Supporting art, culture and sports

SUSTAINABLE DEVELOPMENT GOALS

DEUTSCHE WOHNEN

CSR Ratings continuously improved

EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

EPRA sBPR GOLD

Gold Award 2020
since 2017

Participation since 2015

ISS ESG

Corporate ESG Performance
Prime
RATED BY ISS ESG

Rating: C 2020
Prime Status confirmed since 2018

- Transparency Level: Very High
- Relative Performance Decile Rank: 1

Participation since 2015

SUSTAINALYTICS

ESG Risk Rating
12.1 Low Risk

Negl	Low	Med	High	Severe
0-10	10-20	20-30	30-40	40+

TOP 2% Global Universe

TOP 5% Real Estate Management

Participation since 2014

MSCI ESG RATINGS AA

CCC	B	BB	BBB	A	AA	AAA

In 2021, Deutsche Wohnen SE received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment[1]

Participation since 2013

1) The use by Deutsche Wohnen SE of any MSCI ESG Research LLC or its Affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Deutsche Wohnen SE by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

DEUTSCHE WOHNEN

Task force on Climate-related financial disclosure (TCFD)

Governance
Description of the organisation's governance around climate-related risks and opportunities

Strategy
Description of actual and potential impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk management
Description of the processes used by the organisation to identify, evaluate and manage climate-related risks

Metrics and targets
Description of the metrics and targets used to assess and manage relevant climate-related risks and opportunities

- Deutsche Wohnen wants to contribute to fighting climate change. In this context we consider the impact of climate change on our company and want to analyse in greater depth going forward what the financial and non-financial opportunities and risks of climate change will be for us.
- We are guided in this endeavour by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- As part of our strategic sustainability programme, we have therefore formulated the goal of preparing our own concept for integrating the TCFD recommendations into our Group reporting.

DEUTSCHE WOHNEN

Management board remuneration system – from FY 2021

To be approved by the AGM 2021

ESG targets play an important role in the LTI

Target remuneration

Base salary 40% – 45%	STI 20% – 25%	LTI 35% – 40%
▪ Fringe benefits ▪ No pension entitlements **Share ownership guidelines:** ▪ CEO: 3x annual base salary ▪ Board member: 1.5x base salary	1-year performance period (max. 125% of STI-target) **Financial Targets 80%** ▪ **50%** EBITDA (adj.) ▪ **10%** FFO I ▪ **10%** Earnings from Disposals ▪ **10%** Earnings from investments accounted at equity new **Individual Targets 20%** Financial or non-financial targets depending by area of responsibility	4-year performance period (max. 250% of LTI-target) **Financial Targets 70%** ▪ **30%** total shareholder return performance (DW-shares vs. FTSE EPRA/NAREIT) ▪ **40%** property yield (EPRA NTA growth and aggregated dividend yield on EPRA NTA) new **ESG Targets 30%** ▪ **15%** reduction CO_2 intensity per sqm ▪ **7.5%** employer satisfaction based on employee satisfaction survey ▪ **7.5%** customer satisfaction based on customer satisfaction survey

CEO max. EUR 5.5m new
Board member max. EUR 3.5m

Malus/ Clawback: new
Partial or entire reclaim or retention of variable remuneration possible

Severance payments new
Only in CoC event to max. 2x annual remuneration

Financials

Quartiere Berlin Hellersdorfer Promenade

DEUTSCHE WOHNEN

Bridge from adjusted EBITDA to profit

in EUR m	Q1-2021	Q1-2020
EBITDA (adjusted)	**208.6**	**187.8**
Depreciation	(9.8)	(9.4)
At equity valuation	(5.8)	0.5
Financial result (net)[2]	(32.8)	(51.2)[2]
EBT (adjusted)[2]	**160.2**	**127.7**[2]
Valuation properties[2]	0.1	(0.5)[2]
Valuation gains due to Disposals	(18.8)	(8.9)
One-offs	8.0	(23.0)
Valuation SWAP and convertible bonds	75.6	29.6
EBT	**225.1**	**124.9**
Current taxes	(11.1)	(11.7)
Deferred taxes	(14.3)	12.2
Profit	**199.7**	**125.4**
Profit attributable to the shareholders of the parent company	196.3	122.8
Earnings per share[1]	0.57	0.35

in EUR m	Q1-2021	Q1-2020
Interest expenses	(35.5)	(33.1)
In % of gross rents	*16.3*	*15.7*
Interest expenses capitalized[2]	*3.5*	1.4[2]
Non-cash interest expenses	(3.8)	(20.4)
Interest income	3.0	0.9
Financial result (net)[2]	**(32.8)**	**(51.2)**[2]

Valuation result stems from signed disposals above recent book values

One-offs in Q1 2021 mainly result from the inclusion of profits from the disposal of Isaria to QUARTERBACK

1) Based on weighted average shares outstanding excluding own shares (2021: 343.77m ; 2020: 354.53m); **2)** Prior year figures changed according to IAS 23 policy change

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Summary balance sheet

Assets

in EUR m	31/03/2021	31/12/2020
Investment properties	28,243.9	28,069.5
Other non-current assets	969.0	979.7
Derivatives	1.8	2.3
Deferred tax assets	0.0	0.0
Non current assets	**29,214.7**	**29,051.5**
Land and buildings held for sale	471.9	472.2
Trade receivables	76.1	35.9
Other current assets	742.9	654.5
Cash and cash equivalents	202.4	583.3
Current assets	**1,493.3**	**1,745.9**
Total assets	**30,708.0**	**30,797.4**

Equity and Liabilities

in EUR m	31/03/2021	31/12/2020
Total equity	**14,040.9**	**13,832.8**
Financial liabilities	6,439.3	6,525.1
Convertibles	1,697.3	1,768.7
Bonds	3,084.6	3,129.6
Tax liabilities	71.1	60.5
Deferred tax liabilities	4,427.9	4,412.0
Derivatives	44.0	57.3
Other liabilities	902.8	1,011.4
Total liabilities	**16,667.1**	**16,964.6**
Total equity and liabilities	**30,708.0**	**30,797.4**

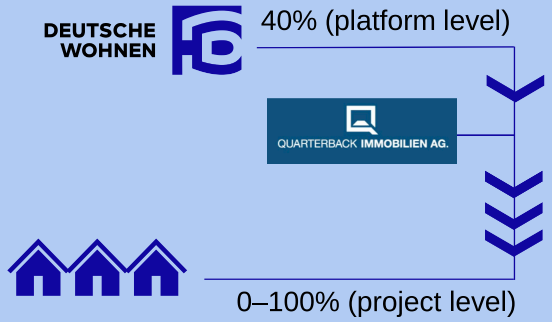
- **Investment properties represent ~92% of total assets**

Diverse

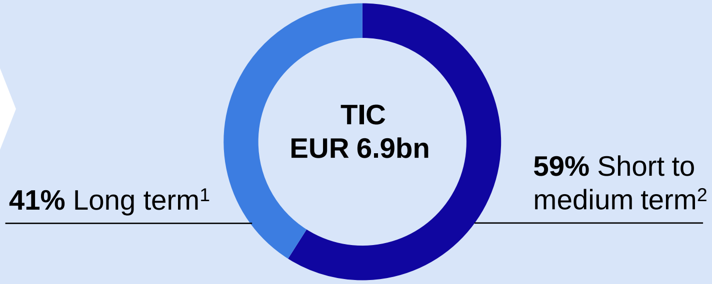
Quartiere Berlin Wohnstadt Carl Legien

Strategic platform for residential project development

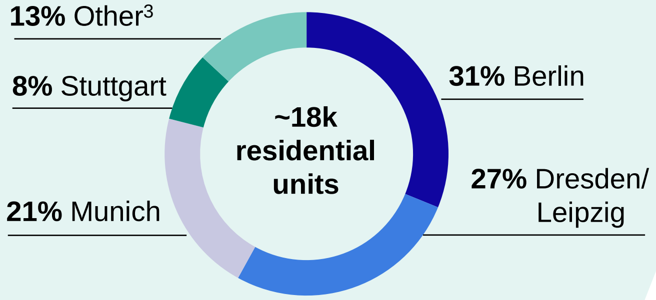
Structure



Breakdown by project stage (in % TIC)



Breakdown by location (in % TIC)



QUARTERBACK "highlights"

- "Centre-of-competence" development platform with Isaria platform integrated to streamline processes and maximize efficiency
- Total Investment Cost (TIC) of EUR 6.9bn primarily located in the "top 8" German cities
- Branch network of regional presence in all major German metropolitan areas
- 20+ years of track record comprising of c. 400 successfully completed projects with c. 13,000 residential units

Strategic partnership between Deutsche Wohnen and QUARTERBACK

- QUARTERBACK as integrated platform to execute Deutsche Wohnen's "build-to-hold" strategy
- Superb sourcing capabilities, also benefitting from significant financing costs advantages compared to pure-play developers
- Acquisition focus synchronized with geographic strategy of Deutsche Wohnen
- Long-term commitment anchored by a 40% equity stake of Deutsche Wohnen in QUARTERBACK

- **Long-term Deutsche Wohnen aims to grow the share of its "build-to-hold" assets to account for around 30% to its Fair Value**

1) Pipeline (without buliding right); **2)** Project development incl. building right; **3)** incl. Hamburg (2%), Duesseldorf/Cologne (2%), Frankfurt a. M. (2%), other (7%)

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Breakdown of Deutsche Wohnen's development exposure

Total economic share of c. 80% – substantially de-risked in view of zoning, exit and funding status

Illustrative structure and exposure breakdown

40%

Platform level		QUARTERBACK IMMOBILIEN AG.	DEUTSCHE WOHNEN	Total
Project level	Economic Participation	c. 60%	100%	c. 80%
	TIC/ Share of TIC	2.6 c. 38%	4.3 c. 62%	6.9 c. 100%
Project Status (in EUR bn/ % of total)	Project development Pipeline[1]	1.9 27%	2.2 32%	4.1 59%
	Pipeline <1y	0.2 2%	0.1 1%	0.2 4%
	Pipeline 1–3y	0.5 8%	1.2 18%	1.7 25%
	Pipeline >3y	0.0 1%	0.8 11%	0.9 12%
Destination of use (in EUR bn/ % of total)	"Build-to-hold"		4.3 | 62%	4.3 | 62%
	"Build-to-sell"	2.2 | 38%	0.1 | <1%	2.6 | 38%

Highlights

- ✓ GRI of c. EUR 150m and expected NAV uplift of 15% for "build-to-hold" pipeline; outstanding investments of EUR 3.2bn, annual capex spent c. EUR 400–500m in coming years
- ✓ Average development margin "build-to-sell" of c. 30% with almost 25% of projects already sold [2]

Comments

- Two distinct ownership levels
  - QUARTERBACK platform
  - Project level
- TIC of combined development portfolio amounts to EUR 6.9bn
  - thereof EUR 4.3bn (62% of TIC) solely owned by Deutsche Wohnen
  - of which Deutsche Wohnen has a "look through" economic interest of c. 80%
- EUR 4.1bn (59% of TIC) classified as "project development", i. e. building right in place, remainder being "pipeline"
- "Build-to-hold" amounts to EUR 4.3bn (62% of TIC) whilst "build-to-sell" amounts for EUR 2.6bn (38% of TIC)

Notes: Differences due to rounding; **1)** Pipeline classified according to expected time until obtaining building right; **2)** Inlcuding 7 projects that have been sold to Deutsche Wohnen

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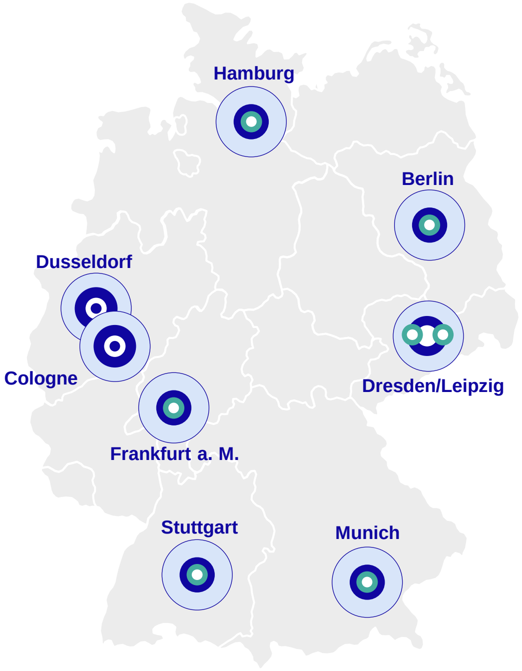
Investment case built on quality locations

Focus on “top 8” cities in line with Deutsche Wohnen’s enhanced investment strategy



- Deutsche Wohnen’s investment portfolio in “top 8” cities
- Deutsche Wohnen dedicated development portfolio
- Existing branch locations

Overview of locations and macro data

Key metrics	City level / City region level	Berlin	Cologne	Dusseldorf	Frankfurt am Main	Hamburg	Munich	Stuttgart	Dresden/ Leipzig	Total Top-8 cities	Relative development vs. Germany (avgerage)	Germany
Total population and 2019 rank	City level	3.7m #1	1.1m #4	0.6m #7	0.8m #6	1.8m #2	1.5m #3	0.6m #7	∑1.1m #5	**11.2m 13.5%**	↑	**83.1m**
	City region level	6.2m #1	3.4m #7	3.6m #4	3.7m #3	3.5m #5	4.4m #2	3.4m #6	∑3.2m #8	**31.4m 37.8%**		
Population growth (last 5y)[1]	City level	5.8%	3.9%	2.9%	6.4%	4.8%	3.8%	3.8%	6.4%	**4.9%**	↑	**2.4%**
	City region level	4.4%	3.1 %	2.3%	4.6%	4.2%	4.2 %	3.8%	4.4%	**3.9%**		
GDP (EUR bn)[2] % of German GDP	City level	145.5 4.4%	64.5 1.9%	50.4 1.5%	70.6 2.1%	118.9 3.6%	116.6 3.5%	57.4 1.7%	43.9 1.3%	**670 20.0%**	↑	**3,344m**
	City region level	217.5 6.5%	171.3 5.6%	186.8 5.6%	232.2 6.9%	167.2 5.0%	310.2 9.3%	213.0 6.5%	112.6 3.4%	**1,611 48.2%**		
Employment development (last 5y)[3]	City level	17.4%	11.0%	10.5%	11.2%	9.3%	12.6%	8.6%	9.9%	**11.2%**	↑	**8.3%**
	City region level	12.8%	10.1%	9.5%	10.4%	9.9%	12.7%	8.4%	8.7%	**10.1%**		

With a share of 38% of total population, the “top 8” city regions represent c. 48% of total German GDP, outpacing the German average by all relevant fundamental metrics

Source: empirica regio; **1)** 2014–2019 poplation growth; **2)** As of 2018; **3)** 2015–2020 growth

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Significant value creation potential of pipeline

	Total development pipeline			Market prices for newly constructed apartments			Upside
	TIC	NCR (per month)	Yield-on-TIC	FV	NCR (per month)	Yield	
Berlin (c. 5,700 units)	EUR 4,300/sqm EUR 280k/unit	EUR 12.0/sqm EUR 780/unit	3.3%	c. EUR 6,200/sqm	EUR 15.0/sqm	2.9%	↗
Dresden/Leipzig (c. 6,000 units)	EUR 3,100/sqm EUR 200k/unit	EUR 11.0/sqm EUR 720/unit	4.3%	c. EUR 4,300/sqm	EUR 11.0/sqm	3.1%	↗
Munich (c. 1,900 units)	EUR 5,600/sqm EUR 360k/unit	EUR 18.0/sqm EUR 1,170/unit	3.8%	c. EUR 9,700/sqm	EUR 20.0/sqm	2.5%	↗
Stuttgart (c. 850 units)	EUR 6,000/sqm EUR 300k/unit	EUR 20.0/sqm EUR 1,300/unit	4.0%	c. EUR 7,700/sqm	EUR 17.0/sqm	2.5%	↗

- **Quality of pipeline locations driving substantial upside through market development of rents and yields**

Note: Units based on apartments with an average size of 65 sqm for typical 2-person household; market prices for new construction based on CBRE data

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Selection of various projects from QUARTERBACK pipeline with sustainable neighbourhood concepts and ambitious architecture

Bahnhofstraße, Böblingen

Juri-Gagarin-Ring, Erfurt

Krystallpalast Areal, Leipzig

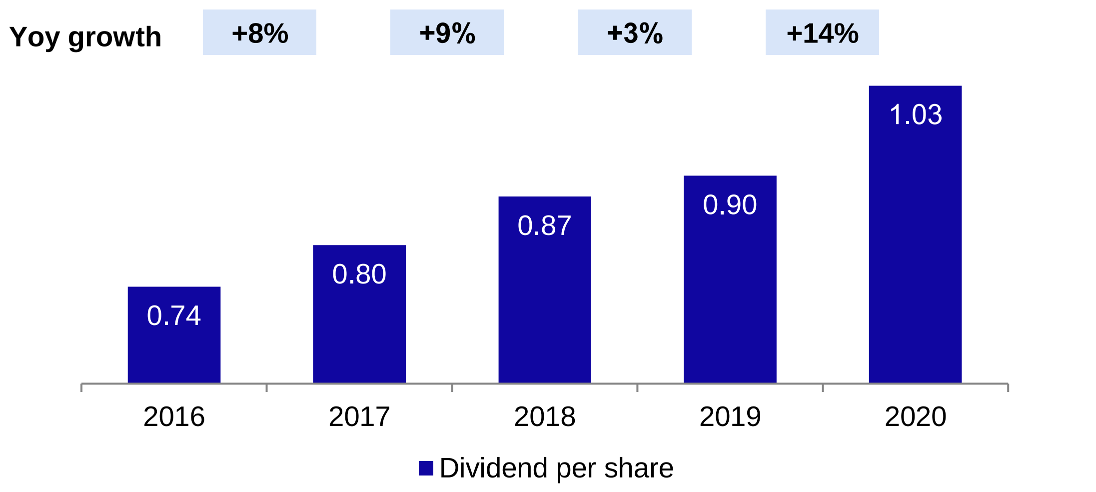
Kochwiesenstraße, Köln

Göschenstraße, Leipzig

Strong generation of total shareholder return

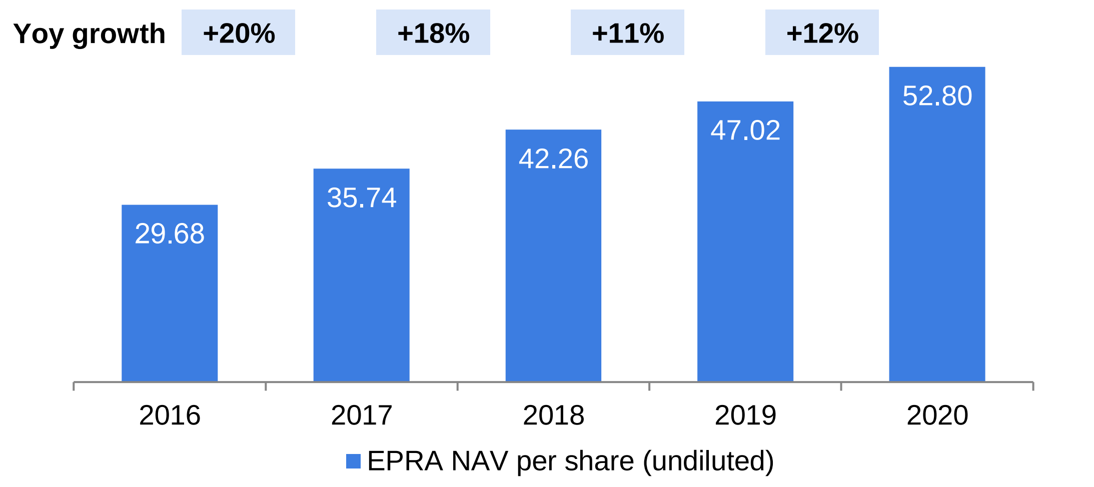
Development of dividend in EUR per share

CAGR 2016–2020: +9%



Development of EPRA NAV in EUR per share

CAGR 2016–2020: +15%



- **Deutsche Wohnen consistently generated high shareholder return based on capital growth and dividend payments**
- **Considering suggested dividend of EUR 1.03 per share, Deutsche Wohnen delivers a shareholder return for 2020 of EUR 6.81 or c. 14.5% of 2019 EPRA NAV**

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