

## **Background**

On Sep. 18, 2024, Vonovia SE and Deutsche Wohnen SE announced the initiation of the process to conclude a domination and profit and loss transfer agreement (DPLTA) between the two companies. On Dec. 14, 2024, both companies published the dates for the extraordinary general meetings, the exchange ratio and the amount of the fixed annual compensation payment. All relevant documents are now available at <https://www.vonovia.com/en/investors/corporate-governance/annual-general-meeting>.

## **Why a DPLTA?**

At the time of the acquisition of the majority shareholding in Deutsche Wohnen, a DPLTA was ruled out for three years. Following the end of this three-year period, there is now the opportunity to simplify the corporate governance structure and take the next logical step to create a fully integrated company also on the governance level. The DPLTA will result in simpler, faster, and risk-reduced management of Deutsche Wohnen. The DPLTA will enable Vonovia to direct Deutsche Wohnen to take measures that are in the interest of Vonovia and its shareholders even if they are not in line with the interest of Deutsche Wohnen itself. The interests of Deutsche Wohnen's minority shareholders will be protected by the fixed annual compensation payment and the right to exchange their shares for Vonovia shares.

*Please see Section C of the DPLTA Report for further information.*

## **Latest Events**

Today, both companies published the convocation notices for the respective extraordinary general meetings for shareholders to vote to approve the conclusion of the DPLTA.

In this context, the following documents have been published:

- Convocation of the extraordinary shareholder meeting of Deutsche Wohnen SE
- Convocation of the extraordinary shareholder meeting of Vonovia SE
- DPLTA
- DPLTA Report by the Management Boards of Vonovia SE and Deutsche Wohnen SE, including the valuation report prepared by RSM Ebner Stolz
- DPLTA Audit Report prepared by I-Advise

In light of the volume of these documents, Vonovia has prepared this brief summary to help capital market participants understand the main elements of the DPLTA and the related documents.

This short summary is intended to provide an additional service, but only the long versions of the documents are legally binding.

### Convocations of extraordinary shareholder meetings

#### Deutsche Wohnen

- The extraordinary shareholder meeting will take place on Jan. 23, 2025.
- There is only one item on the agenda: Resolution on the approval of the conclusion of a Domination and Profit and Loss Transfer Agreement between Vonovia SE and Deutsche Wohnen SE
- 75% majority required

## Vonovia

- The extraordinary shareholder meeting will take place on Jan. 24, 2025.
- There is only one item on the agenda: Resolution on the approval of the conclusion of a Domination and Profit and Loss Transfer Agreement between Vonovia SE & Deutsche Wohnen SE and Resolution on the Creation of a Conditional Capital 2025
- 75% majority required

*Please see the convocation notices for deadlines, ways to participate and vote, shareholder rights, and all other relevant information.*

## DPLTA & DPLTA Report

- Deutsche Wohnen shareholders will have two choices:
  - a. Exchange their Deutsche Wohnen shares against Vonovia shares at an exchange ratio of 1 to 0.7947.
  - b. Remain a Deutsche Wohnen shareholder in exchange for a fixed annual compensation payment of €1.03 net (€1.22 gross) per share for the duration of the DPLTA.
- Following the registration of the DPLTA in the commercial register, there will be a period of two months during which Deutsche Wohnen shareholders can choose option (a).
- After this period, it will no longer be possible to exchange Deutsche Wohnen shares against Vonovia shares under the DPLTA, unless shareholders challenge the exchange ratio in appraisal proceedings, in which case the tender period will end two months after the end of the appraisal proceedings.
- The DPLTA is concluded for an indefinite period.

*Please see Sections D and E of the DPLTA Report for further information.*

## Valuation Report Prepared by RSM Ebner Stolz

- The valuation report includes information on both the exchange ratio and the fixed annual compensation payment and how they were determined.
- Among the documents RSM Ebner Stolz used for valuation purposes was Vonovia's internal 10-year forecast.
- Up to and including the Adj. EBITDA Total the definition of the financial metrics is similar to the one used by the company. Below the Adj. EBITDA Total there are certain differences that mainly relate to financing costs and consolidation.
- This 10-year forecast is prepared by Vonovia's Controlling Department and updated regularly.
- It serves as a basis for the long-term management of the business by the executive board.

## Audit Report from I-Advise

- The Audit Report prepared by I-Advise, the court appointed auditor, confirms that the exchange ratio and the annual compensation payment agreed between Vonovia and Deutsche Wohnen in the DPLTA on the basis of the valuation report prepared by RSM Ebner Stolz are appropriate.