

CONTRACT REPORT

Joint report

of the Management Board of
Deutsche Wohnen SE, Berlin,

and

of the Management Board of
Vonovia SE, Bochum

pursuant to

section 293a of the German Stock Corporation Act (*Aktiengesetz*)

on the Domination and Profit and Loss Transfer Agreement

between

Vonovia SE and Deutsche Wohnen SE

of

15 December 2024

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- Annex 2** Domination and Profit and Loss Transfer Agreement between Vonovia SE and Deutsche Wohnen SE
- Annex 3** Expert Opinion by RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, dated 14 December 2024 on the determination of the enterprise value of Vonovia SE, Bochum and Deutsche Wohnen SE, Berlin, of the exchange ratio as well as the compensation payment as at the valuation date on 23 January 2025
- Annex 4** Decision of the Regional Court (*Landgericht*) of Berlin II of 2 October 2024 on the appointment of I-ADVISE AG Wirtschaftsprüfungsgesellschaft as expert auditor (*Vertragsprüfer*) within the meaning of section 293b(1) of the German Stock Corporation Act (*Aktiengesetz – AktG*).

Pursuant to section 293a AktG, the Management Board of Vonovia SE (**Vonovia**, together with Vonovia's controlled entities within the meaning of section 17 of the German Stock Corporation Act (*Aktiengesetz – AktG*), but excluding the Deutsche Wohnen Group, the **Vonovia Group**) and the Management Board of Deutsche Wohnen SE (**Deutsche Wohnen**, together with the controlled entities of Deutsche Wohnen within the meaning of section 17 AktG, the **Deutsche Wohnen Group**) jointly submit the following report (**Contract Report**) on the Domination and Profit and Loss Transfer Agreement (**DPLTA** or **Agreement**) between Vonovia as the controlling entity and Deutsche Wohnen as the controlled entity (hereinafter collectively referred to as the **Parties**). The provisions of Regulation (EC) No. 2157/2001 (**SE Regulation**) on the Statute for a European company and the German Act Implementing the SE Regulation (**SEAG**) and – through the reference provisions of the SE Regulation, in particular Article 9(1)(c), or the reference provisions of the applicable conflict of laws rules – the provisions of German law shall apply to Vonovia and Deutsche Wohnen. In particular, sections 291 to 310 AktG on inter-company agreements are applicable to Vonovia and Deutsche Wohnen.

A. Introduction

At the time this Contract Report is signed, Vonovia holds 347,728,483 no-par value bearer shares in Deutsche Wohnen (hereafter referred to as the **Deutsche Wohnen Shares**). This corresponds to an interest of approximately 86.87% in the share capital of Deutsche Wohnen, which is divided into 400,296,988 shares.

A Relationship Agreement has been in place between Vonovia and Deutsche Wohnen since 31 March 2022, governing the strategic cooperation between Deutsche Wohnen and the Vonovia Group. On 18 September 2024, Vonovia and Deutsche Wohnen each issued an ad hoc announcement stating that they had agreed to enter into discussions on the conclusion of a Domination and Profit and Loss Transfer Agreement and to initiate the necessary preparatory measures.

Upon joint application by the Management Board of Vonovia and the Management Board of Deutsche Wohnen, the Regional Court (*Landgericht*) of Berlin II selected and appointed I-ADVISE Wirtschaftsprüfungsgesellschaft AG as expert joint auditor (**Contract Auditor** or **I-ADVISE**) to audit the DPLTA by order of 2 October 2024.

The Agreement, which forms the subject matter of the present joint Contract Report, was concluded on 15 December 2024. On 14 December 2024, prior to signing the Agreement, the Management Board of Vonovia and the Management Board of Deutsche Wohnen resolved to enter into the Agreement. The Supervisory Board of Vonovia and the Supervisory Board of Deutsche Wohnen approved the conclusion of the Agreement prior to its signing and resolved, before signing the Agreement, in their respective meetings on 14 December 2024, to recommend to the shareholders of Vonovia (**Vonovia Shareholders**) and the shareholders of Deutsche Wohnen (**Deutsche Wohnen Shareholders**), respectively, to approve the Agreement. The following documents were available to the Supervisory Board of Vonovia and the Supervisory Board of Deutsche Wohnen when the resolution was adopted:

- (i) the final draft of the Agreement,
- (ii) the final draft of this Contract Report, and
- (iii) the signed copy of the expert opinion of RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart (*Valuation Expert* or *Ebner Stolz*) (*Expert Opinion*).

Furthermore, the Contract Auditor confirmed in the meetings that the determination of the Recurring Compensation Payment (*Recurring Compensation Payment*) and the compensation in the Agreement are confirmed as appropriate in the report on the audit of the Agreement (*Audit Report*) to be issued on 15 December 2024.

By means of the Agreement, Deutsche Wohnen subordinates the management of its company to Vonovia and undertakes to transfer its entire profits to Vonovia. Vonovia undertakes to compensate for any annual net loss arising at Deutsche Wohnen and to make an appropriate Recurring Compensation Payment or an appropriate compensation to the outside Deutsche Wohnen Shareholders. Pursuant to section 293(1) AktG, the Agreement requires the approval of the general meeting of Deutsche Wohnen and, in accordance with section 293(2) AktG, the approval of the general meeting of Vonovia. The approving resolution of the general meeting of Deutsche Wohnen is to be adopted on 23 January 2025. The approving resolution of the general meeting of Vonovia is to be adopted on 24 January 2025. Pursuant to section 294(2) AktG, the Agreement will take effect upon registration in the commercial register (*Handelsregister*) at the seat of Deutsche Wohnen.

B. The Parties

I. Deutsche Wohnen and the Deutsche Wohnen Group

1. Overview

Deutsche Wohnen is a publicly listed company with its registered seat in Berlin. Deutsche Wohnen is the parent company of the Deutsche Wohnen Group. The Deutsche Wohnen Group divides its business into the segments Rental (for residential property management), Value-add (for housing-related services), Recurring Sales (for sales) and Development (for new construction and Care).

2. Company history and development of business

The company currently known as Deutsche Wohnen was established in 1996 as Kera Beteiligungs AG, which initially did not engage in any operational activities. In 1998, the company was renamed “Deutsche Wohnen AG” and commenced operating activities as a subsidiary within the group of Deutsche Bank Aktiengesellschaft. In 2017, Deutsche Wohnen underwent a change in its legal form from a stock corporation into a European Company (*Societas Europaea*).

3. Legal form, registered seat, financial year and corporate purpose

Deutsche Wohnen is a European Company (*Societas Europaea*) incorporated under German law with its registered seat (*Sitz*) in Berlin, Germany, registered in the commercial register of the Local Court (*Amtsgericht*) of Charlottenburg under HRB 190322 B. Mecklenburgische Straße 57, 14197 Berlin, Germany. The financial year of Deutsche Wohnen corresponds to the calendar year.

The purpose the company as defined by its articles of association (§ 2 of the articles of association of Deutsche Wohnen) is as follows:

„(1) The Company’s business purpose shall be the acquisition, administration, leasing, management and sale of residential properties, care facilities and other properties. The Company may develop, modernise and maintain properties as well as provide services and engage in collaborations of all kinds.

(2) The Company may operate in the aforementioned business areas both by itself and through subsidiaries and affiliates whose business purpose covers the Company’s business areas either completely or in parts. It may establish or acquire such enterprises; it may either manage subsidiaries collectively or confine itself to managing its investments, and it may exercise control over its investments in such enterprises. The Company may also take any actions and measures that are related to its purpose or are intended to serve that purpose either directly or indirectly.

(3) The Company does not engage in activities that would qualify it as an investment fund within the meaning of the German Capital Investment Code (*Kapitalanlagegesetzbuch*). The primary purpose of forming the Company is not to provide returns for its shareholders through the sale of subsidiaries or affiliated companies.”

4. Capital, shareholders and stock exchange trading

4.1 Share capital

The share capital of Deutsche Wohnen amounts to EUR 400,296,988.00 and is divided into 400,296,988 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 per Deutsche Wohnen Share. The Deutsche Wohnen Shares are ordinary shares. There are no other classes of shares.

4.2 Authorised Capital 2023

The general meeting of Deutsche Wohnen held on 15 June 2023 authorised the Management Board of Deutsche Wohnen, upon approval from the Supervisory Board, to increase the company's registered share capital by up to EUR 120,000,000.00 until 14 June 2028 through the issuance of up to 120,000,000 new no-par value bearer shares against cash and/or non-cash contributions (§ 5(1) of the articles of association of Deutsche Wohnen, **Authorised Capital 2023**).

The Management Board may only utilise the Authorised Capital 2023 up to a maximum of 30% of the share capital at the time this authorisation takes effect or – if this value is lower – at the time of exercising this authorisation (§ 5(2) of the articles of association of Deutsche Wohnen). The maximum limit of 30% of the share capital shall include shares issued or to be issued for the purpose of servicing bonds with conversion or option rights or with conversion or option obligations from conditional capital, provided that such bonds were issued during the term of this authorisation. The maximum limit, reduced as described in the preceding sentences of this subsection, shall be reinstated upon the effectiveness of a new authorisation passed by the general meeting under section 202 or 221 AktG (in conjunction with conditional capital under section 192 AktG), to the extent permitted by the new authorisation, but up to a maximum of 30% of the share capital as stipulated in sentence 1 of this subsection.

Shareholders must generally be given subscription rights to the new shares. The new shares may also be underwritten by one or more banks as determined by the Management Board or by one or more entities operating under section 53(1) sentence 1 or section 53b(1) sentence 1 or section 53b(7) of the German Banking Act (*Gesetz über das Kreditwesen – KWG*) with the obligation to offer them to the company's shareholders for subscription (commonly referred to as an indirect subscription right).

However, the Management Board is authorised, with approval from the Supervisory Board, to exclude shareholders' subscription rights from one or more capital increases within the limits of the authorised capital (§ 5(4) of the articles of association of Deutsche Wohnen):

To exclude fractional amounts from the subscription right.

If necessary, to provide subscription rights to holders or creditors of convertible bonds, bonds with warrants, profit participation rights, and/or participating bonds (or combinations of such instruments) (*Bonds*), that carry conversion or option rights or conversion or option obligations and have been or will be issued by the company or by companies dependent on the company or directly or indirectly majority-owned by the company; such subscription rights shall relate to new no-par value bearer shares in the company to the extent to which the recipients of such rights would be entitled as shareholders after exercising the option or conversion rights or after the fulfilment of conversion or option obligations;

To issue shares against cash contributions if the issue price of the new shares is not significantly lower than the stock market price of the shares of the same class and attributes already listed, within the meaning of sections 203(1) and (2), 186(3) sentence 4 AktG; furthermore, the proportionate amount of share capital attributable to the new shares issued, with the exclusion of subscription rights under section 186(3) sentence 4 AktG, must not exceed 10% of the overall share capital, either at the time when this authorisation becomes effective or – if the value is lower – at the time when this authorisation is exercised. This maximum limit of 10% of the share capital shall include shares in the company: (i) that are issued or disposed of during the term of this authorisation, excluding shareholders' subscription rights pursuant to or in accordance with section 186(3) sentence 4 AktG; and (ii) that have been or will be issued to Bonds with conversion or option rights or with conversion or option obligations, provided that these Bonds were issued with the exclusion of subscription rights pursuant to section 186(3) sentence 4 AktG during the term of this authorisation. The reduced maximum limit as detailed in the preceding sentences of this subsection shall be increased again when a new authorisation to exclude shareholders' subscription rights comes into effect under section 186(3) sentence 4 AktG, pursuant to a general meeting resolution, to the extent permitted by the new authorisation, but up to a maximum of 10% of the share capital according to the provisions of sentence 1 of this subsection;

To issue shares against contributions in kind, particularly – but not limited to – for the purpose of acquiring (including indirectly) companies, parts of companies, equity interests in companies, and other assets (including receivables), as well as real estate and real estate portfolios in connection with an acquisition project, or to Bonds within the meaning of § 5(4)(ii), issued against contributions in kind; and

To implement a share dividend, whereby shares in the company are issued (including partially and/or optionally) against the contribution of shareholders' dividend claims (*scrip dividend*).

The authorisations contained in the above subsections to exclude subscription rights in the event of capital increases against cash and/or non-cash contributions are limited to a total amount up to a maximum of 10% of the share capital, either at the time when this authorisation becomes effective or – if this value is lower – at the time when this authorisation is exercised. The above limit of 10% includes shares in the company (i) which are issued during the term of this authorisation under other authorisations subject to the exclusion of subscription rights, and (ii) which are issued or to be issued to service Bonds, provided that such Bonds were also issued subject to the exclusion of shareholders' subscription rights during the term of this authorisation. The reduced maximum limit as detailed in the preceding sentences of this subsection shall be increased again upon the effectiveness of a new authorisation, approved by the general meeting, to exclude shareholders' subscription rights; this increase shall be to the extent permitted by the new authorisation, but up to no more than 10% of the share capital as stipulated in sentence 1 of this subsection (§ 5(5) of the articles of association of Deutsche Wohnen).

The new shares created on the basis of the Authorised Capital 2023 shall participate in profits from the beginning of the financial year in which they were created and for all subsequent financial years; however, the Management Board may, subject to legal requirements and approval from the Supervisory Board, stipulate that the new shares shall participate in profits from the beginning of the financial year for which the general meeting has not yet passed a resolution on the appropriation of net profit at the time of the capital increase (§ 5(6) of the articles of association of Deutsche Wohnen).

Furthermore, the Management Board is authorised, with the consent of the Supervisory Board, to determine the further details of the rights and conditions concerning the issue of shares (§ 5(7) of the articles of association of Deutsche Wohnen).

The Supervisory Board is authorised, in accordance with § 5(8) of the articles of association of Deutsche Wohnen, to amend the wording of § 4(1) and § 5 of the articles of association in accordance with the relevant utilisation of the Authorised Capital 2023 and also after the expiry of the authorisation.

4.3 Conditional Capital 2023

The general meeting of Deutsche Wohnen held on 15 June 2023 resolved to conditionally increase the share capital of Deutsche Wohnen by up to EUR 120,000,000.00 by issuing up to 120,000,000 new no-par value bearer shares with dividend rights (§ 6(2) of the articles of association of Deutsche Wohnen, **Conditional Capital 2023**). The conditional capital increase shall only be to the extent that the holders or creditors of Bonds issued or guaranteed by Deutsche Wohnen, by dependent companies or by companies in which Deutsche Wohnen holds direct or indirect majority interests on the basis of the authorisation resolution of the general meeting of Deutsche Wohnen of 15 June 2023 under agenda item 16 exercise their conversion or option rights or fulfil conversion or option obligations arising from such Bonds; this also applies if the company provides shares in the company instead of paying the amount of money due, and if the conversion or option rights or conversion or option obligations are not satisfied by treasury shares, shares from authorised capital or other forms of compensation.

The new shares shall be issued at the conversion or option price that is to be determined in accordance with the aforementioned authorisation resolution of the general meeting.

The new shares shall participate in profits from the beginning of the financial year in which they are created through the exercise of conversion or option rights, the fulfilment of conversion or option obligations or the provision of shares instead of payment of the cash amount due, and for all subsequent financial years; alternatively, subject to legal requirements and approval from the Supervisory Board, the Management Board may determine that the new shares shall be entitled to participate in profits from the beginning of the financial year for which, at the time of exercising conversion or option rights, fulfilling conversion or option obligations or providing such rights instead of paying the cash amount due, no resolution has yet been passed by the general meeting regarding the appropriation of net profit.

The Management Board is authorised, upon approval from the Supervisory Board, to determine the precise details of implementing the increase in conditional capital.

The Supervisory Board is authorised to amend § 4(1) and § 6(2) of the articles of association to reflect the relevant utilisation of the conditional capital and after the expiration of all option and conversion periods.

As at the date of this Contract Report, no Bonds for the servicing of which the Conditional Capital 2023 was created have been issued. Accordingly, there have also been no shares issued under the Conditional Capital 2023 as at the date of this Contract Report.

4.4 Conditional Capital 2014/II

The general meeting of Deutsche Wohnen held on 11 June 2014 originally resolved to conditionally increase the share capital of Deutsche Wohnen by up to EUR 15,000,000.00 by issuing up to 15,000,000 new registered no-par value shares (§ 6b(1) of the articles of association of Deutsche Wohnen, *Conditional Capital 2014/II*).

The conditional capital increase serves to provide compensation in the form of Deutsche Wohnen shares to outside shareholders of GSW Immobilien AG in accordance with the provisions of the domination agreement between Deutsche Wohnen and GSW Immobilien AG dated 30 April 2014 at the exchange ratio specified in § 5(1) of the domination agreement or at an exchange ratio adjusted pursuant to § 5(4) of the domination agreement. If required in accordance with § 5(2) of the Domination Agreement, Deutsche Wohnen will compensate fractional share rights in cash.

In the event that outside shareholders of GSW Immobilien AG exchange their GSW shares for shares in the company before receiving a dividend and/or payment based on the guaranteed dividend on their GSW shares for the 2014 financial year or for subsequent financial years, they shall – subject to legal requirements and practical feasibility – be given Deutsche Wohnen shares that participate in profits from the beginning of the last financial year that ended before they were created. In the event that outside shareholders of GSW Immobilien AG exchange their GSW Shares for shares in Deutsche Wohnen after receiving a dividend and/or payment based on the guaranteed dividend on their GSW shares for the 2014 financial year or for subsequent financial years or to the extent that it is legally or actually not possible to grant shares with profit participation entitlement in accordance with the previous sentence, they shall be given shares in the company that participate in the profits of the company from the beginning of the financial year in which they were created.

The new shares shall be issued against the transfer of shares in GSW Immobilien AG by its outside shareholders. The conditional capital can only be increased to the extent that the

outside shareholders of GSW Immobilien AG exercise their right to compensation. The Management Board is authorised, upon approval from the Supervisory Board, to determine the precise details of the increase in conditional capital and its implementation.

As of the date of this Contract Report, 9,280,652 new shares have been issued under the Conditional Capital 2014/II. As of the date of this Contract Report, the share capital of Deutsche Wohnen is therefore only increased by up to EUR 5,719,348.00 through the issuance of up to 5,719,348 new no-par value bearer shares with regard to the Conditional Capital 2014/II.

4.5 Treasury shares

Pursuant to section 71(1) no. 8 AktG, the Management Board of Deutsche Wohnen is authorised by way of the general meeting resolution of 15 June 2023, to purchase and use, until 14 June 2028, in compliance with the principle of equal treatment (Article 9(1)(c)(i) of the SE Regulation in conjunction with section 53a AktG), treasury shares of up to a total of 10% of the share capital of Deutsche Wohnen existing at the time of adoption of the resolution or – should this value be lower – at the time of exercise of this authorisation, in accordance with the stipulations provided. The shares acquired on the basis of this authorisation, together with other shares in the company that it has already acquired and still holds or that are attributable to it in accordance with sections 71a et seqq. AktG, must not exceed 10% of the relevant share capital of Deutsche Wohnen at any time.

At the time this Contract Report is signed, Deutsche Wohnen holds 3,362,003 treasury shares.

4.6 Shareholders

At the time this Contract Report is signed, Vonovia holds 347,728,483 Deutsche Wohnen Shares. This corresponds to an interest of approximately 86.87% in the share capital of Deutsche Wohnen, which is divided into 400,296,988 shares.

At the time this Contract Report is signed, Deutsche Wohnen holds 3,362,003 treasury shares, corresponding to approximately 0.84% of the share capital of Deutsche Wohnen, as of the date of the signing date of this Contract Report. The remaining 49,206,502 Deutsche Wohnen Shares, corresponding to approximately 12.29% of the share capital of Deutsche Wohnen, are held in free float.

Based on the voting rights notifications received by Deutsche Wohnen by 14 December 2024 in accordance with section 33 of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*), the following shareholders hold shares in Deutsche Wohnen with an interest of at least 3% in the share capital of Deutsche Wohnen:

Shareholder	Voting rights in %
Vonovia	86.87

On 30 September 2024, Vonovia entered into an investment agreement with a company in which long-term investors advised by Apollo are invested (*Apollo*) for the indirect purchase of Deutsche Wohnen Shares by Apollo. Accordingly, immediately prior to the entry of the DPLTA, Apollo will acquire 10.2% of the Deutsche Wohnen Shares currently attributable to Vonovia and will be able to exercise the voting rights associated with these Deutsche Wohnen Shares.

4.7 Stock exchange trading

The Deutsche Wohnen Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (*General Standard*) under ISIN DE000A0HN5C6 and WKN A0HN5C. Beyond this, the Deutsche Wohnen Shares may be traded via the Exchange Electronic Trading System of Deutsche Börse AG, Frankfurt am Main, Germany (*XETRA*). In addition, the Deutsche Wohnen Shares are traded on the regulated unofficial market of the regional stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart and on the Tradegate Exchange. The Deutsche Wohnen Shares are included in the SDAX stock market index.

5. Management Board and Supervisory Board of Deutsche Wohnen

Pursuant to § 7 of the articles of association, Deutsche Wohnen is organised in a two-tier system with a supervisory body and a management body.

5.1 Management board

According to § 8(1) sentence 2 of the articles of association of Deutsche Wohnen, the Management Board of Deutsche Wohnen consists of at least two members. The number of members of the Management Board is determined by the Supervisory Board (§ 8(2) sentence 1 of the articles of association).

At the time this Contract Report is signed, the Management Board of Deutsche Wohnen has the following members:

- Lars Urbansky (member of the Management Board since 1 October 2019, CEO since 27 July 2023);
- Eva Weiß (Chief Development Officer (CDO) since 1 September 2023); and
- Olaf Weber (Chief Financial Officer (CFO) since 1 January 2022);

Pursuant to § 8(3) sentence 1 of the articles of association of Deutsche Wohnen, the company shall be represented by two members of the Management Board or by one member of the Management Board together with one authorised signatory (*Prokurist*). Pursuant to § 8(3) sentence 2 of the articles of association of Deutsche Wohnen, the Supervisory Board may determine that all or individual of the members of the Management Board are authorised to legally represent the company alone. Pursuant to § 8(3) sentence 3 of the articles of association of Deutsche Wohnen, the Supervisory Board may also grant general or individual exemption from the prohibition of multiple representation, as outlined in section 181 alt. 2 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*), to all or individual members of the Management Board and to authorised representatives (*Prokuristen*) jointly with a member of the Management Board. The Supervisory Board has authorised all members of the Management Board to enter into legal transactions on behalf of the company with themselves acting as an agent of a third party (section 181 alt. 2 BGB).

5.2 Supervisory Board

According to § 10(1) sentence 3 of the articles of association of Deutsche Wohnen, the Supervisory Board of Deutsche Wohnen consists of six members. At the time this Contract Report is signed, these are:

- Dr Fabian Heß, Chairman of the Supervisory Board;

- Dr Florian Stetter, Deputy Chairman of the Supervisory Board;
- Peter Hohlbein;
- Christoph Schauerte;
- Simone Schumacher; and
- Catrin Coners.

Deutsche Wohnen is not subject to co-determination. Therefore, only shareholder representatives are members of the Supervisory Board.

6. Structure of the Deutsche Wohnen Group

Deutsche Wohnen is the management holding company of the Deutsche Wohnen Group and exercises the governance role in terms of strategy and steering within the Deutsche Wohnen Group. Deutsche Wohnen is directed by a Management Board, which is responsible for conducting the business and defining the Group's strategy. The strategy is implemented in close coordination with the Supervisory Board, which is regularly briefed by the Management Board regarding the development of business, strategy and potential opportunities and risks. The Supervisory Board oversees the activities of the Management Board.

Deutsche Wohnen performs the function of a management holding company within the Group. In this role, Deutsche Wohnen is responsible for determining and pursuing the overall strategy and implementing the company's goals. It assumes overarching property management, financing, service and coordination tasks for the Group. It is also responsible for the management, control and monitoring system as well as the risk management system of the Group. There is also a central function responsible for the sustainability issues within Deutsche Wohnen; it coordinates these matters for the Group as a whole.

To perform its management functions, Deutsche Wohnen uses both its own service companies and external service providers, primarily those of Vonovia, with which extensive agency agreements have been concluded in accordance with the arm's length principle, particularly for commercial and operational support functions. By pooling the corporate functions on a uniform management and development platform with Vonovia, the Deutsche Wohnen Group achieves harmonisation, standardisation and economies of scale objectives, and the other Group companies thus do not need to perform such functions themselves.

The management the operating business is based on the company's strategic approaches and is conducted via the Rental, Value-add, Recurring Sales and Development segments.

As at 31 December 2023, the Deutsche Wohnen Group comprised 155 companies (Deutsche Wohnen as the parent company and 154 direct and indirect subsidiaries). A list of all Deutsche Wohnen entities is attached to this Contract Report as **Annex 1** (see p. 8 to p. 10 thereof).

7. Business activities of Deutsche Wohnen Group

Deutsche Wohnen is one of the leading property companies in Germany and specialises in managing and developing residential property. The company's primary objective is the acquisition, management and optimisation of residential properties, with a particular focus on economically strong metropolitan areas such as Berlin, Frankfurt and Leipzig. In pursuing

this objective, Deutsche Wohnen seeks to generate sustainable value for investors while addressing the challenges currently facing the housing market.

A fundamental pillar of the strategic approach is the modernisation and maintenance of the portfolio with the objective of providing tenants with contemporary living space and ensuring long-term profitability. In comparison to other property companies, Deutsche Wohnen is distinguished by its robust presence in markets characterised by high demand and rising rents. Furthermore, the company is becoming increasingly involved in the realms of sustainable construction and social responsibility, in addition to its core business of residential property management. As a result of its strategic focus on sought-after urban locations and the continuous optimisation of its portfolio, Deutsche Wohnen has become a significant player in the German residential property market.

8. Development of business, earnings situation and financial position of the Deutsche Wohnen Group

8.1 Key financial figures for financial years 2021, 2022 and 2023

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (*IFRS*), as issued by the International Accounting Standards Board (IASB) and as adopted in the European Union, and the additional requirements pursuant to section 315e(1) of the German Commercial Code (*Handelsgesetzbuch – HGB*).

The following selected key financial figures for financial years 2021 to 2023 were taken from the audited and approved consolidated financial statements of Deutsche Wohnen for the financial years ending on 31 December 2021, 2022 and 2023. These values are rounded commercially, unless otherwise stated.

in EUR million, unless otherwise stated	2021	2022	2023
Revenue from property management	1,502.0	1,268.3	1,313.8
Profit from the disposal of properties	127.5	3.5	0.8
Profit from the disposal of real estate inventories	9.0	10.5	14.8
Adjusted EBITDA (continuing operations)*	726.8	628.5	634.8
Earnings before taxes (EBT) (continuing operations)*	1,776.4	600.2	-3,419.3
Profit for the period	919.0	-32.8	-2,761.1
Cash flow from operating activities	607.3	364.9	384.8
Cash flow from investing activities	-688.5	5.2	291.3
Cash flow from financing activities	174.6	-862.5	-658.9
Total assets	33,232.2	31,530.8	27,186.0
Equity	17,203.4	16,775.1	13,998.2
Equity ratio in %	51.8	53.2	51.5
Total liabilities	16,028.8	14,755.7	13,187.8
Employees (as at the end of the financial year)	5,103	1,144	796

* 2021 business figures as reported, 2022 figures comparable in accordance with current 2023 definition of key figures and segments

8.2 Development of business and results of operations in the financial year 2023

The financial year 2023 was characterised by challenging overall conditions in the residential real estate sector. On the one hand, the ongoing shortage of housing pushed rents up, while on the other, it proved impossible to close the macro-economic supply gap due to restrained new construction activity. There was a relatively low volume of transactions on the market in 2023. Inflation, in particular the marked uptick in construction costs, and the higher interest rates had a negative impact on the result of operations.

The main key performance indicator at segment level, Adjusted EBITDA (continuing operations), exhibited a 1.0% increase from EUR 628.5 million to EUR 634.8 million during the financial year 2023. The increase was based on the higher Adjusted EBITDA Rental, which rose by 6.3% from EUR 600.1 million to EUR 638.1 million. The other business segments achieved results below the previous year in 2023 (Adjusted EBITDA Value-add EUR 29.0 million, Adjusted EBITDA Recurring Sales EUR 12.8 million, Adjusted EBITDA Development EUR -15.2 million).

8.3 Development of business and results of operations in the first nine months of 2024

The core Rental business was characterised by a high level of demand for rental apartments and a positive rent trend in the first nine months of 2024. With a vacancy rate of 1.6% at the end of the third quarter of 2024, Deutsche Wohnen's residential real estate portfolio was almost fully occupied. The 2nd and 3rd quarters of 2024 saw higher real estate transaction volumes and a bottoming out of real estate values. The ECB's key interest rate cuts particularly favoured transactions, particularly in the Recurring Sales and Development segments.

Adjusted EBITDA (continuing operations) amounted to EUR 489.2 million in the first nine months of the financial year 2024, -1.5% below the previous year's figure of EUR 496.8 million. Adjusted EBITDA Rental fell by -1.4% from EUR 480.4 million to EUR 473.6 million. Adjusted EBITDA value-add rose to EUR 17.5 million. (previous year: EUR 7.9 million). The other business segments achieved results below those of the previous year in the third quarter of 2024 (Adjusted EBITDA Recurring Sales EUR 1.2 million, Adjusted EBITDA Development EUR -3.1 million).

8.4 Outlook for the financial year 2024

All in all, we expect Adjusted EBITDA to be on a par with the previous year. The rise in interest rates over the last two years is resulting in increased borrowing costs. Impairment losses were also recognised on interest income in connection with the transaction agreed with the QUARTERBACK Immobilien Group at the end of September 2024, resulting in a marked increase in the negative adjusted net financial result. As part of this transaction, Deutsche Wohnen concluded purchase agreements with the QUARTERBACK Immobilien Group for the acquisition of building plots and management units, partially offset against existing loan receivables from the QUARTERBACK Immobilien Group. However, since Deutsche Wohnen assumes that the remaining receivables are not recoverable, a value adjustment was made on receivables and interest income in the third quarter of 2024. Based on stable depreciation and amortisation, we therefore expect Adjusted EBT to be moderately below the previous year's level. Both key figures are influenced to a considerable degree by the sales risks on the transaction market.

9. Employees

In the 2023 financial year, the Deutsche Wohnen Group employed an average of 835 individuals, of whom approximately 93.41% were employed at the Company's headquarters in Berlin and approximately 6.59% at other locations in Germany.

II. Vonovia and the Vonovia Group

1. Overview

The Vonovia Group is one of Europe's leading residential real estate groups with a residential portfolio of around 485,000 of its own apartments in almost all of Germany's attractive cities and regions as well as a further 40,000 residential units in Sweden and around 21,000 residential units in Austria. In addition to its own apartments, the Vonovia Group manages about 71,400 apartments for third parties. The Vonovia Group is headquartered in Bochum, Germany.

Vonovia's business model is based on the provision and rental of living space as well as the management of these properties. An established inhouse craftsmen's, residential neighbourhood and caretaker organisation, coupled with extensive back-office functions, support Vonovia in its management and further development of its housing stocks. Vonovia continues to develop its real estate portfolio through active portfolio management. In addition to acquisition, sale and modernisation, this also includes building new apartments for the company's own portfolio and for sale to third parties. The business model is rounded off by offering housing-related services. The focus is on offering multimedia, energy supply services for electricity and heating, as well as automated meter reading.

The roots of Vonovia and its predecessor companies in Germany, Austria and Sweden extend back into the 19th century and lie in not-for-profit housing and housing for factory workers.

As of 31 December 2023, the Vonovia Group (including the Deutsche Wohnen Group) had 11,977 permanent employees (full-time equivalents) across the Group. According to the consolidated financial statements as of 31 December 2023, prepared in accordance with IFRS and the supplementary provisions of section 315e(1) HGB, the Vonovia Group's total assets amounted to around EUR 91,995.9 million. In the financial year ending 31 December 2023, the comprehensive income (as reported in Vonovia's consolidated financial statements for the financial year ending 31 December 2023) amounted to minus EUR 6,862.8 million.

2. Company history and development of business

Vonovia's history dates back to 1918, when *Gemeinnützige Aktiengesellschaft für Angestellten-Heimstätten (GAGFAH)* was founded to create affordable housing for employees after the First World War. Over the decades, GAGFAH developed into a major housing company in Germany and was for a long time a central institution in the field of social housing.

Another important forerunner of Vonovia was created in the 1920s: *Vereinigte Stahlwerke AG*, one of Germany's largest industrial groups, also built large stocks of company housing for its employees in order to provide housing in industrial areas. These portfolios later played an important role in Vonovia's expansion.

Vonovia itself was founded in 2001 under the name *Deutsche Annington* when it acquired large portfolios of railway worker housing. This acquisition formed the basis for the company's growth. In the years that followed, Deutsche Annington continued its expansion strategy by acquiring further residential portfolios. Deutsche Annington and GAGFAH took over numerous residential portfolios throughout Germany. After implementing important restructuring measures within the Group – in particular by setting up its own craftsmen's organisation – Deutsche Annington went public in 2013.

The merger of Deutsche Annington and GAGFAH in 2015 was followed by the renaming of the company to Vonovia. As a result of this merger and further acquisitions, the company grew massively and became the largest private housing company in Germany. In the years that followed, Vonovia expanded its international presence, in particular through the acquisition of the Austrian entities Conwert and BUWOG, the Swedish entities Victoria Park and Hembla and, last but not least, the takeover of a majority stake in Deutsche Wohnen in 2021.

Today, Vonovia manages a total of more than 540,000 apartments, mostly in Germany, and has been listed on the DAX40 since its IPO in 2013 (until September 2021: DAX30). The company pursues a strategy of sustainable modernisation, particularly in the area of energy efficiency, and strives to combine affordable housing with modern living standards.

3. Legal form, registered seat, financial year and corporate purpose

Vonovia is a European Company (*Societas Europaea*) which has its registered office in Bochum, Germany, and is entered in the commercial register of Bochum Local Court (*Amtsgericht*) under HRB 16879. The financial year corresponds to the calendar year.

The purpose of the company as defined by its articles of association (§ 2 of the articles of association) is as follows:

“2.1 The corporate purpose of the Company is the conduct of real estate business and any related business of any kind, in particular the acquisition, the administration and the sale of developed and undeveloped properties and rights equivalent to title rights in real estate in Germany and abroad. Moreover, the Company may acquire, hold or dispose of participations in German and foreign partnerships and (listed and private) corporations that conduct the aforementioned business activities.

2.2 The Company may in particular be active in the fields of acquiring, erecting, conducting, supervising, operating and managing buildings in all legal forms and usage types and assume all tasks arising in the fields of operating residential and commercial buildings, of urban development and infrastructure, in particular acquiring, developing, improving, redeveloping, encumbering, selling real estate and granting hereditary building rights (*Erbbaurechte*). The Company may further be active in the fields of developing and marketing any technical, commercial and other know-how and providing services of any kind in connection with the aforementioned object of the Company.

2.3 The Company may dispose of any of its shareholdings and may in whole or in part carve out or transfer its business or any of its assets to affiliated entities. The Company is entitled to centralise under its direction/control companies in which it holds an interest and/or restrict its activities to the management of such interests).

2.4 The Company may also engage in any other business if this is suitable to achieve the corporate purpose of the Company. The Company may restrict its activities to the partial

performance of the corporate purpose or may act through companies in which the Company holds an interest. The Company may establish branches in Germany and abroad.

2.5 The Company does not engage in activities which would qualify it as an investment fund within the meaning of the German Capital Investment Code (*Kapitalanlagegesetzbuch*). In particular, the Company was not established for the main purpose of generating returns for its shareholders by divestment of its subsidiaries or affiliated companies.”

4. Share capital, shareholders and stock exchange trading

4.1 Share capital

The share capital of Vonovia amounts to EUR 822,852,925.00 and is divided into 822,852,925 no-par value registered shares, each representing the same notional interest in the share capital (*Vonovia Shares*). There are no other classes of shares.

4.2 Authorised Capital 2022

The general meeting of Vonovia resolved on 29 April 2022 to authorise the Management Board to increase Vonovia’s share capital by up to EUR 205,997,072.00 in the period up to 28 April 2027 with the consent of the Supervisory Board by issuing up to 205,997,072 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (§ 5.1 of the articles of association of Vonovia, *Authorised Capital 2022*).

The Management Board is only entitled to use an amount of the Authorised Capital 2022 of no more than 30% of the share capital at the time said authorisation comes into effect or – if such amount is lower – at the time it is exercised (§ 5.2 of the articles of association of Vonovia). Any shares already issued or to be issued to satisfy bonds with conversion or option rights or obligations from a conditional capital are to be included in this 30% cap on the share capital, provided these bonds were issued during the term of this authorisation. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorisation pursuant to section 202 or section 221 (in conjunction with a conditional capital pursuant to section 192 AktG) approved by the general meeting after the decrease becomes effective, to the extent of the reach of the new authorisation, but up to a maximum of 30% of the share capital in accordance with the stipulations of sentence 1 of this paragraph.

The shareholders must in principle be granted subscription rights. The new shares may also be acquired by one or several credit institution(s) or one or several enterprise(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or section 53b(7) KWG with the obligation to offer them to the shareholders of the company for subscription (indirect subscription right) (§ 5.3 of the articles of association of Vonovia).

The Management Board is, however, authorised, with the approval of the Supervisory Board, to exclude shareholders’ subscription rights for one or more capital increases relating to the authorised capital (§ 5.4 of the articles of association of Vonovia)

- to exclude fractional amounts from the subscription right;
- insofar as is necessary to grant the holders/creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (*Bonds*) that come with conversion or option rights or obligations, and that were or shall be issued by the company or companies dependent on or in the direct

or indirect majority ownership of the company, a subscription right for new, no-par-value registered shares in the company in the same volume as said holders/creditors would be entitled to upon exercising their option or conversion rights or fulfilling their conversion or option obligations as shareholders;

- to issue shares in return for cash contributions insofar as the issue amount of the new shares does not significantly undercut the stock market price of the shares of the same class and with equal rights already listed on the stock exchange within the meaning of sections 203(1) and (2), section 186(3) sentence 4 AktG and the proportion of the share capital attributable to the new shares issued subject to the exclusion of subscription rights in line with section 186(3) sentence 4 AktG is in total no more than 10% of the share capital, either at the time at which this authorisation becomes effective or – in the event that this amount is lower – at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued or disposed during the term of this authorisation without subscription rights in direct or analogous application of section 186(3) sentence 4 AktG and (ii) any shares issued or to be issued to satisfy Bonds with conversion or option rights or obligations, provided these Bonds were issued during the term of this authorisation without subscription rights pursuant to section 186(3) sentence 4 AktG. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorisation to exclude shareholders' subscription rights in line with section 186(3) sentence 4 AktG approved by the general meeting after the decrease becomes effective, to the extent of the reach of the new authorisation, but up to a maximum of 10% of the share capital in accordance with the stipulations of sentence 1 of this paragraph;
- to issue shares against contributions in kind in particular – but not solely – for the purpose of the acquisition (including indirectly) of companies, parts of companies, shareholdings in companies and other assets relating to an intended acquisition (including receivables), properties and property portfolios, or to satisfy Bonds referred to in section 5.4(ii) issued against contributions in kind;
- to issue a share dividend under which shares of the company are issued (including partially or optionally) against contribution of shareholder dividend claims (scrip dividend); and
- restricted to the issue of up to 2,500,000 new no-par-value registered shares against a contribution in cash insofar as this is necessary in order to issue shares to the employees of the company or of affiliated companies within the meaning of section 15 AktG to the exclusion of the members of the company's Management Board and Supervisory Board and the members of the management boards, supervisory boards and other bodies of affiliated companies (employee shares). Insofar as is legally permissible, the employee shares may also be issued such that the corresponding contributions are covered by the portion of the net profit that the Management Board and Supervisory Board are authorised to transfer to other retained earnings pursuant to section 58(2) AktG. The new shares may additionally be subscribed by a bank against cash contributions, such that the company is able to buy back the subscribed shares in order to issue them to the employees of the company or of affiliated companies within the meaning of section 15 AktG to the exclusion of the members of

the company's Management Board and Supervisory Board and the members of the management boards, supervisory boards and other bodies of affiliated companies.

The authorisations to exclude subscription rights in the event of capital increases against cash and/or in kind contributions as mentioned in the paragraphs above are limited in total to an amount not exceeding 10% of the share capital, either at the time at which this authorisation becomes effective or – in the event that this amount is lower – at the time at which it is exercised. The above limit of 10% includes shares in the company (i) which are issued during the term of this authorisation under other authorisations subject to the exclusion of subscription rights, and (ii) which are issued or to be issued to service Bonds, provided that such Bonds were also issued subject to the exclusion of shareholders' subscription rights during the term of this authorisation. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorisation to exclude shareholders' subscription rights approved by the general meeting after the decrease becomes effective, to the extent of the reach of the new authorisation, but up to a maximum of 10% of the share capital in accordance with the stipulations of sentence 1 of this paragraph (§ 5.5 of the articles of association of Vonovia).

The new shares created on the basis of the Authorised Capital 2022 shall bear dividend rights from the beginning of the financial year in which they come into existence and continue to do so in the financial years that follow; by way of derogation, subject to the approval of the Supervisory Board and insofar as is legally permissible, the Management Board may stipulate that the new shares shall bear dividend rights from the beginning of the financial year for which no resolution of the general meeting regarding the appropriation of the net profit had been passed at the time of the capital increase (§ 5.6 of the articles of association).

The Management Board is further authorised, with the approval of the Supervisory Board, to stipulate the further details of the rights and the conditions of the share issuance (§ 5.7 of the articles of association).

Pursuant to § 5.8 of the articles of association, the Supervisory Board is authorised to amend § 4.1 and § 5 of the articles of association of Vonovia to reflect the utilisation of the Authorised Capital 2022 and once the authorisation period has expired.

4.3 Conditional Capital 2021

On 16 April 2021, the general meeting of Vonovia resolved to conditionally increase the share capital of Vonovia by up to EUR 282,943,649.00 through the issuance of up to 282,943,649 new no-par-value registered shares with dividend rights (section 6.2 of the articles of association, ***Conditional Capital 2021***).

The conditional capital increase shall only be effected insofar as the holders/creditors of Bonds issued or guaranteed by Vonovia, by a dependent company or by a company in which Vonovia directly or indirectly has a majority shareholding by virtue of the authorisation adopted by the general meeting of 16 April 2021 under agenda item 9 exercise their conversion or option rights or fulfil the conversion or option obligations inherent to such Bonds, or insofar as the company grants company shares as a replacement for the payment of the sum due and insofar as the conversion or option rights or obligations are not satisfied by treasury shares, shares from authorised capital or other consideration.

The new shares are issued at the conversion or option price to be determined subject to the aforementioned authorisation resolution passed by the general meeting.

The new shares bear dividend rights from the beginning of the financial year in which they are created due to the exercising of conversion or option rights, the fulfilling of conversion or option obligations or their granting in replacement of the payment of the sum due and continue to do so in the financial years that follow. By way of derogation, with the approval of the Supervisory Board and insofar as permitted by law, the Management Board may stipulate that the new shares shall bear dividend rights from the beginning of the financial year for which no resolution of the general meeting regarding the appropriation of the net profit has been passed at the time at which the conversion or option rights are exercised, the conversion or option obligations are fulfilled or the shares are granted in replacement of the sum due.

With the approval of the Supervisory Board, the Management Board is authorised to stipulate the further details of effecting the conditional capital increase.

The Supervisory Board is authorised to amend § 4.1 and 6.2 of the articles of association to reflect the utilisation of the conditional capital and once all the option and conversion periods have expired.

As at the date of this Contract Report, no Bonds for the servicing of which the Conditional Capital 2021 was created have been issued. Accordingly, there have also been no shares issued under the Conditional Capital 2021 as at the date of this Contract Report.

4.4 Conditional Capital 2025

The Management Board and the Supervisory Board of Vonovia propose that the extraordinary general meeting to be held on 24 January 2025 resolve on the creation of conditional capital (**Conditional Capital 2025**), which serves to create the shares that will be offered to the outside Deutsche Wohnen Shareholders under the Agreement as compensation in exchange for their Deutsche Wohnen Shares. The Management Board and the Supervisory Board of Vonovia essentially propose the following resolution to the general meeting to held on 24 January 2025:

The company's share capital will be conditionally increased by up to EUR 55,000,000.00 by issuing up to 55,000,000 new no-par-value registered shares. The purpose of the conditional capital increase is to grant outside Deutsche Wohnen SE Shareholders a compensation in the form of shares in the Company in accordance with the terms of the Domination and Profit and Loss Transfer Agreement on the basis of the Exchange Ratio determined in § 5(1) of the Domination and Profit and Loss Transfer Agreement or an Exchange Ratio adjusted in accordance with § 5(4) and (6) of the Domination and Profit and Loss Transfer Agreement. If required in accordance with § 5(2) of the Domination and Profit and Loss Transfer Agreement, the company will compensate fractional share rights in cash.

It is intended that, if outside Deutsche Wohnen Shareholders exchange their Deutsche Wohnen Shares for shares in Vonovia before receiving a dividend or Recurring Compensation Payment for the financial year 2025 or subsequent financial years, they will be granted in each case – as far as practically and legally possible – shares in Vonovia that are entitled to dividends from the beginning of the last financial year preceding the financial year in which such shares are created. In the event that Deutsche Wohnen Shareholders exchange their Deutsche Wohnen Shares for shares in Vonovia after receiving a dividend or Recurring Compensation Payment for the financial year 2025 or subsequent financial years or to the extent it is not practically or legally possible to grant shares entitled to dividends to them in

accordance with the previous sentence, it is intended that they will be granted in each case shares in Vonovia that are entitled to dividends from the beginning of the financial year in which such shares are created.

The new shares are issued in return for the transfer of Deutsche Wohnen SE shares by their outside shareholders. The conditional capital increase will only be implemented insofar as the outside Deutsche Wohnen SE shareholders make use of their compensation right.

The Management Board, with the approval of the Supervisory Board, is authorised to determine the further details of the capital increase and its implementation.

4.5 Treasury shares

Pursuant to section 71(1) no. 8 AktG, the Management Board of Vonovia is authorised by resolution of the general meeting of 29 April 2022, to purchase and use, until 28 April 2027, in compliance with the principle of equal treatment (Article 9(1)(c)(i) of the SE Regulation in conjunction with section 53a AktG), treasury shares of up to a total of 10% of the share capital of Vonovia existing at the time of adoption of this resolution or – if this value is lower – at the time at which it is exercised in accordance with the stipulations provided. The shares acquired on the basis of this authorisation, together with other shares in the company that it has already acquired and still holds or that are attributable to it in accordance with sections 71a et seqq. AktG, must not exceed 10% of the relevant share capital of Vonovia at any time.

At the time this Contract Report is signed, Vonovia does not hold any treasury shares.

4.6 Shareholders

Based on the voting rights notifications received by Vonovia by 14 December 2024 in accordance with section 33 WpHG, the following shareholders hold shares in Vonovia with an interest of at least 3% in the share capital:

Shareholder	Total voting rights in % (rounded)
Norges Bank Investment Management	14.86
BlackRock, Inc.	8.76
JPMorgan Chase & Co	4.14
Stichting Pensioenfonds ABP	4.04
The Goldman Sachs Group, Inc.	3.45
DWS Investment GmbH	3.02

4.7 Stock exchange trading

Vonovia Shares (ISIN DE000A1ML7J1/WKN A1ML7J) are admitted to trading on the regulated market with additional post-admission obligations (Prime Standard) on the Frankfurt Stock Exchange. In particular, Vonovia Shares can also be traded via XETRA. In addition,

Vonovia Shares are traded on the regulated unofficial market of the regional stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart and on the Tradegate Exchange. Vonovia Shares are included in the DAX stock market index.

5. The Management Board and Supervisory Board of Vonovia

Pursuant to § 7 of the articles of association, Vonovia is organised in a two-tier system with a supervisory body and a management body.

5.1 Management Board

Pursuant to § 8.1 of the articles of association of Vonovia, the Management Board of Vonovia consists of at least two persons. The number of members is determined by the Supervisory Board.

As at the date of this Contract Report, the Management Board of Vonovia has the following members:

- Rolf Buch (Chief Executive Officer (CEO) since 1 April 2013);
- Arnd Fittkau (Chief Rental Officer (CRO) since 16 May 2019);
- Philip Grosse (Chief Financial Officer (CFO) since 1 January 2022);
- Daniel Riedl (Chief Development Officer (CDO) since 9 May 2018); and
- Ruth Werhahn (Chief Human Resources Officer (CHRO) since 1 October 2023).

§ 9.1 of the articles of association of Vonovia provides that the company is represented by two Management Board members jointly or by one Management Board member together with a holder of a statutory power of attorney (*Prokurist*). Pursuant to § 9.2 of the articles of association, the Supervisory Board has authorised all members of the Management Board to enter into legal transactions on behalf of the company with themselves acting as an agent of a third party (section 181 alt. 2 BGB).

5.2 Supervisory Board

Pursuant to § 11.1 of the articles of association, the Supervisory Board of Vonovia consists of ten members. At the time this Contract Report is signed, these are:

- Clara-Christina Streit (Chairwoman);
- Vitus Eckert (Deputy Chairman);
- Birgit M. Bohle;
- Jürgen Fenk;
- Dr Florian Funck;
- Dr Ute Geipel-Faber;
- Dr Daniela Gerd tom Markotten;
- Matthias Hünlein;
- Hildegard Müller; and

- Dr Ariane Reinhart.

Vonovia is not subject to co-determination. Therefore, only shareholder representatives are members of the Supervisory Board.

6. Structure of the Vonovia Group

Vonovia is a holding company that is the parent company of the Vonovia Group, including the Deutsche Wohnen Group.

In this role, Vonovia is responsible for determining and pursuing the overall strategy and implementing the company's goals. It performs overarching property management, financing, service and coordination tasks for the Group. It is also responsible for the management, control and monitoring system as well as the risk management system of the Vonovia Group. There is also a central function responsible for the sustainability issues within Vonovia; it coordinates these matters for the Vonovia Group as a whole.

In order to carry out management functions, Vonovia has established a series of service providers, particularly for commercial and operational support functions, which are centralised in shared service centres. By pooling the corporate functions on a uniform management and development platform, Vonovia achieves harmonisation, standardisation and economies of scale objectives, and the other Group companies thus do not need to perform such functions themselves. This bundling is a prerequisite for the efficient and effective management of a portfolio of more than 540,000 apartments and the successful implementation of real estate development projects. The platforms also serve as the basis for the successful digitalisation of the process chains.

As of 31 December 2023, the Vonovia Group (including the Deutsche Wohnen Group) comprised 631 consolidated and 2 non-consolidated companies. A list of all Vonovia Group companies (including Vonovia and Deutsche Wohnen companies) as of 31 December 2023, is attached to this Contract Report as **Annex 1**.

7. Business activities of the Vonovia Group

The Vonovia Group is Germany's biggest residential real estate company and one of Europe's leading real estate companies. Founded in 2001 and with its registered seat in Bochum, Vonovia focuses on acquiring, holding, administering, managing and developing residential real estate. The core business primarily comprises the long-term ownership and rental of apartments, with a portfolio of around 485,000 apartments, mainly in Germany, but also in Austria and Sweden.

Vonovia offers its tenants a wide range of services that go beyond the mere provision of housing. This includes repairs, maintenance and the modernisation of residential properties. In recent years in particular, the company has focused on the energy-efficient refurbishment of existing buildings in order to reduce CO₂ emissions and increase living comfort. A central component of the corporate strategy is the continuous improvement of energy efficiency through the use of modern technologies such as photovoltaic systems, thermal insulation and energy-efficient heating systems.

Another business area is Development, where Vonovia comprehensively modernises existing residential areas, develops new residential buildings and improves the urban infrastructure. The company attaches particular importance to social and ecological sustainability. Vonovia's goal is to create high-quality and affordable living space. In view of rising rents

in many urban areas, the company is trying to maintain a balance between profitability and social responsibility.

Vonovia simultaneously develops real estate projects both for its own portfolio and for sale. The product range also includes the regular and sustainable sale of owner-occupied flats and single-family homes from its own portfolio.

In addition to its core business, Vonovia is increasingly involved in the digitalisation of processes and services. One example is the introduction of tenant portals that allow tenants to place repair orders online or view their tenancy agreements and bills. The company is also testing the use of smart home technologies to increase living comfort and security for tenants.

Vonovia is pursuing a clear growth strategy that is geared towards organic growth through modernisation and new construction as well as expansion through the acquisition of additional real estate portfolios and entities. In recent years, for example, Vonovia has acquired the Austrian BUWOG and the Swedish housing company Hembla in order to expand its international presence.

As a DAX-listed company, Vonovia is of great interest to investors. Vonovia focuses on sustainable growth and a customer-oriented service approach as part of its corporate responsibility.

8. Development of business, earnings situation and financial position of the Vonovia Group (including the Deutsche Wohnen Group)

8.1 Key financial figures for the financial years 2021, 2022 and 2023

The following selected key financial figures for the financial years 2021 to 2023 were taken from the audited and approved consolidated financial statements of Vonovia for the financial years ending on 31 December 2021, 2022 and 2023. These values are rounded commercially, unless otherwise stated. The consolidated financial statements of the Vonovia Group (including the Deutsche Wohnen Group) were prepared in accordance with the IFRS, as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, as well as additional requirements pursuant to section 315e(1) HGB.

in EUR million, unless otherwise stated	2021	2022	2023
Revenue from property management	3623.9	4894.5	4874.5
Profit from the disposal of properties	165.0	138.4	78.1
Profit from the disposal of real estate inventories	137.9	127.5	49.4
Adjusted EBITDA (continuing operations)*	2,254.4	2,606.1	2,583.8
Earnings before taxes (EBT) (continuing operations)*	5,092.0	-604.6	-9,185.2
Profit for the period	2,440.5	-669.4	-6,756.2
Cash flow from operating activities	1,823.9	2,084.3	1,901.2
Cash flow from investing activities	-19,115.8	938.2	-825.9
Cash flow from financing activities	18,125.0	-3,145.1	-961.0
Total assets	105,914.3	101,389.6	91,995.9

in EUR million, unless otherwise stated	2021	2022	2023
Equity	36,139.1	34,438.8	29,944.6
Equity ratio in %	34.1	34.0	32.5
Total liabilities	69,775.2	66,950.8	62,051.3

Employees (as at the end of the financial year) 15,871 12,117 11,977

** 2021 business figures as reported, 2022 figures comparable in accordance with current 2023 definition of key figures and segments*

8.2 Development of business and results of operations in the financial year 2023

In the context of difficult conditions, Vonovia's core rental business proved to be extremely robust in the financial year 2023. The property management business showed positive economic development, bolstered in particular by sustained high demand and rising rents, as well as synergies realised from the cooperation with Deutsche Wohnen. The environment of higher interest rates and inflation translated into lower results in the other segments.

The key performance indicator at segment level, adjusted EBITDA (continuing operations), fell slightly overall in the 2023 financial year by -0.9% from EUR 2,606.1 million to EUR 2,583.8 million. Adjusted EBITDA Rental, on the other hand, rose by 6.5% from EUR 2,254.3 million to EUR 2,401.7 million. The other business segments achieved results below the previous year in 2023 (Adjusted EBITDA Value-add EUR 105.5 million, Adjusted EBITDA Recurring Sales EUR 63.4 million, Adjusted EBITDA Development EUR 13.2 million).

8.3 Development of business and results of operations in the first nine months of 2024

The core Rental business was characterised by a high level of demand for rental apartments and a positive rent trend in the first nine months of 2024. With a vacancy rate of 2.1% at the end of the third quarter of 2024, Vonovia's residential real estate portfolio was almost fully occupied. The 2nd and 3rd quarters of 2024 saw higher real estate transaction volumes and a bottoming out of real estate values. The ECB's key interest rate cuts particularly favoured transactions, particularly in the Recurring Sales and Development segments.

Adjusted EBITDA (continuing operations) amounted to EUR 1,986.7 million in the first nine months of the financial year 2024, up 1.4% on the previous year's figure of EUR 1,958.4 million. Adjusted EBITDA Rental fell by -0.9% from EUR 1,818.6 million to EUR 1,801.9 million. Adjusted EBITDA value-add rose to EUR 145.9 million. (previous year: EUR 73.3 million). The other business segments achieved results below those of the previous year in the third quarter of 2024 (Adjusted EBITDA Recurring Sales EUR 38.9 million, Adjusted EBITDA Development EUR 0.0 million).

8.4 Outlook for the financial year 2024

The EBITDA contribution of the core Rental business is expected to more or less match the previous year's level. In a year-on-year comparison, organic rental increases and associated higher rental income will be offset by higher rent losses from sales resulting in a smaller portfolio. For the Value-add Segment, a very strong increase in Adjusted EBITDA is expected in 2024, mainly driven by the ramp-up of our investment activities and a positive effect from the leasing of coax networks, which will not be reflected to the same extent next year. A strong increase in EBITDA contribution provided by the Development segment is also predicted based on an increased level of demand for new condominiums. Due to the

prioritisation of liquidity over profitability in the sale of existing apartments, Adjusted EBITDA for the Recurring Sales segment is expected to be moderately below the previous year's level. At Group level, Adjusted EBITDA Total that is slightly higher than in the previous year is expected in 2024.

9. Employees

In the 2023 financial year, the Vonovia Group (excluding the Deutsche Wohnen Group and Care) had, on average, 10,833 employees of which approximately 11.94% worked at the company headquarters in Bochum, and approximately 8.22% outside Germany.

C. Reasons for concluding the Domination and Profit and Loss Transfer Agreement

I. Economic and legal reasons

1. Enhancing the strength and integration of the Deutsche Wohnen Group and the Vonovia Group

The DPLTA is essential in establishing an integrated group. It will enable closer and more effective cooperation between the Deutsche Wohnen Group and the Vonovia Group. The contractual right to give instructions enables the Management Board of Vonovia to implement single managerial control in the Group's interest and uniform Group structures and strategies that are aligned with Deutsche Wohnen. This is a vital requirement for the proposed cooperation between Vonovia and Deutsche Wohnen.

Deutsche Wohnen and Vonovia expect in future to be able to leverage synergies together to an even greater extent than to date, which necessitates the conclusion of the Agreement. Concluding the Agreement enables Deutsche Wohnen to be integrated even more effectively and cost-efficiently into the Vonovia Group. Deutsche Wohnen and Vonovia particularly expect that the conclusion of the Agreement will considerably simplify and thus accelerate the coordination and the decision-making processes between Deutsche Wohnen and Vonovia. Shorter decision-making paths are intended to further promote a customer-centric and agile way of working within the Vonovia Group so that Deutsche Wohnen and the Vonovia Group can operate sustainably and effectively in a challenging market environment.

The intended purpose of further integration is to help the Vonovia Group consolidate its already strong position in the German and European real estate markets and to ensure improved communication within the Group. This will significantly strengthen the positioning of the Vonovia Group and the Deutsche Wohnen Group in the German and European real estate markets. In addition, further integration will enable the Deutsche Wohnen Group to use its operational size, customer base and existing expertise more effectively to expand the services offered by the Deutsche Wohnen Group and the Vonovia Group in addition to pure rental of residential properties and/or their international focus.

2. Limits and restrictions to cooperation in the current de facto corporate group

Due to the majority interest held by Vonovia in Deutsche Wohnen, a de facto corporate group exists between Deutsche Wohnen and Vonovia at the present time.

Strict limits apply to the management and coordination of activities in a de facto corporate group. In addition, pursuant to section 76(1) AktG, the Management Board of Deutsche Wohnen is obliged to take sole responsibility for managing Deutsche Wohnen. The Management Board must assess all measures and legal transactions it has effected or omitted on the initiative or in the interest of Vonovia or any of the entities affiliated with the Vonovia Group to determine whether these measures or legal transactions have adverse effects on Deutsche Wohnen. If such legal transactions or measures have adverse effects on Deutsche Wohnen, they may only be implemented if the adverse effects caused by the relevant legal transaction or measure are compensated, section 311(1) AktG. Such compensation of adverse effects must be effected by the end of the financial year of Deutsche Wohnen in which such adverse influence was exerted, this means within a narrow time frame, by providing factual compensation or by granting a relevant legal entitlement, section 311(2) AktG.

Deutsche Wohnen's Management Board must not execute the relevant measure or transaction if the adverse effect cannot be quantified and hence not be compensated. Therefore, the Management Board of Deutsche Wohnen must examine for each measure effected or omitted and each legal transaction by Deutsche Wohnen effected or omitted on the initiative or in the interests of Vonovia or any of the entities of the Vonovia Group affiliated with Vonovia whether such influence is permitted by law and whether it results in adverse effects on Deutsche Wohnen.

Such a case-by-case examination may require extensive analyses and tie up significant resources of the Management Board without resulting in legal certainty in each case. In many cases, in particular measures with a long-term objective, it is very difficult to determine whether the relevant measure has adverse effects. Adverse effects in the short term may be offset by positive effects in the long term. However, it is often uncertain whether and to what extent such positive effects will materialise. In addition, the Management Board of Deutsche Wohnen must always take the interests of minority shareholders into consideration when performing its assessment.

Furthermore, all measures and transactions in a de facto corporate group which are taken on the initiative or in the interests of the controlling entity or one of its affiliates must be documented in detail. The Management Board of Deutsche Wohnen must report thereon in an annual dependency report (*Abhängigkeitsbericht*), quantifying any potential adverse effects (section 312 AktG). The dependency report must then be examined by the auditor and subsequently also by the Supervisory Board of Deutsche Wohnen (sections 313, 314 AktG).

All these regulations tie up considerable time, financial and personnel resources on both sides, but especially on the part of Deutsche Wohnen as the controlled entity. This is because all measures and legal transactions by Deutsche Wohnen which are effected upon request of Vonovia or any of its affiliated entities or effected or omitted in their interest, either with Vonovia or with third parties, must be reviewed with the involvement of the Management Board and other departments of Deutsche Wohnen (e.g. the legal, accounting and tax or finance departments) to ensure compliance with the applicable rules in a de facto corporate group. In addition to tying up resources and the impossibility of achieving complete legal certainty, this necessary audit also causes delays in implementing the planned cooperation between the Deutsche Wohnen Group and the Vonovia Group. This complicates the expeditious and efficient implementation of urgent business decisions to be taken and of those decisions that are in both parties' mutual interest.

In addition, setting the compensation for adverse effects, in particular quantifying and determining the nature and scope of adverse effects' eligibility for compensation, causes difficulties in certain scenarios. Problems are often encountered in relation to measures and legal transactions that go beyond the mere exchange of performance and consideration (e.g. receipt of goods or provision of services) or for which a market price cannot be determined (with sufficient certainty), such as for example in relation to sharing knowledge and commercial information. In these cases it is practically difficult, or often even impossible, to quantify and compensate adverse effects or corresponding advantages that may result for the controlled entity. As a result, such measures may not always be taken in a de facto corporate group with sufficient legal certainty and may require substantial audit and documentation efforts or may have to be omitted in their entirety.

The implementation of further-reaching cooperation and an intensive exchange of information is, however, necessary to realise the intended benefits from further combining the activities of the Deutsche Wohnen Group and the Vonovia Group. Without the conclusion of the DPLTA, it would not be possible to achieve these benefits to a sufficient degree.

3. Limits and restrictions on cooperation under the existing Relationship Agreement

The Relationship Agreement entered into between Vonovia and Deutsche Wohnen on 31 March 2022 only overcomes the limits and restrictions on the management and coordination of activities in a de facto corporate group (see section C.I.2) to a limited extent.

The Relationship Agreement is an agreement under the law of obligations between the controlling shareholder (Vonovia) and a controlled entity (Deutsche Wohnen), which governs specific aspects of the de facto corporate group without establishing a contractual corporate group. The Relationship Agreement provides for common coordination in operational and strategic matters. The contractual definition of the de facto corporate group further enables the liability risks arising from the "single economic entity" concept under EU law to be minimised. Furthermore, the Relationship Agreement is aimed at enabling positive economies of scope.

However, the de facto corporate group that continues to exist between Vonovia and Deutsche Wohnen despite the conclusion of the Relationship Agreement continues to restrict the management and coordination of activities (see section C.I.2). The Relationship Agreement must comply with the key provisions of stock corporation law in sections 76, 111, 291 et seqq. AktG. In addition, pursuant to section 76(1) AktG, the Management Board of Deutsche Wohnen is obliged to take sole responsibility for managing Deutsche Wohnen.

The Relationship Agreement between Vonovia and Deutsche Wohnen is not permitted to exclude or impede the companies' independent performance of their statutory responsibilities, as would be the case, for example, if there would be substantial reservations of consent granted to the management of the controlling shareholder. This is why the Relationship Agreement – as is common practice – does not provide for rights to give instructions nor for reservations of consent for Vonovia, as these may exceed the limit from which the Relationship Agreement could be considered a covert domination agreement.

4. Establishment of a contractual corporate group by concluding the Domination and Profit and Loss Transfer Agreement

These difficulties in a de facto corporate group are avoided where a DPLTA is concluded, as this creates a contractual basis for the planned close cooperation. The provisions on case-by-case compensation for adverse legal transactions or measures caused by the controlling entity or any of its affiliated entities or effected or omitted in their interest do not apply in a contractual corporate group.

The controlling party to the contract especially has the right, under the provisions relating to domination, to directly issue instructions to the management board of the controlled entity to take measures or engage in transactions in the interest of the controlling entity to the contract or one of its affiliated entities. This applies even if such measures or transactions might be adverse for the controlled entity when viewed on a stand-alone basis (section 308 AktG), the adverse effects cannot be compensated within the same financial year and/or an exact quantification of the adverse effect is not possible.

This makes it possible to use resources more efficiently Group-wide and also to implement those measures for cooperation for which the quantification of any adverse effect and any corresponding benefit is not possible with legal certainty. Measures by management can accordingly be focused towards the common interest of the affiliated entities without great effort being required to control every single measure and its effects on the controlled entity. Furthermore, no expenditure is required for preparing and auditing a dependency report as no such report needs to be prepared in a contractual corporate group.

For Vonovia, the Agreement enables better management of the planned cooperation with the Deutsche Wohnen Group in the mutual interest of the group of entities as a whole. Moreover, the Agreement will facilitate the largely unrestricted exchange of information in compliance with obligations under capital market law arising from the continued stock exchange listing of Deutsche Wohnen, in particular those under the Market Abuse Regulation (EU) No. 596/2014. Overall, the Agreement allows further synergies between Vonovia and Deutsche Wohnen to be leveraged to an even greater extent than was previously the case under the de facto corporate group. According to Vonovia's calculations, the potential synergy effect amounts to an annual sum in the low to mid-single-digit millions.

Concluding the Agreement thus proves to be a suitable legal means for implementing the proposed comprehensive cooperation of the entities involved, which is also applied by other entities in similar cases and is provided for by law particularly for this purpose.

The interests of Deutsche Wohnen are further protected after conclusion of the Agreement by the fact that the right to give instructions is not unlimited (see section D.I.1). In particular, Deutsche Wohnen must not be deprived of its capability to continue existing as a result of adverse instructions, as the legal provisions assume the controlled entity's continued existence even after the Agreement may have been terminated. Furthermore, adverse instructions are prohibited and do not trigger an obligation to comply where they obviously do not serve the interests of the controlling entity or any affiliate of the controlling entity or of the controlled entity (see section 308(2) sentence 2 AktG).

Due to the combination of a domination agreement with a profit and loss transfer agreement, Vonovia is entitled to a claim to the distributable profit (*Bilanzgewinn*) of Deutsche Wohnen. Deutsche Wohnen will transfer as its profits the maximum amount permitted under section 301 AktG as amended from time to time, i.e., according to the current version

of section 301 AktG, the net income for the year generated without the profit transfer, reduced by the loss carryforward from the previous year, the amount to be allocated to the statutory reserve pursuant to section 300 AktG and the amount that must not be distributed pursuant to section 268(8) HGB. Where, during the term of the Agreement, amounts have been allocated to other profit reserves, these amounts may be withdrawn from the other profit reserves and transferred as profit.

The obligation to transfer profits applies for the first time for the full financial year of Deutsche Wohnen beginning on 1 January 2025, provided that the conclusion of the Agreement is approved by the general meeting of Deutsche Wohnen on 23 January 2025 and by the general meeting of Vonovia on 24 January 2025 and the Agreement is entered in the commercial register at the seat of Deutsche Wohnen by 31 December 2025. If the entry is made after 31 December 2025, the profit transfer obligation applies for the first time for the financial year of Deutsche Wohnen in which the Agreement takes effect. In exchange, the Agreement grants Deutsche Wohnen a right to the assumption of losses in the event that an annual net loss by Deutsche Wohnen arises during the term of the Agreement.

The obligation to assume losses – like the obligation of Deutsche Wohnen to transfer profits – applies for the first time for the full financial year of Deutsche Wohnen beginning on 1 January 2025, provided that the conclusion of the Agreement is approved by the general meeting of Deutsche Wohnen on 23 January 2025 and by the general meeting of Vonovia on 24 January 2025 and the Agreement is entered in the commercial register at the seat of Deutsche Wohnen by 31 December 2025. Contrary to the situation in a merely de facto corporate group, after entering into the Agreement Deutsche Wohnen is no longer forced to rely on individual compensation for potentially adverse effects suffered as a result of the exercise of influence and instead receives by force of law a right to the full assumption of losses by Vonovia regardless of the issue of the exercise of influence or other factors (see section 302 AktG). From the point of view of Vonovia and its shareholders, this obligation to assume losses is compensated by the fact that the Agreement – as explained above – enables better management of the planned cooperation with the Deutsche Wohnen Group and thus the realisation of further synergies.

For the outside Deutsche Wohnen shareholders, the Agreement provides a safeguard of interests that does not exist in the de facto corporate group. Outside Deutsche Wohnen Shareholders obtain a contractual claim against Vonovia for receipt of an appropriate annually Recurring Compensation Payment for the duration of the Agreement pursuant to section 304 AktG (see section D.I.4) or for acquisition of their shares in return for appropriate compensation pursuant to section 305 AktG specified in the Agreement (see section D.I.5). Moreover, the compensation required pursuant to section 305 AktG in the form of Vonovia Shares – unlike a cash compensation – enables the Deutsche Wohnen Shareholders to participate in the same way as the Vonovia Shareholders in the economic benefits of the comprehensive cooperation described in the above paragraphs between the companies involved.

5. Conclusion

The establishment of a contractual corporate group between Deutsche Wohnen and Vonovia strengthens and expands the opportunities for a closer and strong cooperation between Deutsche Wohnen and its major shareholder, Vonovia. Compared to the current de facto corporate group, the contractual corporate group will result in saving costs and avoiding expenditure as, for example, no audit and documentation obligations have to be fulfilled in

respect of adverse effects of influence exerted. The contractual corporate group also establishes legal certainty in the cooperation between Deutsche Wohnen and Vonovia and in implementing organisational and structural measures. It offers more flexibility to issue instructions and makes decision processes, including their implementation, faster and more efficient. In addition, the contractual corporate group grants Deutsche Wohnen as the controlled entity a right to compensation of any annual net loss, irrespective of influence exerted or of the amount of any adverse effects, and offers outside shareholders a safeguard in the form of an appropriate Recurring Compensation Payment or appropriate compensation. Overall, these changes will equally benefit the Vonovia Shareholders and the Deutsche Wohnen Shareholders.

II. Tax reasons

If the further requirements are fulfilled, the conclusion of the Agreement will result in the establishment of a consolidated tax group for corporate income tax and trade tax purposes (consolidated tax group for income tax purposes) between Vonovia as the controlling entity and Deutsche Wohnen as the controlled entity.

The existence of a consolidated tax group for income tax purposes requires, among other things, that Vonovia has continuously held an interest in Deutsche Wohnen since the beginning of the latter's fiscal year which grants to it the majority of voting rights attaching to the shares in the controlled entity in the tax group (section 14(1) sentence 1 no. 1 sentence 1 of the German Corporation Tax Act (*Körperschaftsteuergesetz – KStG*), and that this interest is continuously attributable to a German permanent establishment of Vonovia during the entire existence of the consolidated tax group (section 14(1) sentence 1 no. 2 sentence 4 KStG). Furthermore, the Agreement must have been concluded for a minimum term of five years and must in fact be performed during its entire term (section 14(1) sentence 1 no. 3 sentence 1 KStG).

The consolidated tax group for income tax purposes would first come into existence on 1 January 2025 provided that the conclusion of the Agreement is approved by the general meeting of Deutsche Wohnen on 23 January 2025 and by the general meeting of Vonovia on 24 January 2025 and the Agreement is entered in the commercial register at the seat of Deutsche Wohnen by the end of the financial year 2025. If the entry is made at a later date, the consolidated tax group for income tax purposes would be established as of the beginning of the fiscal year of Deutsche Wohnen in which the entry is made.

The existence of a consolidated tax group for income tax purposes will not render Deutsche Wohnen's general income tax obligations inapplicable. As before, Deutsche Wohnen must determine its income tax results separately from Vonovia in accordance with general regulations. For corporate income tax purposes, the income of Deutsche Wohnen will be determined separately, and uniformly and with binding effect towards Vonovia and Deutsche Wohnen. As a result of the existence of a consolidated tax group for income tax purposes, however, Deutsche Wohnen's taxable income will be attributed to Vonovia starting from the financial year as from which the consolidated tax group first exists, taking into consideration any necessary corrections, and will then be taxed at the level of Vonovia. However, Deutsche Wohnen will be liable to pay tax on income in the amount of currently 20/17 of Recurring Compensation Payments made to the outside Deutsche Wohnen Shareholders (section 16 KStG). For trade tax purposes, the trade income is also to be separately deter-

mined for Vonovia and Deutsche Wohnen irrespective of the consolidated tax group established for income tax purposes. The trade income figures achieved during the same tax period are then added, with any necessary corrections, and taxed at the level of Vonovia as from the tax period in which the consolidated tax group established for income tax purposes starts to exist.

Establishment of the consolidated tax group for income tax purposes will result in positive liquidity effects for Vonovia, as profit transfers under commercial law from Deutsche Wohnen to Vonovia in a consolidated tax group for income tax purposes, contrary to profit distributions, are not subject to the deduction of withholding tax plus solidarity surcharge. If the Agreement was not concluded and the profit of Deutsche Wohnen was distributed as a dividend, withholding tax plus solidarity surcharge would be credited or refunded, since the dividend should generally be excluded when determining Vonovia's income (section 8b(1) KStG). However, this credit or refund would generally only occur in the context of the assessment of corporate income tax after filing the tax declaration for the tax period in which the dividend was received. In addition, a transfer of profits under commercial law in a consolidated tax group for income tax purposes, in contrast to a dividend distribution, is not subject to the prohibition to deduct a fictitious amount of 5% as business expenses, as provided for in section 8b(5) KStG.

In addition, as a result of the establishment of a consolidated tax group for income tax purposes, Vonovia will be able to offset its tax result against the tax result of Deutsche Wohnen, meaning that financing expenditure will be offset against operative earnings, which due to the lower tax payments on balance results in a corresponding liquidity benefit. Due to the resulting 95% tax exemption, such offset would be available to a very limited extent only in the event of dividend distributions by Deutsche Wohnen to Vonovia.

The DPLTA underlines the organisational integration of Deutsche Wohnen into Vonovia for the purposes of the consolidated VAT group. The consolidated VAT group means that sales within the VAT group are not subject to VAT.

III. Alternatives to the conclusion of a domination and profit and loss transfer agreement

The Management Board of Deutsche Wohnen and the Management Board of Vonovia have thoroughly examined alternatives to concluding the Agreement. They arrived at the conclusion that no other structural measure they examined is capable of achieving the described objectives in a similar or even more beneficial manner. Against this background, the following other potential structures were examined in particular:

1. Conclusion of an isolated domination agreement and an isolated profit and loss transfer agreement

Concluding an isolated domination agreement between Deutsche Wohnen and Vonovia would be permitted by law. However, an isolated domination agreement does not permit profits to be transferred, but would nevertheless create an obligation to assume losses. In addition, the tax advantages sought by establishing a consolidated tax group for corporate income tax and trade tax purposes (consolidated tax group for income tax purposes) and the liquidity benefit resulting from the transfer of profits could not be achieved by means of an isolated domination agreement.

The conclusion of an isolated profit and loss transfer agreement between Deutsche Wohnen and Vonovia would also be permitted by law. However, a profit and loss transfer agreement provides no sufficient legal basis to allow the intended comprehensive cooperation and the largely unrestricted exchange of information between the Deutsche Wohnen Group and the Vonovia Group. The intended close cooperation can only be achieved with legal certainty if a contractual basis is established for the current de facto corporate group by means of a domination agreement which gives Vonovia comprehensive rights to give instructions to Deutsche Wohnen (see sections C.I.2, C.I.3 and C.I.4).

Accordingly, the benefits of comprehensive cooperation that are also sought to be achieved could not be realised by means of a mere profit and loss transfer agreement. An optimised structure of the corporate group in terms of the tax situation and the control structures is only possible when both elements are combined.

Therefore, the Parties have decided to conclude a DPLTA. This kind of agreement appropriately takes into account the interests of the outside Deutsche Wohnen Shareholders by providing for a Recurring Compensation Payment and compensation and has been tried and tested in practice in stock corporation law.

2. Exclusion of minority shareholders (squeeze-out)

The minority shareholders of Deutsche Wohnen cannot be excluded pursuant to sections 327a et seqq. AktG (squeeze-out under stock corporation law) on the date the Agreement is signed, as this would require Vonovia to hold a minimum interest of 95% in the share capital of Deutsche Wohnen.

The same holds true for an exclusion of the minority shareholders of Deutsche Wohnen pursuant to section 62(5) of the German Transformation Act (*Umwandlungsgesetz – UmwG*) in conjunction with sections 327a et seqq. AktG after a previous merger (squeeze-out under merger law), as this requires a minimum holding of 90%.

Furthermore, the minority shareholders of Deutsche Wohnen cannot be excluded pursuant to sections 39a et seqq. of the German Securities Takeover Act (*Wertpapierübernahmegesetz – WpÜG*) (squeeze-out under takeover law), as Vonovia does not hold a minimum interest of 95% in Deutsche Wohnen's share capital and hence does not meet the requirements for a squeeze-out under takeover law.

Even if a squeeze-out was possible and implemented, the consequent position of Vonovia as sole shareholder in Deutsche Wohnen would not remove the limitations and difficulties that result from the continued existence of a de facto corporate group (see section C.I.2) for as long as Deutsche Wohnen is organised as a stock corporation (*Aktiengesellschaft*) or a European company (*Societas Europaea*) with its registered seat in Germany. Furthermore, the objectives pursued with the DPLTA (see sections C.I.1 and C.I.4), in particular the establishment of a consolidated tax group for income tax purposes (see section C.II), could not be achieved.

3. Integration or merger

Integration into a group by way of integration pursuant to sections 319 et seqq. AktG is not possible. As Vonovia is neither the sole shareholder (section 319(1) sentence 1 AktG) nor holds an interest of at least 95% in the share capital of Deutsche Wohnen (section 320(1) sentence 1 AktG), it does not fulfil the requirements for integration. Merging Vonovia into

Deutsche Wohnen (downstream merger) is not an equivalent alternative, nor is, conversely, merging Deutsche Wohnen into Vonovia (upstream merger). A downstream merger or an upstream merger would lead to the termination of the legal personality of Vonovia or Deutsche Wohnen and a transfer of all liabilities and assets to Vonovia or Deutsche Wohnen, which in turn could lead to considerable real estate transfer tax liabilities for Vonovia. None of this is desired by the Parties.

4. Change of legal form

A transformation of Deutsche Wohnen changing its legal form into that of another corporation or a partnership is also not capable of achieving the objectives pursued with the Agreement. Furthermore, Deutsche Wohnen's corporate structure as a European Company (*Societas Europaea*) is intended to be maintained for the time being.

A change of legal form by Deutsche Wohnen to a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) would not change the applicability of the rules for a de facto corporate group and the consequent disadvantages compared to the legal situation if a DPLTA was concluded.

If its legal form was changed to that of a limited liability company (*Gesellschaft mit beschränkter Haftung*) or a partnership, instructions issued in the group's interest would also have to be examined on a case-by-case basis as to whether they cause adverse effects to Deutsche Wohnen. This is because the fiduciary duty the controlling entity has as a shareholder or partner would have to be observed also in relation to a limited liability company or a partnership, which would cause difficulties when implementing adverse measures.

Finally, any change of legal form by Deutsche Wohnen would cause additional expenditure and delays and, in the case of a change of legal form to a limited liability company (*Gesellschaft mit beschränkter Haftung*) or a partnership, the loss of the admission of the Deutsche Wohnen Shares to exchange trading. This would affect the tradability of the Deutsche Wohnen Shares and, as a result, the interests of the outside shareholders of Deutsche Wohnen as well.

5. Conclusions

The Management Board of Deutsche Wohnen and the Management Board of Vonovia Germany, after thorough and careful consideration, arrived at the conclusion that the intended close and efficient cooperation between the Deutsche Wohnen Group and the Vonovia Group can only be achieved by concluding the DPLTA. Most notably, concluding a DPLTA is the only option that avoids the limitations of a de facto corporate group (see section C.I) and allows to establish a consolidated tax group for corporate income tax and trade tax purposes (see section C.II).

D. The Domination and Profit and Loss Transfer Agreement

I. Explanation of the Agreement's content

The individual provisions of the Agreement are explained below.

1. Management (§ 1 of the Agreement)

§ 1(1) of the Agreement contains the constitutive provision for a domination agreement under which Deutsche Wohnen, as the controlled entity, subordinates the management of its company to Vonovia as the controlling entity. In accordance therewith, Vonovia is entitled to issue instructions to the Management Board of Deutsche Wohnen regarding the management of the company (§ 1(1) sentence 2 of the Agreement). Notwithstanding this right to issue instructions, Deutsche Wohnen will continue to be a legally independent entity with its own corporate bodies. Accordingly, the Management Board of Deutsche Wohnen continues to be responsible for the management and representation of the company. To the extent that instructions have not been issued, the Management Board of Deutsche Wohnen is entitled to and must manage the company on its sole responsibility.

The scope of the right of management and the right to issue instructions is governed primarily by section 308 AktG. The Management Board of Deutsche Wohnen is required to follow permissible instructions (§ 1(1) sentence 2 of the Agreement). Section 308(1) sentence 2 AktG allows to issue instructions which have adverse effects for Deutsche Wohnen to the extent that they serve the interests of Vonovia as the controlling entity or of the group entities affiliated with Vonovia and with Deutsche Wohnen. The Management Board of Deutsche Wohnen is not entitled to refuse to follow an instruction given unless the instruction does obviously not serve these interests (section 308(2) sentence 2 AktG). The Management Board does not have to follow any impermissible instructions, for example instructions the compliance with which would violate mandatory statutory provisions or provisions of the articles of association of Deutsche Wohnen. Instructions which endanger the existence of Deutsche Wohnen are impermissible in any event. A controlled entity is further not required to follow instructions given if and as long as the controlling entity does not fulfil its obligations under the Agreement, in particular the obligations to assume losses (section 302 AktG) and to pay the Recurring Compensation Payment (*Ausgleich*) and the compensation (*Abfindung*) to the outside shareholders (sections 304, 305 AktG) or to the extent that the controlling entity is not expected to be able to comply with these obligations (for the termination right of the controlled entity, see section D.I.6.4). Furthermore, pursuant to section 299 AktG, instructions to amend, maintain or terminate the Agreement cannot be issued (§ 1(1) sentence 3 of the Agreement).

The right of management and the right to issue instructions exists only towards the Management Board but not towards the Supervisory Board, the general meeting or employees of Deutsche Wohnen nor towards the corporate bodies or employees of any subsidiary of Deutsche Wohnen. If the management board of Deutsche Wohnen is instructed to engage in a transaction which requires the consent of the Supervisory Board and if the Supervisory Board does not give its consent or does not give it within a reasonable period of time, the consent of the Supervisory Board can be substituted by repeating the instruction in accordance with section 308(3) sentence 2 AktG. The participation rights of Deutsche Wohnen's general meeting are not affected by the Agreement.

Any instruction must be issued in text form within the meaning of section 126b BGB, and "in text form" shall be deemed to include by email and fax; where an oral instruction is issued, it shall be followed without undue delay by an instruction issued in writing, and "in writing" shall be deemed to include by email and fax (§ 1(2) of the Agreement).

Pursuant to section 294(2) AktG and § 6(1) sentence 2 and sentence 3 of the Agreement, Vonovia's right to issue instructions and Deutsche Wohnen's corresponding obligation to

follow such instructions pursuant to § 1 of the Agreement exist only from the time the Agreement takes effect upon its registration in the commercial register of Deutsche Wohnen (see section (see section D.I.6.2).

2. Transfer of profit (§ 2 of the Agreement)

§ 2(1) sentence 1 of the Agreement contains the constitutive provision for a profit and loss transfer agreement that Deutsche Wohnen undertakes to transfer its entire profits to Vonovia for the duration of the Agreement. With regard to the scope of the profit to be transferred – subject to establishing or releasing reserves in accordance with § 2(2) and (3) of the Agreement – § 2(1) sentence 2 of the Agreement refers to the statutory provision in section 301 AktG as amended from time to time.

Pursuant to the current version of section 301 AktG, the amount of profit to be transferred is the annual net income generated without the profit transfer, reduced by (i) any loss carryforward from the previous year, (ii) the amount to be allocated to the statutory reserve pursuant to section 300 AktG, and (iii) the amount that must not be distributed pursuant to section 268(8) HGB. The amount which must be allocated to the statutory reserve is assessed in accordance with section 300 no. 1 AktG and depends on the amount of the share capital and the annual net income and the amount already allocated to the statutory reserve. The statutory reserve of Deutsche Wohnen has been established in the full amount at present. The allocation of additional amounts under section 300 no. 1 AktG is not required when the statutory reserve has been fully established.

The ban on distribution pursuant to section 268(8) sentence 1 HGB applies if intangible assets created by the company itself are capitalised as fixed assets on the balance sheet (section 248(2) sentence 1 HGB). In this case, profits may be distributed only to the extent that the amount of freely available reserves after the distribution, plus a profit carried forward and less a loss carried forward, at least equals the total amounts capitalised as intangible assets created by the company itself less deferred tax liabilities established in respect thereof. If deferred taxes (section 274(1) sentence 2 HGB) are capitalised on the balance sheet, the ban on distributions pursuant to section 268(8) sentence 2 HGB applies to the extent that these deferred tax assets exceed the deferred tax liabilities.

In the case of assets to which no creditors have access and whose sole purpose is to fulfil pension obligations or similar obligations that are due in the long term (section 246(2) sentence 2 HGB), section 268(8) sentence 3 HGB requires that the amount of freely available reserves after the distribution, plus a profit carried forward and less a loss carried forward, must at least equal the difference between the sum of the fair values stated in the balance sheet for these assets, reduced by deferred tax liabilities established in respect thereof, and the historical cost of these assets. The term “freely available reserves” (*frei verfügbare Rücklagen*) includes both profit reserves and capital reserves. Accordingly, profit reserves the distribution of which is not prevented by statutory provisions or provisions of the articles of association as well as freely available capital reserves pursuant to section 272(2) no. 4 HGB must be taken into account in determining the maximum distribution amount. The ban on distributions is aimed, above all, at creditor protection. Its purpose is to ensure that no higher profit distributions than those which would have been possible without capitalisation of the line items specified in section 268(8) HGB are permitted.

The amount to be transferred as profit pursuant to § 2(1) of the Agreement is reduced pursuant to § 2(2) of the Agreement if and to the extent that Deutsche Wohnen, with the consent

of Vonovia given in text form within the meaning of section 126b BGB, allocates amounts from the net income for the year generated without the profit transfer to other profit reserves (section 272(3) sentence 2 HGB). The allocation of such amounts to other profit reserves is only recognised for the purposes of the consolidated tax group for income tax purposes (see section C.II) if this is economically justified in accordance with a reasonable commercial assessment (section 14(1) sentence 1 no. 4 KStG). § 2(2) of the Agreement takes this standard into account. Pursuant to § 2(3) sentence 1 of the Agreement, Vonovia may request in text form that other profit reserves formed during the term of the Agreement (section 272(3) sentence 2 HGB) be released and transferred by Deutsche Wohnen as profit (section 301 sentence 2 AktG) or be used to compensate for any annual net loss (section 302(1) AktG).

Furthermore, § 2(3) sentences 2 and 3 of the Agreement stipulate that other reserves or profits carried forward from the period prior to the effectiveness of the Agreement and capital reserves may neither be transferred as profit nor be used to compensate for any annual net loss. The term “other reserves” (*sonstige Rücklagen*) includes any reserves pursuant to section 272 HGB except for other profit reserves established during the term of the Agreement. Therefore, the statutory reserve, reserves in accordance with the articles of association as well as the capital reserves are excluded from contractual transfer regardless of when they were established (i.e. prior to or after the effectiveness of the Agreement). Likewise, other profit reserves within the meaning of section 272(3) sentence 2 HGB that have been established prior to the effectiveness of the Agreement are excluded from profit transfer. This provision corresponds to the requirements of section 301 AktG and the rulings of the BGH on the use of reserves under a DPLTA. Pursuant to section 58(2) sentence 1 AktG, the Management Board and the Supervisory Board may, if they have formally adopted the annual financial statements, allocate up to one half of the net income to other profit reserves. In addition, they are empowered to allocate further amounts up to one half of the net income to other profit reserves as long as the other profit reserves do not exceed, or would not exceed subsequent to the allocation, 50% of the share capital. Apart from that, section 58(2a) AktG is applicable.

The Agreement will take effect upon its registration in the commercial register at the seat of Deutsche Wohnen and – save for the right to give instructions under § 1 of the Agreement – will apply retroactively as of the beginning of the financial year of Deutsche Wohnen which is current at the time of the registration (section 294(2) AktG, § 6(1) sentence 2 of the Agreement). The right to give instructions will only apply as and from the time at which the Agreement is registered in the commercial register at the seat of Deutsche Wohnen (section 6(1) sentence 2, sentence 3 of the Agreement). The obligation to transfer profits applies for the first time to the profit generated in the full financial year in which the Agreement takes effect according to § 6(1) sentence 2 of the Agreement (§ 6(1) sentence 2 and § 2(1) of the Agreement). Hence, if the Agreement is entered in the commercial register prior to 31 December 2025, the obligation to transfer profits applies to the entire profit generated in the financial year that begins on 1 January 2025.

According to § 2(4) sentence 1 of the Agreement, Vonovia’s right to profit transfer crystallises at the end of the relevant financial year of Deutsche Wohnen. According to § 2(4) sentence 2 of the Agreement, the right becomes due upon approval of the annual financial statements for the relevant financial year for which the relevant right exists. Interest at a rate of 5% p.a. is due for the period of time between the date on which the right to profit transfer becomes due and the date on which it is actually satisfied (section 353 sentence 1, section 352(1) sentence 1 HGB).

3. Assumption of losses (§ 3 of the Agreement)

§ 3(1) of the Agreement provides for the obligation of Vonovia to assume any losses of Deutsche Wohnen in accordance with the provisions of section 302 AktG as amended from time to time. This means that Vonovia must compensate for any annual net loss that would arise “otherwise”, that is to say without the obligation to assume losses, during the term of the Agreement. The obligation to assume losses does not apply to the extent that the annual net loss is compensated for by withdrawing from other profit reserves (section 272(3) sentence 2 HGB) amounts which have been allocated to such profit reserves during the term of the Agreement.

The obligation to assume losses ensures that Deutsche Wohnen’s equity stated on its balance sheet on the date on which the Agreement takes effect will not be reduced during the term of the Agreement. Hence, this obligation to assume losses aims to safeguard the property interests of Deutsche Wohnen, its shareholders and creditors during the term of the Agreement.

According to § 3(1) of the Agreement, the obligation to assume losses applies for the first time for the financial year which is current when the Agreement is registered in the commercial register of Deutsche Wohnen. Hence, if the Agreement is registered in the commercial register prior to 31 December 2025, this obligation applies to a potential loss in Deutsche Wohnen’s financial year that begins on 1 January 2025. According to § 3(2) of the Agreement, the obligation to assume losses becomes due at the end of each financial year of Deutsche Wohnen. Interest at a rate of 5% p.a. is due for the period of time between the date on which the right to the assumption of losses becomes due and the date on which it is actually satisfied (section 353 sentence 1, section 352(1) sentence 1 HGB).

Pursuant to the current version of section 302(4) AktG, Deutsche Wohnen’s claim to compensation for an annual net loss becomes statute-barred ten years after the date on which the entry of the termination of the Agreement in the commercial register at the seat of Deutsche Wohnen was published in accordance with section 10 HGB.

4. Recurring Compensation Payment (§ 4 of the Agreement)

Pursuant to section 304(1) AktG, a duty to grant appropriate recurring compensation to the outside Deutsche Wohnen Shareholders is created upon the effectiveness of the Agreement. To fulfil this duty, Vonovia undertakes to make a Recurring Compensation Payment to the outside shareholders (§ 4(1) of the Agreement).

After the obligation to transfer profits becomes effective pursuant to § 2 of the Agreement, i.e. for the first time for the financial year of Deutsche Wohnen in which the Agreement is registered in the commercial register of Deutsche Wohnen, Deutsche Wohnen will generally no longer report any net income for the relevant financial year and subsequent financial years. As from that date, Deutsche Wohnen Shareholders no longer have the right to resolve on the appropriation of any distributable profit, except for a resolution in the event of a release of reserves established before the Agreement was concluded. § 4(1) of the Agreement provides for the obligation of Vonovia to grant an appropriate Recurring Compensation Payment to the outside Deutsche Wohnen Shareholders as compensation for the loss of the dividend entitlement. Such obligation to grant the Recurring Compensation Payment applies from and including the financial year of Deutsche Wohnen in relation to which Vonovia’s right to profit transfer pursuant to § 2 of the Agreement becomes effective and

for the further duration of the Agreement (§ 4(1) of the Agreement). The Recurring Compensation Payment is due on the first banking day following the annual general meeting of Deutsche Wohnen for the relevant preceding financial year, but in any event within eight months following the end of the relevant financial year (§ 4(3) of the Agreement).

4.1 Type of Recurring Compensation Payment

(i) Legal bases

A DPLTA must provide for an appropriate Recurring Compensation Payment for the outside shareholders of the controlled entity, which in the present case is Deutsche Wohnen (section 304(1) sentence 1 AktG). The Recurring Compensation Payment must consist of a recurring cash payment in respect of each share held by the outside shareholders (section 304(1) sentence 1 AktG). The German Stock Corporation Act differentiates between two types of Recurring Compensation Payments (see (a) and (b) below).

(ii) Fixed Recurring Compensation Payment

In the case of a fixed Recurring Compensation Payment, the annually recurring payment of a fixed cash amount is guaranteed. The amount of the fixed Recurring Compensation Payment must equal the amount which could be expected to be distributed on each individual share as average profit share, that is to say as distributable profit for commercial law purposes, in view of the controlled entity's past profitability and future earnings prospects, taking into account adequate depreciation, amortisation and value allowances, but excluding the establishment of other profit reserves (section 304(2) sentence 1 AktG).

(iii) Variable Recurring Compensation Payment

In the case of a variable Recurring Compensation Payment, a Recurring Compensation Payment depending on the controlling entity's profit is guaranteed. The controlling entity must be a German stock corporation (*Aktiengesellschaft*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a European Company (*Societas Europaea*) which has its seat in Germany. The variable Recurring Compensation Payment must be at least equal to the amount which, using an appropriate conversion ratio, is attributable to each share of the controlling entity as a profit share (section 304(2) sentences 2 and 3 AktG).

(iv) Reasons for determining a fixed Recurring Compensation Payment

The Agreement provides for the payment of a fixed annually Recurring Compensation Payment. Legally, it would also have been possible to grant a variable Recurring Compensation Payment to the outside Deutsche Wohnen Shareholders. However, the Parties have agreed on a fixed annually Recurring Compensation Payment in order to avert uncertainties in connection with the determination of the amount of a variable compensation payment. In the case of variable compensation, the outside shareholders are guaranteed a profit share which, using an appropriate conversion ratio, is attributable – as share in the actually distributed profit – to each share of the controlling entity. This means that the amount of the variable compensation would depend on the controlling entity's dividend distribution and profit retention policy. Against this backdrop, the German Federal Constitutional Court (*Bundesverfassungsgericht*) has ruled (in a decision dated 8 September 1999 – 1 BvR 301/89) that the outside shareholders must in all cases be protected from an “improper dividend policy” and an “improper profit retention”. However, there are no legally reliable standards for determining when the controlling entity's dividend or profit retention policy is deemed to be

“improper” in light of this case law. It is particularly in view of these considerable uncertainties that the Parties have agreed on the payment of a fixed annually Recurring Compensation Payment.

4.2 Determination of the Recurring Compensation Payment as a gross payment, amount of the Recurring Compensation Payment

According to § 4(1) of the Agreement, Vonovia guarantees to make an annual Recurring Compensation Payment to the outside shareholders of Deutsche Wohnen for the duration of the Agreement. The amount as well as the determination of the appropriate Recurring Compensation Payment are explained and substantiated in more detail below and in section E.III.

(i) Amount of the Recurring Compensation Payment

§ 4(1) and (2) of the Agreement provide for an annual Recurring Compensation Payment of EUR 1.03 per Deutsche Wohnen Share for the first time for the financial year of Deutsche Wohnen which is current when the DPLTA is registered in the commercial register of Deutsche Wohnen, and for the further duration of the Agreement. This amount must be determined on the basis of the share (in the amount of EUR 1.22 per no-par-value share) in Deutsche Wohnen’s profits being subject to corporate income tax that is included in the Gross Amount of Recurring Compensation, taking into account the corporate income tax rate applicable for the relevant financial year. The corporate income tax rate including solidarity surcharge applicable at the time of conclusion of the Agreement is 15.825%; this results in a corporate income tax deduction of EUR 0.19 from the share in the profits being subject to corporate income tax. The Recurring Compensation Payment will be due in full in each year because a distributable profit will no longer be reported after the effectiveness of the obligation to transfer profits and the Deutsche Wohnen Shareholders will no longer have the right to resolve on the appropriation of distributable profits. For the avoidance of doubt, § 4(2) sentence 4 of the Agreement mentions that any tax levied at source (such as withholding tax plus solidarity surcharge thereon) will be withheld from the Net Amount of Recurring Compensation to the extent required by statutory law.

(ii) Adjustment mechanism for the Recurring Compensation Payment

In determining the Recurring Compensation Payment, the Parties have taken into account the rulings of the German Federal Court of Justice (*Bundesgerichtshof – BGH*) (order of 21 July 2003, file no. II ZB 17/01 – “Ytong”). In this order, the BGH decided that the outside shareholders must be granted a Recurring Compensation Payment within the meaning of section 304(1) sentence 1 and sentence 2, section 304(2) sentence 1 AktG, using the average gross profit share that is expected to be distributable on each share as a fixed basis and deducting therefrom the corporate income tax burden in the relevant statutory amount. This is to ensure that a decrease in the corporate income tax rate compared to the applicable rate on the valuation date will not result in an unjustified benefit to the other contracting party (the controlling entity) at the expense of the outside shareholders of the controlled entity. Conversely, this also is to prevent that the stipulation of a Recurring Compensation Payment results in an unjustified advantage to the outside shareholders of the controlled entity at the expense of the other contracting party (the controlling entity) in the event of a tax increase. These principles are to be applied accordingly to the solidarity surcharge levied as a surtax to corporate income tax.

On this basis, a fixed recurring compensation in the form of the Recurring Compensation Payment is to be determined as an expected gross profit share per Deutsche Wohnen Share

(**Gross Amount of Recurring Compensation**¹) from which corporate income tax plus solidarity surcharge at the applicable rate for the relevant financial year is to be deducted (**Net Amount of Recurring Compensation**²). This provides a variable provision which immediately results in a corresponding adjustment to the Net Amount of Recurring Compensation in the event the rates of corporate income tax or solidarity surcharge change. However, withholding tax and solidarity surcharge are to be deducted only from the portion of the Gross Amount of Recurring Compensation which relates to profits being subject to German corporate income tax, i.e. to 100% of the profits in case of Deutsche Wohnen.

On the basis of the corporate income tax rate of 15% and the solidarity surcharge rate of 5.5% thereon applicable on the signing date of this Contract Report, a total of EUR 0.19 per Deutsche Wohnen Share is to be deducted from the Gross Amount of Recurring Compensation of EUR 1.22 per Deutsche Wohnen Share. This results in a Net Amount of Recurring Compensation of EUR 1.03 per Deutsche Wohnen Share for a full financial year.

The mechanism for adjusting the Recurring Compensation Payment based on changes to the tax rate can be illustrated by the following example: If the corporate income tax rate of 15% is reduced by two percentage points to 13%, the variable provision in § 4(2) of the Agreement results in the current deduction for corporate income tax and solidarity surcharge of EUR 0.19 per Deutsche Wohnen Share being reduced by EUR 0.02 (2.0% plus solidarity surcharge of 5.5%, together 2.11% of the portion of the Gross Amount of Recurring Compensation which relates to the profits being subject to German corporate income tax, i.e. to 100% of the profits in case of Deutsche Wohnen) to EUR 0.17. This increases the Net Amount of Recurring Compensation to be received by each outside Deutsche Wohnen Shareholder from EUR 1.03 per Deutsche Wohnen Share by EUR 0.02 to EUR 1.05. Conversely, an increase in the corporate income tax rate by two percentage points to 17% results in a reduction in the Net Amount of Recurring Compensation from EUR 1.03 per Deutsche Wohnen Share by EUR 0.03 to EUR 1.00.

4.3 Further explanations of § 4 of the Agreement

The Recurring Compensation Payment is paid for the first time for the financial year which is current when the Agreement is registered in the commercial register of Deutsche Wohnen (§ 4(1) of the Agreement). If the Agreement is registered (and thereby takes effect) by 31 December 2025, the obligation to transfer profits arises for the financial year of Deutsche Wohnen that begins on 1 January 2025. If the Agreement is registered (and thereby takes effect) in a subsequent financial year only, the obligation to transfer profits applies as from such subsequent financial year only.

Once the obligation to transfer profits pursuant to § 2 of the Agreement has become effective, the outside Deutsche Wohnen Shareholders have no dividend entitlement unless a distributable profit is formed from reserves or profits carried forward from periods before the commencement of the Agreement and the general meeting resolves to make a distribution.

If the Agreement ends during the course of a financial year of Deutsche Wohnen or if a Recurring Compensation Payment must be made for a short financial year of less than

¹ Referred to as “gross profit share” (*Bruttogewinnanteil*) in the expert opinion by RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, dated 14 December 2024 on the determination of the enterprise values of Deutsche Wohnen SE as at the valuation date of 23 January 2025.

² Referred to as the “compensation payment” (*Ausgleichszahlung*) in the expert opinion by RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, dated 14 December 2024 on the determination of the enterprise values of Deutsche Wohnen SE as at the valuation date of 23 January 2025.

twelve months, the Recurring Compensation Payment for this financial year is reduced pro rata temporis (§ 4(4) of the Agreement). This takes account of the fact that the determined amount of the Recurring Compensation Payment is based on a period of twelve months, that is a full financial year.

§ 4(3) of the Agreement provides for the due date of the Recurring Compensation Payment. The Recurring Compensation Payment to be made by Vonovia is due in each case on the first banking day following the annual general meeting of Deutsche Wohnen for the relevant preceding financial year, but in any event within eight months following the end of the relevant financial year. This provision chosen by the Parties is in line with common market practice and appropriate. It is justified by the fact that, according to the rulings of the BGH, the Recurring Compensation Payment is a substitute for the dividend of the controlled entity that is not paid due to the profit transfer. Consequently, the Recurring Compensation Payment will be due according to the provision chosen by the Parties even earlier than then previous dividend entitlement of the Deutsche Wohnen Shareholders, which would otherwise only be due on the third business day following the resolution adopted by the general meeting (section 58(4) sentence 2 AktG).

§ 4(5) of the Agreement is aimed at the adjustment of the Recurring Compensation Payment in the event of capital measures of Deutsche Wohnen. Such an adjustment is required, for example, if new Deutsche Wohnen Shares are issued in the context of an increase of the share capital of Deutsche Wohnen using company funds. In this case, the Recurring Compensation Payment per Deutsche Wohnen Share is reduced pro rata in proportion to the number of shares issued so that the total amount of the Recurring Compensation Payment remains unchanged. This means in this case that the increase in the number of Deutsche Wohnen Shares held by an outside Deutsche Wohnen Shareholder which results from a capital increase using company funds will not affect the total amount of the Recurring Compensation Payment to which such Deutsche Wohnen Shareholder is entitled. This provision is necessary because a capital increase from company funds, that is the conversion of profit reserves or certain capital reserves into share capital, has no impact on the value or profitability of the company and because the new Deutsche Wohnen Shares from the capital increase using company funds are issued to the Deutsche Wohnen Shareholders without consideration. Furthermore, this is in accordance with the statutory provision of section 216(3) AktG, which provides that the economic substance of contractual relations between the company and third parties are not affected by the capital increase using company funds. If no new Deutsche Wohnen Shares are issued in a capital increase using company funds, it is not necessary to adjust the Recurring Compensation Payment.

Furthermore, the claim of the outside Deutsche Wohnen Shareholders to the Recurring Compensation Payment extends in particular to the newly created Deutsche Wohnen Shares that are issued to the outside Deutsche Wohnen Shareholders in the context of an increase of the share capital of Deutsche Wohnen in return for contributions in cash and/or in kind with subscription rights being granted to the outside Deutsche Wohnen Shareholders.

§ 4(6) of the Agreement is aimed at the protection and equal treatment of all outside Deutsche Wohnen Shareholders. Deutsche Wohnen Shareholders who claim that the Recurring Compensation Payment offered is too low may file an application with the court that is competent for the relevant Deutsche Wohnen Shareholder to determine the appropriate Recurring Compensation Payment in appraisal proceedings pursuant to section 1 et seqq. of the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz – SpruchG*). In the

event of appraisal proceedings, the provision in § 4(6) of the Agreement entitles all outside Deutsche Wohnen Shareholders to demand payment of a corresponding amount in addition to the Recurring Compensation Payment if the court adjudicates a legally binding higher Recurring Compensation Payment. Such a right is also available to those Deutsche Wohnen Shareholders who in the meantime accepted the offer for compensation (*Abfindung*) pursuant to § 5 of the Agreement.

5. Compensation (*Abfindung*) (§ 5 of the Agreement)

5.1 Type of compensation

In addition to the obligation to grant the Recurring Compensation Payment pursuant to section 304 AktG, the Agreement must contain an obligation for Vonovia to purchase the Deutsche Wohnen Shares of an outside Deutsche Wohnen Shareholder at the request of such shareholder in return for appropriate compensation (*Abfindung*) specified in the Agreement (section 305(1) AktG).

Pursuant to section 305(2) no. 1 AktG, a DPLTA must provide for a compensation in the form of a grant of shares in the controlling entity if the controlling entity is a stock corporation (*Aktiengesellschaft*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a European Company (*Societas Europaea*) which has its seat in Germany or in any other contracting state of the Agreement on the European Economic Area and is not controlled or majority-owned by another entity.

As Vonovia is a European Company (*Societas Europaea*) which has its seat in a member state of the European Union and is not controlled or majority-owned by another entity, it offers in accordance with this statutory provision, according to § 5(1) of the Agreement, a compensation in the form of shares in Vonovia to those outside Deutsche Wohnen Shareholders who wish to sell their shares in Deutsche Wohnen due to the conclusion of the Agreement.

The new shares in Vonovia required for the compensation offer (*Compensation Shares*) will be created and issued under a capital increase of Vonovia using conditional capital against contribution of the Deutsche Wohnen Shares tendered under the compensation offer, as well as be admitted to trading at the Frankfurt Stock Exchange.

For this purpose, the Management Board and the Supervisory Board of Vonovia propose to the extraordinary general meeting to be held on 24 January 2025, in accordance with the invitation to the general meeting of today's date, to conditionally increase the share capital of Vonovia by up to EUR 55,000,000.00 by issuing up to 55,000,000 new no-par-value registered shares, each with a notional interest in Vonovia's share capital of EUR 1.00. The purpose of the conditional capital increase is to grant outside Deutsche Wohnen Shareholders a compensation in the form of shares in Vonovia in accordance with the terms of the Agreement on the basis of the Exchange Ratio specified in § 5(1) of the Agreement or an Exchange Ratio adjusted in accordance with § 5(4) or § 5(6) of the Agreement.

To the extent that, in connection with a compensation for fractional rights to new shares in Vonovia implemented in accordance with § 5(1) of the Agreement, no full share rights arise on any delivery date despite the consolidation of fractional share rights, a compensation in cash for the remaining fractional share rights will be paid (for details see section D.I.5.2).

With respect to the dividend entitlement of the new shares, it is intended that, if outside Deutsche Wohnen Shareholders exchange their Deutsche Wohnen Shares for shares in Vonovia before receiving a dividend or Recurring Compensation Payment for the financial year 2025 or subsequent financial years, they will be granted in each case – as far as practically and legally possible – shares in Vonovia that are entitled to dividends from the beginning of the last financial year preceding the financial year in which such shares are created. In the event that Deutsche Wohnen Shareholders exchange their Deutsche Wohnen Shares for shares in Vonovia after receiving a dividend or Recurring Compensation Payment for the financial year 2025 or subsequent financial years or to the extent it is not practically or legally possible to grant shares entitled to dividends to them in accordance with the previous sentence, it is intended that they will be granted in each case shares in Vonovia that are entitled to dividends from the beginning of the financial year in which such shares are created.

5.2 Amount of compensation

Pursuant to section 305(1) and (2) no. 1 AktG, Deutsche Wohnen AG offers those outside Deutsche Wohnen Shareholders who wish to sell their shares in Deutsche Wohnen due to the conclusion of the Agreement a compensation in the form of shares in Vonovia. As compensation, the Deutsche Wohnen Shareholders will receive 0.7947 new no-par-value registered shares in Vonovia, each with a notional interest in the share capital of EUR 1.00, per Deutsche Wohnen Share (§ 5(1) of the Agreement). The compensation may be higher if such a higher compensation is adjudicated by a court in appraisal proceedings or otherwise. For details on the amount and determination of the appropriate compensation in the form of shares, please refer to section E.II, and for details on a possible increase of the compensation, please refer to section D.I.5.5. Further information on the means of legal protection available to Vonovia Shareholders can be found in section D.III.2.3.

5.3 Compensation for fractional amounts

Section 305(3) sentence 1 AktG provides that fractional amounts may be compensated in cash. § 5(2) of the Agreement clarifies this statutory requirement by providing that, for the purposes of compensation in cash, fractional share rights attributable to individual shareholders will first be consolidated into full share rights for all shares issued on a delivery date and the resulting shares in Vonovia will be sold on the stock exchange; compensation in cash will be granted to the holders of fractional share rights by crediting the portion of the relevant sales proceeds corresponding to their fractional share rights to them. § 5(2) sentence 2 of the Agreement provides that, to the extent that any fractional share rights still exist after the consolidation of fractional share rights, compensation in cash in the amount of the pro rata closing price of the Vonovia Shares in XETRA trading (or a corresponding successor system) on the Frankfurt Stock Exchange two days before the relevant compensation in cash is credited will be paid. The advantage of this agreed method of calculating the cash compensation for the Deutsche Wohnen Shareholders is that the compensation granted to them for any fractional share rights remaining after the consolidation reflects the value of these share rights at the time they are tendered. This ensures that all outside Deutsche Wohnen Shareholders whose fractional share rights are compensated on a given delivery date are treated equally.

5.4 Time limit for accepting the compensation offer

According to § 5(3) of the Agreement, the obligation of Vonovia to purchase the Deutsche Wohnen Shares held by the outside Deutsche Wohnen Shareholders in return for compensation is limited in time. The time limit ends two months after the date on which the entry of the formation of the DPLTA in the commercial register at the seat of Deutsche Wohnen was published in accordance with section 10 HGB. Timely receipt by Vonovia of the declaration of acceptance shall be sufficient to comply with the time limit. The time limit on the compensation offer is permitted under section 305(4) sentence 1 AktG and common market practice. The setting of a time limit of two months complies with the statutory provision in section 305(4) sentence 1 AktG. It does not prejudice the rights of the outside shareholders pursuant to section 305(4) sentence 3 AktG (see below).

Under the current legal requirements, outside Deutsche Wohnen Shareholders may file a motion in accordance with section 4(1) no. 2 SpruchG for a court decision on the compensation to be granted within three months of the date on which the entry of the Agreement in the commercial register at the seat of Deutsche Wohnen was published in accordance with section 10 HGB. Section 305(4) sentence 3 AktG provides that, where a motion has been filed with a court to determine the Recurring Compensation Payment or the compensation, the time limit for exchanging shares of the controlled entity for shares of the controlling entity expires at the earliest two months after the date on which the decision on the last motion of a shareholder ruled on has been published in the Federal Gazette (*Bundesanzeiger*). § 5(3) sentence 2 and sentence 3 of the Agreement clarify that this statutory provision applies without any restriction. If appraisal proceedings are initiated, the outside Deutsche Wohnen Shareholders may tender their shares and exchange them for shares in Vonovia during a period expiring two months after the date on which the decision on the last motion of an outside Deutsche Wohnen Shareholder ruled on has been published in the Federal Gazette (*Bundesanzeiger*). Further information on the means of legal protection available to Vonovia Shareholders can be found in section D.III.2.3.

The declaration of the outside Deutsche Wohnen Shareholders of their intention to accept the compensation offer of shares in Vonovia and to tender their shares must be received within the period to be determined as explained above (including the statutory tender period). After the expiry of this period, the compensation offer can no longer be accepted.

5.5 Further explanations of § 5 of the Agreement

§ 5(4) of the Agreement provides that, if capital measures are implemented within the time limits set forth in § 5(3) of the Agreement for the exchange of Deutsche Wohnen Shares for Vonovia Shares by Deutsche Wohnen or Vonovia, the Exchange Ratio will be adjusted to the extent required by law. Such an adjustment could be required by law, for example, if Vonovia implements a capital increase using company funds through the issuance of new shares, as well as in certain cases of a subscription rights capital increase. An adjustment of the Exchange Ratio may also be required by law in certain cases of a capital decrease by Vonovia or Deutsche Wohnen.

Pursuant to § 5(5) of the Agreement, acceptance of the compensation offer is free of charge for the outside Deutsche Wohnen Shareholders, provided they have a domestic securities account. This ensures that the outside Deutsche Wohnen Shareholders are not burdened with expenses, commissions or other handling fees by the banks. This does not affect taxes incurred by an outside Deutsche Wohnen Shareholder on a potential capital gain on the sale.

Such taxes must be borne by the relevant outside Deutsche Wohnen Shareholders. For details on the tax effects for the outside Deutsche Wohnen Shareholders, reference is made to section D.IV.3.

§ 5(6) of the Agreement is aimed at the protection and equal treatment of all outside Deutsche Wohnen Shareholders. In the event of appraisal proceedings pursuant to sections 1 et seq. SpruchG, this provision entitles all outside Deutsche Wohnen Shareholders to demand payment of a corresponding amount in addition to the compensation if the court adjudicates legally binding higher compensation. This demand can also be made if the outside Deutsche Wohnen Shareholder has already received the compensation.

The Agreement can be terminated in accordance with § 6(2) to (4) of the Agreement. If termination occurs at a time when the period for accepting the compensation offer pursuant to § 5(2) of the Agreement has expired, Vonovia is obliged pursuant to § 5(7) of the Agreement to purchase the Deutsche Wohnen Shares of any then existing outside Deutsche Wohnen Shareholders at the latter's request in return for the granting of no-par-value registered shares with an imputed share in the share capital of the Controlling Company of EUR 1.00 each at the Exchange Ratio specified in § 5(1) of the Agreement. If the compensation pursuant to § 5(1) of the Agreement is increased for each Deutsche Wohnen Share as a result of a legally binding decision in appraisal proceedings, Vonovia is obliged to purchase the Deutsche Wohnen Shares offered by the outside Deutsche Wohnen Shareholder at the Exchange Ratio determined in the appraisal proceedings. This purchase obligation provides additional protection to outside Deutsche Wohnen Shareholders who initially decide not to accept the compensation offer from Vonovia and, instead, to remain Deutsche Wohnen Shareholders and receive the Recurring Compensation Payment. There is no statutory obligation to make such a renewed compensation offer in the event of termination of a DPLTA.

This renewed purchase obligation on the part of Vonovia is also time limited. Thus, the obligation ends two months after the date on which registration of the termination of this Agreement in the commercial register of the Deutsche Wohnen has been made known in accordance with section 10 HGB. The purchase of the Vonovia Shares pursuant to § 5(7) of the Agreement is also free of charge for outside Deutsche Wohnen Shareholders, provided that they have a domestic securities account, as results from the analogous application of § 5(5) of the Agreement. Analogous application of § 5 (4) takes into account possible capital measures by Vonovia or Deutsche Wohnen (see D.I.4.3 above). The aforementioned purchase obligation applies both in the event of termination by Vonovia and in the event of termination by Deutsche Wohnen. It is necessary to consider in this regard that ordinary termination of the Agreement pursuant to § 6(3) is only possible after the end of the Minimum Term (that is as of the end of the financial year of Deutsche Wohnen in which the minimum term for tax purposes pursuant to section 14(1) sentence 1 no. 3 in conjunction with section 17 KStG and section 2(2) sentence 2 of the German Trade Tax Act (*Gewerbesteuer-gesetz – GewStG*), each as amended from time to time, has been completed (that is, after five years' time according to current laws).

6. Effectiveness and term (§ 6 of the Agreement)

6.1 Effectiveness

In accordance with the statutory approval requirements under section 293 AktG, § 6(1) sentence 1 of the Agreement provides that the effectiveness of the Agreement is subject to its approval by the general meeting of Vonovia and the general meeting of Deutsche Wohnen.

The general meeting of Deutsche Wohnen is expected to grant its approval on 23 January 2025. The general meeting of Vonovia is expected to pass a resolution on the approval of the Agreement on 24 January 2025.

Furthermore, due to the statutory provision in section 294(2) AktG, the Agreement will only take effect upon its registration in the commercial register at the seat of Deutsche Wohnen (§ 6(1) sentence 2 of the Agreement).

6.2 Commencement of the term of the Agreement

(i) Effectiveness of the right of management and the right to issue instructions under § 1 of the Agreement

The right of management and the right to issue instructions under § 1 of the Agreement only applies as and from the time at which the Agreement takes effect upon its registration in the commercial register at the seat of Deutsche Wohnen.

(ii) Effectiveness of the obligation to transfer profits under § 2 of the Agreement

The obligation to transfer profits applies in accordance with § 2 of the Agreement for the first time to the entire profit generated in the financial year of Deutsche Wohnen which is current when the Agreement is registered in the commercial register of Deutsche Wohnen. Hence, if the Agreement is entered in the commercial register prior to 31 December 2025, the obligation to transfer profits applies to the entire profit generated in the financial year that begins on 1 January 2025. With regard to the obligation to transfer profits, the Agreement thus has retroactive effect for the part of the financial year that has already elapsed at the time of registration in the commercial register.

If the Agreement only becomes effective in any financial year subsequent to the financial year of Deutsche Wohnen that begins on 1 January 2025, for example due to a delay in registration because shareholders challenge the approving resolution adopted by the general meeting of Deutsche Wohnen, the obligation to transfer profits applies as of the beginning of this subsequent financial year in which the Agreement takes effect.

(iii) Effectiveness of the obligation to assume losses under § 3 of the Agreement

The obligation to assume losses applies in accordance with § 3(1) of the Agreement for the first time to the entire profit generated in the financial year of Deutsche Wohnen which is current when the Agreement is registered in the commercial register of Deutsche Wohnen. If the Agreement, as is generally the case, is not registered in the commercial register at the seat of Deutsche Wohnen on the date on which the financial year begins, the Agreement thus also has retroactive effect, with regard to the obligation to assume losses, for the part of the financial year that has already elapsed at the time of registration in the commercial register.

6.3 Term of the Agreement / minimum term

According to § 6(3) sentence 1 of the Agreement, the Agreement is made for an indefinite period of time. § 6(2) of the Agreement provides that Vonovia may rescind the Agreement in writing at any time up to the time of its registration in the commercial register of Deutsche Wohnen, i.e. up to the time it takes effect, without any requirement to state reasons for doing so (see D.I.6.4). § 6(3) sentence 3 of the Agreement provides that the Agreement may be terminated with effect as of the end of the financial year of Deutsche Wohnen in which the

minimum term for tax purposes pursuant to section 14(1) sentence 1 no. 3 sentence 1 in conjunction with section 17 KStG and section 2(2) sentence 2 of the German Trade Tax Act (*Gewerbesteuer-gesetz – GewStG*), each as amended from time to time, has been completed (after five years' time according to current laws). This means that, if the Agreement is registered in the commercial register at the seat of Deutsche Wohnen and thereby takes effect in accordance with § 6(1) of the Agreement before 31 December 2025, the minimum term will end on 31 December 2029. Pursuant to section 14(1) sentence 1 no. 3 sentence 1 KStG, this minimum term of the Agreement of five consecutive full years as stipulated by contract is a requirement for effectively establishing a consolidated tax group for corporate income tax and trade tax purposes between Vonovia and Deutsche Wohnen. During the minimum term set forth in § 6(3) sentence 3 of the Agreement, the right of ordinary termination of the Agreement is excluded.

6.4 Right of rescission / termination of the Agreement

§ 6(2) of the Agreement provides that Vonovia may rescind the Agreement in writing at any time up to the time of registration of the Agreement in the commercial register of Deutsche Wohnen, i.e. up to the time it takes effect, without any requirement to state reasons for doing so. This right of rescission aims to protect Vonovia in the event that the investment agreement with Apollo (see D.V) is not implemented as planned. If in this event the Agreement were nevertheless registered in the commercial register of Deutsche Wohnen and thereby took effect, this could potentially lead to considerable real estate transfer tax liabilities for Vonovia due to the non-implementation of the investment agreement. For this case, Vonovia is entitled to the aforementioned right of rescission.

After the effectiveness of the Agreement, the right of ordinary termination is excluded during the minimum term set forth in § 6(3) sentence 3 of the Agreement of five consecutive full years after the beginning of the financial year of Deutsche Wohnen in which the Agreement has become effective. After the effectiveness of the Agreement, it can therefore be terminated by giving six months' notice in writing for the first time with effect as of the end of the financial year that ends at least five full years (60 months) after the beginning of the financial year of Deutsche Wohnen in which the Agreement takes effect (§ 6(3) sentence 2 and sentence 3 of the Agreement).

According to § 6(4) of the Agreement, the provisions on the minimum term do not affect the Parties' right under section 297(1) AktG to terminate the Agreement without notice for good cause (*wichtiger Grund*). The right to terminate the Agreement for good cause exists by virtue of law and cannot be excluded by contract. For civil law purposes, good cause for termination exists where, considering all circumstances, the party wishing to terminate the Agreement can no longer be reasonably expected to continue the contractual relationship.

According to § 6(4) of the Agreement, both Parties are entitled to terminate the Agreement for good cause. Good cause also exists according to § 6(4) of the Agreement, in particular, in cases where, as a result of the sale of shares or for other reasons, the requirements for the financial integration of Deutsche Wohnen into Vonovia for tax purposes are no longer met once the measure in question has taken effect, where Vonovia moves its investment in Deutsche Wohnen to a different entity, where insolvency proceedings are initiated concerning the assets of the Controlling Company, where Vonovia or Deutsche Wohnen will likely be unable to satisfy its obligations under the Agreement (section 297(1) sentence 2 AktG), where Vonovia or Deutsche Wohnen is merged, split, or liquidated, where Vonovia or Deutsche Wohnen changes its legal form to that of a partnership, or where there exists a

ground that is deemed by the tax authorities as constituting good cause for the premature termination of a profit and loss transfer agreement. § 6(4)(g) of the Agreement ensures that, in cases where there exists a ground that is deemed by the tax authorities as constituting good cause, both Parties are also entitled to terminate the Agreement for good cause under stock corporation law.

The provision contained in § 6(4) of the Agreement must particularly be seen in the light of applicable tax law. The conclusion of a profit and loss transfer agreement is necessary in order to be able to establish the intended consolidated tax group for corporate income tax and trade tax purposes between Vonovia and Deutsche Wohnen. One of the requirements for this consolidated tax group for corporate income tax and trade tax purposes is, in addition to the minimum term of the Agreement pursuant to section 14(1) sentence 1 no. 3 sentence 1 KStG that Deutsche Wohnen as the controlled entity is financially integrated into Vonovia as the controlling entity in such a manner that the controlling entity holds the majority of the voting rights in the controlled entity. Furthermore, the profit and loss transfer agreement must be concluded for a minimum term of five full years and must actually be performed during its term. Terminating the profit and loss transfer agreement before the end of the minimum term pursuant to section 14(1) sentence 1 no. 3 sentence 1 KStG will, as a rule, have the consequence that the profit and loss transfer agreement and thus the consolidated tax group will be deemed invalid for tax purposes from the outset. Only a termination for good cause, as a rule, does not affect the status of a consolidated tax group for fiscal years that have already been completed, even if the termination occurs within the minimum term of the profit and loss transfer agreement established under tax law.

The disposal or contribution of the investment may, as a rule, constitute good cause within the meaning of section 14(1) no. 3 sentence 2 KStG for the controlling entity to prematurely terminate a DPLTA, which does not affect the recognition of the status of a consolidated tax group for the past. This applies accordingly to the merger, demerger or liquidation of one of the two Parties. § 6(4) of the Agreement is intended to also allow for a termination for good cause under stock corporation law in cases where there exists a reason that is deemed by the tax authorities as constituting good cause.

To the extent that a termination by Deutsche Wohnen for good cause is based on § 6(4) of the Agreement and the requirements of section 297(1) AktG are not fulfilled at the same time, a termination will only be possible in accordance with section 297(2) AktG, which requires the approval of the outside shareholders by special resolution as condition for a termination by Deutsche Wohnen.

Furthermore, any termination of the Agreement will be subject to the statutory provision laid down in section 303 AktG: If a DPLTA ends, the controlling entity (Vonovia) must provide security to creditors of the controlled entity (Deutsche Wohnen) if they make a corresponding request for this purpose to the controlling entity within six months of the publication of the registration of the termination in the commercial register. However, pursuant to section 303(1) and (2) AktG, this obligation only applies towards creditors whose claims were established before the entry of the termination of a domination or a profit and loss transfer agreement in the commercial register was published pursuant to section 10 HGB and who, in the event of insolvency proceedings, would not have a right to preferential satisfaction from cover funds that have been established and state-monitored for their protection under statutory law. Instead of providing security, the controlling entity

may provide a guarantee for the claim; in this event, section 349 HGB concerning the exclusion of the defence of the failure to pursue remedies is not applicable (section 303(3) AktG). According to the rulings of the BGH, sections 26 and 160 HGB and section 327(4) AktG apply analogously to the obligation to provide security, meaning that such obligation only applies to claims that were established before the publication of the registration of the termination of the Agreement and fall due before the expiry of five years after the publication of the registration.

6.5 Recognition for tax purposes

§ 6(5) of the Agreement provides that, if the validity or due and proper implementation of this Agreement is not recognised for tax purposes, either in whole or in part, the minimum term will not begin until the first day of the financial year of Vonovia in relation to which the requirements for recognising the Agreement's validity or due and proper implementation for tax purposes are first met or are met for the first time again. The minimum term is intended to enable the establishment of the consolidated tax group for income tax purposes between Vonovia and Deutsche Wohnen (for details see section C.II).

7. Miscellaneous (§ 7 of the Agreement)

According to § 7(2) of the Agreement, amendments and additions to the Agreement must be made in writing. This also applies to a revocation of the written form requirement. In any other respects, section 295 AktG applies, which provides that inter-company agreements may only be amended with the consent of the general meeting of Deutsche Wohnen and the general meeting of Vonovia (§ 7(1) of the Agreement).

§ 7(3) of the Agreement (severability clause) is intended to ensure that the material content of the Agreement will continue to apply if, contrary to expectations, any present or future provision of the Agreement proves to be invalid or impracticable in full or in part or the Agreement contains a gap. This is a common provision in domination and profit and loss transfer agreements.

§ 7(4) of the Agreement clarifies that the Agreement is legally independent from, and does not constitute a single legal transaction within the meaning of section 139 BGB with, other legal transactions and agreements entered into or made between Vonovia and Deutsche Wohnen in the past or in the future.

§ 7(5) of the Agreement provides that, for the interpretation of the Agreement, the income tax provisions and requirements for the recognition of a consolidated tax group, in particular those set forth in sections 14 to 19 KStG as amended from time to time, must be taken into account.

II. Compensation Shares in Vonovia and settlement of the compensation and the Recurring Compensation Payment by the banks

It is currently planned that Vonovia will issue the Compensation Shares solely by means of a conditional capital increase in return for contributions in kind; existing Vonovia Shareholders will not be entitled to statutory subscription rights in such a conditional capital increase. For this purpose, the general meeting of Vonovia will pass a resolution on the creation of a new conditional capital at the extraordinary general meeting that will also resolve on the approval of the Agreement (for details see section D.I.5.1).

The Deutsche Wohnen Shares tendered by the outside Deutsche Wohnen Shareholders under the compensation offer are intended to be contributed to Vonovia as contribution in kind. In return for these Deutsche Wohnen Shares, the Compensation Shares will be granted to the outside Deutsche Wohnen Shareholders.

Vonovia will appoint Deutsche Bank AG as central settlement agent (*Central Settlement Agent*) for the technical settlement of the share purchase in connection with the compensation pursuant to § 5 of the Agreement. Deutsche Wohnen Shareholders wishing to accept the compensation offer must, after submitting their declaration of acceptance of the compensation offer to the Central Settlement Agent, instruct their custodian bank to make available their shares to the Central Settlement Agent via the collective custody system for the purpose of receiving the Compensation Shares. After the Compensation Shares have been created, the Central Settlement Agent will deliver a corresponding number of Compensation Shares to the outside Deutsche Wohnen Shareholders who have tendered their Deutsche Wohnen Shares. Settlement of the compensation will be free of charge for the outside Deutsche Wohnen Shareholders, provided they have a domestic securities account.

A compensation in cash will be granted and paid by the Central Settlement Agent to the relevant outside Deutsche Wohnen Shareholder for fractional amounts, i.e. Deutsche Wohnen Shares in respect of which the relevant holder is not entitled to receive a full share in Vonovia on the basis of the Exchange Ratio (§ 5(2) of the Agreement). For further details on the calculation of the amount of the compensation in cash, please refer to section D.I.5.2.

Details of the settlement will be announced without undue delay after registration of the Agreement in the commercial register at the seat of Deutsche Wohnen.

The fixed Recurring Compensation Payment pursuant to § 4 of the Agreement will be settled in the same way as a dividend payment.

III. Legal effects on the Vonovia Shareholders and the outside Deutsche Wohnen Shareholders

1. Corporate law implications

The implementation of the DPLTA will affect, first of all, the outside Deutsche Wohnen Shareholders' administrative and property rights conferred on them by virtue of their ownership in the shares. The outside Deutsche Wohnen Shareholders will be appropriately compensated for this by the compensation and Recurring Compensation Payment provided for in the Agreement.

Upon the effectiveness of Vonovia's right of management and right to issue instructions to Deutsche Wohnen in accordance with § 1 of the Agreement, i.e. upon registration of the Agreement in the commercial register at the seat of Deutsche Wohnen, Vonovia will be entitled to issue binding instructions to Deutsche Wohnen's Management Board with regard to the management of Deutsche Wohnen, with Vonovia being entitled to exclusively consider its own interests in the management of Deutsche Wohnen. Under the Agreement, Vonovia may also give adverse instructions to Deutsche Wohnen, provided that they serve the interests of Vonovia or the Vonovia Group and are not otherwise impermissible, for example by violating mandatory legal provisions. Irrespective of Vonovia's obligation to assume any annual net loss that may arise at Deutsche Wohnen, permissible adverse instructions may have considerable negative implications for Deutsche Wohnen's financial and earnings situation, which may persist after termination of the Agreement.

Vonovia's right of management and right to issue instructions to Deutsche Wohnen as agreed in the Agreement will affect the administrative rights and potentially the property rights of the outside Deutsche Wohnen Shareholders. The outside Deutsche Wohnen Shareholders will be financially compensated for this by way of Vonovia's obligation to pay an appropriate annually Recurring Compensation Payment or an appropriate compensation. The compensation compensates for the loss of membership and the resulting administrative and property rights that existed unimpaired before conclusion of the Agreement; the Recurring Compensation Payment compensates for the loss of the property right to receive a dividend. The outside shareholders have the option of whether to request the Recurring Compensation Payment or the compensation (for the amount, see also section E.).

Once the obligation to transfer profits pursuant to § 2 of the Agreement has become effective, i.e. at the earliest from the financial year beginning on 1 January 2025, provided that the Agreement is registered in the commercial register at the seat of Deutsche Wohnen before the end of the financial year beginning on 1 January 2025, or in the relevant subsequent financial year if the registration is effected in a subsequent financial year only, Deutsche Wohnen will no longer report any annual net income or distributable profit, apart from any earnings from the release of reserves not subject to the contractual transfer of profit, or any distributable profit as a result of any profit brought forward before the Agreement was concluded. This means that, once the obligation to transfer profits has become effective, the outside Deutsche Wohnen Shareholders will generally not receive any dividends during the term of the Agreement. They will generally not have the right to resolve on the appropriation of distributable profits that arise during the term of the Agreement.

To safeguard the interests of the outside shareholders, they have a claim against Vonovia to an annually Recurring Compensation Payment pursuant to section 304 AktG. The Recurring Compensation Payment to be made in accordance with § 4 of the Agreement will be made to the outside Deutsche Wohnen Shareholders without undue delay after the due date specified in § 4(3) and (5) of the Agreement. The Recurring Compensation Payment will be settled via the relevant custodian banks as in the case of a dividend payment (see section D.II).

As an alternative to receiving the Recurring Compensation Payment, the outside Deutsche Wohnen Shareholders may avail themselves of the compensation offer pursuant to section 305 AktG and sell their shares in Deutsche Wohnen in return for compensation in the form of no-par-value shares in Vonovia specified in § 5(1) of the Agreement. In this way, the outside Deutsche Wohnen Shareholders who choose the compensation will be able, among other things, to participate in the synergy effects resulting from the stronger integration of Deutsche Wohnen into the Vonovia Group (see section C.I.4).

For details on the Recurring Compensation Payment and the compensation, please refer to the explanations of § 4 and § 5 of the Agreement in section D.I.4 and section D.I.5 above.

Upon effectiveness of the Agreement, Vonovia will be obliged to purchase the Deutsche Wohnen Shares from the outside Deutsche Wohnen Shareholders at their request and in return for payment of the compensation specified in § 5(1) of the Agreement. As from this time, the outside Deutsche Wohnen Shareholders may, by declaration to their relevant custodian bank, exercise their right to transfer their Deutsche Wohnen Shares to Vonovia in return for payment of the compensation specified in the Agreement. Deutsche Wohnen Shareholders who do not exercise their right to transfer their Deutsche Wohnen Shares to Vonovia will remain Deutsche Wohnen Shareholders and receive the annually recurring

compensation in the form of the Recurring Compensation Payment in accordance with § 4 of the Agreement.

Further details of the compensation procedure will be published in the Federal Gazette (*Bundesanzeiger*) without undue delay after registration of the Agreement in the commercial register at the seat of Deutsche Wohnen and communicated to the outside Deutsche Wohnen Shareholders via their custodian banks. Settlement of the transfer of the Deutsche Wohnen Shares to Vonovia due to the acceptance of the compensation offer will be free of charge for the Deutsche Wohnen Shareholders, provided that they have a domestic securities account (§ 5(5) of the Agreement).

According to § 5(3) of the Agreement, Vonovia's obligation to acquire shares of the outside Deutsche Wohnen Shareholders in return for compensation in the form of shares in Vonovia applies for a limited period. The declaration of acceptance of Vonovia's compensation offer by the outside Deutsche Wohnen Shareholders must be received by Vonovia within this period (for details on the time limit of Vonovia's obligation, please refer to the explanations in section D.I.5.4). After expiry of the period specified in § 5(3) of the Agreement, the compensation offer can no longer be accepted and the Deutsche Wohnen Shares can no longer be tendered and exchanged for no-par-value shares in Vonovia.

Apart from this, the conclusion of the Agreement has no legal effects on the shareholdings of the outside Deutsche Wohnen Shareholders. In particular, the conclusion of the Agreement or its registration in the commercial register at the seat of Deutsche Wohnen will not cause any changes to the voting rights or other participation rights attaching to their shares.

The stock exchange listing of the Deutsche Wohnen Shares will not be affected by the registration of the Agreement in the commercial register at the seat of Deutsche Wohnen. However, it cannot be excluded that a large number of the outside Deutsche Wohnen Shareholders will accept the compensation offer and that the number of Deutsche Wohnen Shares in free float will further decrease. The consequent reduced liquidity of the Deutsche Wohnen Shares may result in higher price fluctuations of the Deutsche Wohnen Shares than in the past and a normal trading of the Deutsche Wohnen Shares may no longer be guaranteed.

The number of Deutsche Wohnen Shares in free float will decrease to the extent the compensation offer under the Agreement will be accepted. As a consequence, Deutsche Wohnen may no longer meet the relevant criteria for remaining in stock market indices that contain the Deutsche Wohnen Shares. A removal from a stock exchange index may, inter alia, cause institutional investors replicating the relevant index in their portfolio to sell their Deutsche Wohnen Shares and refrain from any future purchases of Deutsche Wohnen Shares. Increased supply of Deutsche Wohnen Shares combined with reduced demand for Deutsche Wohnen Shares can negatively influence the market price of the Deutsche Wohnen Shares.

The legal position of the Vonovia Shareholders will be affected, in particular, by the conditional capital increase to be implemented for the purpose of granting Deutsche Wohnen Shareholders the compensation in the form of shares in Vonovia in accordance with the terms of the Agreement on the basis of the Exchange Ratio specified in § 5(1) of the Agreement or an Exchange Ratio adjusted in accordance with § 5(4) or § 5(6) of the Agreement.

2. Protection of the Vonovia Shareholders and the outside Deutsche Wohnen Shareholders

As described in more detail below, the protection of the outside Deutsche Wohnen Shareholders in connection with the conclusion of the Agreement is ensured by granting a Recurring Compensation Payment and a compensation. Their appropriateness will be audited by a court-appointed Contract Auditor (see section D.III.2.2). If, in the opinion of outside Deutsche Wohnen Shareholders, the Recurring Compensation Payment and/or compensation specified in the Agreement is/are not appropriate, they can have the appropriateness reviewed in appraisal proceedings. Means of legal protection in connection with the conclusion of the Agreement are also available to the Vonovia Shareholders, in particular if they are of the opinion that the Recurring Compensation Payment and/or the compensation specified in the Agreement are not appropriate (for details on the means of legal protection available to the Vonovia Shareholders see section D.III.2.3).

2.1 Compensation and Recurring Compensation Payment

The interests of the outside Deutsche Wohnen Shareholders are taken into account by the duty to grant compensation and a Recurring Compensation Payment and their implementation in the Agreement in the form of the Recurring Compensation Payment and the compensation offer.

As from the financial year in which the Agreement takes effect, the outstanding Deutsche Wohnen Shareholders will be financially compensated in full for the restriction of their administrative rights – due to the coming into effect of the right of management and the right to give instructions pursuant to § 1 of the Agreement – by Vonovia's obligation to make an annual Recurring Compensation Payment pursuant to § 4 of the Agreement in conjunction with § 304 AktG and to purchase their Deutsche Wohnen Shares in return for compensation in the form of an appropriate number of Compensation Shares pursuant to § 5 of the Agreement in conjunction with § 305 AktG.

The Management Board of Deutsche Wohnen and the Management Board of Vonovia jointly appointed Ebner Stolz as Valuation Expert to prepare an Expert Opinion on the enterprise values of Vonovia and Deutsche Wohnen as at the date of the planned general meeting of Deutsche Wohnen, 23 January 2025, and on the amount of the appropriate Recurring Compensation Payment within the meaning of section 304 AktG and of the appropriate compensation within the meaning of section 305 AktG.

In the Expert Opinion (**Annex 3**), Ebner Stolz concludes that the objectified enterprise value of Deutsche Wohnen pursuant to IDW S1 as amended 2008 (**IDW S1**) as of the valuation date of 23 January 2025 is approximately EUR 9,728.5 million. Ebner Stolz refers to the number of outstanding shares (the **Outstanding Deutsche Wohnen Shares**) when calculating the value per Deutsche Wohnen Share. For 396,934,985 Outstanding Deutsche Wohnen Shares, the objectified enterprise value per Outstanding Deutsche Wohnen Share is EUR 24.51; the appropriate Recurring Compensation Payment within the meaning of section 304 AktG derived therefrom, as determined by the Valuation Expert, is EUR 1.22 gross (EUR 1.03 net) per Deutsche Wohnen Share for the appropriate Recurring Compensation Payment per Deutsche Wohnen Share.

On the basis of the Expert Opinion, the Parties determined an annual Recurring Compensation Payment in the amount of EUR 1.22 (Gross Amount of Recurring Compensation) or EUR 1.03 (Net Amount of Recurring Compensation).

As an alternative, the outside Deutsche Wohnen Shareholders may avail themselves of the compensation offer pursuant to section 305 AktG and, after registration of the Agreement in the commercial register at the seat of Deutsche Wohnen, transfer the Deutsche Wohnen Shares held by them to Vonovia in return for appropriate compensation in the form of Compensation Shares in Vonovia, i.e. avail themselves of the compensation offer made by Vonovia pursuant to § 5 of the Agreement in conjunction with § 305 AktG. The basis used for determining the compensation exchange ratio specified in § 5(1) of the Agreement of 0.7947 Compensation Shares per Deutsche Wohnen Share was the situation of Deutsche Wohnen at the time of adoption of the relevant resolution in the extraordinary general meeting of Deutsche Wohnen scheduled to be held on 23 January 2025. Ebner Stolz concludes in its Expert Opinion that the stock market prices of Deutsche Wohnen and Vonovia are the result of efficient information processing by the capital market and the shares of Deutsche Wohnen and Vonovia are fully marketable. Therefore, the compensation pursuant to section 305 AktG can be determined based on the ratio of the volume-weighted average stock market prices of Deutsche Wohnen and Vonovia for the three-month period preceding the announcement of the intention to conclude a DPLTA on 18 September 2024. This three-month average price for the period until (and including) 17 September 2024 was determined by the German Federal Financial Supervisory Authority (*BaFin*) as being EUR 19.81 for Deutsche Wohnen and EUR 29.36 for Vonovia. In addition, Ebner Stolz calculated the compensation in accordance with section 305 AktG on the basis of the ratio of the objectified enterprise values of Deutsche Wohnen and Vonovia in accordance with IDW S1. This results in an enterprise value of EUR 24.51 per share for Deutsche Wohnen and EUR 30.84 per share for Vonovia. On the basis of an overall assessment, taking into account the Expert Opinion and other factors, the Parties have determined an exchange ratio of 0.7947 Compensation Shares per Deutsche Wohnen Share (see the detailed explanation and justification of the appropriateness of the compensation in section E.II).

2.2 Contract audit by expert auditor

Upon joint application by the Management Board of Deutsche Wohnen and the Management Board of Vonovia, the Regional Court (Landgericht) of Berlin II, by decision of 2 October 2024, selected and appointed I-ADVISE AG, Wirtschaftsprüfungsgesellschaft, 40468 Düsseldorf, as expert auditor within the meaning of section 293b(1) AktG. This decision is attached to the Contract Report as **Annex 4**. I-ADVISE has audited the Agreement and, in particular, the appropriateness of the compensation and the annually Recurring Compensation Payment and prepared a separate Audit Report thereon pursuant to section 293e AktG. I-ADVISE comes to the conclusion that the compensation determined by the Valuation Expert and the determined annually Recurring Compensation Payment are appropriate. Audit Report together with the documents specified in section 293f(1) AktG will be available on Deutsche Wohnen's website at <https://www.deutsche-wohnen.com/agm> as well as on Vonovia's website at <https://investors.vonovia.de/agm> as from the date of the notice of the general meeting of Deutsche Wohnen and Vonovia scheduled to be held on 23 January 2025 and 24 January 2025, respectively. For details please refer to the notice of the general meeting of Deutsche Wohnen and Vonovia to be held on 23 January 2025 and 24 January 2025, respectively.

2.3 Appraisal proceedings,

If Deutsche Wohnen Shareholders are of the opinion that the amount of the annually Recurring Compensation Payment specified in § 4(2) of the Agreement is not appropriate in ac-

cordance with section 304 AktG, they are entitled to have the appropriateness of the Recurring Compensation Payment reviewed by a court in appraisal proceedings pursuant to section 304(3) sentence 3 AktG in conjunction with section 1 no. 1 SpruchG after the Agreement has taken effect. The right to request the initiation of appraisal proceedings does not depend on whether objection was declared in the general meeting to the resolution on the approval of the Agreement and recorded in the minutes taken by the officiating notary. A motion for the judicial review of the Recurring Compensation Payment in appraisal proceedings pursuant to section 304(3) sentence 3 AktG in conjunction with section 1 no. 1 SpruchG can be filed within three months after the date on which the entry of the Agreement's formation in the commercial register at the seat of Deutsche Wohnen was published pursuant to section 10 HGB. A statement of reasons for the motion pursuant to section 4(2) SpruchG must be submitted within the above three-month period for filing the motion. If the competent court in such appraisal proceedings adjudicates a legally binding higher annually Recurring Compensation Payment, such decision will be effective for and against all outside Deutsche Wohnen Shareholders, meaning that in such a case Deutsche Wohnen Shareholders not involved in the appraisal proceedings also have a claim against Vonovia to payment of a corresponding amount in addition to the Recurring Compensation Payment (section 13 sentence 2 SpruchG). In this event, Vonovia is entitled to terminate the Agreement without notice within two months after the court decision has become final and binding (section 304(4) AktG). If such appraisal proceedings are terminated by a judicially recorded settlement, the rights of all outside Deutsche Wohnen Shareholders are protected by the fact that section 11(2) SpruchG permits the termination of such proceedings only with the consent of the joint representative of the outside Deutsche Wohnen Shareholders. § 4(6) of the Agreement provides that, in the event of a judicially recorded settlement, shareholders, even if they have already been compensated according to § 5 of the Agreement, are entitled to demand payment of a corresponding amount in addition to the Recurring Compensation Payment received by them if and to the extent provided for by law.

If outside Deutsche Wohnen Shareholders are of the opinion that the compensation specified in § 5(1) of the Agreement is not appropriate, they can have the appropriateness of the offered compensation reviewed by a court in appraisal proceedings pursuant to section 305(5) sentence 2 AktG in conjunction with section 1 no. 1 SpruchG. The above statements concerning the Recurring Compensation Payment apply accordingly with regard to the period for filing the motion, the statement of reasons for the motion and the effect of the court decision in appraisal proceedings and a termination right of Vonovia after judicial determination of the compensation.

Means of legal protection in connection with the conclusion of the DPLTA are also available to the Vonovia Shareholders. If Vonovia Shareholders are of the opinion that the compensation specified in § 5(1) of the Agreement is not appropriate, they can have the appropriateness of the offered compensation reviewed by a court. If Vonovia Shareholders are of the opinion that the amount of the annual Recurring Compensation Payment specified in § 4(2) of the Agreement is not appropriate in accordance with section 304 AktG, this may also be subject to judicial review.

IV. Tax effects on the Vonovia Shareholders and the outside Deutsche Wohnen Shareholders

1. Preliminary remarks

The following statements include a brief summary of some important German taxation principles which may be relevant in connection with the conclusion of the Agreement for outside Deutsche Wohnen Shareholders subject to unlimited tax liability in Germany.

Tax effects for outside Deutsche Wohnen Shareholders subject to limited tax liability in Germany are not explained below. These effects depend, among other factors, on special provisions of German tax law, the tax law in the country in which the relevant shareholder is domiciled and on the provisions of any existing treaty for the avoidance of double taxation (double taxation treaty).

The description in general relates only to corporate income tax, income tax, withholding tax and trade tax as well as solidarity surcharge which accrue in Germany, but not to church tax. The description only deals with some selected aspects of these types of taxes. For example, the description does not address the special characteristics of what is known as lock-up shares acquired as consideration for a tax-privileged contribution under the German Transformation Tax Act (*Umwandlungsteuergesetz – UmwStG*), nor the special provisions for certain companies in the financial and insurance industries. This summary is based only on the currently applicable law as applied by tax authorities and finance courts in their rulings as of the date of this Contract Report. This situation can change, potentially also with retroactive effect.

No guarantee is provided for the completeness and correctness of this description. This summary describes selected tax aspects in general without addressing the tax situation of any individual concerned. It is, therefore, not intended to be, and should not be construed as, legal or tax advice. Shareholders are recommended to consult their tax advisors. Only tax advisors are able to reasonably consider the specific tax circumstances of the individual shareholder.

2. Taxation of Recurring Compensation Payments at the shareholder level

The annual Recurring Compensation Payment made by Vonovia to Deutsche Wohnen Shareholders as provided for in § 4(2) of the Agreement is likely to be subject to the general rules on the taxation of dividends at the level of the shareholders concerned.

2.1 Withholding tax

For tax purposes, the Recurring Compensation Payments are miscellaneous receipts from shares within the meaning of section 20(1)(1) sentence 1 of the German Income Tax Act (*Einkommensteuergesetz – EStG*) and are subject to the deduction of withholding tax. Therefore, withholding tax at a rate of 25% and solidarity surcharge levied thereon at a rate of 5.5% (resulting in a tax deduction including solidarity surcharge of 26.375%) will generally be deducted from the Recurring Compensation Payment at the time it is made. The withholding tax on investment income is generally withheld and passed on without regard to which amount the payment is actually subject to taxation at the level of the Deutsche Wohnen Shareholders.

With regard to Deutsche Wohnen Shareholders holding their shares as private assets, the collection of withholding tax generally discharges the Shareholder's tax liability for Recurring Compensation Payments (referred to as flat-rate withholding tax (*Abgeltungsteuer*)). Subject to certain requirements, shareholders holding their shares as private assets can apply for exemption from such flat-rate withholding tax. By contrast, withholding tax accruing to Deutsche Wohnen Shareholders holding their shares as part of their business assets is generally credited against the relevant Shareholder's income tax or corporate income tax. Withholding tax deducted in excess of such shareholders' personal tax liability will be refunded, provided that the necessary prerequisites for such a refund under sections 36 and 36a EStG (including the minimum holding period) are fulfilled. This applies accordingly to the solidarity surcharge.

2.2 Shares held as private assets

The Recurring Compensation Payments for shares held as private assets constitute income from capital investment and, as such, are subject to income tax; in this case, the deduction of withholding tax has the effect of finally settling the tax liability (referred to as flat-rate withholding tax) and the Recurring Compensation Payment no longer has to be declared in the Deutsche Wohnen Shareholder's annual tax return. In certain situations (for example in the case of the existence of a non-assessment certificate of the tax authorities or in the case of an exemption order in a sufficient volume), the Recurring Compensation Payment can be paid out to the Deutsche Wohnen Shareholders without deducting withholding tax on investment income and the solidarity surcharge.

At the request of Deutsche Wohnen Shareholders, their Recurring Compensation Payments can also be subject to the income tax according to the basic scale instead of deducting flat-rate withholding tax if this leads to a lower tax burden for the shareholder (most favourable tax treatment test – *Günstigerprüfung*). In this event, the relevant amounts for taxation are the capital gains less the saver's tax-free allowance of EUR 1,000.00 (or EUR 2,000.00 for jointly assessed spouses), and the deduction of actual income-related expenses is excluded. The income from capital investments so calculated is subject to the relevant Deutsche Wohnen Shareholder's personal income tax rate in their income tax assessment. Withholding tax initially deducted will be credited against income tax so levied.

If a Deutsche Wohnen Shareholder meets the relevant requirements and applies for exemption from flat-rate withholding tax, taxation will be similar to that of a sole proprietor (see section D.IV.2.3(ii)).

2.3 Shares held as business assets

If shares are held as business assets, the taxation depends on whether the Deutsche Wohnen Shareholder is a corporation, a sole proprietor, or a partnership (co-entrepreneur):

(i) Corporations

In the case of corporations, Recurring Compensation Payments are generally subject to corporate income tax and trade tax.

(ii) Sole proprietors

In the case of sole proprietors (individuals), 60% of the Recurring Compensation Payment is subject to the applicable income tax rate (referred to as partial income method (*Teilein-*

künfteverfahren)). Accordingly, any expenses economically related to the Recurring Compensation Payment are deductible for tax purposes at a rate of 60% only (subject to other restrictions on deduction). If the shares belong to the assets of a permanent establishment located in Germany, the full amount of the Recurring Compensation Payment is subject to trade tax. However, the trade tax can be fully or partially credited against the Deutsche Wohnen Shareholder's income tax by means of a flat-rate procedure.

(iii) Partnerships

If the shares are held by a partnership (co-entrepreneur), income tax or corporate income tax is assessed at the level of its partners only, unless the partnership applies for being treated as a corporation. The full amount of the Recurring Compensation Payment is subject to trade tax at the level of the partnership if the partnership is subject to trade tax. If individuals hold interests in the partnership, trade tax levied at the level of the partnership is credited in full or in part against their income tax by way of a flat-rate procedure.

3. Taxation of compensation at the level of Deutsche Wohnen Shareholders

Pursuant to § 5(1) of the Agreement, Vonovia undertakes towards Deutsche Wohnen Shareholders who want to exit Deutsche Wohnen on the occasion of the conclusion of the Agreement to purchase their shares in return for appropriate compensation (*Abfindung*) in the amount of 0.7947 no-par-value Vonovia Shares per Deutsche Wohnen Share. For the outside Deutsche Wohnen Shareholders, transferring the Deutsche Wohnen Shares to Vonovia in exchange for the Vonovia Shares created by means of a capital increase generally constitutes a sale for tax purposes.

A capital gain is realised if, at the date when they are delivered to the securities account, the value of the Vonovia Shares received less any related costs of sale exceeds the acquisition costs for tax purposes or the book value for tax purposes for the relevant shares at the level of the outside Deutsche Wohnen Shareholder. If the value of the received Vonovia Shares at the date when they are delivered to the securities account less any costs of sale is less than the acquisition costs or the book value of the shares at the level of the outside Deutsche Wohnen Shareholder, a capital loss is incurred.

The tax treatment of a capital gain and the assertion of a capital loss for tax purposes depend on whether the Deutsche Wohnen Shares are to be allocated to the private assets or business assets of the relevant outside Deutsche Wohnen Shareholder prior to the transfer to Vonovia.

3.1 Shares held as private assets

Subject to treatment as a tax-neutral share swap (see below), capital gains are generally subject to the deduction of withholding tax at a rate of 25% (plus solidarity surcharge thereon at a rate of 5.5%, resulting in a total of 26.375%, plus church tax for natural persons if applicable). As the relevant capital gain consists of a non-cash benefit, the outside Deutsche Wohnen Shareholder must make the aforementioned tax deduction amounts available to the bank. Gains from the sale of shares held as private assets are subject to income tax as income from capital investment. The shareholder's income tax liability is generally settled by the deduction of withholding tax. In this case, the capital gain no longer has to be declared in the shareholder's annual tax return (flat-rate withholding tax). Capital losses from shares may only be offset against capital gains from shares, but not against other income from capital assets, such as dividends received and Recurring Compensation Payments, and also not against income from other types of income (loss offsetting restriction

(*Verlustverrechnungsbeschränkung*)). Capital losses from shares which have not been offset can be carried forward to future assessment periods.

In the present case, however, it is the Parties' understanding that there is a tax-neutral share swap for the purposes of withholding tax, so that the shares in Vonovia take the place of the shares in Deutsche Wohnen for tax purposes. Based on this view, no capital gain or loss is realised and only a fractional amount, which is settled in cash, is taxable as capital gains. However, it is not certain that the tax authorities will share this view.

The profit is not subject to withholding tax if the shareholder held a direct or indirect interest of at least 1% in Deutsche Wohnen during the five years prior to the transfer. The partial income method (*Teileinkünfteverfahren*) is applied here (see the following section D.IV.3.2).

3.2 Shares held as business assets

In case of shares held as business assets, the taxation depends on whether the shareholder is a corporation, a sole proprietor, or a partnership (co-entrepreneur) that has not applied for being treated as a corporation. Capital gains from shares held as business assets are generally not subject to the deduction of withholding tax. Any withholding tax deducted has no discharging effect and is credited against the income or corporate income tax of the relevant shareholder or refunded to the extent that it exceeds the tax liability. This applies accordingly to the solidarity surcharge (and church tax for natural persons, if applicable).

Vonovia does not plan a carry-over of book value for the Deutsche Wohnen Shares originating from business assets in accordance with section 21(1) sentence 2 UmwStG to the extent this would be possible at all in individual cases.

(i) Corporations

With regard to corporations, profits from the sale of shares are generally exempt from corporation tax and trade tax. However, 5% of the capital gains are treated as non-deductible operating expenses and are therefore subject to corporate income tax (plus solidarity surcharge) and trade tax. Capital losses are not tax deductible.

(ii) Sole proprietors

In the case of a natural person (sole proprietor) who holds the shares as business assets, 60% of the capital gain from the sale of shares is subject to income tax (plus solidarity surcharge and church tax, if applicable; referred to as partial income method (*Teileinkünfteverfahren*)). Accordingly, only 60% can be asserted for tax purposes in the event of a capital loss. Taxation is based on the personal tax rate of the outside Deutsche Wohnen Shareholder. In addition, 60% of the capital gain is subject to trade tax if the shares are attributable to a domestic permanent establishment of a commercial enterprise, with the personal income tax of the outside Deutsche Wohnen Shareholder being reduced by the trade tax on a flat-rate basis.

(iii) Partnerships

If the outside Deutsche Wohnen Shareholder is a partnership that has not opted to be treated as a corporation, the bases of assessment for income or corporate income tax are determined uniformly and separately at the level of the partnership but the income or corporate income tax is only payable at the level of the relevant partner of the partnership. Taxation is carried out as described above. In addition, capital gains and losses of the partnership are subject to

trade tax if the shares are attributable to a domestic permanent establishment of a commercial enterprise. The amount of trade tax depends on the extent to which natural persons and corporations hold interests in the partnership.

V. Tax effects on Vonovia and Deutsche Wohnen

If the other statutory requirements for the existence of a consolidated tax group for corporate income tax and trade tax purposes are also met, the Agreement will have the effect that the income of Deutsche Wohnen will be attributed to, and tax thereon paid by, Vonovia for corporate income tax and trade tax purposes. However, Deutsche Wohnen will be liable to pay tax on income in the amount of currently 20/17 of Recurring Compensation Payments made (section 16 KStG). The consolidated tax group does not begin to exist before the financial year of Deutsche Wohnen in which the obligation to transfer the annual profit pursuant to § 2 of the Agreement as well as the financial integration of Deutsche Wohnen into Vonovia exist from the beginning of the year, which is expected to be 1 January 2025, provided that the Agreement has been registered in the commercial register at the seat of Deutsche Wohnen by the end of that financial year at the latest, that means by 31 December 2025, pursuant to § 6(1) sentence 2 of the Agreement. Whereas any loss carry forward for tax purposes of Deutsche Wohnen existing on the date the consolidated tax group becomes effective will continue to exist, it cannot be deducted for tax purposes for the duration of the consolidated tax group.

The DPLTA underlines the organisational integration of Deutsche Wohnen into Vonovia for the purposes of the consolidated VAT group. The consolidated VAT group means that sales within the VAT group are not subject to VAT.

The acceptance of the compensation offer by the outside Deutsche Wohnen Shareholders is not expected to have any real estate transfer tax implications for Deutsche Wohnen. The element of a transfer to new shareholders (section 1(2b) Real Estate Transfer Tax Act (*Gründerwerbsteuergesetz – GrEStG*) does not apply to the purchase of shares from minority shareholders, as Vonovia is an existing shareholder of Deutsche Wohnen. A consolidation of shares (section 1(3) and (3a) GrEStG) at Vonovia is also not to be expected, as Apollo will hold an indirect share of 10.2% in Deutsche Wohnen immediately prior to the registration of the DPLTA. This means that Vonovia cannot reach the 90% threshold even if all outside Shareholders were to tender their shares in Deutsche Wohnen.

Due to the consolidation for tax purposes, Deutsche Wohnen is liable pursuant to section 73 sentence 1 of the German Fiscal Code (*Abgabenordnung – AO*) for such taxes of the controlling company for which the consolidated tax group between them is relevant for tax purposes. The above provisions on taxes apply equally to claims for the reimbursement of tax credits (section 73 sentence 3 AO).

VI. Costs of the Domination and Profit and Loss Transfer Agreement

One-time costs were incurred for the conclusion and audit of the Agreement. Such costs were incurred in particular for appointing the Valuation Expert (see section E.I), for the preparation of the Audit Report by the court-appointed Contract Auditor (see section D.III.2.2), and for obtaining legal advice. The costs for providing the Expert Opinion and the Audit Report will be borne by Deutsche Wohnen and Vonovia in equal parts. In addition, Vonovia will bear the costs incurred in connection with the settlement of the com-

pensation and the Recurring Compensation Payment, as well as for the listing of the Compensation Shares. Apart from that, each Party will bear its own costs, including the costs of its external advisors. The external costs to be borne by Deutsche Wohnen are expected to amount to approximately EUR 2 million in total. The external costs to be borne by Vonovia are expected to amount to approximately EUR 6 million.

E. Type and amount of the Recurring Compensation Payment (*Ausgleich*) and of the compensation (*Abfindung*) pursuant to sections 304 and 305 AktG

I. Overview

Pursuant to section 304 AktG, a DPLTA must provide for appropriate compensation for the outside shareholders by way of a recurring cash payment related to their shares in the share capital. The type of the Recurring Compensation Payment and the reasons for determining a fixed Recurring Compensation Payment were explained under section D.I.4.1 above.

Section 304(1) sentence 1 and (2) sentence 1 AktG provide that the Recurring Compensation Payment guaranteed must at least be equal to the annual payment of the amount which could be expected to be distributed on each individual share as average profit share in view of the entity's past profitability and future earnings prospects, taking into account adequate depreciation, amortisation and value allowances, but excluding other profit reserves.

Section 305(1) AktG provides that a DPLTA must further provide for the obligation of the controlling entity to purchase the shares of an outside shareholder upon their request in return for appropriate compensation (*Abfindung*) specified in the agreement. Section 305(3) sentence 2 AktG provides that the appropriate compensation (*Abfindung*) must take into account the situation of the entity at the time its general meeting resolves on the Agreement. This applies accordingly to the Recurring Compensation Payment (*Ausgleichszahlung*) as defined under section 304 AktG.

According to recent rulings of the BGH, the stock market price of a listed company can be a suitable basis for the determination of the compensation (*Abfindung*) and the Recurring Compensation Payment (*Ausgleichszahlung*) to be granted to outside shareholders upon the conclusion of a DPLTA if the stock market price is the result of efficient information processing by the capital market and the relevant share is fully marketable. In order to determine whether these conditions are met, courts examine the liquidity of the share, in particular with regard to trading volumes and revenues, bid-ask spreads and free float (see BGH, decision of 21 February 2023 – II ZB 12/21 – “WCM/TLG”; BGH, decision of 31 January 2024 – II ZB 5/22 – “Vodafone/Kabel Deutschland”). The BGH's rulings refer not only to cash compensation, but also to compensation in the form of shares in the controlling entity; if the stock market prices of the controlling and the controlled entities are sufficiently meaningful, they can be used to determine the exchange ratio (see BGH, decision of 21 February 2023 – II ZB 12/21 – “WCM/TLG”).

Courts also generally accept a calculation of the Recurring Compensation Payment pursuant to section 304 AktG (*Ausgleichszahlung*) and the compensation pursuant to section 305 AktG (*Abfindung*) based on an enterprise value derived in accordance with the capitalised earnings method (*Ertragswertmethode*) pursuant to IDW S1.

According to the case law, the appropriateness of compensation can be assessed by means of an overall assessment. In the case of a squeeze-out under merger law, the Higher Regional

Court of Frankfurt am Main reviewed a cash compensation determined on the basis of the stock market price using an overall assessment taking into account the capitalised earnings value (Higher Regional Court of Frankfurt am Main, decision of 9 February 2024 – 21 W 129/22, para. 25 et seq. (juris) – “ISRA Vision”). This decision is in line with the decision of the Higher Regional Court of Munich in the “Kabel Deutschland/Vodafone” case, in which an overall assessment was also carried out taking into account the stock market price, the capitalised earnings value and other circumstances, and which was also expressly approved by the BGH in this respect (Higher Regional Court of Munich, decision of 14 December 2021 – 31 Wx 190/20, para. 113 et seq. (juris); BGH, decision of 31 January 2024 – II ZB 5/23, para. 54 in conjunction with 49 (juris) – “Kabel Deutschland/Vodafone”).

The Management Board of Deutsche Wohnen and the Management Board of Vonovia jointly appointed Ebner Stolz as Valuation Expert to prepare an Expert Opinion on the enterprise values of Vonovia and Deutsche Wohnen as at the date of the planned general meeting of Deutsche Wohnen, 23 January 2025, and on the amount of the appropriate Recurring Compensation Payment within the meaning of section 304 AktG and of the appropriate compensation within the meaning of section 305 AktG. The Valuation Expert carried out the work necessary for the Expert Opinion from the beginning of March to mid-December 2024. On 14 December 2024, the Valuation Expert submitted its Expert Opinion on the determination of the enterprise values of Vonovia and Deutsche Wohnen as of the valuation date on 23 January 2025, the appropriate Recurring Compensation Payment (*Ausgleich*) (section 304 AktG), and the appropriate compensation (*Abfindung*) (section 305 AktG).

In its function as a neutral expert for the purposes of IDW S1, Ebner Stolz comes to the following conclusions in its Expert Opinion: The stock market prices of Deutsche Wohnen and Vonovia are the result of efficient information processing by the capital market and the shares of Deutsche Wohnen and Vonovia are fully marketable. They therefore represent a suitable basis for determining what the outside Deutsche Wohnen Shareholders and the Vonovia Shareholders consider to be an appropriate compensation (*Abfindung*) within the meaning of section 305 AktG. The relevant average market price is EUR 19.81 per Deutsche Wohnen Share and EUR 29.36 per Vonovia Share. The relevant price in this context is the volume-weighted average stock market price determined for Deutsche Wohnen Shares by BaFin for the three-month period preceding the announcement on 18 September 2024 of the intention to enter into a DPLTA between Deutsche Wohnen and Vonovia (see also section E.II). The resulting share price ratio of the Deutsche Wohnen Share and the Vonovia Share is 1 to 0.67.

The objectified enterprise value of Vonovia as of 23 January 2025 in accordance with IDW S1 additionally determined by Ebner Stolz using the capitalised earnings method amounts to approximately EUR 25,374.7 million, that of Deutsche Wohnen to approximately EUR 9,728.5 million. The resulting share value is EUR 30.84 per Vonovia Share and 24.51 per Deutsche Wohnen Share. This results in an arithmetic Exchange Ratio of Deutsche Wohnen Shares and Vonovia Shares of 1 to 0.7947.

In view of the different enterprise values determined by Ebner Stolz and the resulting differing exchange ratios, the Parties’ management boards conclude, on the basis of an overall assessment taking into account the Expert Opinion, the Audit Report, the historical stock market price development and the interests of both Parties in the conclusion of the Agreement, that the appropriate compensation (*Abfindung*) within the meaning of section 305 AktG from the perspective of the outside Deutsche Wohnen Shareholders and the Vonovia

Shareholders is 0.7947 no-par-value Vonovia Shares with an imputed share of EUR 1.00 per Deutsche Wohnen Share.

The appropriate Recurring Compensation Payment within the meaning of section 304 AktG from the perspective of the outside Deutsche Wohnen Shareholders and the Vonovia Shareholders, derived from the arithmetic objectified enterprise value pursuant to IDW S1 as amended in 2008, as determined by the Valuation Expert, is EUR 1.22 gross or EUR 1.03 net per Deutsche Wohnen Share.

The complete Expert Opinion of Ebner Stolz on the enterprise value of Vonovia and Deutsche Wohnen dated 14 December 2024 is attached hereto as **Annex 3** and thus forms an integral part of this Contract Report.

Following their own reviews, the Management Board of Deutsche Wohnen and the Management Board of Vonovia adopt as their own the full content of Ebner Stolz's statements in the above Expert Opinion on the enterprise value of Deutsche Wohnen, on the appropriate Recurring Compensation Payment, and on the appropriate compensation and include such statements in this Contract Report. In their own assessments, the Management Board of Deutsche Wohnen and the Management Board of Vonovia consider as appropriate a Recurring Compensation Payment of EUR 1.22 gross (EUR 1.03 net) per Deutsche Wohnen Share as Recurring Compensation Payment within the meaning of section 304 AktG.

The Expert Opinion as well as this Contract Report will be available, together with the other documents required under section 293f(1) AktG, via the web site of Vonovia at <https://investors.vonovia.de/agm> and the web site of Deutsche Wohnen at <https://www.deutsche-wohnen.com/agm> as from the date of the notice of the general meeting of Deutsche Wohnen that will resolve on the approval of the Agreement.

The Management Board of Deutsche Wohnen and the Management Board of Vonovia explicitly note that while the plans of Deutsche Wohnen and Vonovia on which the enterprise valuation is based were prepared to the best of their knowledge and belief, these plans are also based on future circumstances or changes to market and competitive conditions the realisation of which may be outside the control of Deutsche Wohnen and Vonovia, and that neither Deutsche Wohnen nor Vonovia will or can assume any liability for the actual realisation of the facts and forecasts on which the plans are based. The sole purpose of this Contract Report is to comply with the statutory information duty of either Party pursuant to section 293a AktG.

II. Determination and fixing of the appropriate compensation (*Abfindung*) pursuant to section 305 AktG

Pursuant to § 5(1) of the Agreement, each outside Deutsche Wohnen Shareholder who wishes to accept the compensation offer will receive 0.7947 Shares in Vonovia for each Deutsche Wohnen Share. The decisive reasons for agreeing on compensation in shares as the offered type of compensation are set out in section D.I.5.1 above.

The Management Boards of the Parties have unanimously determined the Exchange Ratio on the basis of the results of the Expert Opinion of Ebner Stolz dated 14 December 2024. Taking into account the results of the final draft of the Audit Report submitted on 14 December 2024, the Supervisory Boards of the two Parties approved the determination of the compensation amount by the Parties' Management Boards on 14 December 2024.

In determining the Exchange Ratio, the Parties have taken into account, as part of an overall assessment, the stock market prices of the Deutsche Wohnen Share and the Vonovia Share, the capitalised earnings values of Deutsche Wohnen and Vonovia, as well as other circumstances such as the historical stock market price development, the views of the Contract Auditor and the interests of both Parties in the conclusion of the Agreement.

1. Share price exchange ratios

Ebner Stolz found that the stock market prices of Deutsche Wohnen and Vonovia are the result of efficient information processing by the capital market and that the Deutsche Wohnen Shares and Vonovia Shares are fully marketable. According to Ebner Stolz's analysis, the stock market price in the relevant reference period (see below) is sufficiently meaningful according to both economic and legal criteria derived from court rulings:

- The shares of Deutsche Wohnen and Vonovia are highly liquid; the liquidity ratios are well above or, as the case may be, below the thresholds specified in the relevant case law. The average daily trading volumes in the twelve months prior to the date of the announcement on 18 September 2024 of the intention to enter into a DPLTA were EUR 1.5 million for Deutsche Wohnen Shares and EUR 63.8 million for Vonovia Shares. The average transaction costs for both shares were also very low. In the twelve months prior to 18 September 2024, the average bid-ask spreads were 0.34% for Deutsche Wohnen and 0.07% for Vonovia.
- Both Deutsche Wohnen and Vonovia are subject to a high level of information provision and sufficiently intensive monitoring by market participants.
- There were no changes in the operational or financial structure that had a material effect on the value, nor any extraordinary transactions or significant structural measures that affected the value of Deutsche Wohnen or Vonovia between the relevant date for determining the stock market price and the date on which the Expert Opinion was issued by Ebner Stolz, and no such changes are expected to take place before the valuation date.
- The performance of Deutsche Wohnen and Vonovia Shares in the three months prior to 18 September 2024 does not show any accumulation of successive stock market prices that deviate from each other by more than 5%. There are also no indications of price manipulation.

According to rulings of the BGH, the stock market value of the share to be used as a basis for appropriate compensation must generally be determined on the basis of a volume-weighted average price over a three-month reference period prior to the announcement of the structural measure (see BGH, decision of 31 January 2024 – II ZB 5/22 – “Vodafone/Kabel Deutschland”; BGH, decision of 19 July 2010 – II ZB 18/09 – “Stollwerck”).

The average stock market prices of the Deutsche Wohnen Share and the Vonovia Share in the three-month period prior to the announcement of Vonovia's intention to prepare and enter into a DPLTA with Deutsche Wohnen on 18 September 2024, was determined by the BaFin as being EUR 19.81 for Deutsche Wohnen Shares and EUR 29.36 for Vonovia Shares. The resulting share price ratio of the Deutsche Wohnen Share and the Vonovia Share is 1 to 0.67.

In addition, Ebner Stolz also determined the median and the mean average of the exchange ratios based on the share price which are derived on the basis of volume-weighted three-

month average prices from and including 18 September 2023 to and including 17 September 2024. The median determined in this way is 0.76, and the mean average is 0.79.

2. Enterprise valuation of Vonovia and Deutsche Wohnen according to the capitalised earnings method

The objectified enterprise value of Vonovia as of 23 January 2025 in accordance with IDW S1 determined by the Valuation Expert in its valuation report using the capitalised earnings method amounts to approximately EUR 25,374.7 and the share value, based on 822,852,925 Vonovia Shares, amounts to EUR 30.84 per Vonovia Share. The objectified enterprise value of Deutsche Wohnen as of 23 January 2025 to be determined using the capitalised earnings method within the meaning of IDW S1 amounts to approximately EUR 9,728.5 and the share value, based on 396,934,985 Deutsche Wohnen Shares, amounts to EUR 24.51 per Deutsche Wohnen Share. This results in an arithmetic Exchange Ratio of Deutsche Wohnen Shares to Vonovia Shares of 1 to 0.7947.

3. Overall assessment

As a result of an overall assessment within the bounds of what is permitted by the courts, the Parties have agreed on an Exchange Ratio of 0.7947 no-par-value shares in Vonovia for each Deutsche Wohnen Share, taking into account the stock market prices of Deutsche Wohnen and Vonovia Shares, the capitalised earnings values determined by Ebner Stolz, the views of the Contract Auditor as well as the historical stock market price development and the interest of the Parties in the conclusion of the Agreement.

III. Determination and fixing of the amount of the appropriate Recurring Compensation Payment pursuant to section 304 AktG

Pursuant to § 4(1) and (2) of the Agreement, Vonovia will grant outside Deutsche Wohnen Shareholders a fixed annual Recurring Compensation Payment for the first time for the current financial year when the Agreement is registered in the commercial register of Deutsche Wohnen, which is expected to be the financial year starting on 1 January 2025, for the duration of the Agreement. The annual Recurring Compensation Payment amounts to EUR 1.22 (Gross Recurring Compensation Amount) or EUR 1.03 (Net Recurring Compensation Amount) per Deutsche Wohnen Share.

The reasons why the Parties agreed on a fixed Recurring Compensation Payment were set out in section D.I.4.1 above. The Parties agreed on a gross amount in accordance with the ruling of the BGH (decision of 21 July 2003 – II ZB 17/01 – “Ytong”). In this regard, reference is made to the explanations in section D.I.4.2 above.

The Management Board of Deutsche Wohnen and the Management Board of Vonovia, by mutual agreement, fixed the amount of the Recurring Compensation Payment on the basis of the conclusions of the Expert Opinion dated 14 December 2024, in which the Valuation Expert arrives at the conclusion that the amount of appropriate Recurring Compensation Payment derived from the arithmetic objectified enterprise value of Deutsche Wohnen in accordance with IDW S1 is EUR 1.22 gross (EUR 1.03 net) for the appropriate Recurring Compensation Payment per Deutsche Wohnen Share. According to Ebner Stolz’s assessment, it would not be suitable to determine the Recurring Compensation Payment pursuant to section 304 AktG based on the stock market price of Deutsche Wohnen Shares, since the stock market price exceeds the operating profitability (*Ertragskraft*) of Deutsche Wohnen.

F. Contract audit

The Contract Auditor, I-ADVISE, examined the Agreement and in particular the appropriateness of the compensation and the annually Recurring Compensation Payment and prepared an Audit Report in which the compensation and the annually Recurring Compensation Payment set forth in the Agreement were confirmed as appropriate. The Audit Report, together with the documents referred to in section 293f(1) AktG, will be available on Vonovia's web site at <https://investors.vonovia.de/agm> and on the web site of Deutsche Wohnen at <https://www.deutsche-wohnen.com/agm> from the date the extraordinary general meetings are convened.

Vonovia SE

The Executive Board

Bochum, 15 December 2024

Rolf Buch

Member of the Executive Board, CEO

Daniel Riedl

Member of the Executive Board, CDO

Arnd Fittkau

Member of the Executive Board, CRO

Philip Grosse

Member of the Executive Board, CFO

Ruth Werhahn

Member of the Executive Board, CHRO

Deutsche Wohnen SE

The Executive Board

Berlin, 15 December 2024

Lars Urbansky

Member of the Executive Board, CEO

Olaf Weber

Member of the Executive Board, CFO

Eva Weiß

Member of the Executive Board, CDO

Annex 1 List of all Vonovia Group companies

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
Deutsche Annington Beteiligungsverwaltungs GmbH	Düsseldorf
Deutsche Wohn-Inkasso GmbH	Bochum
Deutsche Annington Acquisition Holding GmbH	Düsseldorf
Vonovia Wohnumfeld Service GmbH	Düsseldorf
MIRA Grundstücksgesellschaft mbH	Düsseldorf
Living Innovations- & Beteiligungsgesellschaft mbH	Bochum
Deutsche Annington Wohnungsgesellschaft I mbH	Essen
Deutsche Annington Immobilien-Dienstleistungen GmbH	Düsseldorf
Deutsche Annington Interim DAMIRA GmbH	Düsseldorf
Frankfurter Siedlungsgesellschaft mbH (FSG)	Düsseldorf
FSG-Holding GmbH	Düsseldorf
Deutsche Annington Fünfte Beteiligungsgesellschaft mbH	Düsseldorf
Deutsche Annington WOGÉ Vier GmbH & Co. KG	Bochum
Deutsche Annington Holdings Eins GmbH	Düsseldorf
Deutsche Annington Holdings Zwei GmbH	Düsseldorf
Vonovia Modernisierungs GmbH	Düsseldorf
DA DMB Netherlands B.V.	Eindhoven
Deutsche Annington DMB Eins GmbH	Bochum
Wohnumfeld Hausservice GmbH	Bochum
Deutsche Annington Holdings Drei GmbH	Bochum
Deutsche Annington Holdings Sechs GmbH	Bochum
Vonovia Engineering GmbH	Bochum
Dr. Schönberger GmbH	Erfurt
NEARBYK GmbH	Bochum
Deutsche TGS GmbH	Düsseldorf
Vonovia Immobilienservice GmbH	München
Deutsche Multimedia Service GmbH	Düsseldorf
Vonovia Energie Service GmbH	Bochum
Deutsche Annington Kundenservice GmbH	Bochum
Vonovia Eigentumsservice GmbH	Bochum
Vonovia Immobilienmanagement GmbH	Bochum
ecowo GmbH	Bochum
Viterra Holdings Eins GmbH	Düsseldorf
Viterra Holdings Zwei GmbH	Düsseldorf
Vonovia SE	Bochum
Deutsche Annington Zweite Beteiligungsgesellschaft mbH	Düsseldorf
Vonovia Pro Bestand Nord GmbH	Bochum
Vonovia Pro Bestand Nord Invest GmbH	Bochum
Vonovia Pro Bestand Nord Real Estate GmbH	Bochum
Deutsche Annington WOGÉ Vier Bestands GmbH & Co. KG	Bochum
Deutsche Annington Holdings Vier GmbH	Düsseldorf
Deutsche Annington Holdings Fünf GmbH	Düsseldorf
Deutsche Annington WOGÉ Sieben Verwaltungs-GmbH	Düsseldorf
Deutsche Annington Heimbau GmbH	Kiel
Deutsche Annington Haus GmbH	Kiel
Deutsche Annington DEWG GmbH & Co. KG	Bochum
Alboingärten Bauvorhaben Bessemerstraße GmbH	Schönefeld
Wohnungsgesellschaft Ruhr-Niederrhein mbH Essen.	Essen
Deutsche Annington Rhein - Ruhr GmbH & Co. KG	Bochum
Eisenbahn-Wohnungsbaugesellschaft Köln mbH	Köln
Deutsche Annington Fundus Immobiliengesellschaft mbH	Köln
Deutsche Annington Rheinland Immobiliengesellschaft mbH	Köln
Deutsche Eisenbahn-Wohnungs-Gesellschaft mbH	Leipzig
Deutsche Annington DEWG Verwaltungs GmbH	Düsseldorf
BWG Frankfurt am Main Bundesbahn-Wohnungsgesellschaft mbH	Frankfurt am Main
Eisenbahn-Wohnungsbau-Gesellschaft Karlsruhe GmbH	Karlsruhe
Bundesbahn-Wohnungsbaugesellschaft Kassel Gesellschaft mit beschränkter Haftung	Kassel
Bundesbahn Wohnungsbaugesellschaft Kassel Gesellschaft mit beschränkter Haftung - Bilanzstelle	Kassel
"Siege" Siedlungsgesellschaft für das Verkehrspersonal mbH Mainz	Mainz
Eisenbahn-Siedlungsgesellschaft Augsburg mbH (Siegau)	Augsburg
Baugesellschaft Bayern mbH	München
Eisenbahn-Wohnungsbaugesellschaft Nürnberg GmbH	Nürnberg
Bundesbahn-Wohnungsbaugesellschaft Regensburg mbH	Regensburg
Vonovia Finance B.V.	Amsterdam
DA EB GmbH	Nürnberg
Vonovia Elbe Wohnen GmbH	Bochum
PRIMA Wohnbauten Privatisierungs-Management GmbH	Berlin
Deutsche Annington Holdings Vier GmbH & Co. KG	Bochum
Deutsche Annington Sechste Beteiligungs GmbH	Düsseldorf
Deutsche Annington McKinley-Holding GmbH & Co. KG	Bochum

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
Deutsche Annington McKinley Eins Verwaltungs GmbH	Düsseldorf
Deutsche Annington McKinley Eins GmbH & Co. KG	Bochum
Fjord Immobilien GmbH	Kiel
BUWOG - Bauen und Wohnen Süd GmbH	Lindau
Norddeutsche Immobilien Holding GmbH	Bochum
VIH GmbH	Bochum
SEED 1 GmbH	Berlin
DA Jupiter NL JV Holdings 1 B.V.	Amsterdam
DA Jupiter Wohnanlage GmbH	Düsseldorf
DAIG 1. Objektgesellschaft mbH	Düsseldorf
DAIG 2. Objektgesellschaft mbH	Düsseldorf
DAIG 3. Objektgesellschaft mbH	Düsseldorf
DAIG 4. Objektgesellschaft mbH	Düsseldorf
DAIG 12. Objektgesellschaft mbH	Düsseldorf
DAIG 13. Objektgesellschaft mbH	Düsseldorf
DAIG 9. Objektgesellschaft B.V.	Amsterdam
DAIG 10. Objektgesellschaft B.V.	Amsterdam
DAIG 11. Objektgesellschaft B.V.	Amsterdam
DAIG 14. Objektgesellschaft B.V.	Amsterdam
DAIG 15. Objektgesellschaft B.V.	Amsterdam
DAIG 17. Objektgesellschaft B.V.	Amsterdam
DAIG 18. Objektgesellschaft B.V.	Amsterdam
DAIG 19. Objektgesellschaft B.V.	Amsterdam
DAIG 20. Objektgesellschaft B.V.	Amsterdam
DAIG 21. Objektgesellschaft B.V.	Amsterdam
DAIG 22. Objektgesellschaft B.V.	Amsterdam
DAIG 23. Objektgesellschaft B.V.	Amsterdam
DAIG 24. Objektgesellschaft B.V.	Amsterdam
DAIG 25. Objektgesellschaft B.V.	Amsterdam
Beamten-Baugesellschaft Bremen Gesellschaft mit beschränkter Haftung	Bremen
Kieler Wohnungsbaugesellschaft mit beschränkter Haftung	Kiel
Bremische Gesellschaft für Stadterneuerung, Stadtentwicklung und Wohnu	Bremen
Börsenhof A Besitz GmbH	Bremen
RSTE Objektgesellschaft Wohnanlagen für Chemnitz mbH	Wuppertal
Franconia Invest 1 GmbH	Düsseldorf
Franconia Wohnen GmbH	Düsseldorf
Vonovia Elbe Berlin II GmbH	Nürnberg
Vonovia Elbe Berlin III GmbH	Nürnberg
Vonovia Elbe Dresden I GmbH	Nürnberg
Vonovia Elbe Ost GmbH	Nürnberg
Vonovia Elbe GmbH	Nürnberg
Vonovia Elbe Wannsee I GmbH	Nürnberg
Grundwert Living GmbH	Berlin
BUWOG - Bauen und Wohnen Leipzig GmbH	Leipzig
BUWOG Projektmanagement GmbH	Berlin
BUWOG - Bauen und Wohnen Deutschland 1 GmbH	Schönefeld
Süddeutsche Wohnen Holding GmbH	Bochum
Vonovia Operations GmbH	Bochum
Vonovia Eigentumsverwaltungs GmbH	Bochum
BUWOG Immobilien Treuhand GmbH	Bochum
Vonovia Dritte Berlin GmbH	Schönefeld
GAGFAH Holding GmbH	Bochum
GAGFAH Asset Management GmbH	Bochum
Vonovia Kundenservice GmbH	Bochum
Vonovia Technischer Service Nord GmbH	Essen
Vonovia Mess Service GmbH	Essen
GAGFAH Hausservice GmbH	Essen
GAGFAH GmbH	Bochum
GAGFAH M Immobilien-Management GmbH	Bochum
Neues Schweizer Viertel Betriebs+Service GmbH & Co. KG	Berlin
NILEG Immobilien Holding GmbH	Hannover
Osnabrücker Wohnungsbaugesellschaft mit beschränkter Haftung	Osnabrück
NILEG Norddeutsche Immobiliengesellschaft mbH	Hannover
Wohnungsgesellschaft Norden mit beschränkter Haftung	Hannover
Wohnungsbau Niedersachsen Gesellschaft mit beschränkter Haftung	Hannover
GAGFAH Acquisition 1 GmbH	Bochum
GAGFAH Acquisition 2 GmbH	Bochum
GAGFAH Erste Grundbesitz GmbH	Bochum
GAGFAH Zweite Grundbesitz GmbH	Bochum
GAGFAH Dritte Grundbesitz GmbH	Bochum

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
GAGFAH Griffin Holding GmbH	Bochum
GAGFAH Griffin GmbH	Bochum
GBH Acquisition GmbH	Bochum
GBH Service GmbH	Brenz
WOBA HOLDING GMBH	Dresden
WOBA DRESDEN GMBH	Dresden
Immo Service Dresden GmbH	Dresden
Vonovia Technischer Service Süd GmbH	Dresden
Bau- und Siedlungsgesellschaft Dresden mbH	Dresden
Liegenschaften Weißig GmbH	Dresden
WOHNBAU NORDWEST GmbH	Dresden
SÜDOST WOBA DRESDEN GMBH	Dresden
Haus- und Boden-Fonds 38	Essen
Süddeutsche Wohnen Management Holding GmbH	Stuttgart
Süddeutsche Wohnen Gebäude GmbH	Stuttgart
Süddeutsche Wohnen GmbH	Stuttgart
Süddeutsche Wohnen Grundstücksgesellschaft mbH	Stuttgart
Eisenbahn-Siedlungsgesellschaft Stuttgart, gemeinnützige Gesellschaft mit beschränkter Haftung	Stuttgart
RVG Rheinauhafen-Verwaltungsgesellschaft mbH	Köln
Vonovia Managementverwaltung GmbH	Nürnberg
Vonovia Immobilienmanagement one GmbH	Frankfurt am Main
Vonovia Immobilienmanagement two GmbH	Frankfurt am Main
KWG Kommunale Wohnen GmbH	Berlin
KWG Grundbesitz I Verwaltungs GmbH	Berlin
KWG Grundbesitz CI GmbH & Co. KG	Berlin
KWG Immobilien GmbH	Berlin
SWG Siedlungs- und Wohnhausgesellschaft Sachsen GmbH	Berlin
KWG Grundbesitz CIII GmbH & Co. KG	Berlin
KWG Grundbesitz III GmbH	Berlin
KWG Grundbesitz VI GmbH	Berlin
KWG Grundbesitz X GmbH	Berlin
HvD I Grundbesitzgesellschaft mbH	Berlin
Barmer Wohnungsbau GmbH	Wuppertal
Barmer Wohnungsbau Grundbesitz I GmbH	Wuppertal
Barmer Wohnungsbau Grundbesitz IV GmbH	Wuppertal
Barmer Wohnungsbau Grundbesitz V GmbH	Wuppertal
conwert Deutschland Holding GmbH	Berlin
conwert Capricornus Invest GmbH	Zossen
conwert Carina Invest GmbH	Berlin
conwert Lepus Invest GmbH	Berlin
conwert omega Invest GmbH	Zossen
conwert Wohn-Fonds GmbH	Zossen
conwert Epitaurus Invest GmbH	Zossen
HPE Hausbau GmbH	Zossen
HPE Sechste Hausbau Portfolio GmbH	Zossen
HPE Siebte Hausbau Portfolio GmbH	Berlin
conwert Alfhild II Invest GmbH	Berlin
conwert Eisa Invest GmbH	Zossen
conwert Wali Invest GmbH	Berlin
conwert & kelber Besitz 10/2007 GmbH	Berlin
conwert & kelber Bestand 10/2007 GmbH	Berlin
conwert & kelber Besitz 11/2007 GmbH	Zossen
KKS Projektentwicklung GmbH	Berlin
conwert Alfhild Invest GmbH	Berlin
conwert Deutschland Beteiligungsholding GmbH	Berlin
conwert Centaurus Invest GmbH	Zossen
GAG Grundstücksverwaltungs-GmbH	Berlin
conwert Tizian 1 Invest GmbH	Berlin
conwert Tizian 2 Invest GmbH	Berlin
conwert Grundbesitz Leipzig Besitz GmbH	Berlin
conwert Immobilien Development GmbH	Berlin
conwert Grazer Damm Development GmbH	Zossen
conwert gamma Invest GmbH	Berlin
conwert delta Invest GmbH	Berlin
conwert Pegasus Invest GmbH	Berlin
conwert Grundbesitz Leipzig Bestand GmbH	Zossen
conwert Berlin 2 Immobilien Invest GmbH	Zossen
conwert lambda Invest GmbH	Berlin
IESA Immobilien Entwicklung Sachsen GmbH	Berlin
BUWOG - Bauen und Wohnen Deutschland 3 GmbH	Berlin

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
conwert Sachsen Invest GmbH	Zossen
conwert Dresden Vier Invest GmbH	Berlin
Diak-Nd Pflege-Altenheime Besitz GmbH	Berlin
conwert Deutschland GmbH	Berlin
alt+kelber Immobilienverwaltung GmbH	Berlin
BUWOG - Rhein-Main Development GmbH	Hanau
BUWOG - Berlin Wohnen GmbH	Kiel
BUWOG - Berlin Wohnen II GmbH	Kiel
BUWOG - Hamburg Wohnen GmbH	Kiel
BUWOG - Berlin Wohnen III GmbH	Kiel
BUWOG - Grundstücks- und Betriebs GmbH	Kiel
BUWOG - Gartenfeld Wohnen GmbH	Kiel
BUWOG - Schleswig-Holstein GmbH	Kiel
BUWOG - Hamburg Süd GmbH	Kiel
BUWOG - Kiel Meimersdorf GmbH	Kiel
Planungsgemeinschaft "Das-Neue-Gartenfeld" GmbH & Co. KG	Berlin
Planungsgemeinschaft "Das-Neue-Gartenfeld" Verwaltungs GmbH	Berlin
BUWOG - Kassel Verwaltungs GmbH	Kiel
BUWOG Kassel I GmbH & Co. KG	Bochum
BUWOG Kassel II GmbH & Co. KG	Bochum
BUWOG - Berlin I GmbH & Co. KG	Bochum
BUWOG - Berlin Kreuzberg I GmbH & Co. KG	Bochum
BUWOG - Kiel I GmbH & Co. KG	Bochum
BUWOG Syke GmbH	Kiel
BUWOG - Lüneburg GmbH	Kiel
BUWOG - Niedersachsen/Bremen GmbH	Kiel
Tempelhofer Feld GmbH für Grundstücksverwertung	Kiel
BUWOG - Spandau Primus GmbH	Kiel
BUWOG Spandau 1 GmbH & Co. KG	Kiel
BUWOG Spandau 2 GmbH & Co. KG	Kiel
BUWOG Spandau 3 GmbH & Co. KG	Kiel
BUWOG - Hausmeister GmbH	Kiel
BUWOG - Immobilien Management GmbH	Kiel
BUWOG - Gartenfeld Development GmbH	Berlin
BUWOG - Jahnstraße Development GmbH	Berlin
BUWOG - Weidenbaumsweg Development GmbH	Berlin
BUWOG - Mariendorfer Weg Development GmbH	Berlin
BUWOG - Harzer Straße Development GmbH	Berlin
BUWOG - Heidestraße Development GmbH	Berlin
BUWOG - Goethestraße Development GmbH	Berlin
BUWOG - Bauen und Wohnen Deutschland 2 GmbH	Berlin
BUWOG - Region Ost Development GmbH	Berlin
BUWOG - Lückstraße Development GmbH	Berlin
BUWOG - Parkstraße Development GmbH	Berlin
BUWOG Bauträger GmbH	Berlin
BUWOG-Lindenstraße Development GmbH	Berlin
BUWOG - Regattastraße Development GmbH	Berlin
BUWOG - Gervinusstraße Development GmbH	Berlin
BUWOG-Westendpark Development GmbH	Berlin
BUWOG - NDL I GmbH	Kiel
BUWOG - NDL II GmbH	Kiel
BUWOG - NDL III GmbH	Kiel
BUWOG - NDL IV GmbH	Kiel
BUWOG - NDL V GmbH	Kiel
BUWOG - NDL VI GmbH	Kiel
BUWOG - NDL VII GmbH	Kiel
BUWOG - NDL VIII GmbH	Kiel
BUWOG - NDL IX GmbH	Kiel
BUWOG - NDL X GmbH	Kiel
BUWOG - NDL XI GmbH	Kiel
BUWOG - NDL XII GmbH	Kiel
BUWOG - NDL XIII GmbH	Kiel
BUWOG - Kiel II GmbH	Kiel
BUWOG - Hamburg Umland I GmbH	Kiel
BUWOG - Kiel III GmbH	Kiel
BUWOG - Kiel IV GmbH	Kiel

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
BUWOG - Berlin II GmbH	Kiel
BUWOG - Herzogtum Lauenburg GmbH	Kiel
BUWOG - Braunschweig I GmbH	Kiel
BUWOG - Lübeck Hanse I GmbH	Kiel
BUWOG - Lübeck Hanse II GmbH	Kiel
BUWOG - Lübeck Hanse IV GmbH	Kiel
BUWOG - Lübeck Hanse III GmbH	Kiel
BUWOG - Kiel V GmbH	Kiel
BUWOG - Hamburg Umland II GmbH	Kiel
BUWOG Wohnwerk S.A.	Luxemburg
Buwog Lux I S.à r.l.	Esch-sur-Alzette
VONOVIA FRANCE SAS	Paris
LEMONDAS Grundstücksgesellschaft mbH & Co. KG	Grünwald
LEVON Grundstücksgesellschaft mbH & Co. KG	Grünwald
KADURA Grundstücksgesellschaft mbH & Co. KG	Grünwald
JANANA Grundstücksgesellschaft mbH & Co. KG	Grünwald
MAKANA Grundstücksgesellschaft mbH & Co. KG	Grünwald
MELCART Grundstücks-Verwaltungsgesellschaft mbH	Grünwald
MANGANA Grundstücksgesellschaft mbH & Co.KG	Grünwald
MIRIS Grundstücksgesellschaft mbH & Co. KG	Grünwald
BUWOG Group GmbH	Wien
GENA ZWEI Immobilienholding GmbH	Wien
BUWOG - Bauen und Wohnen Gesellschaft mbH	Wien
BUWOG Rathausstraße GmbH	Wien
BUWOG Süd GmbH	Villach
BUWOG - Projektholding GmbH	Wien
BUWOG - Penzinger Straße 76 GmbH	Wien
BUWOG Döblerholstraße GmbH	Wien
BUWOG Himberger Straße GmbH	Wien
BUWOG Handelskai 346 GmbH	Wien
BUWOG Diesterweggasse 27 GmbH	Wien
BUWOG Breitenfurterstraße 239 GmbH	Wien
BUWOG Demophon Immobilienvermietungs GmbH	Wien
BUWOG Gewerbeimmobilien Eins GmbH	Wien
BUWOG Breitenfurterstraße Eins, GmbH & Co KG	Wien
BUWOG Projektentwicklung GmbH	Wien
BUWOG Altprojekte GmbH	Wien
BUWOG Seeparkquartier Holding GmbH	Wien
BUWOG Seeparkquartier GmbH	Wien
BUWOG - PSD Holding GmbH	Wien
BUWOG Pfeiffergasse 3-5 GmbH	Wien
"Heller Fabrik" Liegenschaftsverwertungs GmbH	Wien
BUWOG Linke Wienzeile 280 GmbH	Wien
MARINA TOWER Holding GmbH	Wien
BUWOG Holding GmbH	Wien
ECO Business-Immobilien GmbH	Wien
EBI Beteiligungen GmbH	Wien
Kapital & Wert Immobilienbesitz GmbH	Wien
Brunn am Gebirge Realbesitz GmbH	Wien
BUWOG Laaer-Berg-Straße 45 GmbH	Wien
EB Immobilien Invest GmbH	Wien
EBI Beteiligungen GmbH & Co. 1190 Wien, Rampengasse 3-5, KG	Wien
TPI Tourism Properties Invest GmbH	Wien
T-Unternehmensbeteiligung GmbH	Wien
TPI Immobilien Holding GmbH	Wien
Gewerbepark Urstein Besitz GmbH	Wien
Gewerbepark Urstein Besitz GmbH & Co KG	Wien
GGJ Beteiligungs GmbH	Wien
GGJ Beteiligungs GmbH & Co Projekt Eins OG	Wien
Con value one Immobilien GmbH	Wien
G-Unternehmensbeteiligung GmbH	Wien
GJ-Beteiligungs GmbH	Wien
BUWOG Bestands und Projektentwicklungs GmbH	Wien
BUWOG ow Handelsges.m.b.H.	Wien
BUWOG cw Invest GmbH	Wien
Con Tessa Immobilienverwertung GmbH	Wien
DATAREAL Beteiligungsgesellschaft m.b.H. & Co. Gablenzgasse 60 KG	Wien
DATAREAL Beteiligungsgesellschaft m.b.H.& Co. Heiligenstädter Straße 9	Wien
"G1" Immobilienbesitz GmbH	Wien
Roßauer Lände 47-49 Liegenschaftsverwaltungs GmbH	Wien
WZH WEG Besitz GmbH	Wien
TP Besitz GmbH	Wien
CENTUM Immobilien GmbH	Wien

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
Stubenbastei 10 und 12 Immobilien GmbH	Wien
GJ-Beteiligungs GmbH & Co Projekt Fünf OG	Wien
Anton Baumgartner-Straße 125, 1230 Wien, Besitz GmbH	Wien
Verein "Social City" - Verein zur Förderung der sozialen Kontakte und der s	Wien
BUWOG Bernreiterplatz 13 GmbH	Wien
BUWOG Baranygasse 7 GmbH	Wien
BUWOG Diesterweggasse 27 GmbH & Co KG	Wien
BUWOG Heiligenstädter Lände 29 GmbH & Co KG	Wien
BUWOG Turnergasse 9 GmbH	Wien
BUWOG HANDWERKEREI GmbH	Wien
Victoriahem AB	Malmö
Victoriahem Bygg och Projekt AB	Malmö
Victoriahem Fastigheter Göteborg AB	Malmö
Victoriahem Holding Lövgärdet AB	Malmö
Victoriahem Lövgärdet Handelsbolag	Malmö
Victoriahem Lövgärdet Ctr Kommanditbolag	Malmö
Victoriahem Bergsjön AB	Malmö
Victoriahem Holding Rosengård AB	Malmö
Victoriahem Rosengård AB	Malmö
Victoriahem Nygård AB	Malmö
Victoriahem Markaryd AB	Malmö
Victoriahem Holding Tensta AB	Malmö
Victoriahem Tensta AB	Malmö
Victoriahem Holding Kristianstad AB	Malmö
Victoriahem Kristianstad AB	Malmö
Victoriahem Holding Eskilstuna AB	Malmö
Victoriahem Råbergstorp AB	Malmö
Victoriahem Eskilstuna Skiftinge AB	Malmö
Victoriahem Borås AB	Malmö
Victoriahem Holding Nyköping AB	Malmö
Victoriahem Nyköping AB	Malmö
Victoriahem Holding Karlskrona AB	Malmö
Victoriahem Karlskrona AB	Malmö
Victoriahem Living AB	Malmö
Victoriahem Boliger AB	Malmö
Victoriahem Holding Växjö AB	Malmö
Victoriahem Växjö AB	Malmö
Victoriahem Holding Örebro AB	Malmö
Victoriahem Björkriset AB	Malmö
Victoriahem Mozart AB	Malmö
Victoriahem Mozart Fastighets AB	Malmö
Victoriahem Vivaldi I AB	Malmö
Victoriahem Trelleborg AB	Malmö
Victoriahem Malmö Centrum AB	Malmö
Victoriahem Beethoven I AB	Malmö
Victoriahem Servicecenter AB	Malmö
Victoriahem Holding Landskrona AB	Malmö
Victoriahem Vivaldi III AB	Malmö
Victoriahem Tallriset AB	Malmö
Victoriahem Vivaldi IV AB	Malmö
Victoriahem Söderby 23 AB	Malmö
Victoriahem Vivaldi V AB	Malmö
Victoriahem Brandbergen NO AB	Malmö
Victoriahem Våmmedal AB	Malmö
Victoriahem Söderby 68 AB	Malmö
Victoriahem Gulsparven AB	Malmö
Victoriahem Ostbrickan AB	Malmö
HomeStar InvestCo AB	Stockholm
Victoriahem Landskrona AB	Malmö
Victoriahem Gröna Lund 35 AB	Malmö
Victoriahem Smaragden 2 AB	Malmö
Victoriahem Fastigheter AB	Malmö
Victoriahem Albyberget AB	Stockholm
Victoriahem Alby AB	Stockholm
Victoriahem Köping AB	Stockholm
Victoriahem Bredbykvärvn AB	Stockholm
Victoriahem Duvholmen 1 AB	Stockholm

Annex 1

Vonovia Group companies (as of: 31 December 2023)

HR-Name	Sitz
Victoriahem Holmiensis II AB	Stockholm
Victoriahem Husby Sollentuna AB	Stockholm
Victoriahem Valsåtra Galaxen AB	Stockholm
Victoriahem Katrineholm AB	Stockholm
Victoriahem Norrköping Navestad AB	Norrköping
Victoriahem Turbinen och Zenith VI AB	Stockholm
Victoriahem Eskilstuna Bostad AB	Eskilstuna
Victoriahem i Sverige V AB	Stockholm
Victoriahem Västerås AB	Stockholm
Victoriahem i Sverige Fyra AB	Stockholm
Victoriahem Zenithegie I AB	Stockholm
Victoriahem Zenithegie II AB	Stockholm
Victoriahem Ösmo AB	Stockholm
Victoriahem Zenithegie III AB	Stockholm
Victoriahem Nynäsvägen 27 AB	Stockholm
Victoriahem Nynäsvägen 24 och 26 AB	Stockholm
Victoriahem Industrivägen 19 AB	Stockholm
Victoriahem Grevgatan 20 AB	Stockholm
Victoriahem Jämvägsgränd 28 AB	Stockholm
Victoriahem i Sverige III AB	Stockholm
Victoriahem Svart AB	Stockholm
Victoriahem Sten AB	Stockholm
Victoriahem Norrköping Hageby AB	Stockholm
Victoriahem Nyfors City AB	Stockholm
Victoriahem Jordbro AB	Stockholm
Victoriahem Rinkeby AB	Stockholm
Victoriahem Bromsten AB	Stockholm
Victoriahem Strängnäs AB	Stockholm
Victoriahem NYKR Holdco AB	Stockholm
Victoriahem NYKR AT AB	Stockholm
Victoriahem Arboga AB	Stockholm
Victoriahem Tranås AB	Stockholm
Victoriahem Uthyrning Tranås AB	Stockholm
Victoriahem Tranås Två Handelsbolag	Tranås
Victoriahem NYKR FH AB	Stockholm
Victoriahem Kista Förvaltning AB	Stockholm
Victoriahem Kista Kommandit AB	Stockholm
Victoriahem Bergen 1 Kommanditbolag	Stockholm
Victoriahem Nordkapsgatan Kommanditbolag	Stockholm
Victoriahem Nidarosgatan Kommanditbolag	Stockholm
Victoriahem Telemark Kommanditbolag	Stockholm
Victoriahem Tönsbergsgatan Kommanditbolag	Stockholm
Victoriahem Vårby Visättra AB	Stockholm
Victoriahem Holmiensis Bostäder AB	Stockholm
Victoriahem Bredbykvärn Garage AB	Stockholm
Victoriahem Trojeborgsfastigheter AB	Stockholm
Victoriahem Huddinge Fyra AB	Stockholm
Victoriahem Inanis Holdco AB	Stockholm
Victoriahem Inanis Alba II AB	Stockholm
Victoriahem Inanis Alba I AB	Stockholm
Victoriahem Bergen II AB	Stockholm
Victoriahem i Sverige II AB	Stockholm
Victoriahem i Söderort AB	Stockholm
Victoriahem Veningen AB	Stockholm
Victoriahem Kullerstensvägen AB	Stockholm
Victoriahem Jordbro Västra Kommanditbolag	Stockholm
Victoriahem Ronna AB	Stockholm
Victoriahem M-ryd Holding AB	Stockholm
Victoriahem Uppsala Bro Märsta AB	Upplands-Bro
Victoriahem M-ryd Södertälje AB	Södertälje
Victoriahem Linrepan AB	Stockholm
Victoriahem GF AB	Eskilstuna
Victoriahem Nyproduktion AB	Stockholm

Annex 1

Deutsche Wohnen Group companies (as of: 31 December 2023)

HR-Name	Sitz
HSI Hamburger Senioren Immobilien GmbH	Hamburg
DW Pflegeheim Friesenheim Grundstücks GmbH	München
DW Pflegeheim Frankfurt am Main Grundstücks GmbH	München
DW Pflegeheim Würselen Grundstücks GmbH	München
DW Pflegeheim Eschweiler Grundstücks GmbH	München
DW Pflegeheim Meckenheim Grundstücks GmbH	München
DW Pflegeheim Dresden Grundstücks GmbH	München
DW Pflegeheim Potsdam Grundstücks GmbH	München
DW Pflegeheim Glienicke Grundstücks GmbH	München
ISARIA Objekt Preußenstraße GmbH	München
ISARIA Objekt Hoferstraße GmbH	München
PUW AcquiCo GmbH	Hamburg
PUW PFLEGENUNDWOHNEN Beteiligungs GmbH	Hamburg
HSI Hamburger Senioren Immobilien Management GmbH	Hamburg
DW Pflegeheim Konz Grundstücks GmbH	München
DW Pflegeheim Weiden Grundstücks GmbH	München
DW Pflegeresidenzen Grundstücks GmbH	München
GEHAG Grundbesitz I GmbH	Berlin
GEHAG Grundbesitz II GmbH	Berlin
GEHAG Grundbesitz III GmbH	Berlin
Deutsche Wohnen SE	Berlin
Larry I Targetco (Berlin) GmbH	Berlin
Deutsche Wohnen Berlin X GmbH	Berlin
Deutsche Wohnen Berlin XII GmbH	Berlin
Deutsche Wohnen Berlin XIII GmbH	Berlin
WIK Wohnen in Krampnitz GmbH	Berlin
Larry II Targetco (Berlin) GmbH	Berlin
Deutsche Wohnen Berlin XV GmbH	Berlin
Deutsche Wohnen Berlin XVI GmbH	Berlin
Deutsche Wohnen Berlin XVII GmbH	Berlin
DW Property Invest GmbH	Berlin
DELTA VIVUM Berlin I GmbH	Berlin
DELTA VIVUM Berlin II GmbH	Berlin
ISABELL GmbH	Berlin
ISARIA Objekt Norderneyer Straße GmbH	München
Objekt Gustav-Heinemann-Ring GmbH	München
ISARIA Dachau Entwicklungsgesellschaft mbH	München
ISARIA Hegeneck 5 GmbH	München
ISARIA Objekt Achter de Weiden GmbH	München
ISARIA Stuttgart GmbH	München
ISARIA Objekt Garching GmbH	München
Isaria Objekt Erminoldstraße GmbH	München
Amber Erste VV GmbH	Berlin
Amber Zweite VV GmbH	Berlin
Amber Dritte VV GmbH	Berlin
Aragon 13. VV GmbH	Berlin
Aragon 14. VV GmbH	Berlin
Aragon 15. VV GmbH	Berlin
Aragon 16. VV GmbH	Berlin
Beragon VV GmbH	Berlin
Ceragon VV GmbH	Berlin
Eragon VV GmbH	Berlin
Faragon V V GmbH	Berlin
Geragon VV GmbH	Berlin
Haragon VV GmbH	Berlin
Iragon VV GmbH	Berlin
Karagon VV GmbH	Berlin
Laragon VV GmbH	Berlin
Maragon VV GmbH	Berlin
Deutsche Wohnen Immobilien Management GmbH	Berlin
Deutsche Wohnen Kundenservice GmbH	Berlin
Deutsche Wohnen Corporate Real Estate GmbH	Berlin
Deutsche Wohnen Management GmbH	Berlin

Annex 1

Deutsche Wohnen Group companies (as of: 31 December 2023)

HR-Name	Sitz
Deutsche Wohnen Construction and Facilities GmbH	Berlin
Deutsche Wohnen Management- und Servicegesellschaft mbH	Frankfurt am Main
Deutsche Wohnen Fondsbeteiligungs GmbH	Berlin
Deutsche Wohnen Multimedia Netz GmbH	Berlin
Deutsche Wohnen Technology GmbH	Berlin
EMD Energie Management Deutschland GmbH	Berlin
Deutsche Wohnen Reisholz GmbH	Berlin
Deutsche Wohnen Beteiligungsverwaltungs GmbH & Co. KG	Berlin
Deutsche Wohnen Zweite Fondsbeteiligungs GmbH	Berlin
Alpha Asset Invest GmbH	Berlin
Rhein-Pfalz Wohnen GmbH	Mainz
Main-Taunus Wohnen GmbH	Eschborn
Deutsche Wohnen Asset Immobilien GmbH	Frankfurt am Main
Rhein-Mosel Wohnen GmbH	Mainz
Rhein-Main Wohnen GmbH	Frankfurt am Main
Deutsche Wohnen Beteiligungen Immobilien GmbH	Frankfurt am Main
RMW Projekt GmbH	Frankfurt am Main
Deutsche Wohnen Direkt Immobilien GmbH	Frankfurt am Main
Gehag Acquisition Co. GmbH	Berlin
HESIONE Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main
GEHAG Beteiligungs GmbH & Co. KG	Berlin
GEHAG Erwerbs GmbH & Co. KG	Berlin
GEHAG GmbH	Berlin
Algarobo Holding B.V.	Amsterdam
GEHAG Vierte Beteiligung SE	Berlin
GEHAG Dritte Beteiligungs GmbH	Berlin
Holzmindeener Straße/Tempelhofer Weg Grundstücks GmbH	Berlin
SGG Scharweberstraße Grundstücks GmbH	Berlin
AGG Auguste-Viktoria-Allee Grundstücks GmbH	Berlin
BauBeCon Immobilien GmbH	Berlin
BauBeCon Wohnwert GmbH	Berlin
BauBeCon BIO GmbH	Berlin
GGR Wohnparks Kastanienallee GmbH	Berlin
GGR Wohnparks Nord Leipziger Tor GmbH	Berlin
GGR Wohnparks Süd Leipziger Tor GmbH	Berlin
DWRE Alpha GmbH	Berlin
DWRE Braunschweig GmbH	Berlin
DWRE Dresden GmbH	Berlin
IWA GmbH Immobilien Wert Anlagen	Berlin
DWRE Halle GmbH	Berlin
DWRE Hennigsdorf GmbH	Berlin
DWRE Leipzig GmbH	Berlin
Aufbau-Gesellschaft der GEHAG mit beschränkter Haftung	Berlin
Fortimo GmbH	Berlin
GEHAG Erste Beteiligungs GmbH	Berlin
GEHAG Zweite Beteiligungs GmbH	Berlin
Eisenbahn-Siedlungs-Gesellschaft Berlin mit beschränkter Haftung	Berlin
Haus und Heim Wohnungsbau-GmbH	Berlin
Sophienstraße Aachen Vermögensverwaltungsgesellschaft mbH	Berlin
Deutsche Wohnen Berlin III GmbH	Berlin
Deutsche Wohnen Berlin II GmbH	Berlin
Deutsche Wohnen Dresden I GmbH	Berlin
Deutsche Wohnen Dresden II GmbH	Berlin
Deutsche Wohnen Berlin I GmbH	Berlin
Deutsche Wohnen Berlin 5 GmbH	Berlin
Deutsche Wohnen Berlin 6 GmbH	Berlin
Deutsche Wohnen Berlin 7 GmbH	Berlin
Olympisches Dorf Berlin GmbH	Berlin
GSW Immobilien AG	Berlin
GSW Acquisition 3 GmbH	Berlin
GSW Pegasus GmbH	Berlin
Wohnanlage Leonberger Ring GmbH	Berlin

Annex 1

Deutsche Wohnen Group companies (as of: 31 December 2023)

HR-Name	Sitz
GSW Grundvermögens- und Vertriebsgesellschaft mbH	Berlin
Zisa Verwaltungs GmbH	Berlin
Zisa Grundstücksbeteiligungs GmbH & Co. KG	Berlin
GSW Corona GmbH	Berlin
GSW Immobilien GmbH & Co. Leonberger Ring KG	Berlin
GSW-Fonds Weinmeisterhornweg 170-178 GbR	Berlin
GSW Gesellschaft für Stadterneuerung mbH	Berlin
Stadtentwicklungsgesellschaft Buch mbH	Berlin
Grundstücksgesellschaft Karower Damm mbH	Berlin
Long Islands Investments S.A.	Luxemburg
FACILITA Berlin GmbH	Berlin
RPW Immobilien GmbH & Co. KG	Berlin
Hamburger Ambulante Pflege- und Physiotherapie "HAPP" GmbH	Hamburg
Hamburger Senioren Domizile GmbH	Hamburg
LebensWerk GmbH	Berlin
Seniorenresidenz "Am Lunapark" GmbH	Leipzig
KATHARINENHOF Service GmbH	Berlin
KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH	Berlin
C. A. & Co. Catering KG	Wolkenstein
Deutsche Wohnen Care SE	Berlin
SYNVIA media GmbH	Magdeburg
Communication Concept Gesellschaft für Kommunikationstechnik mbH	Leipzig
TELE AG	Leipzig
SYNVIA mobility GmbH	Magdeburg
SYNVIA energy GmbH	Magdeburg
SYNVIA technology GmbH	Magdeburg
PUW OpCo GmbH	Hamburg
PFLEGEN & WOHNEN HAMBURG GmbH	Hamburg
PFLEGEN & WOHNEN Textil GmbH	Hamburg
PFLEGEN & WOHNEN Service GmbH	Hamburg

Annex 2

**Domination and Profit and Loss Transfer Agreement between
Vonovia SE and Deutsche Wohnen SE**

Domination and Profit and Loss Transfer Agreement

by and between

Vonovia SE (Bochum Local Court (*Amtsgericht*), HRB 16879)

- hereinafter *Controlling Company* -

and

Deutsche Wohnen SE (Charlottenburg Local Court (*Amtsgericht*), HRB 190322 B)

- hereinafter *Controlled Company* -

- The Controlling Company and the Controlled Company hereinafter jointly referred to as the
Parties -

§ 1

Management Control

- (1) The Controlled Company subordinates the management (*Leitung*) of its company to the Controlling Company. Accordingly, the Controlling Company is entitled to issue instructions (*Weisungen*) to the Management Board of the Controlled Company regarding the management of the Controlled Company, which the Management Board of the Controlled Company is obliged to follow. The Controlling Company is not entitled to issue the instruction to amend, maintain or terminate this Agreement to the Management Board of the Controlled Company.
- (2) Instructions must be issued in text form (section 126b of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*)), whereas this form shall be deemed complied with in particular by email and fax. Where instructions are issued orally, they must be confirmed in text form without undue delay, whereas such form shall also in this case be deemed complied with in particular by email and fax.

§ 2

Transfer of profit

- (1) The Controlled Company undertakes, for the first time for the financial year in which this Agreement is registered in the commercial register of the Controlled Company, to transfer its entire profits to the Controlling Company (*Gewinnabführung*). The provisions of section 301 of the German Stock Corporation Act (*Aktiengesetz – AktG*) (maximum amount of profit transfer) apply as amended from time to time; should, in the event of future amendments to section 301 AktG, the wording of the Agreement be in conflict with that statute, the latter will take precedence.
- (2) The Controlled Company may, with the consent of the Controlling Company given in text form, allocate parts of its annual net income to profit reserves (section 272(3) of the German Commercial Code (*Handelsgesetzbuch - HGB*)) if and to the extent permitted under commercial law and as economically justified by reasonable commercial judgement.
- (3) Other profit reserves in accordance with section 272(3) HGB established while this Agreement is in effect shall – as far as permitted by law – be dissolved at the request of the Controlling Company in text form and transferred as profit in accordance with the requirements of section 301 AktG as amended from time to time. Other reserves and profits carried forward and profit reserves from the period prior to the effectiveness of this Agreement may neither be transferred as profit to the Controlling Company nor be used to compensate for any annual net loss. The same applies to capital reserves, regardless of whether they were established before or after this Agreement came into effect.
- (4) The claim for the transfer of profit arises at the end of the financial year of the Controlled Company (balance sheet date). It becomes due upon approval of the annual financial statements for the relevant financial year of the Controlled Company.

§ 3

Assumption of losses

- (1) The Controlling Company undertakes, for the first time for the financial year in which this Agreement is registered in the commercial register of the Controlled Company, to assume losses in accordance with the provisions of section 302 AktG, as amended from time to time.
- (2) The obligation pursuant to subsection (1) becomes due in any event at the end of the financial year of the Controlled Company (balance sheet date).

§ 4

Recurring compensation payments

- (1) The Controlling Company guarantees and will pay, for the first time for the financial year in which this Agreement is registered in the commercial register of the Controlled Company an annually recurring cash payment to the minority shareholders (*außenstehenden Aktionären*) of the Controlled Company for each full financial year of the Controlled Company throughout the duration of the Agreement (***Recurring Compensation Payment***) (*Ausgleichszahlung*).
- (2) The Recurring Compensation Payment amounts for each full financial year of the Controlled Company for each no-par value bearer share in the Controlled Company with a notional interest in the share capital of gross EUR 1.00 to a gross sum of EUR 1,22 (***Gross Amount of Recurring Compensation***) minus the amount of any corporate income tax and the solidarity surcharge payable by the Controlled Company thereon in accordance with the tax rate applicable to these taxes for the relevant financial year, whereby the entire Gross Amount of Recurring Compensation results from Deutsche Wohnen's profits being subject to corporate income tax. Thus, based on the situation at the time of conclusion of this Agreement, the portion of the Gross Amount of Recurring Compensation which relates to profits made by the Controlled Company being subject to German corporate income tax and which is equal to EUR 1,22 per share of the Controlled Company, is subject to a deduction of 15% corporate income tax plus 5.5% solidarity surcharge thereon, that is EUR 0,19. The Recurring Compensation Payment amounts to EUR 1,03 per share of the Controlled Company for each full financial year, based on the situation at the time of conclusion of this Agreement (***Net Amount of Recurring Compensation***). For the avoidance of doubt, any withholding tax (such as withholding tax on investment income (*Kapitalertragsteuer*) plus solidarity surcharge thereon) will be withheld from the Net Amount of Recurring Compensation to the extent required by statutory law.
- (3) The Recurring Compensation Payment is due on the first banking day following the annual general meeting of the Controlled Company for the preceding financial year, but no later than eight months following the end of the relevant financial year.
- (4) If the Agreement ends during the current financial year of the Controlled Company, the Recurring Compensation Payment will be granted *pro rata temporis* with a corresponding adjustment of the relevant amounts.

- (5) In the event of capital measures by the Controlled Company, the Recurring Compensation Payment will be adjusted if and to the extent required by law.
- (6) If appraisal proceedings (*Spruchverfahren*) according to the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz - SpruchG*) are initiated and the court adjudicates a legally binding higher Recurring Compensation Payment, the minority shareholders, even if they have already been compensated according to section 5, are entitled to demand payment of a corresponding amount in addition to the Recurring Compensation Payments received by them if and to the extent provided for by law.

§ 5

Compensation

- (1) The Controlling Company undertakes to purchase, at the request of any minority shareholder of the Controlled Company, the shares of such shareholder in the Controlled Company in exchange for no-par-value registered shares with a notional interest in the share capital of the Controlling Company of EUR 1.00 each (**Compensation Shares**) at an exchange ratio of 0.7947 Compensation Shares per share of the Controlled Company (**Exchange Ratio**).
- (2) Fractional shares of Compensation Shares (**Fractional Shares**) will be compensated in cash. For the purposes of compensation in cash, Fractional Shares attributable to individual shareholders will first be consolidated into full share rights for all shares issued on a delivery date, and the resulting Compensation Shares will be sold by Deutsche Bank AG (**Settlement Agent**) on the stock exchange; the holders of Fractional Shares will receive compensation in cash amounting to the portion of the relevant sales proceeds corresponding to their Fractional Shares. If Fractional Shares still exist after the consolidation of Fractional Shares, compensation in cash will be issued in the amount of the *pro rata* closing price of the Compensation Shares in XETRA trading (or a corresponding successor system) on the Frankfurt Stock Exchange two days before the relevant compensation in cash is credited by the Settlement Agent.
- (3) The Controlling Company's obligation to purchase the shares in the Controlled Company ends two months after the date on which the registration of this Agreement in the commercial register of the Controlled Company has been made known (*bekannt gemacht*). An extension of the period pursuant to section 305(4) sentence 3 AktG due to a motion for determination of the Recurring Compensation Payment or the compensation by the court determined according to section 2 SpruchG remains unaffected. In this case, the period ends

two months after the date on which the decision on the last motion ruled on has been published in the Federal Gazette (*Bundesanzeiger*).

- (4) If capital measures are implemented by the Controlling Company or the Controlled Company prior to the end of the period specified in subsection (3), the Exchange Ratio will be adjusted if and to the extent required by law.
- (5) The transfer of the shares of the Controlled Company in exchange for the Compensation Shares to be granted is free of charge for the minority shareholders of the Controlled Company, provided that they possess a domestic securities account.
- (6) If appraisal proceedings pursuant to the SpruchG are initiated and the court adjudicates a legally binding higher compensation, the minority shareholders, even if they have already received the compensation, are entitled to demand payment of a corresponding amount in addition to the compensation if and to the extent provided by law.
- (7) If this Agreement ends upon termination by the Controlling Company at a time when the period specified in subsection (3) for accepting the compensation pursuant to subsection (1) has already expired, the Controlling Company will be obliged, at the request of any minority shareholder of the Controlled Company at that time, to purchase the shares of such shareholder in the Controlled Company in return for no-par-value registered shares with a notional interest in the share capital of the Controlling Company of EUR 1.00 each at the Exchange Ratio stated in subsection (1). In the event the compensation payable for each share of the Controlled Company under subsection (1) is increased as a result of a legally binding court decision in appraisal proceedings, the Controlling Company will purchase the shares in the Controlled Company offered by the minority shareholder at the exchange ratio determined in the appraisal proceedings. This obligation of the Controlling Company under this subsection (7) is subject to a time limit. The obligation ends two months after the day on which registration of the termination of this Agreement in the commercial register of the Controlled Company has been announced in accordance with section 10 HGB. Subsections (4) and (5) will apply *mutatis mutandis*.

§ 6

Effectiveness and term

- (1) This Agreement is made subject to the approval being granted by both the Controlling Company's general meeting and the Controlled Company's general meeting. The Agreement becomes effective upon its entry in the commercial register at the seat (*Sitz*) of the Controlled Company and – with the exception of the right to issue instructions under

section 1 – will apply retroactively as of the beginning of the financial year in which this Agreement is registered in the commercial register at the seat of the Controlled Company. The right to give instructions will only apply as and from the time of the entry of the Agreement in the commercial register at the seat of the Controlled Company.

- (2) The Controlling Company may rescind this Agreement in writing at any time until its entry in the commercial register of the Controlled Company without stating any reasons.
- (3) The Agreement is made for an indefinite period. The Agreement can be ordinarily terminated upon six months' prior notice, to the end of the Controlled Company's financial year. Notwithstanding the right to terminate for good cause (*aus wichtigem Grund*), the Agreement may be terminated for the first time with effect as of the end of the Controlled Company's financial year in which the minimum term for tax purposes pursuant to section 14(1) sentence 1 no. 3 in conjunction with section 17 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz - KStG*) and section 2(2) sentence 2 of the German Trade Tax Act (*Gewerbesteuer-gesetz*), each as amended from time to time, has been completed (according to current legislation, after five calendar years' (*Zeitjahre*) time (60 months); hereinafter ***Minimum Term***).
- (4) The Parties are entitled to terminate the Agreement, in particular, if
 - (a) as a result of the sale of shares or for other reasons, the requirements for the financial integration of the Controlled Company into the Controlling Company for tax purposes are no longer met as a result of such measure;
 - (b) the Controlling Company transfers its investment in the Controlled Company to a different entity;
 - (c) insolvency proceedings have been initiated regarding the Controlling Company's assets;
 - (d) the other Party is likely unable to satisfy its obligations existing under the Agreement (section 297(1) sentence 2 AktG);
 - (e) the Controlling Company or the Controlled Company is merged, split, or liquidated; or
 - (f) the Controlling Company or the Controlled Company changes its legal form to that of a partnership (*Personengesellschaft*); or

- (g) there exists a reason recognized by the tax authorities as constituting good cause for the early termination of a profit and loss transfer agreement.
- (5) If the validity of this Agreement or its due and proper implementation is not, either in whole or in part, recognised for tax purposes, the Parties agree that the Minimum Term will in any case begin on the first day of the financial year of the Controlled Company in relation to which the requirements for the recognition of the Agreement's validity or due and proper implementation for tax purposes are first met or are met again for the first time.

§ 7

Severability

- (1) Amendments and additions to this Agreement will be subject to section 295 AktG, as amended from time to time.
- (2) Furthermore, amendments and additions to this Agreement must be made in writing, unless notarisation is required. This also applies to a waiver of this written form requirement.
- (3) In the event that any provision of this Agreement is, or proves to be, invalid, inoperative or unenforceable, in whole or in part, then the validity, operability and enforceability of the remaining provisions of the Agreement will not be affected thereby. The invalid, inoperative or unenforceable provision shall be deemed replaced by a provision which, to the extent permitted by law, comes as close as possible to the economic result of the invalid, inoperative or unenforceable provision. In the event that this Agreement is found to contain any gap, a provision shall apply that would have been agreed by the Parties in light of their economic intent if they had been aware of the gap.
- (4) The Parties agree that the foregoing provisions not only lead to a reversal of the burden of proof but also exclude the applicability of section 139 BGB. The Parties expressly declare that this Agreement is not intended to form legal unit (*rechtliche Einheit*) (section 139 BGB) with any other legal transactions or agreements entered into or made between the Parties in the past or in the future.
- (5) In case of any doubt, the preceding provisions shall be interpreted in light of the validity requirements for forming a consolidated tax group (sections 14 et seq. KStG).

Vonovia SE

The Executive Board

Bochum, 15 December 2024

Rolf Buch

Member of the Executive Board, CEO

Philip Grosse

Member of the Executive Board, CFO

Deutsche Wohnen SE

The Executive Board

Berlin, 15 December 2024

Lars Urbansky

Member of the Executive Board, CEO

Olaf Weber

Member of the Executive Board, CFO

Annex 3

**Expert Opinion by RSM Ebner Stolz GmbH & Co. KG,
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft,
Stuttgart, dated 14 December 2024 on the determination of the en-
terprise values of Vonovia SE and Deutsche Wohnen SE as at the
valuation date on 23 January 2025**

Convenience Translation

This document is a translation of the report "Gutachtliche Stellungnahme über die Ermittlung der Unternehmenswerte, des Umtauschverhältnisses und der Ausgleichszahlung zum 23. Januar 2025 der Vonovia SE, Bochum, und Deutsche Wohnen SE, Berlin" which was written in German. The translation is a convenience translation. RSM Ebner Stolz GmbH & Co. KG does not assume any responsibility for the correctness of the translation. The German version is authoritative for decision-making purposes.

Expert Opinion

**on the Calculation of the Business Values,
the Exchange Ratio and
the Compensation Payment**

as at January 23, 2025

Vonovia SE, Bochum

and

Deutsche Wohnen SE, Berlin

Abbreviations

Abbreviation	Designation
AG	<i>Die Aktiengesellschaft</i> : A German trade journal on stock corporation law
AktG	<i>Aktiengesetz</i> : German Stock Corporation Act
Apollo	Apollo Capital Management L.P., New York City/USA
AVW	AVW GmbH & Co KG, Hamburg
BaFin	<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> : Federal Financial Supervisory Authority
BGH	<i>Bundesgerichtshof</i> : Federal Court of Justice
Bloomberg	Bloomberg Finance L.P., New York/USA
BVerfG	<i>Bundesverfassungsgericht</i> : Federal Constitutional Court
CAGR	Compound Annual Growth Rate
CAPM	Capital Asset Pricing Model
CBRE	CBRE GmbH, Frankfurt am Main
DAAH	Deutsche Annington Acquisition Holding GmbH, Düsseldorf
Deutsche Wohnen SE	Deutsche Wohnen SE, Berlin
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization

Abbreviation	Designation
EBT	Earnings before taxes
ECJ	European Court of Justice
EUR	Euro
ECB	European Central Bank
FAUB	Expert Committee for Business Valuation and Business Administration of the Institute of Public Auditors in Germany
GCP	Grand City Properties S.A., Luxembourg/Luxembourg
GDP	Gross domestic product
IAS	International Accounting Standards
IBB	Investitionsbank Berlin
IDW	Institute of Public Auditors in Germany e.V., Düsseldorf
IFRS	International Financial Reporting Standards
JLL	Jones Lang LaSalle SE, Frankfurt am Main
KStG	<i>Körperschaftsteuergesetz</i> : German Corporate Income Tax Act
LEG	LEG Immobilien SE, Düsseldorf
LG	<i>Landgericht</i> : Regional Court
NAV	Net asset value
NIH	Norddeutsche Immobilien Holding GmbH, Bochum

Abbreviation	Designation
OLG	<i>Oberlandesgericht</i> : Higher Regional Court
p. a.	per annum (per year)
QUARTERBACK Immobilien AG	QUARTERBACK Immobilien AG, Leipzig
RSM Ebner Stolz	RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart
SolZ	Solidarity surcharge
SWH	Süddeutsche Wohnen GmbH, Stuttgart
TAG	TAG Immobilien AG, Hamburg
Vesteda	Vesteda Residential Fund FGR, Amsterdam/Netherlands
Vonovia SE	Vonovia SE, Bochum
VTS	Vonovia Technical Service
WPg	<i>Die Wirtschaftsprüfung</i> : a German journal for the auditing profession
WpÜG	<i>Wertpapiererwerbs- und Übernahmegesetz</i> : German Securities Acquisition and Takeover Act
XETRA	Exchange Electronic Trading System
ZIA	Central Real Estate Committee, Berlin
ZIP	<i>Zeitschrift für Wirtschaftsrecht</i> : a German journal for commercial law

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For computational reasons, rounding differences
of \pm one unit (EUR million, %, etc.) may occur in the tables.

1. Engagement and Performance of the Engagement

From the Executive Board of

Vonovia SE, Bochum

(hereinafter also referred to as "Vonovia SE"),

and the Executive Board of

Deutsche Wohnen SE, Berlin

(hereinafter also referred to as "Deutsche Wohnen SE"),

we were engaged to derive the exchange ratio based on the stock market price and the exchange ratio based on the capitalized earnings value [*Ertragswert*] for the purpose of determining the appropriate settlement [*Abfindung*] in shares pursuant to Section 305 (2) no. 1 AktG. In order to determine the exchange ratio based on the capitalized earnings value, the objectified business value of Vonovia SE and Deutsche Wohnen SE as at January 23, 2025 is to be determined in accordance with the prevailing practice. In addition, we were engaged to derive the fixed compensation [*Ausgleich*] pursuant to Section 304 (2) sentence 1 AktG on the basis of the business value of Deutsche Wohnen SE determined using the capitalized earnings method.

We conducted the work with interruptions between early March and mid-December 2024, partly on the premises of Vonovia SE, Deutsche Wohnen SE and otherwise on our own offices.

The performance of the engagement is based on the "Principles for the Performance of Business Valuations" (IDW S 1 as amended in 2008) of the Institute of Public Auditors in Germany (IDW) in the version dated April 2, 2008. We have complied with IDW Practice Note 2/2017 "Beurteilung einer Unternehmensplanung bei Bewertung, Restrukturierungen, Due Diligence und Fairness Opinion". In accordance with the engagement, we determine objectified values for Vonovia SE and Deutsche Wohnen SE in our function as neutral valuers.

We point out that the Executive Board of Vonovia SE and Deutsche Wohnen SE are responsible for the preparation and presentation of the planning calculations and the assumptions underlying the planning calculations. We cannot and will not assume responsibility for the occurrence of the assumptions and results assumed in the planning calculations and/or the measures to be implemented and the outcome of the business activity. We point out that future events often do not occur as expected and significant deviations from the plan may occur. Our liability and responsibility are limited to the professional care to be applied in critical appraisal and assessment. Our investigations differ significantly in scope and objectives from an audit of financial statements or

similar activities. Consequently, we do not issue an audit opinion or any other form of certification and make no assurance regarding the financial statements or the internal control system of Vonovia SE or Deutsche Wohnen SE and their respective subsidiaries and affiliates.

The nature and scope of our valuation work are documented in our working papers.

Should significant changes in the asset, financial, and earnings situation or other bases of valuation of the companies to be valued occur between the signing of this expert opinion and the resolution of the extraordinary general meeting of Deutsche Wohnen SE on January 23, 2025, regarding the domination and profit transfer agreement, these would still need to be considered in the valuations.

The executive boards of Vonovia SE and Deutsche Wohnen SE, as well as the information persons designated by the executive boards, have willingly provided us with information.

The professional completeness declarations – in which the executive board of Vonovia SE and the executive board of Deutsche Wohnen SE assure us that all information relevant to the present business valuations has been provided to us correctly and completely – have been included in our working papers.

No particular difficulties within the meaning of § 293a (1) sentence 2 AktG arose during the valuation.

The "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften" in the version dated January 1, 2024, which are attached as an appendix, are authoritative for the performance of the engagement and our responsibility, also in relation to third parties. The amount of our liability is determined in accordance with No. 9 of the General Engagement Terms.

Accordingly, for legally required services, the applicable statutory limitations of liability apply, in particular the limitation of liability under Section 323 (2) of the German Commercial Code (HGB).

If neither a statutory limitation of liability applies nor an individual contractual limitation of liability exists, the client's claim arising from the contractual relationship between the client and RSM Ebner Stolz for compensation for damage caused by negligence is limited to EUR 4 million (see section 54a (1) no. 2 WPO). This does not apply to damages resulting from injury to life, body, and health, as well as damages that establish a manufacturer's liability obligation under Section 1 ProdHaftG.

This expert opinion serves exclusively as information and a basis for decision-making for our clients in connection with the determination of the appropriate settlement and the appropriate

compensation and may not be used for other purposes. The restriction on use does not apply to publications and measures in connection with the preparation and holding of the general meetings that decide on the domination and profit and loss transfer agreement or court proceedings that could be conducted in connection with the domination and profit and loss transfer agreement. In addition, disclosure to third parties requires our written consent.

On this occasion, we point out that any further disclosure of or reference to our expert opinion – subject to our express written consent – may only take place in full text, including a written declaration of the purpose of the underlying engagement and the associated disclosure restrictions and liability conditions, and only to third parties if the respective third party has previously declared in writing to us his agreement with the General Engagement Terms and his own binding confidentiality obligation towards us.

Where appropriate, the terms guaranteed dividend, compensation payment and compensation are used synonymously in this expert opinion for the sake of linguistic simplification.

Documents associated with the Engagement

We essentially had the following documents at our disposal to perform the valuation:

- reports of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on the audit of the annual financial statements and combined management report of Vonovia SE and Deutsche Wohnen SE for the financial year 2023,
- reports of KPMG Wirtschaftsprüfungsgesellschaft on the audit of the annual financial statements and combined management report of Vonovia SE and Deutsche Wohnen SE for the 2021 and 2022 financial years
- reports of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on the audit of the consolidated financial statements and combined management report in accordance with IFRS of Vonovia SE and Deutsche Wohnen SE for the financial year 2023,
- reports of KPMG Wirtschaftsprüfungsgesellschaft on the audit of the consolidated financial statements and combined management report in accordance with IFRS of Vonovia SE and Deutsche Wohnen SE for the 2021 and 2022 financial years
- condensed interim consolidated financial statements and interim group management reports for the period from January 1, 2024, to June 30, 2024 of Vonovia SE and Deutsche Wohnen SE, each reviewed by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft,
- interim Statement for the 3rd Quarter 2024 of Vonovia SE and Deutsche Wohnen SE,

- forecast of the segment income statement for the 2024 financial year and the consolidated balance sheet as at December 31, 2024, in accordance with IFRS of Deutsche Wohnen SE and Vonovia SE,
- multi-year planning projections of the Vonovia Group and the Deutsche Wohnen Group for the financial years 2025 to 2034 and underlying planning assumptions,
- internal controlling evaluations of Vonovia SE and Deutsche Wohnen SE,
- minutes of the meetings of the Management Board and Supervisory Board of Vonovia SE and the Management Board and Supervisory Board of Deutsche Wohnen SE in the period from January 1, 2023, to September 25, 2024
- Articles of Association of Vonovia SE and Deutsche Wohnen SE,
- extracts from the commercial register of Vonovia SE dated December 5, 2024, and Deutsche Wohnen SE dated December 5, 2024,
- various market and sector-specific publications,
- publicly available information, in particular capital market data.

2. Description of the Valuation Objects

2.1. Valuation Objects

The subject of the company valuation is Vonovia SE, including its subsidiaries and equity investments, on the one hand, and Deutsche Wohnen SE, including its subsidiaries and equity investments, on the other. In the following, we refer to Vonovia SE, including its subsidiaries and equity investments, as the "Vonovia Group" and Deutsche Wohnen SE, including its subsidiaries and equity investments, as the "Deutsche Wohnen Group".

2.2. Legal Fundamentals

a) Vonovia SE

Vonovia SE is a European stock corporation (Societas Europaea) and is entered in the commercial register at Bochum Local Court under the number HRB 16879. The financial year corresponds to the calendar year.

The share capital of Vonovia SE amounted to EUR 822,852,925.00 at the end of the valuation work and is expected to amount to EUR 822,852,925.00 on the valuation date and is divided into 822,852,925 no-par value registered shares.

The shares of Vonovia SE are admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under ISIN DE000A1ML7J1/WKN A1ML7J. The shares are also traded over the counter on the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart, among others, as well as via Tradegate Exchange. They can also be traded on the electronic trading system (Exchange Electronic Trading System, "XETRA") of Deutsche Börse AG, Frankfurt am Main, as well as Gettex, the electronic trading system of the Munich Stock Exchange, and Quotrix, the electronic trading system of the Düsseldorf Stock Exchange. In particular, the shares are listed in the DAX 40, GPR 250 World, FTSE EPRA/NAREIT Developed Europe, DAX 50 ESG, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50 and Dow Jones Sustainability Index Europe. According to the definition of Deutsche Börse AG, Frankfurt am Main, 85.1 % of the shares are attributable to the free float as at September 30, 2024. The remaining 14.9 % are held by Norges Bank, Oslo/Norway.

b) Deutsche Wohnen SE

Deutsche Wohnen SE is a European stock corporation (Societas Europaea) and is entered in the commercial register of the Berlin Local Court (Charlottenburg) under the number HRB 190322. The financial year corresponds to the calendar year.

The share capital of Deutsche Wohnen SE amounts to EUR 400,296,988.00 as at December 31, 2023, as at the conclusion of the valuation work and presumably as at the valuation date and is divided into 400,296,988 no-par value bearer shares. Deutsche Wohnen SE currently holds 3,362,003 treasury shares. These treasury shares are not to be taken into account when determining the number of shares for the calculation of the value per share.¹ The relevant number of outstanding shares of Deutsche Wohnen SE for the calculation of the value per share is therefore 396,934,985.

The shares of Deutsche Wohnen SE are admitted to trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange under ISIN DE000A0HN5C6/WKN A0HN5C. The shares are also traded over the counter on the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart as well as via Tradegate Exchange. They can also be traded on the electronic trading systems XETRA, Gettex and Quotrix. The shares are listed in the SDAX, EPRA/NAREIT, STOXX Europe 600, GPR 250 and DAX 50 ESG.

2.3. Economic Fundamentals

a) Business Activities of the Vonovia Group and the Deutsche Wohnen Group

The purpose of Vonovia SE as set out in the Articles of Association is to conduct real estate transactions, in particular the acquisition, management and sale of real estate in Germany and abroad.

Its business activities include the management of its own real estate portfolio, investments in existing properties, the construction of new residential buildings, the sale of individual apartments and active portfolio management as well as a service business.

¹ See BayObLG, August 23, 2023, 101 W 184/21, para. 55 (BeckRS); LG Munich I, April 19, 2023, 5 HK O 9734/222, decision text p. 95.

The Vonovia Group's business activities can be divided into the main segments of relevance to management: Rental, Value-add, Recurring Sales and Development.

In accordance with the Articles of Association, the purpose of Deutsche Wohnen SE is the acquisition, administration, letting and management as well as the sale of residential real estate, care facilities and other real estate.

Its business activities include the management of its own real estate portfolio, investments in existing properties, the construction of new residential buildings, the sale of individual apartments and active portfolio management as well as a service business.

As with the Vonovia Group, the business activities of the Deutsche Wohnen Group can be divided into the main segments of relevance to management: Rental, Value-add, Recurring Sales and Development.

Portfolio of the Vonovia Group

Rental Business

In terms of the market value of its portfolio and the number of residential units, the Vonovia Group is the largest German residential real estate company in the private sector. The Vonovia Group is also the largest listed real estate company in continental Europe at a supranational level. Deutsche Wohnen SE has been a subsidiary of Vonovia SE since October 2021. In this respect, the portfolio of the Deutsche Wohnen Group is part of the Vonovia Group portfolio described below. The Vonovia Group employed 12,010 people as at September 30, 2024.

As at September 30, 2024, the Vonovia Group's portfolio comprised around 541,600 residential units, around 163,000 garages and parking spaces and around 8,400 commercial units with a market value of around EUR 78.7 billion. 73,400 residential units were also managed on behalf of third parties as at the end of the third quarter of 2024. The vacancy rate amounted to around 2.1 % overall, an increase of 0.1 percentage points compared to the end of 2023. On average, the Vonovia Group generated an actual monthly rent of around EUR 7.94 per m² for its residential properties as at September 30, 2024. In 2023, the average actual monthly rent was around EUR 7.74 per m². Most of the properties in the Vonovia Group's real estate portfolio are apartment buildings.

The Vonovia Group's real estate portfolio is located in Germany, Sweden and Austria and covers 614 cities and municipalities. At just under 89 %, the majority of the portfolio in terms of market

value is located in Germany. A further 8 % of the real estate portfolio is located in Sweden and the remaining 3 % in Austria. In Germany, the average apartment size was 62 m² as at September 30, 2024. The vacancy rate was 1.8 % and the average monthly actual rent was EUR 7.81 per m² as at September 30, 2024. In Sweden, the average apartment size was 71 m² with an average monthly actual rent of EUR 10.59 per m². The vacancy rate was 4.5 %. As at September 30, 2024, the Austrian properties had a vacancy rate of 4.6 %, an average apartment size of around 74 m² and an average monthly actual rent of EUR 5.69 per m².

The following table shows the Vonovia Group's residential portfolio by country and regional market as at the third quarter of 2024:

	Q3 2024 Actual
	Number of units
Germany	481,062
Berlin	143,007
Rhine-Main Area	36,364
Southern Ruhr Area	42,928
Rhineland	31,409
Dresden	43,588
Hamburg	20,089
Hanover	22,058
Kiel	25,077
Munich	10,380
Stuttgart	13,140
Nothern Ruhr Area	24,270
Leipzig	14,370
Bremen	11,667
Westphalia	9,408
Freiburg	3,849
Other strategic locations	27,087
Non-strategic locations	2,371
Sweden	39,640
Austria	20,917
Number of units (total)	541,619

Source: Interim Statement 2024/Q3 Vonovia SE, p. 30, 31.

The regional markets comprise 15 core cities and their surrounding areas, primarily in metropolitan regions. Just under 95 % of the Vonovia Group's German portfolio is located in these 15 regional markets in terms of market value. Other strategic locations and non-strategic locations

are also reported here. Other strategic locations include smaller portfolios outside the 15 core regions. They account for around 5 % of the fair value of the Vonovia Group's German real estate portfolio. The sales portfolios that do not contain strategic portfolios are reported under non-strategic locations. The non-strategic locations account for less than 1 % of the fair value of the German portfolio.

The overview clearly shows that significant parts of the real estate portfolio are located in major metropolitan areas in Germany. After Berlin, most of the properties in Germany are located in North Rhine-Westphalia, Dresden, the Rhine-Main region, the Rhineland, Kiel, Hanover and Hamburg. In Sweden, the apartments are located in the Stockholm, Gothenburg and Malmö regions in particular.

No significant acquisitions were made in 2023. Due to the portfolio management strategy, several properties from the sales portfolio were sold in 2023. The sales portfolio comprised around 2,100 residential units in 2023. Further changes to the Vonovia Group's portfolio are attributable in particular to the construction of new apartments and the expansion of attics. There was a reduction of 4,300 residential units in the first nine months of 2024. A sales agreement for 1,970 residential units was concluded in the first half of 2024. In addition, 3,913 units from the non-core portfolio were sold in the first nine months of 2024 as part of the streamlining of the portfolio.

Development Business

In addition to managing the real estate portfolio, the Vonovia Group is also active as a project developer. Its development activities range from the purchase of land to the development, planning and realization through to the sale of properties. The Vonovia Group operates in the development sector under the BUWOG brand, particularly in the cities of Vienna and Berlin. In addition, properties in the Rhine-Main, Dresden/Leipzig, Hamburg, Stuttgart and Munich regions are under construction, in the planning stage or in preparation. In terms of construction activity, a distinction is made between development to sell and development to hold. Properties that are built in the "to sell" category are to be sold after completion. In the development to hold category, properties are developed with the aim of integrating them into the company's own portfolio after completion. Due to the current conditions in the construction industry, projects are continuously reviewed with regard to the to sell and to hold categories. The possibility of taking ongoing project developments into the company's own portfolio and generating rental income from them without having to rely on a sale represents a significant risk-reducing advantage over traditional project developers who focus purely on sales.

The Vonovia Group's development portfolio as at September 30, 2024, is shown below, broken down by utilization channel and region:

	Q3 2024 Actual
	Number of units
Portfolio Development to sell	25,344
Germany	23,776
Austria	1,568
Sweden	
Portfolio Development to hold	31,319
Germany	25,196
Austria	3,352
Sweden	2,771
Total	56,663

Source: Management information.

In total, the development portfolio consists of just under 56,700 units. Of these, around 25,300 units are allocated to the development to sell segment as at September 30, 2024. Around 14.1 % of the units are projects under construction. The remaining 85.9 % come from the short and medium-term project pipeline. As at September 30, 2024, the portfolio in the development to hold segment comprised a total of around 31,300 units, of which only around 4.1 % are projects under construction. At 95.9 %, the majority comes from the short and medium-term project pipeline.

As expected, the Vonovia Group's project pipeline will increase at the end of 2024 as a result of the acquisition of properties and management units from the QUARTERBACK Immobilien AG group of companies, Leipzig (QUARTERBACK Immobilien AG or QUARTERBACK Group) (through transactions by the Deutsche Wohnen Group).

Portfolio of the Deutsche Wohnen Group

Rental Business

As at September 30, 2024, the Deutsche Wohnen Group's portfolio comprised around 139,700 residential units, around 25,500 garages and parking spaces and around 2,500 commercial units. The existing portfolio of residential units has a market value of around EUR 22.4 billion. As at September 30, 2024, the average apartment size was around 59 m². The vacancy rate was around 1.6 % as at September 30, 2024, an increase of 0.1 percentage points compared to the end of 2023. On average, the Deutsche Wohnen Group achieved an actual monthly rent of around EUR 7.91 per sqm for its residential properties in the third quarter of 2024. In 2023, the average

actual monthly rent was around EUR 7.72 per sqm. Most of the properties in the Deutsche Wohnen Group's real estate portfolio are apartment buildings.

The following table shows the residential portfolio of the Deutsche Wohnen Group by regional market as at September 30, 2024:

	Q3 2024 Actual
Number of units	
Berlin	102,356
Rhine-Main Area	9,623
Dresden	7,168
Leipzig	5,650
Hanover	5,759
Rhineland	3,937
Munich	943
Other strategic locations	3,419
Non-strategic locations	888
Number of units (total)	139,743

Source: Management information.

The locations are spread across 77 cities and municipalities in Germany. Around 76 % of the real estate portfolio in terms of market value is located in the Berlin region. The Deutsche Wohnen Group's properties are also located in the Rhine-Main region, Dresden, Hanover and Leipzig in particular. Compared to the end of 2023, the Deutsche Wohnen Group's residential portfolio has decreased slightly by around 100 units to 139,743 residential units.

No significant acquisitions were made in 2024. Due to the portfolio management strategy, several properties from the sales portfolio were sold in 2024. Further changes to the Deutsche Wohnen Group's portfolio can be attributed in particular to the construction of new apartments.

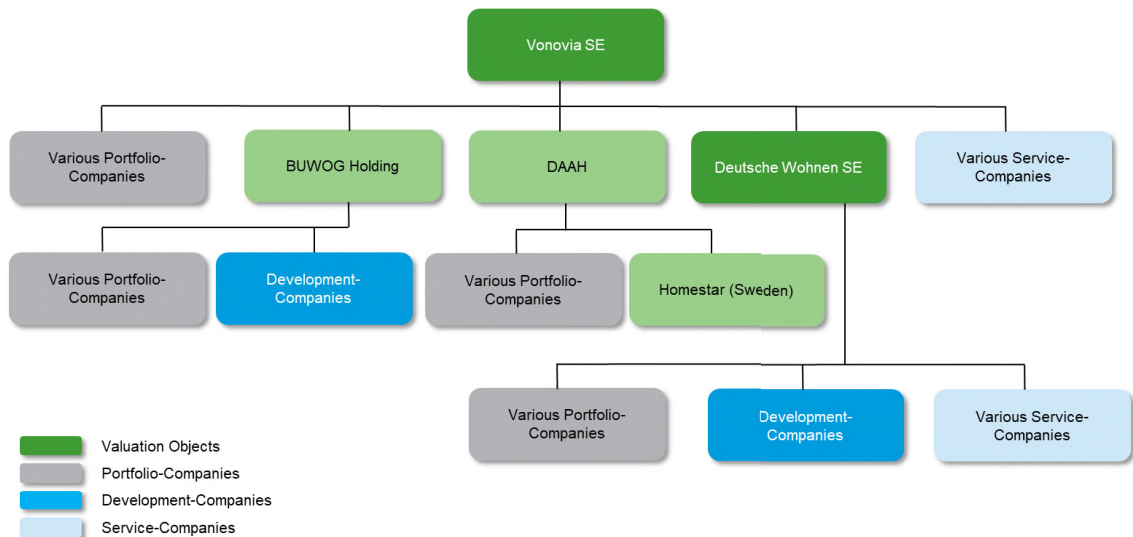
Development Business

In addition to managing the real estate portfolio, the Deutsche Wohnen Group is also active as a project developer. This involves adding completed projects to the portfolio or selling them on the market. In the course of 2023, the development activities of the Deutsche Wohnen Group were integrated into the Vonovia Group's development platform on the basis of an agency agreement. This collaboration will allow the Deutsche Wohnen Group to benefit from this expertise. The

mutual use of synergies enables challenges in the residential real estate sector to be tackled more efficiently.

Organizational Chart

The following simplified overview shows the Group structure of the Vonovia Group, which also includes the Deutsche Wohnen Group. Due to the planned sale of the nursing care business, the nursing care companies of the Vonovia Group are not shown separately for the sake of simplicity.



Source: RSM Ebner Stolz analysis, Vonovia SE organizational chart.

Rental Segment

The Rental segment comprises all business activities that are geared towards the value-enhancing management of the company's own residential real estate portfolio. Rental income, maintenance expenses and other operating costs incurred in connection with the rental of properties are mainly allocated to the Rental segment.

Value-add Segment

The Value-add segment comprises all housing-related services that complement the core rental business. The services include maintenance and modernization services for the real estate portfolio on the one hand and other services that are closely related to the rental business on the other. The Vonovia Group benefits in particular from its own craftsmen organization (Vonovia Technical Service, or "VTS" for short), which can be used to carry out maintenance and modernization services. The Vonovia Group's Value-add business also includes the residential environment organization, the residential property management business. Other services in the Value-add segment include the cable TV business, metering services, energy supplies and insurance services.

The value-add segment of the Deutsche Wohnen Group combines housing-related services that complement the core rental business. In contrast to the Vonovia Group, the value-add business of the Deutsche Wohnen Group is limited to multimedia services and energy supply. Notably, the Deutsche Wohnen Group does not have its own craftsmen's organization. However, VTS also provides services for the Deutsche Wohnen Group.

Recurring Sales Segment

The Recurring Sales segment bundles the regular and sustainable sales of individual condominiums and single-family homes from the portfolio. It does not include sales of non-strategically relevant holdings of entire buildings, plots of land or larger portfolios. These opportunistic sales are reported in the Other segment.

Development Segment

The Development segment comprises project development activities for the construction of new apartments. The Development segment can be divided into two areas: development to sell and development to hold.

Non-controlling Segments

As part of a strategic review, it was decided in the 2023 financial year to discontinue the nursing care segment. The majority of the former nursing care segment was accordingly classified as a discontinued operation.

Opportunistic sales of entire buildings or plots of land are reported in the Other segment, which is not relevant for management purposes. These sales are also described as MFA sales (sale of low-yielding apartment buildings) and non-core.

b) Market Environment

General Economic Development

The Vonovia Group, including the Deutsche Wohnen Group, specializes in the long-term letting and management of its real estate portfolio, which primarily comprises residential units. The development of the residential real estate market in Germany is influenced by economic, demographic and political developments in Germany. A significant proportion of the real estate holdings of the Deutsche Wohnen Group and the Vonovia Group are located in Berlin. In this respect, the key developments on the German housing market and specifically the developments on the Berlin housing market are discussed below. In addition, developments in the residential market for selected other locations are described.

In October 2024, the International Monetary Fund forecast real **global economic** growth of just over 3 % p.a. for the years 2024 to 2025.² Expectations are therefore slightly below the historical average of 3.8 % for the years 2000 to 2019, reflecting in particular the more restrictive monetary policy, the withdrawal of government support and lower productivity growth. In addition, increasing trade distortions and geo-economic fragmentation are expected to continue to weigh on the level of global trade.³

Due to restrictive financing conditions, low confidence among market participants and earlier losses in competitiveness, the **eurozone** economy stagnated at the end of 2023.⁴ Thanks to an increase in net trade, growth recovered in the first half of 2024. According to the European Central Bank's (ECB) projections from September 2024, the recovery is expected to be slower than anticipated in the June 2024 projections. Average annual real GDP growth in the eurozone is expected to amount to 0.8 % in 2024. In the following years 2025 and 2026, real GDP growth is expected to be 1.3 % and 1.5 % respectively. Private consumer spending is seen as the main driver of growth in the medium term. It will be supported by robust wage growth and falling inflation rates.⁵

² See International Monetary Fund, World Economic Outlook, October 2024, p. 10.

³ See International Monetary Fund, World Economic Outlook, January 2024, p. 3.

⁴ Cf. ECB, ECB staff macroeconomic projections for the euro area, March 2024, p. 2.

⁵ Cf. ECB, ECB staff macroeconomic projections for the euro area, September 2024, p. 10.

Current inflation data indicates that the disinflation process is progressing. The outlook for inflation is also influenced by economic indicators that are weaker than expected. At the same time, financing conditions remain restrictive. In October, the ECB expects inflation to rise in the coming months before falling back to the target value of 2.0 % in the course of next year.⁶ Against the backdrop of declining inflation forecasts, the ECB cut its key interest rates by 25 basis points on October 17, 2024, with effect from October 23, 2024. Since October 23, 2024, the interest rates for the deposit facility, main refinancing operations and marginal lending facility have been 3.25 %, 3.40 % and 3.65 % respectively.⁷ At the end of 2024, the deposit interest rate is expected to be 3.00 %. In the course of 2025, the key interest rate is forecast to fall further to 2.40 % and remain at this level in the following years. This also corresponds to the level expected in the long term.⁸ The forecast interest rate cuts could lead to positive developments in the investment and financing environment in the real estate sector.

According to the Central Real Estate Committee, Berlin (ZIA), **German economic output** in 2023 was again impacted by the effects of the coronavirus pandemic and the energy crisis caused by the war in Ukraine.⁹ Real GDP in Germany fell by 0.3 % in 2023 compared to the previous year.¹⁰ High inflation rates reduced the purchasing power of private households in 2023. In addition, higher energy costs, restrictive monetary policy and the associated high interest rates had a negative impact on investment activity.¹¹

Within the eurozone, **Germany** performs poorly in comparison. Following a decline in GDP in 2023, the International Monetary Fund expects stagnation in 2024 and only very low growth of 0.8 % in real terms for 2025.¹² According to the German government's autumn forecast, GDP is expected to decline by 0.2 % in real terms in 2024. The reasons for the current weak phase are structural factors and economic effects such as persistently weak demand from Germany and abroad. On the other hand, falling inflation and a significant rise in real incomes should be seen as positive factors. The German government is forecasting real GDP growth of 1.1 % for 2025 and 1.6 % for 2026.¹³

The more restrictive monetary policy is leading to declining inflation expectations in the eurozone and Germany. For the eurozone and Germany, inflation is expected to fall to around 2 % in 2024, 2025 and 2026.¹⁴

⁶ Cf. ECB, press release Monetary policy decisions, October 17, 2024, p. 1 f.

⁷ Cf. LBBW 17.10.2024 https://www.lbbw.de/artikelseite/maerkte-verstehen/zinssenkung-ezb-2024-auswirkungen-leit-zins-sinkt_aifckhmqa6_d.html.

⁸ See ECB, Survey of Monetary Analysts October 2024, p. 2 f.

⁹ See ZIA Spring Report 2024, p. 25.

¹⁰ Cf. Federal Statistical Office, press release no. 066 dated February 23, 2024.

¹¹ See ZIA Spring Report 2024, p. 26.

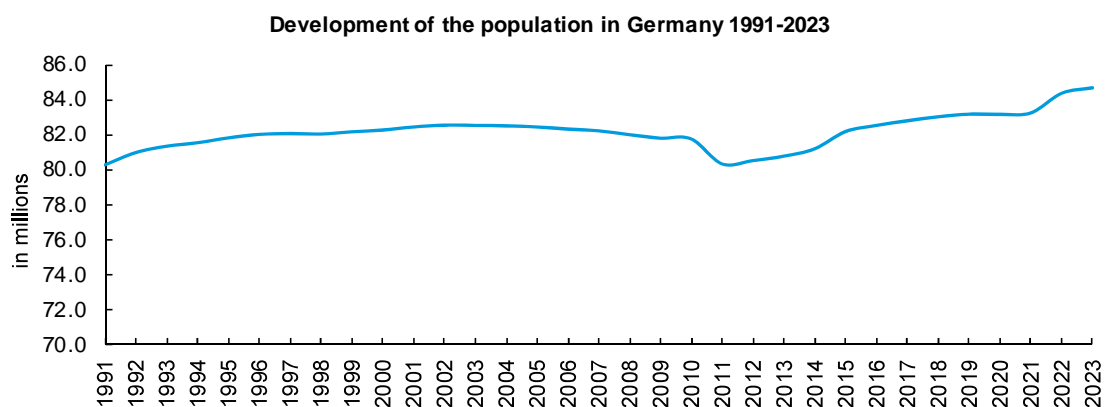
¹² See International Monetary Fund, World Economic Outlook, October 2024, p. 10 f.

¹³ See Federal Government, Autumn Forecast 2024.

¹⁴ See International Monetary Fund, World Economic Outlook, October 2024, Database.

Population Development

The following chart shows the development of the population in Germany between 1991 and 2023:



From 2011: Results based on the 2011 census.
Source: Federal Statistical Office, 12411-0001.

In recent years, a fairly constant population level with a rising trend can be observed in Germany.

Between 2019 and 2021, the population remained almost constant at around 83.2 million people. In 2022, the population grew to around 84.4 million people due to high net immigration. Based on provisional figures from the Federal Statistical Office, the population in 2023 was around 84.7 million people, an increase of a further 0.3 million compared to the previous year. The observed population increase in 2023 results exclusively from positive net immigration. While net immigration reached a record level of around 1.5 million people in 2022, in particular due to the start of the war in Ukraine, the number is forecast to fall to around 0.7 million people in 2023, while still remaining at a high level.¹⁵

In the 15th coordinated population projection by the Federal Statistical Office, the expected population development from 2022 to 2070 was estimated for several scenarios. The projected population development depends in particular on the assumed net immigration, but also on the assumed life expectancy and birth rate. In the three main scenarios, the population in Germany in 2070 ranges from 74.5 million to 89.8 million people. The medium scenario results in a population of around 82.6 million people in 2070, i.e. slightly below the level of 2021. The high population figure of around 89.9 million people results if a permanently high net immigration of around 0.4

¹⁵ Cf. Federal Statistical Office, press release no. 035 dated January 25, 2024: Population grows by a good 0.3 million people in 2023.

million people per year is extrapolated.¹⁶ According to alternative model calculations, the population in Germany should stabilize at a level of around 85 million people in the medium term between 2023 and 2030.¹⁷

Parallel to the general population growth, the number of households has also increased in the past. While there were around 38.5 million households in Germany in 2005, ten years later in 2015 there were already around 40.3 million households. By 2021, the number of households had risen only slightly to around 41.0 million. In 2022, the number of households in Germany remained almost constant at around 41.0 million households. The initial results for 2023 show a slight increase to around 41.3 million households. However, the Federal Statistical Office changed the survey methodology in 2020, meaning that the figures from 2020 onwards are only comparable to a limited extent. Until 2015, there were signs of a change in the household structure towards smaller households. This trend did not clearly continue between 2015 and 2023. Nevertheless, past developments show an increasing number of single and two-person households and a decline in three-, four- and multi-person households. The proportion of single-person households in 2023 was high at around 41.1 %.¹⁸

This development is being driven in part by the ongoing demographic change in Germany, which is bringing about a gradual shift in the age structure towards older age groups. Between 1990 and 2021, the number of people aged 67 and over already rose by 58 % to 16.4 million. According to the Federal Statistical Office, this group is set to grow by a further 4 million people by the mid-2030s. The proportion of people aged 67 and over is set to rise in all variants of the 15th coordinated population projection by the Federal Statistical Office. Starting from just under 20 % in 2021, the proportion of people aged 67 and over is set to rise to between 23 % and 26 % in 2040. In 2070, the proportion is expected to be between 22 % and 30 %, depending on the scenario.

The proportion of people of working age (20 to 67 years) was around 62 % in 2022. In all variants of the Federal Statistical Office's forecast, the proportion of people of working age is expected to decrease and reach around 57 % in 2040.

General Developments in the Residential and Investment Market

According to the residential market overview by Jones Lang LaSalle SE, Frankfurt am Main (JLL), the strong demand for housing on the **residential market in Germany** will continue in 2023, particularly due to further population growth, especially in metropolitan areas. In addition, the

¹⁶ Cf. Federal Statistical Office, Results of the 15th coordinated population projection.

¹⁷ See BNP Paribas Real Estate, Residential Report Germany 2024, p. 3.

¹⁸ Cf. Federal Statistical Office, Households by size compared over time.

demographic trend in Germany is leading to high demand for housing. However, there are strong regional differences in some cases between metropolitan areas and rural regions.¹⁹

Rental prices rose overall in the first half of 2024. In the eight largest cities, rental growth remained above the five-year average (+5.0 %), although the increase was lower than in the previous half-year.²⁰

In the first half of the year, purchase prices for new-build apartments in the eight largest German cities fell only slightly by around -1.3 % on average compared to the previous year.²¹

In addition to demographic trends, demand for housing in Germany is characterized by shifts between the owner-occupied and rental housing markets. The high financing and construction costs are leading to a decline in residential construction in favor of the rental housing market. JLL forecasts that demand for rental apartments will remain high in the near future.²²

The significant decline in market-active vacancy rates over the last ten years also shows strong demand in the rental apartment market. A very significant decline of 0.3 percentage points to 2.5 % was recorded between 2021 and 2022. During the same period, the empirica vacancy index from real estate consultancy CBRE GmbH, Frankfurt am Main (CBRE), fell for the first time in all districts. This is due to the widespread demand for housing from refugees from Ukraine. In German A cities (Munich, Berlin, Frankfurt, Stuttgart, Cologne, Hamburg and Düsseldorf), the market-active vacancy rate fell to 0.5 % in 2022. Declining vacancy rates put pressure on rents. In this respect, rental price growth is expected to accelerate.²³

Although demand for housing is high, both the number of building permits and the number of completed apartments are declining. In addition to the continuing lack of suitable building land, rising interest rates and construction costs are contributing to this development. Last year, a total of 294,400 apartments were completed, which corresponds to a decline of around 0.3 % compared to the previous year. The German government's target of 400,000 newly constructed apartments was therefore also clearly missed in 2023.²⁴

The target set by the German government is also expected to be missed by a wide margin in 2024. The Leibniz Institute for Economic Research at the University of Munich e. V., Munich, forecasts a further decline in new construction activity to around 210,000 completed apartments in 2024. In 2025, only around 175,000 residential units are expected to be completed.²⁵ Around

¹⁹ See JLL, Housing market overview H2 2023, p. 2 f.

²⁰ See JLL, Housing market overview H1 2024, p.9.

²¹ See JLL, Housing market overview H1 2024, p.10.

²² See JLL, Housing market overview H2 2023, p. 2.

²³ See BNP Paribas Real Estate, Residential Report Germany 2024, p. 3, 8.

²⁴ See JLL, Housing market overview H1 2024, p.2.

²⁵ See Engel & Völkers Commercial Market Report Germany 2024 Residential and Commercial Properties, p. 14.

160,000 apartments are forecast to be completed in 2026 before stabilization sets in. The new construction gap is expected to increase in the coming years up to 2027.²⁶

The number of building permits issued in 2023 also fell by 26.7 % year-on-year to 259,700 and was therefore lower than the number of completed apartments. The construction backlog, i.e. the number of approved but not yet completed apartments, fell for the first time since 2008 by 58,100 to 826,800 apartments compared to the previous year. The decline in the construction backlog is due to the high number of expired building permits that were not implemented due to the poor market situation. In 2023, a total of 22,700 permits expired in this context.²⁷ An increase in the number of approved apartments is not expected in the near future. Persistently high construction costs and tight budgets also make further construction subsidies for new builds from the federal and state governments seem unlikely.²⁸

An analysis of asking rents can be found in JLL's housing market overview for the cities of Berlin, Hamburg, Munich, Cologne, Frankfurt am Main, Düsseldorf, Stuttgart and Leipzig. In the second half of 2023, average asking rents in these cities rose by 8.2 % compared to the previous year. The highest rent increases in the first half of 2024 were achieved in Berlin at 11.4 % and Frankfurt am Main at 9.4 %. In the other cities, asking rents rose by between 1.4 % and 7.0 %. Asking rents increased by an average of 4.5 % p.a. in the previous five years. In addition, prime rents in the major cities surveyed increased by an average of 4.4 % in the first half of 2024, which is significantly lower than the development in the same half of the previous year (8.2 %).²⁹

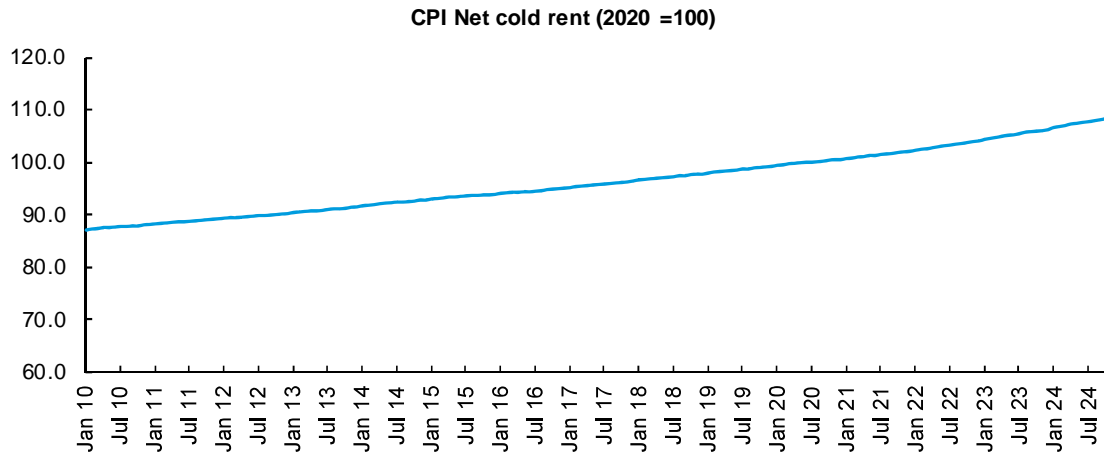
The following chart shows the monthly development of the consumer price index in Germany for the category "Actual net cold rent" in the period from 2010 to 2024. The chart shows a continuous increase in the index.

²⁶ See BNP Paribas Real Estate, Residential Report Germany 2024, p. 4.

²⁷ See JLL, Housing market overview H1 2024, p. 2.

²⁸ See Engel & Völkers Commercial Market Report Germany 2024 Residential and Commercial Properties, p. 14.

²⁹ See JLL, Housing market overview H1 2024, p. 8.



Source: Federal Statistical Office, Consumer Price Index: Germany, months, classification of the purposes of individual consumption (COICOP 2-5-digit hierarchy) CC13-0411.

The general rise in rents on the German residential market is expected to continue according to the forecast by Savills plc, London. Due to falling vacancy rates, a decline in the number of building permits and high demolition rates for residential construction projects as well as an increasing number of households, a sustained surplus demand is expected on the rental housing market. This is expected to lead to rising rents.³⁰ BNP Paribas Real Estate GmbH, Düsseldorf, also expects rents to rise faster than previously observed in 2024.³¹

The **investment market for residential properties** in Germany was characterized by further investor restraint in 2023. The investment volume for larger residential portfolios of 30 residential units or more fell to around EUR 5.2 billion in 2023, the lowest level since 2010. This corresponds to a decline of around 60 % compared to the previous year. At around 35 % of the total volume, Berlin generated the highest share of sales in 2023.³² Increased borrowing costs, uncertainties about further regulations and polycrisis-like effects are causing investors to be reluctant to buy and projects to be postponed or canceled. In the first three quarters of 2024, around EUR 5.9 billion was invested in larger residential portfolios in Germany. Although this figure is 51 % below the long-term average, it is already above the total figure for 2023. Investment activity picked up increasingly over the course of 2024. At around 39 %, Berlin's share of total investment volume was also the highest in the third quarter of 2024.³³

The transaction volume in the German investment market for real estate fell significantly by around 52 % in 2023 to a total of just EUR 31.7 billion. This means that the transaction volume in

³⁰ See Savills, Residential Market Germany 2024.

³¹ See BNP Paribas Real Estate, Residential Report Germany 2024, p. 3.

³² See BNP Paribas Real Estate, Residential Report Germany 2024, p. 7.

³³ See BNP Paribas Real Estate, Residential Investment Market Germany Q1-3 2024, p. 2.

2023 was at its lowest level since 2011 and 58 % below the average of the last ten years. An upturn in activity on the investment market has been observed since the first quarter of 2024. Particularly as a result of the (expected) key interest rate cut by the ECB, a transaction volume of EUR 15.7 billion was recorded in the first half of 2024, which corresponds to an increase of around 10 % compared to the first half of 2023. Following the higher investment figures in the first half of 2024, JLL is forecasting a further upward trend in the second half of the year with a transaction volume of EUR 40 billion for 2024 as a whole, depending on the development of monetary policy.³⁴

In addition, asking prices for condominiums in Germany fell in the first half of 2024, both in the eight metropolitan areas analyzed by JLL and in the other urban and rural districts. In the eight metropolitan areas, the average asking prices for new builds and existing condominiums fell by an average of 3.6 % in the first half of 2024 compared to the previous year. However, the decline in prices slowed considerably compared to the previous year (-7.3 %) and the previous half-year (-7.4 %).³⁵ In the third quarter of 2024, purchase prices for condominiums in the metropolitan regions (excluding Leipzig) fell by just 0.1 % compared to the previous quarter. This indicates that purchase prices for condominiums have stagnated or stabilized.³⁶

Selected Locations

Further information on individual locations and regions is presented below without any claim to completeness. The development in other larger locations in Germany can be assumed to be relatively comparable with regard to the main lines of development (in particular excess demand for housing, falling prices for residential property in recent years).

Berlin

According to Investitionsbank Berlin (IBB), **Berlin** achieved GDP growth of 1.6 % in 2023. Due in particular to growth in business-related services and the information and communication (ICT) sector, Berlin's economic output developed more strongly than in Germany. The number of employees in Berlin also rose by around 0.7 % in 2023, slightly above the overall German level of around 0.5 %.³⁷ At the end of 2023, the IBB is forecasting GDP growth of around 1.5 % for Berlin

³⁴ See JLL, Investment market overview Q2 2024, p. 2 f.

³⁵ See JLL, Housing market overview H1 2024.

³⁶ See Value Data Insights, real estate market analysis Q3 2024, p. 1.

³⁷ See IBB, Berlin Trend, March 2024, p. 1.

in 2024 as a result of a slow economic recovery.³⁸ In its March update, the IBB revised Berlin's GDP growth forecast for 2024 upwards by 50 basis points to 2.0 %.³⁹

With price-adjusted GDP growth of 0.3 % in the first half of 2024, Berlin is in fourth place in the comparison of federal states and around 0.5 percentage points above the German average of -0.2 %. In 2023, growth in the first half of the year was only -0.1 %. Over the year as a whole, however, GDP growth in Berlin reached 1.6 %. Berlin's catch-up potential was therefore 1.7 percentage points. The IBB forecast of almost 2 % for 2024 could therefore theoretically still be achieved.⁴⁰

According to the Berlin-Brandenburg Statistical Office, the population in Berlin rose by 15,448 people or 0.4 % to around 3.8 million in the first half of 2023. The surplus of deaths of 2,805 people was significantly exceeded by the high net migration of 18,308 people. By the end of June 2024, the Berlin-Brandenburg Statistical Office reported a population of 3.89 million with a population increase of 7,946 people compared to the previous year.

The supply of apartments in Berlin is very limited and cannot meet demand. One indication of this is the very low vacancy rate, which fell by 0.5 percentage points to 0.3 % in 2022 and is well below the fluctuation reserve that is usually applied.⁴¹ A fluctuation reserve of around 3.0 % is considered the minimum level for a functioning housing market.⁴² Housing construction will continue to make slow progress in 2023. Only 15,965 apartments were completed in 2023, which corresponds to a decline of 7.8 %. With a calculated need for new housing of around 43,200 apartments, there will be a shortfall of around 27,000 residential units in 2023 alone.⁴³ A trend reversal is not foreseeable, especially as the number of building permits for new apartments had fallen by 26.9 % to just 5,746 apartments by July 2024, which is around 2,100 apartments fewer than in the same period of the previous year. The political target of around 20,000 apartments was therefore once again missed by a wide margin.⁴⁴

In the main construction sector, incoming orders fell by 10.7 % in the first ten months of 2023 due to higher financing costs. Residential construction was particularly hard hit with a decline of 24.8 %. The general restraint and uncertainty about the medium-term development of real estate prices that can be observed in Germany is therefore also evident in Berlin.⁴⁵ The trend of restraint on the part of developers due to the general uncertainty about the medium-term development of real estate prices continued in the first two months of 2024. Incoming orders in the main construction sector in Berlin fell by 13.2 % to EUR 415.9 million. Orders for public construction in particular

³⁸ See IBB, Berlin Economy, December 2023, p. 4.

³⁹ See IBB, Berlin Trend, March 2024, p. 1.

⁴⁰ See IBB, Berlin Trend September 2024.

⁴¹ See BNP Paribas Real Estate, Residential Report Germany 2024, p. 12.

⁴² See BNP Paribas Real Estate, Residential Report Germany 2024, p. 10.

⁴³ See BNP Paribas Real Estate, Residential Report Germany 2024, p. 12.

⁴⁴ See IBB, Berlin Trend, September 2024, p. 1.

⁴⁵ See IBB, Berlin Economy, December 2023, p. 12.

fell sharply by -25.9 %. Commercial and residential construction also recorded significantly fewer new orders at -11.1 % and -5.2 % respectively. Complex building regulations, areas that are difficult to develop, high construction costs and poor financing conditions are putting additional pressure on new construction.⁴⁶

According to JLL, the developments seen in the Berlin residential market in 2023 continued in the first half of 2024. For example, asking rents rose by 11.4 % year-on-year to EUR 19.50 per m² per month in the first half of 2024, although the increase slowed slightly.⁴⁷

In order to counteract the excess demand on the Berlin housing market, the amendment to the building code passed by the Berlin House of Representatives in December 2023 is intended to make it easier to build in existing buildings. In addition, the "Faster Construction Act", the draft of which was passed by the Berlin Senate on August 20, 2024, is intended to speed up the planning, approval and construction process and improve the general conditions for building in Berlin.

In contrast to the rental apartment market, the apartment purchase market in Berlin was characterized by price corrections in all segments in 2023. Overall, purchase prices fell by 3.6 % year-on-year to EUR 5,700 per m². A sharper decline was recorded for existing apartments (3.4 %) than for new-build apartments (0.6 %).⁴⁸

Frankfurt/Rhine-Main

While GDP is expected to fall by 0.2 % in 2023, slight growth of 0.4 % is forecast for 2024.⁴⁹ After a period of stagnation, the population in the Frankfurt/Rhine-Main region rose again in 2022. Compared to previous years, a significant increase of 1.7 % was observed, with the influx of refugees from Ukraine further increasing the pressure to move in. The general conditions for the construction of apartments deteriorated in 2022. Rising interest rates for construction loans, material prices and a shortage of skilled workers are making larger projects such as the construction of apartment buildings more difficult. Many projects are stagnating or being abandoned. In 2022, only 9,451 apartments were completed in the association's area - despite high demand.⁵⁰

At 0.3 %, Frankfurt am Main has the lowest vacancy rate among the A-cities after Munich and together with Berlin. The tight supply-demand ratio makes Frankfurt am Main one of the most expensive housing markets in Germany. Rents have risen by 25 % since 2015, while condominium prices have increased by 85 %. Despite initial signs of a slowdown in the rise in asking rents

⁴⁶ See IBB, Berlin Economy, May 2024, p. 12.

⁴⁷ See JLL, Housing market overview H1 2024, p. 8.

⁴⁸ See JLL, Housing market overview H2 2023, p. 13.

⁴⁹ See Employment and Economic Forecast Frankfurt Rhine-Main 2024, p. 6 ff.

⁵⁰ Cf. at a glance: The FrankfurtRhineMain Regional Association - Regional Monitoring 2023, p. 8 ff.

and prices, the tense situation is unlikely to change for the time being. Rents are therefore expected to continue to rise in the medium term, possibly at a faster pace than before.⁵¹ In the first half of 2024, the Frankfurt residential market is showing the first signs of stabilization. At -6.5 %, residential property prices have fallen the most compared to the eight largest cities (previous year: -8.1 %), while construction activity is increasingly coming to a standstill.⁵²

A total of 3,661 apartments were completed in 2023, which corresponds to an increase of 24 % compared to the previous year and is slightly above the 10-year average. However, the restraint in project development is having an impact on the expected completion of new apartments and on building permits. In 2023, only 3,205 building permits were issued, which corresponds to a year-on-year decline of 30 % and represents the lowest figure since 2010. A significant acceleration in average overall rents was observed in Frankfurt am Main. Rents rose by 9.4 % in the first half of 2024. Total rents in Frankfurt am Main are EUR 17.72 per m² per month. Prime rents rose by 10.3 % in the first half of 2024. In response to the high demand for affordable housing, Frankfurt am Main is working on the further development of municipal subsidy programs and the expansion of construction areas. Around EUR 250 million is available for subsidized housing construction in the 2024/25 budget.⁵³

Dresden

After a slight decline in 2020 and 2021, the population of the Saxon state capital of Dresden increased in 2022 and 2023. In 2022 in particular, the population grew by around 1.5 % due to the Ukrainian refugees. The population increase in 2023 was slightly lower at 0.5 %. According to the state capital's statistics portal, 572,240 people were living in Dresden at the end of 2023.⁵⁴ According to forecasts, the population is expected to increase from June 30, 2023 to around 603,000 inhabitants by mid-2040.⁵⁵ The average household size will remain almost constant at around 1.8 people per household between 2014 and 2022.⁵⁶

The situation on the rental housing market in Dresden is less tense than in the capital Berlin. Asking rents for existing apartments rose by around 5 % to EUR 8.50 per m² in the first half of 2024 compared to the end of 2023. Asking rents for new builds stagnated at around EUR 12.90 per m² in the same period. The vacancy rate fell significantly to 1.3 % in 2022. In the medium

⁵¹ See BNP Paribas Real Estate, City Report - Residential Market Frankfurt 2023, p. 22 ff.

⁵² See JLL, Housing market overview H1 2024, p. 20.

⁵³ See JLL, Residential market overview H1 2024, p. 10, 20.

⁵⁴ See www.dresden.de, Dresden continued to grow in 2023, press release dated January 8, 2024.

⁵⁵ Cf. www.dresden.de, Dresden expects to have more than 600,000 inhabitants in 2040, press release dated January 10, 2024).

⁵⁶ See www.dresden.de, Households, accessed on June 4, 2024.

term, rents are expected to return to a more dynamic growth path, particularly in the new-build segment.⁵⁷

After an increase in construction activity in 2022, only 1,740 apartments were completed in Dresden in 2023. While asking prices for condominiums from the existing segment fell slightly in the first half of 2024 compared to the end of 2023 (1 %), asking prices for new-build condominiums rose (2 %). The investment volume fell sharply in 2023 compared to the previous year. There are also signs of a decline in the first half of 2024.⁵⁸

Sweden

In Sweden, **economic output** fell slightly with negative real GDP in 2023. Economic output is also forecast to fall in the first half of 2024, before the economy is expected to recover from the second half of 2024. Real GDP growth of around 2 % is forecast for Sweden in 2025. The forecast GDP growth is to be driven by falling inflation expectations and falling interest rate forecasts, among other things.⁵⁹ In October 2024, the International Monetary Fund forecast real economic growth of 0.9 % in 2024 and 2.4 % in 2025 for Sweden.⁶⁰

The Swedish population is expected to increase by around 1.8 % to 10.6 million people by 2025, contributing to the rising demand for residential real estate. The **residential real estate market** in Sweden is also affected by rising construction costs due to increased financing costs, a shortage of building materials and a high level of inflation. This led to a significant drop in the number of construction starts in 2023.⁶¹ A further decline in construction starts is expected in 2024. In 2025, the number of housing starts in Sweden is forecast to increase slightly.⁶² In addition, the transaction volume in the residential investment market in 2023 was at a very low level of around SEK 16.9 billion (around EUR 1.5 billion).⁶³ At the end of the third quarter of 2024, the transaction volume for apartment buildings was already above the level for 2023 as a whole.⁶⁴

⁵⁷ See BNP Paribas Real Estate, Residential Report Germany H1 2024, 52 f.

⁵⁸ See BNP Paribas Real Estate, Residential Report Germany H1 2024, 52 f.

⁵⁹ See CBRE, Sweden Real Estate Market Outlook 2024, p. 7.

⁶⁰ See International Monetary Fund, World Economic Outlook, October 2024, p. 33.

⁶¹ See CBRE, Sweden Real Estate Market Outlook 2024, p. 43.

⁶² See CBRE, Sweden Living Market Q3 2024, p. 3.

⁶³ See CBRE, Sweden Real Estate Market Outlook 2024, p. 42.

⁶⁴ See CBRE, Sweden Living Market Q3 2024, p. 2.

Austria

In October 2024, the International Monetary Fund forecast a decline in real GDP of 0.6 % for 2024. Growth of around 1.1 % is expected in 2025.⁶⁵ According to the August forecast, inflation of around 3.2% is predicted for 2024. According to analyst forecasts by financial services provider Bloomberg, inflation is expected to reach 2.2 % and 2.1 % in 2025 and 2026 respectively.⁶⁶

The unemployment rate is expected to rise slightly in 2024 and reach a level of 5.3 %.⁶⁷ In 2023, the population in Austria rose to 9.1 million people. As part of this growth, Vienna also passed the two million mark in fall 2023.⁶⁸ By the beginning of 2024, the population had risen by a further 0.6 %. This population growth is leading to increasing demand for living space.⁶⁹

In 2023, property prices in Austria fell by around 1.6 %. At the same time, incomes have risen by almost 8 % compared to the previous year. However, the benefit of this price decline is mitigated by the increase in the cost of credit financing due to the ECB's monetary policy. Despite the restrictive monetary policy, property prices in Austria are expected to fall only moderately in 2024. This is mainly due to rising construction prices, the falling number of building permits and the continued strong demand for real estate investments.⁷⁰ The number of completions on the housing market is expected to fall by 11 % in 2024. Nevertheless, demand for housing remains high due to population growth. In recent years, the number of building permits has fallen due to higher construction costs.⁷¹ The constant population growth in Austria's capital Vienna and the increasing number of small households are increasing the need for new living space, which is to be covered by increased construction activity in Vienna.⁷² Rising demand on the rental market reinforced the already high price momentum for new rentals through automatic inflation adjustments. In 2023, rents rose by an average of around 9.5 % and while property prices fell, the property price rent index rose rapidly.⁷³

Due to the new interest rate policy and the changed market environment, only little capital flowed into real estate investments in 2023. Office properties and retail properties accounted for the majority of the total investment volume of around EUR 2.8 billion. Residential properties were rather underrepresented with a volume of around EUR 200 million. In the first three quarters of 2024, the transaction volume on the Austrian real estate investment market amounted to around EUR 1.7 billion. This corresponds to a decline of around EUR 0.5 billion compared to the same period

⁶⁵ See International Monetary Fund, World Economic Outlook, October 2024, p. 33.

⁶⁶ Cf. Bloomberg weighted average

⁶⁷ See CBRE Research, Austria Real Estate Market Outlook 2024, p. 5 ff.

⁶⁸ See First Vienna Residential Market Report 2024, p. 11 ff.

⁶⁹ See Statistics Austria, 2024, p. 2.

⁷⁰ See UniCredit Research, Analyses February 2024, p. 2 ff.

⁷¹ Cf. CBRE Research, Austria Real Estate Market Outlook 2024, p. 24 ff.

⁷² Cf. first Vienna Residential Market Report 2024, p. 11 ff.

⁷³ See UniCredit Research, Analyses February 2024, p. 6 ff.

of the previous year. The office asset class accounted for around 50 % of the transaction volume in the third quarter of 2024. In 2025, the expected development of the real estate investment market will depend on macroeconomic conditions and any interest rate cuts.⁷⁴

c) Legal Restrictions on Rent Increases

The Vonovia Group's real estate portfolio is largely made up of German properties. The business is therefore subject to German tenancy law, under which tenants enjoy extensive protective rights based on social standards. In particular, it contains restrictions with regard to rent increases, the chargeability of operating costs, including costs for repairs and maintenance, the termination of rental agreements and evictions. The sale of residential property may also be subject to statutory and private law restrictions.

d) Competition

When offering residential space, the Vonovia Group and the Deutsche Wohnen Group compete with other listed real estate companies, municipal and non-profit real estate companies as well as small private landlords who also focus on residential space management.

Description of the Peer Group Companies

In particular, LEG Immobilien SE, Düsseldorf, Grand City Properties S.A., Luxembourg/Luxembourg, and TAG Immobilien AG, Hamburg, which we have also identified as a peer group, can be regarded as relevant listed competitors. The companies are described below and (where appropriate) historical and forward-looking key figures are presented.

LEG Immobilien SE, Düsseldorf (LEG)

LEG is a German real estate company that specializes in the management, acquisition and sale of residential properties. LEG manages an extensive real estate portfolio of around 167,000 residential units in 2023, which is mainly focused on the North Rhine-Westphalian residential market, but also has a presence in other regions of Germany. The portfolio includes a variety of apartments that are rented to a wide range of tenants, from individuals and families to senior citizens and students. LEG also offers its tenants various services, including tenant apps, neighborhood

⁷⁴ See EHL Real Estate Investment Market, Market Update Q3 2024, p. 2 ff.

development and social support services. In 2023, LEG generated net cold rents totaling around EUR 834.3 million.

TAG Immobilien AG, Hamburg (TAG)

TAG is a German real estate company that focuses on the management, acquisition, development and administration of residential real estate. The company operates primarily in northern and eastern Germany, concentrating on the management of attractive and affordable housing. In 2023, TAG's portfolio comprises almost 85,000 residential properties spread across various German cities and regions, with a focus on medium-sized and smaller cities. The company offers housing for a broad tenant base, including families, singles and senior citizens. In addition, TAG has been active in the Polish residential real estate market since late 2019 and early 2020. In addition to providing housing, TAG is also involved in neighborhood development and offers various services. These include tenant apps, neighborhood initiatives and social projects. In 2023, TAG generated a total net actual rent of around EUR 350.8 million.

Grand City Properties S.A., Luxembourg/Luxembourg (GCP)

GCP is a real estate company that specializes in the management, acquisition, development and management of residential properties in Germany. The company focuses on upgrading residential properties in urban agglomerations, particularly in regions with high population growth and strong demand for housing. In 2023, GCP's portfolio consists of around 63,000 apartments, which are mainly located in various German cities and metropolitan regions, including Berlin, North Rhine-Westphalia, Dresden, Leipzig and Halle. Part of the portfolio is also located in London. GCP pursues a strategy aimed at generating value through active asset management, optimizing the real estate portfolio and realizing economies of scale. The company focuses on improving the energy efficiency of its buildings in order to reduce operating costs and contribute to environmental protection. The company offers its tenants a range of services and is involved in neighborhood development. GCP generated net rental income of around EUR 411.3 million in the 2023 financial year.

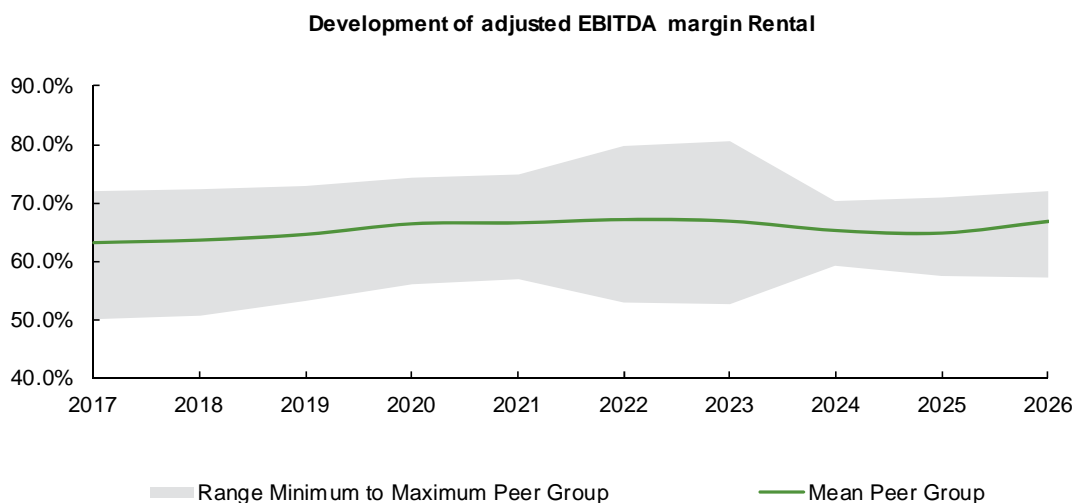
Margins of the Peer Group Companies

The following overview shows the average value of the **Rental EBITDA margins** achieved by the peer group companies in the respective Rental segments (i.e. in the existing business) for the historical period from 2017 to 2023, supplemented by analysts' current forecasts EBITDA margins

Rental for the years 2024 to 2026. The gray shaded area delimits the respective minimum and maximum of the historical and forecast ranges.

The EBITDA margins Rental were determined for the years 2017 to 2023 on the basis of the adjusted EBITDA before revaluation result as reported in the annual report or, if available, on the basis of the separately reported EBITDA from rental and lease activities as well as the rental income

The forecast EBITDA margins Rental for the years 2024 to 2026 were determined on the basis of the analysts' expected EBITDA and the forecast rental income and revenues.



Source: RSM Ebner Stolz analysis, annual reports, Bloomberg.

The average value of the rental EBITDA margin is between 63.3 % and 67.1 % over the historical period from 2017 to 2023 and is therefore relatively stable. The average over the historical period is around **65.5 %**. For the forecast period from 2024 to 2026, the average EBITDA margin forecast is between 64.9 % and 66.9 %.

It should be clarified that key figures of peer group companies such as sales growth or their EBITDA margins cannot be directly transferred to the valuation object. LG Munich I rightly points out that, irrespective of the fundamental comparability, each company has a different structure, which is why sales growth or margins cannot be identical. ⁷⁵

⁷⁵ See LG Munich I, April 19, 2024, 5 HK O 9734/22e, decision text p. 41 f.

3. Fundamentals of Business Valuation

3.1. General Information

In two recent rulings dated February 21, 2023 ("TLG/WCM", II ZB 12/21) and January 31, 2024 ("Kabel Deutschland", II ZB 5/22), the BGH confirmed its opinion that the reference to the stock market price generally corresponds to the statutory valuation objectives of determining an appropriate settlement or compensation. Appropriateness must be assessed with regard to the "full (economic) compensation" required by case law for severance cases. To this end, it is necessary to examine whether the stock market price reflects the **"true" value**, taking into account economic or business management theory and the corresponding practice. In the specific case, it must be examined whether it can be assumed that the market participants (actually) correctly value the earning power of the companies on the basis of the information and information options available to them and that the market valuation has (actually) been reflected in the stock market prices (see section 4 for details).

In addition, the principles of business valuation, which are regarded as established in business theory and practice, are reflected in the pronouncements of the Institute of Public Auditors in Germany ("IDW"), in particular in the IDW standard "Principles for the Performance of Business Valuations" (IDW S 1 as amended in 2008) (see section 3.2. et seq. below). The IDW's pronouncements on business valuation are also recognized by the courts as expert opinions.⁷⁶

When **determining exchange ratios**, a principle of **equal methods** is regularly applied in case law. Accordingly, when determining the exchange ratio, either the capitalized earnings value for both companies or, alternatively, the stock market price for both companies should be taken into account.⁷⁷

3.2. Future Earnings Value (Capitalized Earnings Value)

The present value of future financial surpluses forms the theoretically correct value of a company. According to IDW S 1 in the 2008 version, point 7, the business value can be determined as the

⁷⁶ Cf. representative Drescher in BeckOGK/AktG, status: 1 June 2024, Section 8 SpruchG para. 8, who states: "In fact, the IDW Standard S 1, which reflects a recognized expert opinion, is predominant in Germany". The OLG Düsseldorf of 27 June 2022, 26 W 13/18, para. 71 (BeckRS), states: "The pronouncements of the FAUB [in particular IDW S 1] are recognized in the scientific community and the auditing profession and are predominantly observed in business valuations in practice. They therefore represent a recognized expert opinion and common source of knowledge for the methodically correct procedure for the fundamental-analytical determination of the business value."

⁷⁷ See van Rossum, in: Münchener Kommentar zum AktG, 6th edition 2023, section 304 AktG, margin no. 100; Popp/Ruthardt, in: WPH-Edition, Bewertung und Transaktionsberatung, 2018, chapter C, margin no. 145.

future earnings value using the capitalized earnings method or the discounted cash flow method. In the present case, the business values were determined using the capitalized earnings method recognized by case law. As the discounted cash flow method and the capitalized earnings method lead to the same business values if the valuation assumptions are the same, particularly with regard to financing and the risk content of the tax shields, and if suitable formulas are used to adjust the beta factor to the capital structure,⁷⁸ the business values were not additionally presented using a discounted cash flow method.

The capitalized earnings value is determined by discounting the future financial surpluses to the valuation date. The capitalization interest rate represents the return from an alternative investment that is adequate for the investment in the company to be valued and is equivalent to the cash flow to be capitalized in terms of maturity, risk and taxation.⁷⁹ In particular, capital market returns for company investments (in the form of share portfolios) can be considered as a starting point for determining alternative returns. These returns can generally be broken down into a risk-free rate and a risk premium demanded by the shareholders due to the assumption of entrepreneurial risk.

Matters that cannot or only incompletely be reflected in the determination of the capitalized earnings value must always be valued separately and added to the capitalized earnings value as a special value (including liabilities).

3.3. Objectified Business Value

a) Fundamentals

In theory, practice and case law, there is now a consensus that there is no "objective, universally valid" business value. Rather, the dependence on the respective valuation purpose is emphasized. Whether a decision-making, arbitration or objectified value is to be determined is dictated by the purpose for which the valuation is conducted and is therefore dependent on the function assumed by the valuer.

Depending on the respective purpose of the valuation, there are generally different assumptions regarding the forecast and discounting of future financial surpluses, the type and scope of synergies to be included and the personal circumstances of the shareholders or their event-related typification. For this reason, an appropriate business valuation requires that the function of the

⁷⁸ See IDW S 1 in the 2008 version, para. 101.

⁷⁹ See IDW S 1 in the 2008 version, para. 114.

auditor is determined when the engagement is awarded in order to be able to derive the assumptions and typification corresponding to the respective valuation purpose.

According to prevailing case law and valuation practice, the objectified business value must be taken into account when determining an appropriate settlement or compensation payment.⁸⁰ The objectified business value represents an intersubjectively verifiable future success value from the shareholders' perspective. This results from the continuation of the company on the basis of the existing corporate concept and with all realistic future expectations in the context of the market opportunities, risks and financial possibilities of the company as well as other influencing factors.⁸¹

b) Synergy Effects

IDW S 1 distinguishes between genuine and non-genuine synergy effects.⁸² **Genuine synergies** only arise when the measure on which the valuation is based is implemented. In contrast, so-called **non-genuine synergy effects** are characterized by the fact that they can be realized without the implementation of the measure on which the valuation is based.⁸³

Surpluses from non-genuine synergy effects must be taken into account when determining the objectified business value.⁸⁴ However, according to case law, this only applies insofar as the synergy-generating measures have already been initiated or documented in the corporate concept.⁸⁵

In contrast, the inclusion of **genuine synergies** is not appropriate in the context of the objectified valuation in line with the prevailing opinion in case law.⁸⁶ Consequently, no effects that only arise through the implementation of the structural measure itself are to be taken into account in the valuation.

⁸⁰ See OLG Düsseldorf, June 27, 2022, 26 W 13/18, para. 74 (BeckRS); OLG Düsseldorf, February 21, 2019, 26 W 5/18, para. 42 (BeckRS); LG Berlin, March 7, 2023, 102 O 2/18, decision text p. 31; LG Munich I, June 15, 2023, 5 HK O 2103/22, decision text p. 27.

⁸¹ See IDW S 1 in the 2008 version, para. 29.

⁸² See in detail Popp, *Der Konzern* 2023, p. 58, 65 f.; Bertl/Popp, *RWZ* 2022, p. 88 ff.; Popp/Ruthardt, § 12 *Bewertungsmethoden im Spiegel der Rechtsprechung*, in: Fleischer/Hüttemann (eds.), *Rechtshandbuch Unternehmensbewertung*, 3rd ed. 2024, para. 12.30 ff.

⁸³ See WPH Edition: *Valuation and Transaction Advisory*, 2018, Chapter C, para. 120.

⁸⁴ See IDW S 1 in the 2008 version, para. 34.

⁸⁵ See OLG Frankfurt, January 26, 2017, 21 W 75/15, para. 60 (BeckRS); OLG Düsseldorf, March 10, 2016, 26 W 14/13, para. 51 (BeckRS).

⁸⁶ See OLG Munich, January 19, 2022, 31 Wx 366/17, decision text p. 18; OLG Hamburg, September 23, 2021, 13 W 87/18, decision text p. 15; OLG Düsseldorf, July 8, 2021, 26 W 10/20, decision text p. 20; OLG Stuttgart, March 30, 2021, 20 W 8/19, decision text p. 41; OLG Düsseldorf, September 24, 2020, 26 W 5/16, para. 56 (BeckRS); OLG Stuttgart, March 3, 2020, 20 W 2/17, decision text p. 21; OLG Munich, September 2, 2019, 31 Wx 358/16, para. 81 (BeckRS); OLG Zweibrücken, August 14, 2018, 9 W 4/14, decision text p. 21; OLG Munich, June 26, 2018, 31 Wx 382/15, para. 46 (BeckRS); OLG Frankfurt, January 26, 2017, 21 W 75/15, para. 61 (BeckRS).

c) Profit Appropriation Policy

According to IDW S 1 in the 2008 version, point 35, when determining objectified business values, the distribution of those financial surpluses that are available for distribution after taking into account the documented corporate concept and legal restrictions must be assumed. The appropriation of profits policy is seen by case law as an entrepreneurial decision of the company's Executive Board,⁸⁷ which is not to be reviewed to determine whether it has a profit-maximizing effect.⁸⁸

As part of the **profit appropriation policy**, internal financing in the detailed planning phase and growth retention in the terminal value phase must be defined. If the integrated planning model results in a temporary capital requirement in the detailed planning phase after the planned external financing has been utilized, this can be financed by not distributing profits. This form of **internal financing** in the detailed planning phase (also known as actual retention) can be used to repay liabilities or for operationally necessary investments.

In the terminal value phase, it is regularly assumed that the company will grow in line with prices and inflation. Even in the case of a sustainable full distribution of financial surpluses (sometimes also referred to as a notional full distribution), the capital tied up in the company is subject to inflation-related growth influences, as a result of which the economic equity reported in the budgeted balance sheet at the end of the last year of the detailed planning phase continues to develop in the terminal value phase due to inflation.⁸⁹ In order to finance the balance sheet growth in the terminal value phase, parts of the sustainable result must be retained on a regular basis, as otherwise a level debt ratio (at market values) cannot be realized - so-called **growth retention**.⁹⁰ From a balance sheet perspective, the amount of the growth retention is the product of the growth rate and the economic equity at the end of the planning phase.⁹¹

The planned distribution volume is reflected in the so-called **value contribution from distributions**. In the continuation phase (so-called terminal value phase), the typifying assumption is regularly made that the distribution behaviour of the company to be valued is equivalent to the distribution behaviour of the alternative investment.⁹²

⁸⁷ See OLG Munich, September 9, 2014, 31 Wx 128/14, decision text p. 8, 10; OLG Frankfurt, February 9, 2010, 5 W 33/09, para. 51 (juris); LG Stuttgart, August 13, 2019, 31 O 50/15, decision text p. 77; LG Munich I, May 28, 2014, 5 HK O 22657/12, p. 26 (BeckRS).

⁸⁸ See OLG Schleswig-Holstein, March 9, 2020, 9 W 169/15, decision text p. 12; OLG Frankfurt, March 5, 2012, 21 W 11/11, AG 2012, pp. 417, 419; OLG Frankfurt, April 29, 2011, 21 W 13/11, para. 58 (juris); OLG Frankfurt, February 9, 2010, 5 W 33/09, ZIP 2010, pp. 279, 731.

⁸⁹ See WPH Edition: Valuation and Transaction Advisory, 2018, Chapter A para. 455.

⁹⁰ See Popp, Der Konzern 2019, p. 105, 108 f.; Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung, in: Fleischer/Hüttemann (eds.), Rechtshandbuch Unternehmensbewertung, 3rd ed. 2024, para. 12.78.

⁹¹ See Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung, in: Fleischer/Hüttemann (eds.), Rechtshandbuch Unternehmensbewertung, 3rd edition, 2024, para. 12.78.

⁹² See IDW S 1 in the 2008 version, point 37.

If amounts are (proportionately) retained from the annual result, but no specific use is planned for these, the economically sensible assumption of reinvestment with no effect on the capital value is usually made for these as part of the capitalized earnings method. The (fictitious) investment of the amounts at company level leads to additional income in the years following the retention. Under the assumption of reinvestment⁹³ with no effect on the capital value, these formally undistributed funds can be represented at the same value by a notional direct allocation of the retained amounts to the shareholders - as a so-called **value contribution from retained earnings**.

d) Consideration of the Tax Burden on Shareholders

The business value is determined from the perspective of the company owners. In the case of statutory and contractual valuation reasons, a typified valuation is carried out from the perspective of a domestic natural person with unlimited tax liability as a shareholder.⁹⁴ The **shareholders' tax burdens** on dividends and capital gains are to be taken into account accordingly. The income tax distribution assumptions and the relevant tax rates are decisive for this. In practice, sustainable payout ratios in a range between 40 % and 60 % are usually applied.⁹⁵

Taxation of Distributions

The dividend amount forming the **value contribution from distributions** must generally be reduced by the withholding tax of 25.0 % plus 5.5 % solidarity surcharge. However, this only applies to dividend payments to the extent that these are not to be assessed as a repayment from the tax contribution account and can therefore be collected tax-free.⁹⁶

The tax contribution account can only be used if a distribution exceeds the "distributable profit" within the meaning of Section 27 (1) sentence 5 KStG and the distribution is made from the tax contribution account.⁹⁷ We have taken the temporary tax exemption into account in an integrated manner when determining the withholding tax (plus solidarity surcharge) on the value contribution

⁹³ See IDW S 1 in the 2008 version, point 37.

⁹⁴ See IDW S 1 in the 2008 version, point 31.

⁹⁵ See Großfeld/Egger/Tönnies, *Recht der Unternehmensbewertung*, 9th ed., 2020, p. 117; WPH Edition: *Bewertung und Transaktionsberatung*, 2018, Chapter A., para. 280; Popp/Ruthardt, § 12 *Bewertungsmethoden im Spiegel der Rechtsprechung*, in: Fleischer/Hüttemann (ed.), *Rechtshandbuch Unternehmensbewertung*, 3rd ed., 2024, para. 12.79; OLG Düsseldorf, November 28, 2022, 26 W 4/21, para. 143 (BeckRS); OLG Zweibrücken, November 23, 2020, 9 W 1/18, para. 53 (BeckRS); OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 99 (BeckRS) [50 %]; OLG Munich, September 2, 2019, 31 Wx 358/16, para. 99 (BeckRS) [50 %].

⁹⁶ See Thüringer OLG, March 3, 2021, 2 W 407/18, decision text p. 32; OLG Frankfurt, November 3, 2020, 21 W 76/19, para. 71 (BeckRS); OLG Munich, November 13, 2018, 31 Wx 372/15, para. 8 (BeckRS) i.V.m. LG Munich I, August 21, 2015, 5 HK O 1913/14, decision text p. 9; LG Munich I, March 28, 2019, 5 HK 3374/18, para. 118 (BeckRS).

⁹⁷ See Popp, *Berücksichtigung von Steuern*, in: Peemöller (ed.), *Praxishandbuch der Unternehmensbewertung*, 8th edition, 2023, pp. 1567, 1572 et seq.

from distributions. In this respect, the effects from the tax contribution account are not taken into account as a special value to avoid double counting in the valuation.

Taxation of Capital Gains

The (fictitious) investment of the value contributions from retained earnings at company level leads to additional income in the years following the retention, which increases the value of the company. From the perspective of the typical shareholder, the notional direct attribution assumes an increase in value that triggers a capital gain for tax purposes. Assuming a longer holding period, this is subject to a lower effective personal income tax burden from a valuation perspective.

It is also crucial here that the primary issue is not the amount of capital gains taxation of the specific settlement, but rather the - upstream - calculation of the capitalized earnings value assuming an infinite life of the company as such. Furthermore, there is no connection with the (standard) assumption of a perpetual life of the company and the typified holding period.⁹⁸

The illustration of the future amount of the effective final withholding tax on capital gains depends on the assumed holding period as well as the price development of the valuation object and the alternative investment due to reinvestment.⁹⁹ In valuation practice and case law, the typifying assumption of an effective capital gains tax rate of 12.5 % plus solidarity surcharge (i.e. a total of 13.1875 %) is recognized.¹⁰⁰ Accordingly, the **reinvestments leading to increases in value** are subject to an effective tax of 13.1875 %.

Taxation of inflation-related Capital Gains

In financial mathematics, the business value increases nominally in terminal value year after year in the amount of the company-specific inflation rate; this also applies under the assumption of a full payout (fictitious full distribution) of the planned results. If it is typically assumed that the holding period of the shareholders is not infinite, these inflation-related (fictitious) price gains are also realized after the typical holding period and are then subject to the effective flat-rate withholding tax plus solidarity surcharge.¹⁰¹

⁹⁸ See KG Berlin, November 1, 2021, 2 W 6/17, para. 79 (BeckRS).

⁹⁹ See Wiese, WPg 2007, pp. 368, 375.

¹⁰⁰ See Popp, Berücksichtigung von Steuern, in: Peemöller (ed.); Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, p. 1567, 1581, with further references; OLG Munich, December 3, 2020, 31 Wx 330/16, para. 69 (BeckRS); OLG Düsseldorf, September 24, 2020, 26 W 5/19, para. 65 (BeckRS); OLG Frankfurt, February 5, 2016, 21 W 69/14, para. 85 (BeckRS).

¹⁰¹ Cf. with further references WPH Edition: Bewertung und Transaktionsberatung, 2018, Chapter A para. 453 f.

The consideration of the tax consequences of **inflation-related capital gains** in the derivation of net income is recognized in valuation practice and case law.¹⁰² Alternatively, it is possible to deduct the inflation-related growth discount in the denominator.¹⁰³

e) Capitalization of Net Inflows

The future earnings value is determined by discounting the surpluses with the **capitalization rate**. The tax effects at shareholder level must also be taken into account when determining the capitalization rate. In accordance with IDW S 1 as amended in 2008, the return on an equity portfolio is to be used as an alternative investment and the average tax burden attributable to such returns is to be determined.¹⁰⁴

The expected net distributions on the one hand and the notionally directly attributed value contributions from retained earnings on the other are discounted to the valuation date. For the discounting of the annual distributions, it is assumed that the profit distributions are made at the end of the financial year. The distribution amounts are therefore discounted from the end of the respective financial year to the technical valuation date. The value contribution from the retention of the perpetual annuity is also discounted to the technical valuation date, so that the capitalized earnings value is presented as a value component on the technical valuation date, the beginning of the first plan year 2025. In a second step, interest is then compounded to the valuation date during the year.¹⁰⁵

f) Special Values / Non-Operating Assets

Items that are not or only incompletely reflected in the determination of the capitalized earnings value must be valued separately and added to the capitalized earnings value as a **special value** (including liabilities). In addition to non-operating assets, this includes certain financial assets

¹⁰² See Popp, Berücksichtigung von Steuern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th ed, 2023, p. 1567, 1582 ff.; Popp, Der Konzern 2019, p. 149 ff.; Ruthardt/Popp, AG 2019, p. 196, 200; OLG Düsseldorf, June 27, 2022, 26 W 13/18, para. 66 (BeckRS); OLG Hamburg, March 31, 2022, 13 W 20/21, decision text p. 21; KG Berlin, November 1, 2021, 2 W 6/17, para. 82 ff. (BeckRS); OLG Munich, 9. April 2021, 31 Wx 2/19, 31 Wx 142/19, para. 73 et seq. (BeckRS); OLG Munich, December 3, 2020, 31 Wx 330/16, para. 74 et seq. (BeckRS); OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 101 et seq. (BeckRS); LG Munich I, April 16, 2021, 5 HK O 5711/19, decision text p. 68 et seq.; LG Berlin, February 5, 2021, 102 O 25/12, decision text p. 55.

¹⁰³ See Tschöpel/Wiese/Willershausen, WPg 2010, p. 349, 356; Jonas/Wieland-Blöse, § 17 Berücksichtigung von Steuern, in: Fleischer/Hüttemann (eds.), Rechtshandbuch Unternehmensbewertung, 3rd ed, 2024, fn. 5 to para. 17.41; Raths, Restwertermittlung in der Unternehmensbewertung, 2018, p. 89 f.; Dierkes/Sümpelmann, BewP 2019, p. 66, 68 f.; Wollny, Der objektivierte Unternehmenswert, 3rd edition, 2018, fn. 708 at p. 141.

¹⁰⁴ See IDW S 1 in the 2008 version, para. 93.

¹⁰⁵ Cf. BGH, July 19, 2010, II ZB 18/09, AG 2010, p. 631.

such as investments, tax effects, pension obligations and dilution effects from convertible bonds or share option programs.

Non-operating assets that can be sold individually without affecting the actual discontinuation of the company (functional demarcation criterion) are recognized at the liquidation value less the costs of liquidation and the tax consequences at company level.

The extent to which **taxes** are to be taken into account **at the owner level** depends on the intended use of the proceeds generated.¹⁰⁶ If it is assumed that the proceeds generated or liquidity not required for operations will be distributed, this generally requires the consideration of (typified) personal income taxes of the shareholders.¹⁰⁷

3.4. Liquidation and Net Asset Value

According to the principles for conducting business valuations, the liquidation value is to be determined as an alternative to the capitalized earnings value if the present value of the financial surpluses from the liquidation exceeds the capitalized earnings value assuming the company continues as a going concern.¹⁰⁸

According to the principles of case law governing the determination of compensation and settlement, the liquidation value should only be relevant if there is an intention to actually liquidate the company and the company's long-term earnings prospects are negative¹⁰⁹ or there is a financial necessity to liquidate the business in whole or in part or the continuation of the business does not appear economically justifiable.¹¹⁰ The consideration specifically of the appraisal decisions under stock corporation law, according to which the liquidation value is not always to be regarded as the lower limit, results not least from the fact that the minority shareholders entitled to

¹⁰⁶ See IDW S 1 in the 2008 version, para. 61.

¹⁰⁷ See Popp/Ruthardt, Section 12 Valuation methods as reflected in case law, in: Fleischer/Hüttemann (eds.), *Rechtshandbuch Unternehmensbewertung*, 3rd ed, 2024, para. 12.181; Popp, *Der Konzern* 2020, pp. 177, 179 with further references; Thüringer OLG, January 5, 2022, 2 W 135/19, para. 80 (BeckRS); OLG Munich, April 9, 2021, 31 Wx 2/19, 31 Wx 142/19, para. 121 (BeckRS) in conjunction with LG Munich I, August 29, 2018, 5 HK O 16585/15, decision text p. 126; LG Dortmund, March 23, 2023, 18 O 74/16, decision text p. 35.

¹⁰⁸ See IDW S 1 in the 2008 version, para. 5.

¹⁰⁹ See BGH, September 18, 2006, II ZR 225/04, AG 2006, p. 887, 889; OLG Munich, July 30, 2018, 31 Wx 122/16, para. 22 (BeckRS); OLG Munich, July 17, 2014, 31 Wx 407/13, p. 6 (BeckRS); OLG Düsseldorf, June 10, 2009, 26 W 1/07, para. 96 f. (juris); OLG Düsseldorf, July 29, 2009, 26 W 1/08, para. 37 (juris).

¹¹⁰ See OLG Zweibrücken, November 23, 2020, 9 W 1/18, para. 84 (BeckRS); OLG Munich, December 15, 2020, 31 Wx 299/16, decision text p. 7.

compensation cannot realize it.¹¹¹ If there is a legal or factual compulsion to continue as a going concern, a company valuation based on the liquidation value is ruled out.¹¹²

As Vonovia SE and Deutsche Wohnen SE are to be continued indefinitely in the present case, the liquidation values have not been derived and presented in this expert opinion.

In contrast to the liquidation value, the net asset value within the meaning of IDW S 1 as amended in 2008 is of no informative value both for determining the overall value of a going concern and in the event of an intended liquidation.¹¹³ If liquidation is to be assumed, it is not the net asset value but the liquidation value that is to be used.

3.5. Net Asset Value

In business management theory and valuation practice, it is undisputed that the value of a company is determined by the present value of the net cash flows to the company owners associated with ownership of the company.¹¹⁴ Companies generate financial surpluses through a purposeful combination of tangible and intangible assets. The value of the company is not determined by the individual or isolated values of the individual components of the assets and liabilities, but by the interaction of all values.¹¹⁵ Accordingly, the business value according to IDW S 1 as amended in 2008 is to be determined as a future success value using the capitalized earnings method (or a discounted cash flow method), i.e. according to a so-called "total valuation method".¹¹⁶

Irrespective of this, valuation practice sometimes (additionally) refers to the net asset value ("NAV"), particularly in the case of purely asset-managing real estate companies and other asset-managing companies. The business activities of asset management companies are generally limited to the investment of assets (e.g. in securities or real estate).¹¹⁷

¹¹¹ See OLG Karlsruhe, July 30, 2024, 12 W 26/23, decision text p. 28; OLG Frankfurt, September 13, 2021, 21 W 38/15, para. 149 (BeckRS); OLG Zweibrücken, November 23, 2020, 9 W 1/18, para. 84 (BeckRS); OLG Düsseldorf, 27. February 2004, 19 W 3/00, AG 2004, p. 324, 328; Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung, in: Fleischer/Hüttemann (ed.), Rechtshandbuch Unternehmensbewertung, 3rd ed, 2024, para. 12.192.

¹¹² See OLG Düsseldorf, January 28, 2009, 26 W 7/07, AG 2009, pp. 667, 668.

¹¹³ See IDW S 1 2008 version, No. 6; OLG Stuttgart, September 14, 2011, 20 W 6/08, No. 202 (juris); OLG Düsseldorf, January 28, 2009, 26 W 7/07, AG 2009, pp. 667, 668; Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung, in: Fleischer/Hüttemann (eds.), Rechtshandbuch Unternehmensbewertung, 3rd ed, 2024, para. 12.198; Großfeld/Egger/Tönnes, Recht der Unternehmensbewertung, 9th edition, 2020, p. 29; LG Berlin, December 3, 2021, 102 O 46/14, decision text p. 82; LG Munich I, August 27, 2021, 5 HK O 5884/20, decision text p. 72.

¹¹⁴ See IDW S 1 in the 2008 version, para. 4.

¹¹⁵ See IDW S 1 in the 2008 version, para. 18.

¹¹⁶ See IDW S 1 as amended in 2008, para. 7.

¹¹⁷ See Creutzmann, BWP 2017, pp. 74, 75 for detailed information on the characteristics of asset management companies.

To determine the NAV, the fair values of the assets are added together and reduced by the fair values of the liabilities.¹¹⁸ Assets and liabilities not recognized in the balance sheet are also taken into account. In particular, the present value of (general non-property-related) management costs is deducted.¹¹⁹ In this way, the fair value of equity is determined. As a going concern is assumed when determining the NAV and no break-up or liquidation of the company is assumed, no liquidation costs are deducted.¹²⁰ Any tax burdens that would arise if the assets were sold are also not taken into account due to the going concern assumption.¹²¹ The NAV therefore explicitly **does not represent a liquidation value**. Due to the assumed going concern perspective, the NAV is rather intended to check the plausibility of or replace the future-oriented determination of the capitalized earnings value for asset-managing companies.

In practice, the market values of the individual assets and liabilities are determined first. The focus here is not on determining the discounted future cash flows from the perspective of the shareholder of the asset management company. These market values are then generally included in the NAV calculation without further adjustments. As a result, the NAV may deviate significantly from the capitalized earnings value due to different (implicit or explicit) assumptions or delimitations with regard to the cash flows included in the NAV calculation and the capitalized earnings value calculation as well as (currently in particular due to the capitalization interest rates applied).

There is a consensus in valuation practice that the NAV should take account of the following special features of purely asset-managing companies:

- The value of an asset management company is essentially determined by the earning power of its investments, which in turn is largely reflected in their market values (fair values).
- It is characteristic of an asset management company that it generates both recurring (interest, dividend and rental income, etc.) and non-recurring income (capital gains or losses) from various forms of investment.
- "Synergies" through the interaction of different investments that go beyond risk diversification are not recognizable or foreseeable. The value of an asset-managing company is therefore determined by the independent assets and liabilities and the resulting cash flows. In contrast, the value of an operating company is typically not determined by the isolated values of the individual components of assets and liabilities, but by the interaction of tangible and intangible assets.

¹¹⁸ For the valuation of individual assets and liabilities, see Creutzmann, BWP 2017, pp. 75, 77.

¹¹⁹ See OLG Karlsruhe, July 30, 2024, 12 W 26/23, decision text p. 18; BayObLG, May 18, 2022, 101 ZBR 97/20, para. 40 et seq. (BeckRS), BayObLG, August 23, 2023, 101 W 184/21, para. 77 (BeckRS); OLG Karlsruhe, May 25, 2020, 12 W 17/19, para. 45 (BeckRS); OLG Frankfurt a. M., September 8, 2016, 21 W 36/15, No. 55 (BeckRS); OLG Hamburg, March 31, 2022, 13 W 20/21, decision text p. 21; OLG Frankfurt a.M., September 8, 2016, 21 W 36/15, No. 55 (BeckRS).

¹²⁰ See Ruiz de Vargas, in: Bürgers/Körber/Lieder (eds.), German Stock Corporation Act, 5th edition, 2021, Annex to Section 305 AktG, para. 64.

¹²¹ See Creutzmann/Stellbrink, BOARD 2019, p. 225, 226.

Accordingly, the courts have declared the NAV method to be suitable exclusively for the valuation of pure asset management companies **without an operating business**.¹²²

There is also currently a very clear decoupling of the NAV values of listed real estate portfolio holders in Germany from the observable market capitalization or stock market valuation. Observable stock market valuations are significantly below the communicated NAV values, particularly since the rise in general interest rates. It can be seen that the discount rates used in the fair value calculation of investment properties (in accordance with IAS 40) in line with the model or model-immanent are currently still significantly lower than the forward-looking capitalization rates used in the determination of the capitalized earnings value. In this respect, the interest rates used for property valuation have not (yet) risen to the same extent as the capitalization interest rates used for company valuation purposes as a result of the general rise in interest rates.

As a result, it should be noted that the NAV method can only be used to a limited extent to value a company. The OLG Frankfurt a.M. correctly points out that the future financial surpluses of the company and not the sum of the individual surpluses of its individual assets must be taken into account for the appropriate settlement. "However, the NAV method - without appropriate adjustments - does not initially provide any information on this"¹²³. In other words, when applying the NAV method, **adjustments** would have to be made until the (capitalized earnings-based) business value is obtained again. If the NAV method is interpreted in this way, it is nothing more than a **sum-of-the-parts approach** which, under consistent assumptions, corresponds to the capitalized earnings value determined (on the basis of group planning and corresponding capital costs).

Against this background, we have not calculated and presented the NAV for Vonovia SE and Deutsche Wohnen SE in this report.

Nor can any obligation be derived from case law to use the NAV in addition to the capitalized earnings method for real estate companies or asset management companies.¹²⁴ There are also resolutions rejecting the NAV method¹²⁵ or indications that the capitalized earnings method is preferred over the NAV method.¹²⁶

¹²² See BayObLG, August 23, 2023, 101 W 184/21, (BeckRS); BayObLG, May 18, 2022, 101 ZBR 97/20, (BeckRS); BayObLG, September 8, 2016, 21 W 36/15, (BeckRS); OLG Karlsruhe, May 25, 2020, 12 W 17/19, (BeckRS); OLG Munich, July 11, 2019, 31 Wx 213/17, (BeckRS).

¹²³ OLG Frankfurt a.M., November 3, 2020, 21 W 76/19, para. 21 (BeckRS).

¹²⁴ See OLG Düsseldorf, August 15, 2016, 26 W 17/13 (AktE), para. 37 (BeckRS); OLG Munich, July 30, 2018, 31 Wx 122/16, decision text, p. 14.

¹²⁵ See OLG Frankfurt a.M., November 3, 2020, 21 W 76/19, para. 21 (BeckRS); LG Munich I, February 14, 2014, 5 HK O 16505/08, decision text, p. 63.

¹²⁶ See OLG Hamburg, March 31, 2022, 13 W 20/21, decision text p. 21.

3.6. Comparative Valuation

In addition to capital value calculations, valuation practice also uses so-called multiples methods. Like the capitalized earnings method, this valuation concept follows the principle of an earnings-oriented valuation, but the business value is determined on the basis of a multiple of an earnings figure. The multiples method is based on a comparative business valuation in the sense that suitable multiples are derived from capital market data of listed comparable companies or transactions and transferred to the company to be valued.

Similar to the discounted cash flow method, a distinction can be made between the enterprise approach and the equity approach for the multiples-based valuation. With the equity approach, the value for the equity providers is determined directly. In contrast, the enterprise approach first determines the total value of the company for the providers of equity and debt capital. The value of the equity is calculated by subtracting the market value of the debt. In the case of EBIT or EBITDA multiples (i.e. before deduction of the financial or interest result), this is an enterprise approach, meaning that the total enterprise value is used as the reference value.

Multiple-based valuations are only simplified valuations, but can provide indications for a plausibility check in individual cases.¹²⁷

In addition to the analytical valuations we performed using the capitalized earnings method, we performed comparative valuations for the Vonovia Group and the Deutsche Wohnen Group (see sections 5.5. and 6.5.).

3.7. Previous Acquisitions by Vonovia SE

In its decision of April 27, 1999, the BVerfG determined that the prices actually paid by a majority shareholder for shares in a dependent company can be disregarded when valuing the shareholding for the purpose of calculating the settlement in accordance with Section 305 AktG, because they generally bear no relation to the "true" value of the shareholding in the hands of the minority shareholders or to the market value of the shares.¹²⁸ The considerations of a majority shareholder who may be prepared to accept excessive prices in the run-up to and in preparation for a corporate action - e.g. in the context of a takeover bid - are only decisive for the majority shareholder, while they have no significance for third parties. From the perspective of a minority shareholder, the (increased) price paid by the majority shareholder for individual shares is only achievable if

¹²⁷ See IDW S 1 2008 version, para. 143; OLG Düsseldorf, October 29, 2018, 26 W 13/17, para. 55 (BeckRS); critical of the informative value: OLG Frankfurt, January 17, 2017, 21 W 37/12, para. 146 (BeckRS); OLG Frankfurt May 2, 2011, 21 W 3/11, para. 83 (juris); OLG Frankfurt, February 15, 2010, 5 W 52/09; para. 105 (juris); LG Munich I, December 2, 2016, 5 HK 5781/15, para. 62 (juris).

¹²⁸ Cf. BVerfG, April 27, 1999, 1 BvR 1613/94, AG 1999, p. 566, 568.

he succeeds in selling his shares to the majority shareholder. However, there is no constitutional entitlement to this. This decision is in line with the prevailing opinion in the literature and supreme court case law¹²⁹ and was recently confirmed again by the BGH.¹³⁰

A comparable decision was made by the ECJ on October 15, 2009¹³¹. According to the ECJ, Community law does not contain any legal principle that protects minority shareholders to the effect that the majority shareholder is obliged to buy up their shares on the same terms as those agreed when acquiring a shareholding with which the majority shareholder gained control or increased its control. The fact that prices paid by the main shareholder are generally not relevant for the appropriate settlement has also been expressly stated by the BGH¹³², the OLG Munich¹³³, the OLG Düsseldorf¹³⁴, the OLG Stuttgart¹³⁵, the OLG Frankfurt¹³⁶, the Thuringian OLG¹³⁷ and the OLG Hamburg¹³⁸.¹³⁹

3.8. Valuation Dates

Section 305 para. 3 sentence 2 stipulates that the appropriate **settlement** must take into account "the circumstances of the company at the time of the resolution of its general meeting on the agreement". This corresponds to the reporting date principle as a generally recognized principle of proper company valuation: According to IDW S 1 in the 2008 version, points 22, 23, business values must be determined at a point in time on the valuation date. The level of information that could have been obtained with reasonable care on the valuation date must be taken into account.

When determining an exchange ratio, a uniform reference date must be assumed for both companies. In practice, this is usually based on the date of the general meeting of the transferring legal entity or, in this case, the controlled company, which adopts the resolution.¹⁴⁰

¹²⁹ Cf. for all: van Rossum, in: Münchener Kommentar zum AktG, 6th edition, 2023, Section 305, para. 91; BGH, July 19, 2010, II ZB 18/09, AG 2010, pp. 629, 632.

¹³⁰ Cf. BGH, January 31, 2024, II ZB 5/22, decision text para. 51.

¹³¹ See Case C 101/08, AG 2009, p. 821 et seq.

¹³² Cf. BGH, July 19, 2010, II ZR 18/09, AG 2010, p. 629, 632.

¹³³ See OLG Munich, June 26, 2018, 31 Wx 382/15, para. 34 (BeckRS).

¹³⁴ See OLG Düsseldorf, November 28, 2022, 26 W 4/21, para. 183 (BeckRS); OLG Düsseldorf, March 22, 2018, 26 W 20/14, para. 58 (BeckRS); OLG Düsseldorf, November 12, 2015, 26 W 9/14, para. 43 (BeckRS).

¹³⁵ See OLG Stuttgart, March 30, 2021, 20 W 8/19, decision text p. 61 f.; May 4, 2020, 20 W 3/19, decision text p. 34.

¹³⁶ See OLG Frankfurt, May 26, 2023, 21 W 119/22, decision text p. 31; OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 33 (BeckRS).

¹³⁷ See Thuringian OLG, May 16, 2022, 2 W 197/19, decision text p. 19; March 3, 2021, 2 W 407/18, decision text p. 18.

¹³⁸ See OLG Hamburg, October 8, 2018, 13 W 20/16, para. 30 (BeckRS); March 27, 2012, 13 W 20/09, decision text p. 7.

¹³⁹ Cf. A.: LG Berlin, March 7, 2023, 102 O 2/18, decision text p. 93; LG Berlin, November 15, 2022, 102 O 100/12, decision text p. 105; LG Munich I, August 25, 2023, 5 HK O 12034/21, decision text p. 88; LG Munich I, March 28, 2019, 5 HK 3374/18, decision text p. 85, with further references.

¹⁴⁰ See Popp/Ruthardt, in: WPH-Edition, Bewertung und Transaktionsberatung, 2018, Chapter C, para. 146.

Accordingly, the valuation of Deutsche Wohnen SE and the valuation of Vonovia SE were both based on the valuation date of January 23, 2025, as the date of the extraordinary general meeting of Deutsche Wohnen SE.

January 1, 2025, was set as the technical valuation date in each case. The financial surpluses available for distribution in the future were initially discounted to this date. The present value of the financial surpluses calculated in this way was then geometrically compounded to the valuation date of January 23, 2025, using the capitalization interest rate.

The **fixed compensation payment is** calculated on the basis of the business value determined at the beginning of the financial year for which the domination and profit and loss transfer agreement becomes or is to become effective.¹⁴¹ The value per share at the beginning of the 2025 financial year is therefore the material interest basis for compensation claims.

¹⁴¹ See Popp/Ruthardt, in: WPH Edition: Bewertung und Transaktionsberatung, 2018 Chapter C, para. 82; OLG Munich, March 11, 2020, 31 Wx 341/17, para. 102 (BeckRS) in conjunction with LG Munich I, April 28, 2017, 5 HK O 4736/11, decision text p. 126; OLG Düsseldorf, October 29, 2018, 26 W 13/17, para. 8 (BeckRS); OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 71 (juris)).

4. Market Price

4.1. Averaging and Stock Exchange Reference Date

According to the decision of the BGH of July 19, 2010 ("Stollwerck")¹⁴², the stock market value on which an appropriate settlement is to be based must generally be calculated on the basis of a weighted average price within a three-month period **prior to the announcement of the structural measure**. In its decision of January 31, 2024, the BGH also expressly stated that not only the stock market price as the divestment value, but also the stock market price as a measure of the "true" value must be determined on the basis of this average price.¹⁴³ The point in time immediately prior to the announcement of the structural measure is subsequently referred to as the "**stock exchange reference date**".

The calculation of the three-month period is based on the WpÜG Offer Regulation pursuant to Sections 187, 188 (2) BGB.¹⁴⁴

In order to eliminate potential manipulation of the share price by bringing forward the end date of the three-month period as far as possible, it is generally required that the announcement expresses the company's unreserved intention to implement the **specific structural measure**. In addition, there must be an objective prospect that the specific structural measure will actually be implemented in the foreseeable future.¹⁴⁵

On September 18, 2024, Vonovia SE's intention to conclude a domination and profit and loss transfer agreement with Deutsche Wohnen SE pursuant to Section 291 AktG was published in an ad hoc announcement by Vonovia SE and Deutsche Wohnen SE.¹⁴⁶ We have therefore used **September 17, 2024** (inclusive) as the closing date for the share prices included. This is the last day before the announcement of Vonovia SE's intention to conclude a domination and profit and loss transfer agreement with Deutsche Wohnen SE.

According to the case law of the BGH, an "**extrapolation**" of the stock market price to the valuation date would have to be carried out if there is a "longer period" between the day of the announcement and the day of the general meeting and the "general or industry-typical" stock market

¹⁴² Cf. BGH, July 19, 2010, II ZB 18/09, AG 2010, p. 629 et seq.

¹⁴³ See BGH, January 31, 2024, II ZB 5/22, para. 32 (BeckRS).

¹⁴⁴ See Questions and Answers on IDW S 1 as amended in 2008 (as at October 14, 2020), section 3.1, IDW Life 2020, p. 955.

¹⁴⁵ See van Rossum, in: Münchener Kommentar AktG, 6th edition, 2023, § 305 AktG, margin no. 104.

¹⁴⁶ See ad hoc announcement of Vonovia SE dated September 18, 2024; ad hoc announcement of Deutsche Wohnen SE dated September 18, 2024.

development makes an adjustment appear necessary.¹⁴⁷

In the Stollwerck decision, the BGH assumed that a period of seven and a half months between the announcement of the structural measure and the general meeting adopting the resolution was a "longer period". In the specialist literature, a period of up to six months is not regarded as a "longer period". In some cases, periods of up to seven and a half months - i.e. the specific period of time in the Stollwerck decision of the BGH - are not considered to be "longer" periods.¹⁴⁸ In case law, the "longer period" is handled restrictively and extrapolation is limited to "unusual" exceptional cases. A period of up to six months between the announcement and the date of the general meeting is considered "normal" or "usual", as six months are regularly required for the evaluation, review and preparation of the general meeting.¹⁴⁹

There will be around four months between the publication of Vonovia SE's intention to conclude a domination and profit and loss transfer agreement with Deutsche Wohnen SE on September 18, 2024, and the date of the general meeting of Deutsche Wohnen SE on January 23, 2025, which will adopt the resolution. An extrapolation of the stock market prices of Vonovia SE and Deutsche Wohnen SE is therefore not necessary according to case law.

4.2. Relevant three-month Average Prices and Share Price Ratio

a) Vonovia SE

According to a notification from BaFin dated November 27, 2024, the volume-weighted three-month average price of Vonovia SE as at September 17, 2024, was as follows

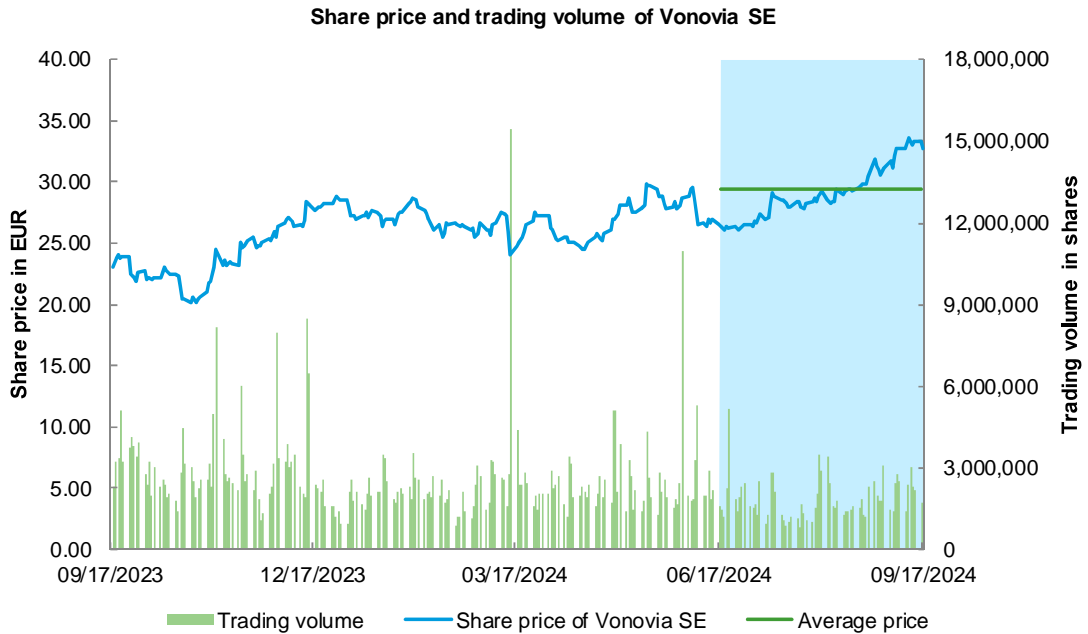
EUR 29.36.

The following chart shows the share price performance and trading volume (across all German stock exchanges) up to the stock exchange reference date as well as the relevant three-month average price of Vonovia SE. The three-month period prior to the announcement of the intention to conclude a domination and profit and loss transfer agreement is highlighted in light blue. The Vonovia SE share was traded on all trading days on the Frankfurt Stock Exchange and XETRA in the three-month period prior to the announcement of the domination and profit and loss transfer agreement.

¹⁴⁷ Cf. BGH, July 19, 2010, II ZB 18/09, AG 2010, p. 629, 632.

¹⁴⁸ For literature references, see Popp/Ruthardt, WPg 2017, p. 1222, 1223.

¹⁴⁹ See, for example, OLG Stuttgart, July 24, 2013, 20 W 2/12, para. 174 (juris).



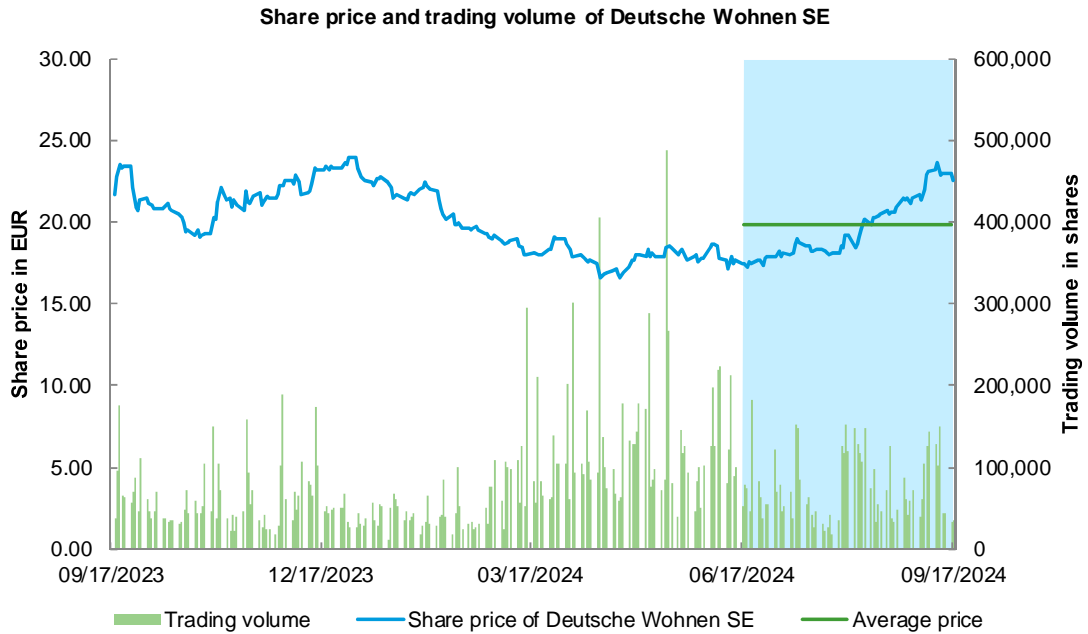
Source: Bloomberg, own calculations.

b) Deutsche Wohnen SE

According to a notification from BaFin dated November 27, 2024, the volume-weighted three-month average share price of Deutsche Wohnen SE as at September 17, 2024, was as follows

EUR 19.81.

The following chart shows the development of the share price and the trading volume (across all German stock exchanges) up to the stock exchange reference date as well as the relevant three-month average price of Deutsche Wohnen SE. The three-month period prior to the announcement of the intention to conclude a domination and profit and loss transfer agreement is highlighted in light blue. The Deutsche Wohnen SE share was traded on all trading days of the Frankfurt Stock Exchange and XETRA in the three-month period prior to the announcement of the domination and profit and loss transfer agreement.



Source: Bloomberg, own calculations.

c) Exchange Ratio based on the Stock Market Prices

Based on the volume-weighted three-month average prices determined as at September 17, 2024 (inclusive), the exchange ratio of one Deutsche Wohnen SE share to one Vonovia SE share is approximately 0.67, i.e. 0.67 Vonovia SE shares would have to be granted for one Deutsche Wohnen SE share tendered.

In addition, we determined the median and the mean value of the exchange ratios based on the stock market prices, which are calculated on the basis of volume-weighted three-month average prices from September 18, 2023 (inclusive) to September 17, 2024 (inclusive). The median calculated in this way is 0.76 and the mean is 0.79.

4.3. Assessment of the Informative Value of the Stock Market Price with regard to the "True" Value

a) Target Image and Analysis Criteria

According to established case law, the "appropriate" criterion is intended to ensure that minority shareholders or outside shareholders leaving the company are compensated **for the full economic value** of their shareholding in the company in the event of events under stock corporation and conversion law. As such settlement cases interfere with the constitutionally protected property rights of shareholders, case law emphasizes "full" compensation of the "true" value.

It is recognized in economics that, under certain conditions, the market mechanism is capable of allocating scarce economic goods to their optimal use through trading processes. Under these conditions, the market can determine a "correct" equilibrium price or "true" value.¹⁵⁰

On real capital markets, it cannot be assumed that the necessary pricing conditions always exist in full. Accordingly, comprehensive audit procedures are required to determine whether a "functioning" capital market exists or whether it can be assumed in a specific case that the market mechanism for the shares in question (actually) reflects sufficiently effective information processing and information valuation.

The BGH has clarified that recourse to stock market prices can be ruled out if *practically no trading* has taken place over a longer period of time. Stock market prices also lack sufficient informative value if, among other things, there are *inexplicable price fluctuations* or *price manipulation* or if *capital market publication obligations* have not been complied with. In this respect, the BGH defines negative criteria that may indicate that a functioning capital market does not exist. However, against the background of business and economic theory and practice, the aforementioned indications do not represent an exhaustive catalog; rather, further analyses and auditing procedures are appropriate for reviewing the meaningfulness of the stock market price.¹⁵¹

In our opinion, it is appropriate to take into account objectified values determined in accordance with the principles of IDW S 1 for control purposes or for comprehensive plausibility checks. A plausibility check of the stock market price by means of a capitalized earnings value calculation is also expressly approved by case law.¹⁵²

¹⁵⁰ See FAUB, AG 2021, p. 588, 589.

¹⁵¹ See Ruthardt, Unternehmensbewertung im Spiegel der Rechtsprechung, AG 2024, p. 770, para. 39 f.

¹⁵² See BGH, January 31, 2024, II ZB 5/22, para. 53 et seq. (BeckRS); also Decher, AG 2023, p. 106 et seq.

b) Assessment of the Informative Value of Vonovia SE's Share Price

In the following, various analyses of the informative value of the stock market prices of Vonovia SE and Deutsche Wohnen SE are presented, taking into account the target picture presented above. The discussion on the analyses to be carried out as part of the assessment of the informative value of the share price is currently ongoing. The analyses performed and their indications are not free of overlaps and are not to be understood in the sense of a hierarchical order of significance.

Analysis of Liquidity and Liquidity Measures

A high liquidity of the share increases the probability of effective information processing and valuation. For example, a low bid-ask spread is a measure of the extent of transaction costs. Low transaction costs increase the probability that new information will be priced in quickly and that arbitrage processes are possible. A high level of liquidity is seen by case law as an important, if not the most important, indicator of the informative value of the share price.

In practice and in case law, liquidity measures include the bid-ask spread, trading turnover (shares traded at the price paid), the daily trading volume (number of shares traded or used synonymously with trading turnover) and the free float percentage (shares potentially available for trading).¹⁵³ However, a superior measurement concept and recognized threshold values for "liquid shares" have not yet emerged for measuring liquidity, neither in theory nor in practice.¹⁵⁴ In practice, a relative classification based on comparisons with average values of larger indices (e.g. CDAX) or the peer group companies used can be used here.¹⁵⁵

With regard to **trading turnover**, individual rulings referred to analyses by court-appointed experts to the effect that trading turnover of (less than) around EUR 115 thousand per day "regularly no longer" constitutes sufficient liquidity.¹⁵⁶

¹⁵³ See Popp/Ruthardt, *Bewertungsmethoden im Spiegel der Rechtsprechung*, in: Fleischer/Hüttemann (eds.), *Rechtshandbuch Unternehmensbewertung*, 3rd edition, 2024, para. 12.119 et seq.

¹⁵⁴ Cf. in detail Ruthardt/Popp, *AG* 2020, p. 322, 328 f.

¹⁵⁵ See Ruthardt, *BewP* 2023, pp. 50, 51.

¹⁵⁶ See OLG Düsseldorf, September 5, 2019, 26 W 8/17, para. 28 (BeckRS); OLG Frankfurt, November 20, 2019, 21 W 77/14, para. 78 (BeckRS). Cf. critically: Popp/Ruthardt, Section 12, in: Fleischer/Hüttemann (ed.), *Rechtshandbuch Unternehmensbewertung*, 3rd edition, 2024, No. 12.121, footnote 269.

With regard to the **bid-ask spread**, a limited liquidity was seen in rulings by various courts from a range of 1.0 % to 1.25 %.¹⁵⁷ Above this level, the price is said to react too sluggishly to capital market information, as the transaction costs are too high due to high bid-ask spreads.¹⁵⁸

The LG Berlin pointed out that a trading turnover of over EUR 3 million and bid-ask spreads in the range of 0.23 % to 0.27 % can be assumed to be highly liquid and therefore highly informative.¹⁵⁹ In the TLG/WCM case, the OLG Frankfurt a.M. classified bid-ask spreads of 0.27 % and 0.37 % as very low and emphasized their particular significance for the informative value of the stock market price.¹⁶⁰

We analyzed the **average trading turnover** of the Vonovia SE share as at the reporting date. The results are shown in the following table, in each case over one-year periods beginning one year, two years, etc. up to five years before the aforementioned reporting date:¹⁶¹

Average trading turnover on days with trading in EUR million by year slices					
Reporting Date (t ₀)	t ₋₁ to t ₀	t ₋₂ to t ₋₁	t ₋₃ to t ₋₂	t ₋₄ to t ₋₃	t ₋₅ to t ₋₄
09/17/2024	63.8	76.5	90.2	78.1	82.0

Source: Bloomberg, own calculations.

In the observation periods prior to the reporting date, the average trading turnover on trading days was well above the EUR 115 thousand mentioned in the case law and above the EUR 3 million mentioned by the LG Berlin as an indicator of "high" liquidity.

In the three-month period prior to the reporting date, the average daily trading turnover of Vonovia SE shares amounted to around EUR 53.8 million.

In addition, we have analyzed the average **bid-ask spread** for the Vonovia SE share over various time periods starting from September 17, 2024. The results are shown in the following table:¹⁶²

¹⁵⁷ See OLG Düsseldorf, September 5, 2019, 26 W 8/17, para. 28 (BeckRS); OLG Frankfurt, November 20, 2019, 21 W 77/14, para. 78 (BeckRS); LG Munich I, June 28, 2024, 5 HK O 15162/20, decision text p. 136; LG Munich I, June 9, 2018, 5 HK 4268/17, decision text p. 65; LG Stuttgart, December 20, 2018, 31 O 38/16, decision text p. 103.

¹⁵⁸ See LG Munich I, June 30, 2017, 5 HK 13182/15, decision text p. 120.

¹⁵⁹ Cf. LG Berlin, June 20, 2023, 102 O 49/14, decision text p. 72.

¹⁶⁰ See OLG Frankfurt, April 26, 2021, 21 W 139/19, para. 40 f. (BeckRS).

¹⁶¹ The first column (t₋₁ to t₀) covers the twelve-month period immediately prior to the evaluation date. The second column (t₋₂ to t₋₁) covers the months 13 to 24 before the evaluation cut-off date, etc.

¹⁶² The first column (t₋₁ to t₀) covers the twelve-month period immediately prior to the evaluation date. The second column (t₋₂ to t₋₁) covers the months 13 to 24 before the evaluation cut-off date, etc.

Bid-Ask Spreads by year slices(Closing Price Method)					
Reporting Date (t_0)	t_1 to t_0	t_2 to t_1	t_3 to t_2	t_4 to t_3	t_5 to t_4
09/17/2024	0.07%	0.07%	0.06%	0.06%	0.07%

Source: Bloomberg, own calculations.

In the observation periods shown before the announcement of the domination and profit and loss transfer agreement, the bid-ask spreads were between 0.06 % and 0.07 %.

The three-month average bid-ask spread of the Vonovia SE share prior to the reporting date was only around 0.06 %.

In order to further classify the bid-ask spreads surveyed, we have analyzed the characteristics of the bid-ask spread for all CDAX companies for the same period up to five years before the stock market price reporting date according to annual slices. The following overview shows the market value-weighted average, the median and the first and third quartiles:¹⁶³

Bid-Ask Spreads by year slices(Closing Price Method)					
Reporting Date (t_0)	t_1 to t_0	t_2 to t_1	t_3 to t_2	t_4 to t_3	t_5 to t_4
Market Value Weighted Average	0.17%	0.18%	0.18%	0.16%	0.20%
Median	1.02%	0.90%	0.82%	0.70%	0.97%
25% Quartile	0.22%	0.20%	0.17%	0.14%	0.22%
75% Quartile	3.06%	3.04%	2.47%	2.14%	2.57%

Source: Bloomberg, own calculations.

The bid-ask spreads of the Vonovia SE share are well below both the median of the CDAX companies and the market value-weighted average over all periods shown. In addition, the very low bid-ask spreads of the Vonovia SE share are below the 25 % quartile of the CDAX companies.

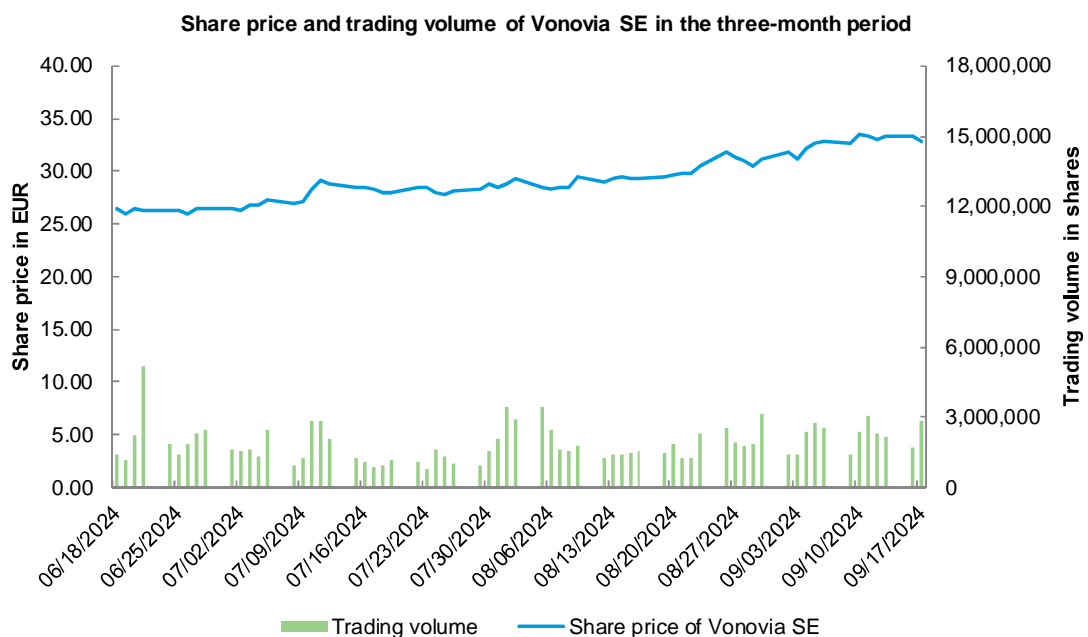
As a result, it can be assumed that the Vonovia SE share has very **high liquidity**.

¹⁶³ The first column (t_1 to t_0) covers the twelve-month period immediately prior to the evaluation date. The second column (t_2 to t_1) covers the months 13 to 24 before the evaluation date, etc. In addition to the arithmetic mean or the median, there are other statistical measures such as the quartiles. The 25 % quartile in ascending order of sorted data indicates the value below which a quarter of the individual data is located. Accordingly, the 75 % quartile indicates the value above which a quarter of the individual data is located.

No (unexplained) Price Movements and no identified Price Manipulation

For the analysis of the existence of inexplicable price swings, it must first be operationalized when a "price swing" is to be spoken of at all. In this respect, the criteria of Section 5 (4) of the WpÜG Offer Regulation, which refers to successive¹⁶⁴ deviations in stock market prices of more than 5 percent, can be used as a guide.

The following chart shows the price and trading volume of the Vonovia SE share in the three-month period prior to the reporting date:



Source: Bloomberg, own calculations.

In the last three months prior to the reporting date, a relatively continuous increase in the price of the Vonovia SE share can be observed.

Over the period under review, there were no unexplained price fluctuations of at least 5 % in successive stock market prices.

To the best of our knowledge, there are no indications that the Vonovia SE share price has been manipulated.

¹⁶⁴ Cf. in this regard: BGH, October 22, 2019, XI ZR 682/18, para. 12 (BeckRS).

Scope of Reporting and Analyst Coverage (Information Asymmetry)

A high degree of information provision by the company increases the probability of effective information processing and evaluation by the market. In this context, the monitoring of the share by analysts is also relevant. Analysts collect information about the company and the market environment and publish their assessments. The existence of several analysts' opinions and relatively consistent expectations of the players and market observers involved increases the probability of effective information processing and evaluation.

Vonovia SE shares are traded in the Prime Standard segment of the Frankfurt Stock Exchange, among others, and are included in various indices (including the DAX and Stoxx Europe 600).

Vonovia SE is therefore not only subject to the obligation under the WpHG to publish half-yearly interim reports but is also obliged to publish quarterly reports. There are also ad hoc disclosure obligations. As a result of its admission to the Prime Standard, Vonovia SE is subject to further post-admission obligations, which are characterized by a higher level of transparency requirements compared to the General Standard. In addition, the Vonovia SE share is currently covered by more than 20 analysts.

As a result, a **high level of information provision** by Vonovia SE and intensive monitoring by market participants can be assumed.

Reporting Date Principle

With regard to the principle of the reporting date, we believe it should be examined whether the relevant stock market price appropriately reflects the circumstances of the company on the valuation date. In this respect, it must be analyzed whether the operational and financial structure of the company and the economic conditions have changed significantly between the stock exchange reference date and the valuation date.

In the period between the stock exchange reference date and the signing of this expert opinion, the Vonovia Group continued its business as usual. There were no significant changes to the operating and financial structure or extraordinary transactions or significant structural measures that had a material impact on the value.

Assessment of the Informative Value of Vonovia SE's Share Price with regard to the "True" Value

The Vonovia SE share has a very high level of liquidity. There are no signs of (inexplicable) price fluctuations, price manipulation or non-compliance with publication obligations under capital market law. With reference to the negative criteria defined by the BGH, there are therefore no indications that a functioning capital market does not exist.

Furthermore, in our opinion, the additional comprehensive analyses performed from an economic perspective on liquidity, the scope of reporting, analyst coverage and compliance with the reporting date principle also speak (positively) for the existence of a meaningfulness of Vonovia SE's stock market price for the "true" value.

c) Assessment of the Informative Value of the Share Price of Deutsche Wohnen SE

Analysis of Liquidity and Liquidity Measures

We have analyzed the average **trading turnover** of the Deutsche Wohnen SE share over various periods starting from September 17, 2024. The results are shown in the following table, in each case over one-year periods starting one year, two years, etc. up to five years before the aforementioned share price date:¹⁶⁵

Average trading turnover on days with trading in EUR million by year slices					
Reporting Date (t ₀)	t ₋₁ to t ₀	t ₋₂ to t ₋₁	t ₋₃ to t ₋₂	t ₋₄ to t ₋₃	t ₋₅ to t ₋₄
09/17/2024	1.5	1.7	15.5	57.4	39.8

Source: Bloomberg, own calculations.

The average daily trading turnover has declined significantly in the years following the takeover by Vonovia SE. However, the average daily trading turnover of Deutsche Wohnen SE shares was still just under EUR 1.5 million in the three-month period prior to the reporting date.

¹⁶⁵ The first column (t₋₁ to t₀) covers the twelve-month period immediately prior to the evaluation date. The second column (t₋₂ to t₋₁) covers the months 13 to 24 before the evaluation cut-off date, etc.

In addition, we have analyzed the average **bid-ask spread** for the Deutsche Wohnen SE share over various time periods starting from September 17, 2024. The results are shown in the following table:¹⁶⁶

Bid-Ask Spreads by year slices(Closing Price Method)					
Reporting Date (t ₀)	t ₋₁ to t ₀	t ₋₂ to t ₋₁	t ₋₃ to t ₋₂	t ₋₄ to t ₋₃	t ₋₅ to t ₋₄
09/17/2024	0.34%	0.24%	0.18%	0.05%	0.07%

Source: Bloomberg, own calculations.

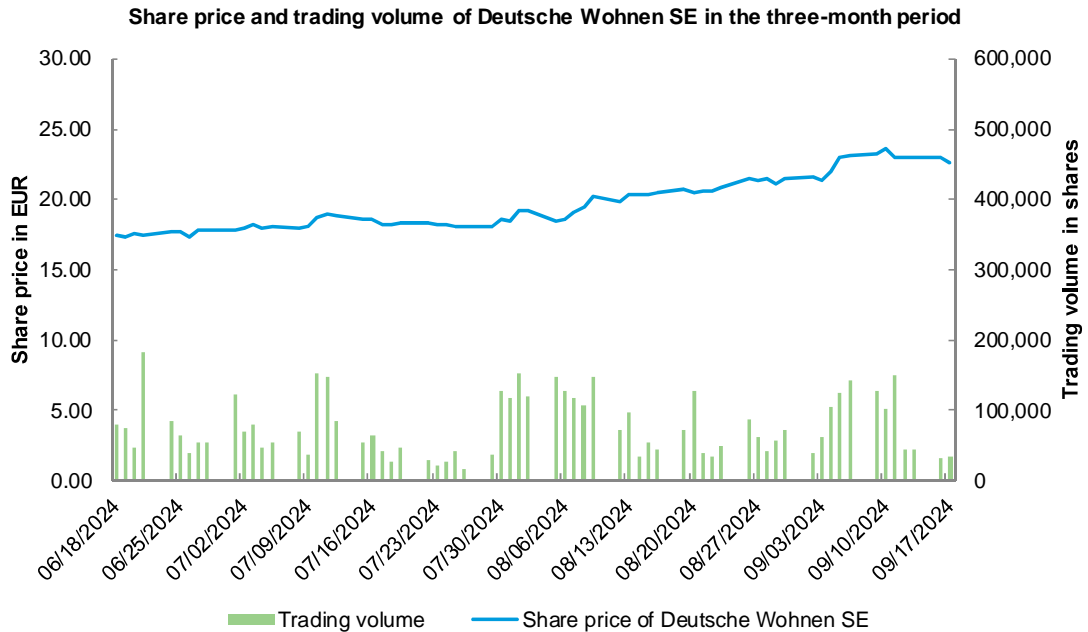
The development of the bid-ask spread reflects the decline in trading activity since the takeover by Vonovia SE. However, the average bid-ask spread of the Deutsche Wohnen SE share was only around 0.30 % in the three-month period prior to the reporting date. According to the assessment of the OLG Frankfurt a.M. in the TLG/WCM case, this would therefore be classified as very low (see above). The bid-ask spread therefore remains well below the range of 1.00 % to 1.25 % mentioned in the case law. In addition, the bid-ask spread is consistently well below the median bid-ask spread of the CDAX companies and only slightly above the 25 % quartile.

The Deutsche Wohnen SE share is less liquid than the Vonovia SE share. However, a high level of trading activity can still be observed. Particularly with regard to the bid-ask spread, which is used as an important indicator in case law, there is no evidence of limited liquidity and, against this background, limited or no informative value of the share price.

No (unexplained) Price Movements and no identified Price Manipulation

The following chart shows the price and trading volume of Deutsche Wohnen SE shares in the three-month period prior to the reporting date:

¹⁶⁶ The first column (t₋₁ to t₀) covers the twelve-month period immediately prior to the evaluation date. The second column (t₋₂ to t₋₁) covers the months 13 to 24 before the evaluation cut-off date, etc.



Source: Bloomberg, own calculations.

In the last three months prior to the reporting date, a relatively continuous increase in the share price of Deutsche Wohnen SE can be observed (analogous to the development of the Vonovia SE share).

Over the period under review, there were no unexplained price fluctuations of more than 5 % in successive stock market prices.

To the best of our knowledge, there are no indications of price manipulation of the Deutsche Wohnen SE share.

Scope of Reporting and Analyst Coverage (Information Asymmetry)

The shares of Deutsche Wohnen SE are traded in the General Standard of the Frankfurt Stock Exchange, among others, and are included in major indices (SDAX and EPRA/NAREIT).

Deutsche Wohnen SE publishes annual financial statements and half-yearly interim reports. An interim statement for the third quarter of 2024 was also published. There are ad hoc disclosure obligations.

Since the takeover by Vonovia SE in 2021, the number of analyst assessments has decreased significantly. However, the Deutsche Wohnen SE share continued to be covered by at least one analyst in the three-month period prior to the reporting date.

As a result, it can be assumed that the amount of information provided is lower than that provided by Vonovia SE. However, Deutsche Wohnen SE also continues to make relatively extensive information available to the capital market. In addition, taking into account the trading volume, relatively intensive monitoring by market participants can still be assumed.

Reporting Date Principle

In the period between the reporting date and the signing of this expert opinion, the Deutsche Wohnen Group continued its business as usual. There were no significant changes to the operating and financial structure or extraordinary transactions or significant structural measures that had a material impact on the value.

Assessment of the Informative Value of Deutsche Wohnen SE's Share Price with regard to the "True" Value

With regard to the Deutsche Wohnen SE share, there is no evidence of a market squeeze. There is no evidence of (inexplicable) price fluctuations, price manipulation or non-compliance with disclosure obligations under capital market law. With reference to the negative criteria defined by the BGH, there are therefore no indications that a functioning capital market does not exist.

The additional analyses performed from an economic perspective on the scope of the reporting and compliance with the reporting date principle do not provide any indications that speak against the informative value of the stock market price of Deutsche Wohnen SE. On the basis of the analysis of liquidity carried out, limited liquidity cannot be established, at least with regard to the threshold values specified by case law for the bid-ask spread.

5. Company Valuation of the Vonovia Group in Accordance with IDW S 1

5.1. Analysis of Historical Results

a) General Information

Estimating future income is generally subject to uncertainties with regard to future expectations. Risks and opportunities must be assessed in equal measure. The results actually achieved in the past provide an initial orientation.

The analyses of the completed financial years and the adjustments serve the purpose of being able to better assess the basis of the planning calculation in a first step. The adjustments carried out as part of the historical analysis have no effect on the determination of the business value, as the valuation is based on the results of future financial years and the adjusted results of the past are therefore only used for plausibility purposes.

In the following, the causes of past performance are analyzed for both the Vonovia Group and the Deutsche Wohnen Group for the years 2022 to 2024. For the years 2022 and 2023, we had audited consolidated balance sheets and consolidated income statements in accordance with IFRS.

For the year 2024, we used the interim balance sheets as at September 30, 2024 and forecasts of the income statements according to segment reporting for the year 2024 in accordance with IFRS. The forecasts show the actual development up to and including September 2024 and the development expected by the companies in the months of October to December 2024.

b) Assets and Liabilities

The following section presents the Vonovia Group's net assets as at the reporting dates for the 2022 and 2023 fiscal years in accordance with the audited consolidated financial statements prepared in accordance with IFRS and the interim balance sheet as at September 30, 2024, prepared in accordance with IFRS.

The following overview shows the **assets** in accordance with IFRS:

	Dec. 22 Actual	Dec. 23 Actual	Sep. 24 Actual
	EUR m	EUR m	EUR m
Intangible assets	1,659.5	1,423.7	1,423.9
Property, plant and equipment	673.4	655.1	660.9
Investment properties	92,300.1	81,120.3	78,472.4
Financial assets	745.0	1,456.3	1,353.5
Investments accounted for using the equity method	240.1	157.9	213.3
Other assets	380.2	221.7	127.8
Deferred tax assets	39.6	86.4	86.4
Total non-current assets	96,037.9	85,121.4	82,338.2
Inventories	32.1	19.7	18.9
Trade receivables	161.0	593.2	207.2
Financial assets	768.2	1,007.8	1,059.8
Other assets	621.0	660.3	731.3
Income tax receivables	239.9	178.2	144.2
Cash and cash equivalents	1,302.4	1,374.4	2,104.6
Real estate inventories	2,156.3	1,957.7	2,128.1
Assets held for sale	70.8	313.1	1,604.6
Assets from discontinued operations	0.0	770.1	693.1
Total current assets	5,351.7	6,874.5	8,691.8
Total assets	101,389.6	91,995.9	91,030.0

Intangible assets mainly include goodwill (September 30, 2024: EUR 1,391.7 million, December 31, 2023: EUR 1,391.7 million, December 31, 2022: EUR 1,529.9 million). In addition, concessions, industrial property rights, licenses and similar rights, internally generated software, customer bases and non-compete agreements (insignificant amount) as well as trademark rights are reported. The decrease in intangible assets as at December 31, 2023 is mainly due to impairment of goodwill. In addition, the trademark rights were fully amortized in the 2023 financial year.

Property, plant and equipment includes other equipment, operating and office equipment (September 30, 2024: EUR 138.4 million), owner-occupied property (September 30, 2024: EUR 192.0 million) and technical equipment and machinery (September 30, 2024: EUR 178.1 million). Property, plant and equipment also includes right-of-use assets from leases recognized in accordance with IFRS 16. The right-of-use assets result in particular from heating supply agreements, commercial rental agreements, the rental of land for the construction of commercial properties for own use and from contracts in connection with leased measurement technology. Corresponding lease liabilities are recognized. The rights of use are amortized on a scheduled basis depending on the respective useful life. As at September 30, 2024, property, plant and equipment included right-of-use assets amounting to EUR 184.2 million, some of which are also reported under owner-occupied properties.

The main asset item is **investment properties**, which are recognized at fair value in accordance with IAS 40 in conjunction with IFRS 13. The reduction in investment properties between December 31, 2022 and September 30, 2024 is mainly due to impairments, which are caused in particular by the increased yield expectations of property buyers. In addition, investment properties decreased as at September 30, 2024 due to the reclassification of around 4,500 residential units in Berlin to assets held for sale.

Investment properties include properties that are held to generate rental income or for the purpose of capital appreciation, are not used by the company itself and are not held for sale in the ordinary course of business. Investment properties include undeveloped land, land and land rights with buildings and land with heritable building rights of third parties as well as assets under construction. Investment properties also include rights of use from recognized leaseholds and, to an insignificant extent, from interim leases (total EUR 1,771.1 million as at 30 September 2024). The fair values of the Vonovia Group's real estate portfolio are determined on the basis of internal valuations and validated by external appraisals from the appraisal companies CBRE, JLL and Savills Sweden AB, Stockholm/Sweden. The fair value of the nursing care properties is determined by W&P Immobilienberatung GmbH, Frankfurt am Main.

Financial assets (current and non-current) as at September 30, 2024 include in particular derivatives (EUR 931.0 million), loan receivables from the QUARTERBACK Group (EUR 712.0 million), other current financial receivables from financial transactions (EUR 324.8 million) and other equity investments (EUR 265.1 million). As at September 30, 2024, other investments include in particular the shares in Vesteda Residential Fund FGR, Amsterdam/Netherlands (Vesteda) (EUR 182.7 million). The significant increase in financial assets at the end of 2023 is mainly due to the first-time recognition of two derivatives in the form of long-term options to buy back shares. These call options relate to the sale of shares in the Südewo portfolio and the Norddeutschland portfolio. In addition, other current financial receivables from financial transactions increased by EUR 318.1 million as at December 31, 2023. This relates to short-term financial investments in highly liquid money market funds.

In September 2024, the Deutsche Wohnen Group (as part of the Vonovia Group) concluded purchase agreements to acquire building plots and management units from the QUARTERBACK Group and QUARTERBACK Immobilien AG. In addition, further acquisitions of building plots are planned until the end of 2024. As part of the transactions, the loan receivables from the QUARTERBACK Group will be offset against the outstanding purchase price components. It is expected that the receivables outstanding after completion of the transactions will not be recoverable. Accordingly, value adjustments of around EUR 153.2 million were made to the receivables portfolio in the third quarter. The decline in financial assets as at September 30, 2024 is due in particular to the impairment of receivables from the QUARTERBACK Group and the reclassification of the shares in Gropyus AG, Vienna/Austria, to financial assets accounted for using the equity method.

In contrast, the subsequent measurement of the two call options and the increase in other loans to associates and joint ventures increased financial assets.

As at September 30, 2024, there were investments in 17 joint ventures and 13 associates, which are reported under **financial assets accounted for using the equity method**. This includes a 40 % interest in the unlisted QUARTERBACK Immobilien AG, which was classified as an associate. QUARTERBACK Immobilien AG is a project developer operating in Germany with a focus on central Germany. The carrying amount of the investment in QUARTERBACK Immobilien AG was fully impaired as at September 30, 2024. In addition, there are shares in eleven unlisted financial investments of QUARTERBACK Immobilien AG with shareholdings of between 44 % and 50 % (QUARTERBACK property companies), which are classified as joint ventures. In addition, 16 other companies of minor significance are accounted for using the equity method. The decrease in financial assets accounted for using the equity method in 2023 is due, among other things, to the negative earnings update and the decrease in the number of companies accounted for using the equity method. For example, the shares in B&O Service Berlin GmbH, Berlin, DWA Beteiligungsgesellschaft mbH, Berlin, KIWI.KI GmbH, Berlin, and the shares in Funk Schadensmanagement GmbH, Berlin, were sold in the course of 2023. The increase in financial assets accounted for using the equity method as at September 30, 2024 is mainly due to the reclassification of the shares in Gropyus AG, Vienna/Austria. Conversely, negative profit carryforwards reduce the financial assets accounted for using the equity method as at September 30, 2024.

Other assets (current and non-current) include prepayments for real estate projects (September 30, 2024: EUR 438.8 million), receivables from insurance companies (September 30, 2024: EUR 93.7 million), contract assets from development (September 30, 2024: EUR 96.4 million) and from operating costs (September 30, 2024: EUR 11.7 million). Development contract assets (September 30, 2024: EUR 96.4 million) and from operating costs (September 30, 2024: EUR 11.7 million), compensation claims for transferred pension obligations (September 30, 2024: EUR 1.0 million) and miscellaneous other assets (September 30, 2024: EUR 217.4 million). Advance payments for real estate projects include ongoing project developments by third parties (forward deals). The contract assets from operating costs show the surplus from operating cost payments during the year and advance payments from tenants before corresponding settlements. As at December 31, 2023, advance payments made for real estate projects and receivables from insurance companies increased. As the contract assets from development and operating costs as well as other miscellaneous assets decreased, there was an overall decrease in other assets as at December 31, 2023. As at September 30, 2024, there was a further slight decrease in other assets.

Deferred tax assets relate in particular to deferred tax assets from loss carryforwards and temporary differences.

Inventories include, in particular, repair materials for the internal craftsmen's organization.

Trade receivables include receivables from the sale of investment properties and real estate inventories, receivables from rentals and receivables from other goods and services. The significant increase in trade receivables in 2023 is due in particular to higher receivables from the sale of investment properties and real estate inventories. The significant decrease in trade receivables as at September 30, 2024 is mainly due to purchase prices received from the sale of properties.

Income tax receivables include receivables from corporate tax, trade tax and capital gains tax. The decrease in current income tax assets in the past period presented is due in particular to the receipt of refund claims and adjusted tax prepayments.

Cash and cash equivalents include cash in hand, cheques and bank balances. In addition, cash and cash equivalents at the end of 2022 include current securities held as current assets in the amount of EUR 200.6 million. The significant increase in cash and cash equivalents as at September 30, 2024 is due in particular to proceeds from the sale of inventories.

Real estate inventories include properties from the sales-related development business as well as land and buildings intended for sale. Real estate inventories consist of properties still under construction and completed properties that have not yet been sold.

The **assets held for sale** include properties for which notarized purchase agreements have already been concluded or whose sale is considered highly probable within the next twelve months. The significant increase in assets held for sale as at September 30, 2024 is mainly due to the planned sale of a Berlin portfolio.

As part of the strategic review, the management of the Deutsche Wohnen Group decided to sell the nursing care division. As at December 31, 2023, the majority of the assets and liabilities of the nursing care segment were reported separately as **discontinued operations**. Nursing care properties with a carrying amount of EUR 90.8 million were sold by September 30, 2024.

Liabilities are as follows in accordance with IFRS:

	Dec. 22 Actual	Dec. 23 Actual	Sep. 24 Actual
	EUR m	EUR m	EUR m
Total equity	34,438.8	29,944.6	28,605.8
Provisions	655.7	606.9	657.9
Trade payables	5.2	7.0	7.0
Non-derivative financial liabilities	41,269.7	39,636.5	38,729.4
Derivatives	0.0	59.2	67.3
Lease liabilities	641.0	629.3	629.6
Liabilities to non-controlling interests	220.0	167.7	169.4
Financial liabilities from tenant financing	43.0	41.6	44.2
Other liabilities	27.9	51.0	85.9
Deferred tax liabilities	18,612.4	15,713.2	15,377.1
Total non-current liabilities	61,474.9	56,912.4	55,767.8
Provisions	238.0	202.9	297.6
Trade payables	563.3	486.4	463.7
Non-derivatives financial liabilities	3,790.0	3,260.6	4,332.7
Derivatives	1.3	0.1	0.0
Put options	270.9	316.2	324.8
Lease liabilities	41.5	43.9	45.3
Liabilities to non-controlling interests	15.9	30.7	25.4
Financial liabilities from tenant financing	112.1	112.5	110.1
Current income taxes	241.3	260.0	214.7
Other liabilities	201.6	283.6	560.6
Liabilities associated with assets classified as held for sale	0.0	0.0	194.6
Liabilities from discontinued operations	0.0	142.0	86.9
Total current liabilities	5,475.9	5,138.9	6,656.4
Total liabilities	101,389.6	91,995.9	91,030.0

As at September 30, 2024, Vonovia SE's **total equity** comprised subscribed capital of EUR 822.9 million, capital reserves of EUR 2,897.4 million, retained earnings of EUR 21,093.5 million and other reserves of EUR -368.4 million and non-controlling interests of EUR 4,160.4 million. In the period under review, subscribed capital increased by around EUR 18.8 million in 2023 and EUR 8.3 million as at September 30, 2024 due to share dividends.

The decrease in equity as at December 31, 2023 is mainly due to the negative result for the period and cash dividend distributions. In contrast, the sale of shares in the Südewo portfolio and the Northern Germany portfolio to Apollo Capital Management L.P., New York City/USA (Apollo), had a positive impact on retained earnings (recognition of derivatives and positive differences from

the sale prices and the increase in non-controlling interests). Driven by these transactions, significantly higher non-controlling interests (increase of EUR 1,154.7 million) are also reported as at December 31, 2023. The further decrease in equity as at September 30, 2024 is due in particular to the negative result for the period and cash dividend distributions.

Provisions (current and non-current) as at September 30, 2024 include provisions for pensions and similar obligations of around EUR 493.2 million, personnel obligations totaling around EUR 199.9 million, other tax provisions (excluding deferred taxes) of around EUR 26.7 million, provisions for environmental protection measures of around EUR 13.5 million and other miscellaneous provisions totaling around EUR 222.3 million. The decrease in provisions (current and non-current) in 2023 is mainly due to a decrease in other miscellaneous provisions. The increase in provisions (current and non-current) as at September 30, 2024 is due in particular to legal disputes with a social insurance provider. This led to a significant increase in personnel-related obligations. As at the third quarter of 2024, a provision of EUR 69.0 million was recognized for back payments of contributions to a social insurance provider and around EUR 71.0 million was recognized as direct payments to employees.

Trade payables (current and non-current) include trade payables not yet invoiced (September 30, 2024: EUR 152.6 million), lease liabilities (September 30, 2024: EUR 159.0 million) and liabilities from other trade payables (September 30, 2024: EUR 159.1 million). The decrease in trade payables in the historical period under review is due in particular to a decrease in unbilled trade payables and a decrease in other trade payables as at September 30, 2024.

Non-derivative financial liabilities (current and non-current) relate in particular to the following financing arrangements:

- **Corporate Bonds:** As at September 30, 2024, Vonovia SE had non-derivative financial liabilities from various bond financings with a total nominal value of around EUR 25,400.5 million. The average interest rate of the bonds was 1.59 % as at September 30, 2024. The carrying amounts differ slightly from the nominal value due to the effects of purchase price allocations and interest deferrals. With a nominal value of EUR 17,521.0 million as at September 30, 2024, the majority of the bonds originate from Vonovia SE's European Medium Term Notes (EMTN) program (excluding green and social bonds). The EMTN program can be used to obtain new funds at any time and at short notice via bond issues. These bonds had an average interest rate of 1.06 % as at September 30, 2024. The corporate bonds also include EMTN Green Bonds (EUR 2,136.9 million as at September 30, 2024, average interest rate of 2.80 %) and EMTN Social Bonds (EUR 2,925.7 million as at September 30, 2024, average interest rate of 3.20 %). The bonds of Deutsche Wohnen SE have a nominal value of EUR 1,760.7 million as at September 30, 2024 and bear an average interest rate of 1.12 %. In 2024, three bonds between EUR 278.3 million and EUR 336.1 million were repaid as scheduled by September 30, 2024. The corporate bonds also include foreign currency bonds. In

addition to the bonds denominated in Swedish krona, one unsecured bond denominated in pounds sterling (around EUR 465.1 million) and two unsecured bonds denominated in Swiss francs (around EUR 159.3 million and EUR 247.8 million) were issued in 2024. The terms are between five and twelve years with coupons after currency hedging of between around 3.90 % and 4.55 %. In the course of 2024, a bond issued in Swedish krona was repaid as scheduled and two further floating-rate bonds (depending on the three-month STIBOR plus a margin) were issued in Swedish krona.

- Mortgage loans: As at September 30, 2024, there were mortgage loans in the amount of around EUR 14,587.9 million. The average interest rate on the nominal obligation of the mortgage loans was around 2.30 % as at September 30, 2024.
- Bearer and registered bonds: As at September 30, 2024, the bearer bonds have a nominal value of EUR 1,260.2 million and an average interest rate of 1.77 %. Registered bonds only exist in the amount of EUR 600.0 million as at September 30, 2024, with an average interest rate of 1.68 %.
- Promissory note loans: The promissory note loans carry an average interest rate of 2.57 % as at September 30, 2024. The nominal value as at September 30, 2024 is around EUR 1,045.0 million.

In addition, the non-derivative financial liabilities (current and non-current) include accrued interest from non-derivative financial liabilities. In 2024, several commercial papers totaling around EUR 500.0 million were repaid, meaning that no issues from Vonovia SE's commercial paper program were outstanding as at September 30, 2024. Overall, there is no significant short-term interest rate risk, as the financing either contains long-term fixed interest rates or is hedged using suitable derivative financial instruments. The decline in non-derivative financial liabilities (current and non-current) as at December 31, 2023, is mainly driven by repayments of the EMTN bonds. This was offset in particular by new mortgage loans and commercial paper. As at September 30, 2024, EMTN bonds, commercial paper and mortgage loans in particular were redeemed and an EMTN social bond and foreign currency bonds were issued, meaning that non-derivative financial liabilities (current and non-current) increased slightly overall.

The Vonovia Group holds interest rate swaps and other **derivatives** to hedge cash flows as part of its risk management. The variable payments of the interest rate swaps are based on EURIBOR and STIBOR. As at December 31, 2023, the derivatives comprise cash flow hedges in the amount of EUR 48.6 million and stand-alone derivatives in the amount of EUR 10.6 million. The significant increase in derivatives in 2023 is due in particular to the conclusion of new interest rate swaps to hedge the interest rate risk. As at September 30, 2024, derivatives had risen in particular due to an increase in freestanding derivatives.

Corresponding to the right-of-use assets recognized under property, plant and equipment and investment properties, **lease liabilities** (current and non-current) are reported under liabilities. In

the past period under review, lease liabilities were largely attributable to leaseholds. In addition, liabilities for leases based on heating supply agreements, commercial rental agreements, the rental of land for the construction of commercial properties for own use and measurement technology are also recognized. The slight decrease in lease liabilities as at December 31, 2023 is due to lower lease liabilities from heat supply agreements. In contrast, lease liabilities from commercial rental agreements increased due to index-based price increases and the lease of a new office building in Berlin. As at September 30, 2024, lease liabilities remained almost constant.

Liabilities to non-controlling interests (current and non-current) include, in particular, obligations to pay guaranteed dividends under profit and loss transfer agreements or agreements with co-investors.

The **financial liabilities from tenant financing** (current and non-current) include financing contributions from tenants (September 30, 2024: EUR 109.4 million) and maintenance and improvement contributions paid in by tenants (September 30, 2024: EUR 44.9 million). In Austria, the financing contributions for subsidized apartments are collected from tenants and repaid after the end of the tenancy after deduction of an occupancy contribution. In Austria, the retained maintenance and improvement contributions are paid by the tenant to finance modernization measures. Repayment is only made if the contributions are not used for modernization measures within 20 years. In the past period under review, financial liabilities from tenant financing (short and long-term) remained at an almost constant level.

As at 30 September 2024, **other liabilities** (current and non-current) include advance payments received of EUR 298.8 million, accrued liabilities of EUR 78.3 million, other tax liabilities of EUR 36.2 million and miscellaneous other liabilities of EUR 233.2 million. The increase in other liabilities at the end of 2023 resulted in particular from an increase in advance payments received of around EUR 100.8 million. As at September 30, 2024, other liabilities increased significantly due to the considerable increase in advance payments received.

Deferred taxes result from temporary differences, primarily from the fair value measurement of investment properties in accordance with IAS 40 compared to measurement at amortized cost in the tax accounts. The significant decrease in **deferred tax liabilities** as at December 31, 2023 of around EUR 2,899.2 million compared to December 31, 2022 is mainly due to the impairment of investment properties. There was a comparatively small decrease as at September 30, 2024.

The **put options** include put options held by minorities. Put options increased by EUR 83.2 million at the end of 2023 due to the increase in third-party shares in Süddeutsche Wohnen GmbH, Stuttgart (SWH). In contrast, adjustments to the IFRS value reduced the put options by EUR 37.9 million.

The **current income taxes** item includes current tax liabilities and current income tax liabilities.

As at September 30, 2024, **liabilities associated with assets classified as held for sale** in the amount of around EUR 194.6 million are reported.

The liabilities from discontinued operations result from the planned sale of the nursing care business division. As some of the nursing care properties were sold in 2024, the liabilities from discontinued operations as at September 30, 2024 were reduced to around EUR 86.9 million.

c) Financial Performance

We have analyzed the Vonovia Group's past results in order to assess the existing earnings power and the plausibility of the budget. To this end, the operating results (earnings before interest, taxes, depreciation and amortization, EBITDA) are adjusted for special items, resulting in adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA). By eliminating non-recurring items, the planning calculation can be better classified.¹⁶⁷

The following table shows the Vonovia Group's **results of operations** for the 2022 and 2023 fiscal years on the basis of the segment results up to adjusted EBT and the 9+3 forecast for the 2024 fiscal year in accordance with IFRS. The presentation follows the segment reports and the internal reporting structure of the Vonovia Group, which is also used to prepare the forecasts. For the positions below the adjusted EBT, no forecast is prepared, except for non-recurring items. The presentation of the years 2022 and 2023 is reconcilable to the audited consolidated income statement according to IFRS. The figures designated as "adjusted" are essentially, in accordance with the Vonovia Group's definition, figures adjusted for non-recurring items (non-periodic, irregularly recurring or atypical operating items).

As the nursing care division is to be sold and the income and expenses in the Development to hold segment are no longer reported under adjusted EBITDA Development, the presentation of the results of operations has changed in 2023. The presentation for 2022 has been reconciled and adjusted to the new format in the Vonovia SE 2023 Annual Report.

¹⁶⁷ See IDW Practice Note 2/2017, para. 25.

	2022 Actual	2023 Actual	2024 FC 9+3	22-24 CAGR
	EUR m	EUR m	EUR m	%
Revenue in the Rental segment	3,186.7	3,253.4	3,327.2	2.2%
Expenses in the Rental segment	-932.4	-851.7	-953.1	1.1%
Adjusted EBITDA Rental	2,254.3	2,401.7	2,374.1	2.6%
Revenue in the Value-add segment	1,272.0	1,224.7	1,359.7	3.4%
Operating expenses in the Value-add segment	-1,145.3	-1,119.2	-1,172.1	1.2%
Adjusted EBITDA Value-add	126.7	105.5	187.7	21.7%
Revenue in the Recurring Sales segment	543.4	319.3	455.1	-8.5%
Expenses in the Recurring Sales segment	-408.3	-255.9	-400.6	-0.9%
Adjusted EBITDA Recurring Sales	135.1	63.4	54.5	-36.5%
Revenue from the disposal of "Development to sell" properties	560.6	348.6	972.9	31.7%
Cost of Development to sell	-440.4	-300.9	-913.9	44.1%
Gross profit Development to sell	120.2	47.7	59.0	-29.9%
Operating costs and income in the Development segment	-30.2	-34.5	-30.2	0.1%
Adjusted EBITDA Development	90.0	13.2	28.8	-43.5%
Adjusted EBITDA Total (continuing operations)	2,606.1	2,583.8	2,645.0	0.7%
Straight-line depreciation	-127.5	-110.2	-111.9	-6.3%
Intragroup profits/losses	4.7	17.7	-11.5	n/a
Adjusted net financial result	-486.0	-625.1	-718.5	21.6%
Adjusted EBT (continuing operations)	1,997.3	1,866.2	1,803.2	-5.0%
Non-recurring items	-127.4	-147.9	-270.7	45.8%

Segment revenue (rental income), maintenance expenses and operating costs are reported in the **Rental segment**. The following table shows key figures for the Rental segment as well as key figures for the Vonovia Group's residential real estate portfolio in 2022 and 2023 and a forecast for 2024:

	2022 Actual	2023 Actual	2024 FC 9+3
Growth Revenue in the Rental segment		2.1%	2.3%
Adjusted EBITDA Rental in % of Rev. in the Rental Segment	70.7%	73.8%	71.4%
Number of units (end of period)	548,524	545,919	537,604
Floor space in k m ² (end of period)	34,386	34,215	33,736
Maintenance costs in EUR per m ²	24.81	21.03	22.47

The development of the number and area of residential units reflects the Vonovia Group's real estate developments, acquisitions and disposals in recent fiscal years and those expected by the end of 2024. The number of residential properties decreased slightly in 2023. In 2024, the number of residential properties is expected to fall further by around 8,300 units, or 1.5 %, due to sales.

The maintenance expenses shown for each m² comprise maintenance expenses and capital expenditure (capitalized in the balance sheet) to preserve substance. Maintenance expenses are capitalized depending on the size of the maintenance measures. Both maintenance expenses and substance-preserving investments per m² fell in 2023. This is due in particular to a reluctance to invest due to the financial environment and one-off effects as part of the integration of the Deutsche Wohnen Group. In the forecast for 2024, maintenance expenditure per m² increases to EUR 22.47 per m².

The vacancy rate, which is calculated on the basis of the ratio of the number of unlet residential units to the number of rentable residential units, was around 2.0 % in 2022 and 2023 and is around 1.8 % in the 2024 forecast.

Despite the lower number of residential units in 2023 and 2024, **segment revenue** increased. The increase in segment revenue in the historical period under review is due in particular to the organic increase in rents.

The actual monthly rent increased continuously from EUR 7.49 per m² in the years 2022 to 2024 to EUR 7.94 per sqm as at September 30, 2024. The organic rent increases result from like-for-like rent increases and rent increases due to new construction and additions to existing properties. Organic rent growth increased by 0.5 percentage points to 3.8 % in 2023. The 2024 forecast shows a further increase in organic rental growth to 4.1 %. The growth rates for segment revenue in 2023 and 2024 were 2.1 % and 2.3 % respectively.

The following chart shows the percentage distribution of rental income by country in 2022 and 2023 as well as a forecast for 2024:

	2022 Actual	2023 Actual	2024 FC 9+3
	%	%	%
Germany	85.3%	85.8%	85.4%
Sweden	11.1%	10.5%	10.9%
Austria	3.6%	3.7%	3.7%

The country shares of rental income did not change significantly in the period shown. In the forecast for 2024, the Vonovia Group generates around 85.4 % of its rental income in Germany, around 10.9 % in Sweden and around 3.7 % in Austria.

Expenses in the Rental segment include expenses for maintenance and operating costs. In 2023 in particular, the modernization, new construction and maintenance strategy was adapted to the financial framework conditions. Against this backdrop, maintenance expenses fell in 2023. Operating costs have also fallen in 2023, in particular due to synergies achieved and positive one-off effects from the integration of the Deutsche Wohnen Group. A significant increase in expenses is expected again in the forecast for 2024. In the period from 2022 to 2024, expenses rose by an average of 1.1 % per year.

Adjusted EBITDA Rental increased in 2023 due to rising segment revenue and lower expenses. In 2024, significantly higher expenses will lead to a decline in adjusted EBITDA Rental. Similarly, the adjusted EBITDA Rental margin increased to 73.8 % in 2023 and is forecast to fall to 71.4 % in 2024. Overall, the average annual growth rate of adjusted EBITDA Rental in the period from 2022 to 2024 was 2.6 %.

The **Value-add segment** includes segment revenue and operating costs from the business with housing-related services. Value-add segment revenue is divided into internal and external revenue. The internal revenues of the Value-add companies are offset by the internal costs of the Rental segment, unless they are capitalizable costs. The Value-add segment's intragroup profit from capitalizable services is eliminated below adjusted EBITDA in the item intragroup profits/losses (consolidation).

The decline in Value-add segment revenue in 2023 is mainly due to a slowdown in the volume of modernizations. The significant increase in segment revenue in the forecast for 2024 is primarily due to the resumption of investment activity in the real estate portfolio and a positive effect in the multimedia area from the leasing of coax networks. Although operating costs in the Value-add segment fell in 2023 due to lower maintenance and modernization services, developments in the Value-add segment were nevertheless affected by price increases in the construction industry. In addition, productivity losses and cost increases due to technology changes (switch from gas heating to heat pumps) had a negative impact on business development, which led to an overall decline in adjusted EBITDA Value-add in 2023. The increase in adjusted EBITDA value-add according to the forecast for 2024 is mainly due to the positive earnings effect from the leasing of coax networks. In the period from 2022 to 2024, the average annual growth rate of adjusted EBITDA Value-add is 21.7 %.

Regular sales of individual condominiums and single-family homes are reported in the **Recurring Sales segment**. The significant decline in segment revenue in 2023 is mainly due to the lower number of sales. While around 2,700 residential properties were sold in 2022, only just under

1,600 units were sold in 2023. According to the forecast, around 2,500 units will be sold in 2024. Expenses in the Recurring Sales segment include fair value disposals adjusted for out-of-period effects from properties held for sale and selling expenses. Expenses decreased in 2023 and increased in 2024 in line with the development of segment revenue. In addition, the fair value step-up in the Recurring Sales segment fell from 38.8 % in 2022 to 33.4 % in 2023. The further significant decline in the market value step-up to 21.3 % in 2024 is mainly due to the temporary prioritization of liquidity over profitability. In conjunction with relatively low selling expenses in 2022, there was a significant decline in adjusted EBITDA recurring sales in 2023. Due to the lower market value step-ups, the forecast for 2024 shows a further decline in adjusted EBITDA recurring sales.

In the **Development segment**, a total of around 1,100 units intended for sale were completed in 2023. Of these, just under 800 properties were completed in Germany and just under 400 properties in Austria. The previous year was characterized by the sale of a project in Berlin as part of the sale to an individual investor (global exit). Production costs fell significantly to EUR 300.9 million in 2023. Due to higher construction costs and the increase in interest rates, gross profit in the development to sell segment fell significantly from EUR 120.2 million in 2022 to EUR 47.7 million in 2023. The gross profit margin fell from 21.4 % to 13.7 % in the same period. According to the forecast, almost 2,400 residential units intended for sale will be completed in 2024. The ECB's interest rate cuts in 2024 also favored the transaction environment. In 2024, various development projects will be sold funds set up by HIH Invest, meaning that the forecast shows a significant increase in segment revenue in 2024. According to the forecast, however, gross profit will only increase slightly in 2024. The corresponding gross profit margin will fall to 6.1 %. As with the Recurring Sales segment, this is mainly due to the temporary prioritization of liquidity over profitability. Operating costs and income include operating costs in the development business, rental income from interim rentals and other income from subsidies. The increase in operating costs and income in the Development segment in 2023 is due to non-capitalizable expenses for property development. Adjusted EBITDA Development decreased in 2023 to around EUR 13.2 million, mainly due to the sharp fall in income from the sale of completed properties. In 2024, adjusted EBITDA Development is forecast to increase despite the lower gross profit margin, in particular due to the high sales proceeds.

At the level of **adjusted EBITDA Total**, the increase in earnings in the Rental segment in 2023 was more than offset by the negative developments in the other segments Value-add, Recurring Sales and Development. In contrast, the forecast for 2024 shows a slight decline in adjusted EBITDA Rental and an increase in adjusted EBITDA Total. This is due in particular to the positive effect from the leasing of coax networks in the Value-add segment and an increase in earnings in the Development segment.

Straight-line depreciation includes depreciation of concessions, industrial property rights, licenses, internally generated software, owner-occupied property, technical equipment and

machinery as well as other equipment, operating and office equipment, The high level of depreciation and amortization in 2022 is due in particular to higher depreciation of other equipment, operating and office equipment as well as concessions, industrial property rights and licenses.

Intragroup profits/losses are essentially the intragroup results generated by the internal craftsmen's organization from own work that can be capitalized within the Group. The internal segment revenue and the internal operating costs of the Value-add segment are deducted or added to the intercompany profits/losses item.

The **adjusted net financial result** includes interest income and interest expenses in particular. Interest income increased in 2023. In 2023, interest income stemmed from income from loans to the QUARTERBACK Group, among other things. Interest expenses result in particular from financial liabilities. The significant increase in interest expenses in 2023 is mainly due to developments in the interest rate environment, which primarily led to an increase in interest expenses for non-derivative financial liabilities. As a result, the adjusted net financial result deteriorated significantly in 2023.

The significant decline in **adjusted EBT** from continuing operations in 2023 is due in particular to the lower adjusted EBITDA total and the adjusted net financial result. The further decline in adjusted EBT in the forecast for 2024 is mainly due to a further deterioration in the adjusted net financial result. Overall, adjusted EBT fell by an average of 5.0 % annually in the past period under review.

The following table shows the Vonovia Group's **non-recurring items** in the years 2022 to 2024:

	2022 Actual	2023 Actual	2024 FC 9+3
	EUR m	EUR m	EUR m
Transactions	-113.1	-70.0	-55.0
Personnel matters	3.1	-35.1	-171.4
Business modell optimization	-12.2	-34.9	-37.2
Research and development	-4.2	-6.8	-6.2
Refinancing and equity measures	-1.0	-1.1	-1.0
Non-recurring items	-127.4	-147.9	-270.7

The transaction-related non-recurring items in 2022 and 2023 are mainly attributable to the acquisition of Deutsche Wohnen SE. In 2024, a significant portion of the transaction-related non-recurring items will also be attributable to post-integration costs.

Personnel matters include payments in connection with partial retirement and long-term incentive plans, special payments and organizational adjustments. The increase in personnel matters in 2023 is due in particular to high partial retirement payments and inflation compensation payments. The unusually high level of personnel matters in 2024 is due to the reassessment of the probability of claims arising from legal disputes with a social insurance provider.

Business model optimization includes, in particular, strategic initiatives, organisational development projects as well as corporate and IT projects. Non-recurring items in connection with research and development mainly arise in the context of the early phase of innovations and the development of new business areas. In addition, non-recurring items arise in connection with refinancing and equity measures to an insignificant extent.

5.2. Planning Calculation

a) Description of the Planning Process

As part of its regular planning process, the Vonovia Group prepares a multi-year plan at Group level in accordance with IFRS at the end of each fiscal year in the fall. The forecast for the current fiscal year is the starting point for the planning process. As part of the planning process, the budget planning for the first planning year (here: 2025) is prepared in detail. The Vonovia Group's budget is generally prepared at the level of the individual segments, regions and countries. In the Rental segment, planning is primarily based on regional aspects. In Germany, budgets are prepared for the five divisions North, South, East, West and Berlin. The divisions are divided into 23 regional areas and 90 regions, which represent the lowest planning levels.

From the planning year 2026 onwards, a value driver-based extrapolation is carried out at division level. The key value drivers are the expected rent increases, the modernization volume, maintenance expenses and assumptions regarding the units to be sold. Personnel and material costs are planned for the budget at cost center level and are extrapolated for subsequent planning years on the basis of the budget using inflation assumptions.

Sales are also planned at regional level based on a sales pool. In addition, the budget is prepared at the level of the other segments Development (based on specific development projects and standard projects) and Value-add (at the level of the individual Value-add areas).

The budgets for Sweden and Austria are initially prepared locally and are included in the multi-year plan. According to the information provided, there are no significant business relationships

beyond financing relationships, in particular no service relationships between Sweden, Austria and Germany.

The Vonovia Group's budgeting is generally prepared using the counterflow method, whereby the individual plans are initially prepared bottom-up.

The development plan covers ten planning years. For the sake of simplicity, the plans for the other segments are extrapolated by Group Controlling for a further five years after a five-year planning horizon (from 2030 onwards), generally in line with inflation.

The planning on which the valuation of the Vonovia Group is based was adopted by the Management Board of Vonovia SE on November 28, 2024, approved by the Supervisory Board of Vonovia SE on December 10, 2024, with regard to the budget year 2025 and acknowledged with regard to subsequent years.

b) Budget Comparisons

Historical budgets reflect the management's expectations at the time regarding the company's development. These are not independent of the purpose pursued with the planning. This can also consist of defining target figures. Planning accuracy is analyzed by comparing historical planning calculations with actual results and analyzing the causes of deviations. This can lead to an assessment of whether planning in the past may have been too optimistic, too pessimistic or realistic.¹⁶⁸ In addition to plan/actual comparisons for several individual years, a comparison of the last respective multi-year plans can also be carried out.

To analyze the accuracy of planning, we compared the budget prepared at the end of the 2022 financial year for the 2023 financial year with the actual figures. We compared the budget planning from fall 2023 with the forecast (9+3) for 2024. In addition, we have taken a multi-year view and compared the multi-year planning from the end of 2022 with the actual figures from 2023 and the forecast for 2024.

The deviations were determined at the level of the revenue in the Rental segment (rental income) and the Adjusted EBITDA Rental, as these figures have a significant impact on the results and are subject to significantly fewer special factors than the other Adjusted EBITDA areas. It should be noted that a small number of care facilities were reclassified to the Rental segment in 2023.

¹⁶⁸ See OLG Düsseldorf, May 9, 2022, 26 W 3/21, para. 41 (BeckRS); OLG Düsseldorf, February 25, 2020, 26 W 7/18, para. 39 (BeckRS); OLG Munich, December 14, 2021, 31 Wx 190/20, para. 109 (BeckRS).

As a result, the actual figures include income that was reported in the previous nursing care segment in the planning calculations.

The left-hand column of our following overviews always indicates the year in which the plan was prepared (e.g. 2022) for the subsequent plan years (here 2023 and 2024). Green fields indicate a plan overfulfillment, red fields a negative plan deviation. The deviations are each shown as a percentage of the planned value.

The percentage plan/actual deviations in **revenue in the Rental segment** are as follows:

Δ Revenue in the Rental segment		Planning year	
		2023	2024
Planning	2022	1.7%	3.4%
	2023		1.7%

An analysis of the deviations at segment revenue level in the Rental segment shows that actual rental income in 2023 was only around 1.7 % higher than the rental income planned for 2023 at the end of 2022. In addition, the expectations of the 2022 budget for 2024 were slightly exceeded by 3.4 % according to the forecast. This is partly due to portfolio changes that deviated from the plan and the reclassification of nursing care properties to the Rental segment. Compared to the planning from the end of 2023, Rental segment revenue is also slightly above budget according to the forecast for 2024. This high level of planning accuracy reflects the generally good planning capability of property management.

At **Adjusted EBITDA Rental** level, the percentage plan/actual deviations are as follows:

Δ Adjusted EBITDA Rental		Planning year	
		2023	2024
Planning	2022	5.3%	3.9%
	2023		1.2%

Overall, there are slightly positive deviations. The deviations in the planning calculations from 2022 and 2023 compared to 2023 and 2024 are mainly due to portfolio changes that deviate from the plan and lower than expected maintenance expenses. This also reflects the good planning capability of the rental business.

In the Development segment, there have in some cases been significant negative deviations between planned and actual figures in the past, resulting in particular from unforeseen developments in the market environment. Rising construction costs due to price increases for building materials

and services, supply bottlenecks and higher interest rates primarily had a negative impact on results in the Development segment.

We have not analyzed the sales business due to the difficulty of planning.

As a result, our analysis of the planned/actual deviations with regard to the rental business shows that the historical planning calculations are of a high quality. The plans for the other segments were largely missed due to unforeseeable developments in the market environment.

c) Operative Planning

The following overview shows the Vonovia Group's planning calculation on which our valuation is based at Group level up to EBIT for valuation purposes for the planning years 2025 to 2034 and the last past year (forecast).

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	FC 9+3	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
Revenue in the Rental segment	3,327.2	3,363.1	3,485.1	3,644.3	3,771.5	3,884.0	3,997.2	4,128.9	4,258.9	4,396.6	4,526.0
Expenses in the Rental segment	-953.1	-964.0	-984.2	-985.7	-979.7	-969.9	-980.0	-991.8	-1,003.5	-1,018.0	-1,029.8
Adjusted EBITDA Rental	2,374.1	2,399.1	2,500.9	2,658.6	2,791.7	2,914.0	3,017.3	3,137.0	3,255.4	3,378.6	3,496.2
Revenue in the Value-add segment	1,359.7	1,422.7	1,506.6	1,636.0	1,730.6	1,804.2	1,809.8	1,833.2	1,873.1	1,914.2	1,939.3
Operating expenses in the Value-add segment	-1,172.1	-1,240.2	-1,286.4	-1,324.7	-1,365.6	-1,414.0	-1,460.3	-1,489.5	-1,519.3	-1,549.6	-1,580.6
Adjusted EBITDA Value-add	187.7	182.5	220.2	311.3	365.0	390.2	349.6	343.8	353.9	364.6	358.7
Revenue in the Recurring Sales segment	455.1	490.0	789.4	1,631.9	1,646.8	1,669.2	1,690.4	1,712.2	1,331.7	1,356.3	1,381.9
Expenses in the Recurring Sales segment	-400.6	-414.2	-628.6	-1,383.3	-1,393.4	-1,411.4	-1,428.3	-1,445.7	-1,103.2	-1,122.5	-1,139.2
Adjusted EBITDA Recurring Sales	54.5	75.8	160.8	248.7	253.5	257.9	262.1	266.5	228.4	233.8	242.7
Revenue from the disposal of "Development to sell" properties	972.9	882.1	1,064.7	1,086.9	1,449.3	1,864.9	2,098.4	2,653.8	2,282.8	2,250.2	2,224.0
Cost of Development to sell	-913.9	-760.8	-943.3	-916.8	-1,236.3	-1,609.6	-1,819.4	-2,375.2	-1,961.1	-1,889.0	-1,847.5
Gross profit Development to sell	59.0	121.3	121.4	170.2	213.0	255.3	279.0	278.6	321.7	361.2	376.5
Operating costs and income in the Development segment	-30.2	-37.5	-39.5	-55.6	-65.6	-69.7	-61.3	-37.2	-52.4	-66.5	-61.1
Adjusted EBITDA Development	28.8	83.8	81.9	114.5	147.5	185.5	217.7	241.4	269.4	294.7	315.4
Adjusted EBITDA Total	2,645.0	2,741.1	2,963.9	3,333.1	3,557.7	3,747.6	3,846.7	3,988.7	4,107.1	4,271.6	4,413.0
Other and non-recurring items		-17.4	-36.9	-37.0	-48.3	-48.3	-32.9	-32.9	-32.9	-32.9	-32.9
Depreciation and amortization		-121.6	-128.3	-132.7	-137.0	-140.8	-144.2	-147.0	-150.0	-153.0	-156.0
EBIT for valuation purposes	2,602.1	2,798.7	3,163.5	3,372.4	3,558.4	3,669.7	3,808.8	3,924.2	4,085.8	4,224.1	

For reasons of valuation methodology, the results presented do not include the following items:

- **Consolidation:** The planned intragroup results of the Value-add segment are not eliminated for valuation purposes, as the intragroup results also increase the planned investments. Consequently, the investments that are "too high" from a Group perspective for the purposes of company valuation are offset by the intragroup profits recognized in EBIT. This means that, from a netted perspective, no cash flows remain from purely intra-Group transactions. This mainly affects maintenance and modernization services provided by VTS for the subsidiaries of Vonovia SE that hold real estate.
- **Result from the valuation of investment properties:** Planned results from revaluations of the real estate portfolio at fair value are not taken into account, as these are not cash flows relevant to valuation.

The **revenue in the Rental segment** includes rental income resulting from target rents and sales deductions due to vacant apartments. The development of segment revenue is therefore determined by the expected development of target rents and the vacancy rate as well as changes in the existing portfolio.

The following table shows the planned key figures for the Rental segment and the planned key figures for the Vonovia Group's residential real estate portfolio for the years 2025 to 2034 and for the last year of the past, 2024 (forecast).

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	FC 9+3	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Growth Revenue in the Rental segment	2.3%	1.1%	3.6%	4.6%	3.5%	3.0%	2.9%	3.3%	3.1%	3.2%	2.9%
Adj. EBITDA Rental in % of Rev. in the Rental Segment	71.4%	71.3%	71.8%	73.0%	74.0%	75.0%	75.5%	76.0%	76.4%	76.8%	77.2%
Number of units (end of period)	537,604	526,989	524,102	521,291	516,349	511,259	510,114	509,373	507,660	505,545	503,863
Floor space in k m ² (end of period)	33,736	32,974	32,778	32,579	32,266	31,951	31,876	31,828	31,710	31,560	31,444
Maintenance costs in EUR per m ²	22.47	25.86	27.09	28.09	28.10	28.52	29.00	29.22	29.64	29.97	30.22

In 2025, the number of residential units is expected to decrease by 10,615 units due to planned sales. This high number of residential units sold results in particular from non-core sales, including the sale of around 4,500 units to a municipal housing company of the City of Berlin agreed in 2024 with effect from January 1, 2025. In the planning years 2026 to 2033, a further slight decline in the number of residential units is expected to a lesser extent, driven by recurring sales and non-core sales.

The planned average annual increase in rental income of 3.1 % in the period between 2024 and 2034 is driven in particular by organic rent increases (in particular ongoing rent increases in the core business and investment-related rent increases) and, conversely, by planned sales. The vacancy rate remains at a relatively stable level of around 1.8 % to 1.9 % in the planning period and is therefore in line with historical vacancy rates. (Slightly) declining organic rental growth rates are expected for the projection period from 2030 to 2034 due to investments.

The planning of the revenue in the rental segment takes the legal framework into account. In particular, in addition to rent increases that are possible within existing tenancies in accordance with Section 558 of the German Civil Code (rent increase up to the standard local comparative rent) or that result from new tenancies within the scope of legal possibilities, rent increases due to modernization measures in accordance with Section 559 of the German Civil Code are also planned. Accordingly, rent increases are possible after modernization measures that exceed the "normal" rent increase. As part of the modernization of buildings, investments are planned in the planning period, particularly for the energy-efficient refurbishment of the real estate portfolio as part of Vonovia's climate path.

There will also be an increase in rental income due to the planned new construction activity (development to hold). In contrast to the increase in income due to rent increases and new construction, the planned portfolio sales will reduce rental income.

The maintenance expenses included in the **expenses in the Rental segment** comprise the portion of maintenance expenditure that is not capitalized. Maintenance expenses are planned at regional level for the year 2025 based on maintenance requirements and predefined budgets and are generally updated in subsequent years based on prices.

The significant increase in maintenance expenditure per m² in 2025 is generally attributable to the slowdown in expenditure in the two previous years due to the focus on liquidity as well as inflation-related cost increases and an increased scope of services.

Expenses in the Rental segment also include operating costs. Operating costs include all other cost items attributable to the Rental segment. These include, in particular, the operating cost balance (non-allocable operating costs), bad debt losses and administrative costs for

decentralized and central organizational units. This is offset by planned insurance compensation (for maintenance costs) and other income.

The operating costs include all costs that the owner of the property incurs on an ongoing basis through the use of the apartments (including water supply, heating, elevators, street cleaning, waste collection, building cleaning, garden maintenance, property and liability insurance and TV/cable connection) and that can be passed on to the tenant for the most part. An increase in non-recoverable operating costs in the further course of planning is to be expected, in particular due to an increasing CO₂ tax burden.

In addition, a significant increase is expected for 2025 due to inflation-related cost increases, which should be almost offset by efficiency improvements. Over the remaining planning period, the items are generally adjusted for price-related factors, taking into account the planned living space and residential units. Any reductions in operating costs will result from the effects of the strategic initiatives (serial modernization, energy cube, occupancy rights).

Adjusted EBITDA Rental is expected to increase slightly from EUR 2,374.1 million in 2024 to EUR 2,399.1 million in the first planning year 2025. Expected rent increases will have a positive effect, which will be largely offset by increased costs and the decrease in units due to portfolio sales. Subsequently, an average annual growth rate of 4.3 % is expected until the planning year 2034. The adjusted EBITDA rental margin is expected to improve correspondingly from 71.4 % in 2024 to 77.2 % in 2034.

In the **Value-add segment**, the planned segment revenue includes in particular intragroup revenue from the craftsmen's organization VTS, from Value-add Operations (multimedia, metering and energy services) and from the residential environment service area. The planning calculation also includes the expected effects from accelerated tech-supported investments (serial modernization, energy cube and photovoltaics) and the expected income from expanded business areas (energy operation, stranded assets and 3rd party market). The intragroup income relates to services provided by the value-add companies for the Vonovia Group companies that hold properties, where the services provided by the value-add companies lead to offsetting expenses or investments (including for the maintenance and modernization work carried out by VTS). The corresponding intragroup expenses and investments are also included in the planning statement in the same amount. Intercompany profits therefore only remain in the adjusted (consolidated) EBITDA of the Vonovia Group to the extent that the services provided by the diminishing companies relate to investments (and not expenses). External income is planned to a lesser extent, particularly in the Value-add Operations and Vonovia Immobilien Treuhand (residential property management) segments. In addition, the investment income from the investment in the insurance brokerage company AVW GmbH & Co. KG, Hamburg (AVW), is planned in the Value-add segment. The budgeted figures for the Value-add segments are based on historical data, market analyses, assumptions regarding price trends and portfolio developments, among other things.

The adjusted EBITDA value-add of EUR 187.7 million in 2024 is significantly influenced by a one-off effect from the lease of the coax network in the amount of EUR 62.4 million, which will not be reflected in the same amount subsequently. A significant increase in adjusted EBITDA Value-add to EUR 390.2 million is expected by 2029, driven among other things by a (renewed) increase in modernization investments, the expansion of photovoltaic systems and other initiatives mentioned above. As the earnings contributions from "Accelerated Tech-Supported Investments" and "Expanded Business Areas" will partially expire over the overall planning period, the adjusted EBITDA Value-add is expected to fall to EUR 358.7 million in 2034.

The adjusted EBITDA in the **Recurring Sales segment** reflects the planned sale of residential units from the privatization portfolio. The privatization portfolio includes residential units and single-family homes that can generally be sold at a premium to fair value (so-called step-up) in the case of individual sales. An increase in individual sales is assumed (again) over the planning period. Starting from sales proceeds of EUR 455.1 million in 2024, recurring sales are expected to increase significantly again to EUR 1,669.2 million by 2029. A slight decline to sales revenue of EUR 1,381.9 million in 2034 is then assumed.

The planned development of sales revenue is attributable to the business with stranded assets included in the Recurring Sales segment. With regard to these buildings with a currently low efficiency class, it is assumed that they will be resold after purchase and energy modernization. In this respect, taking into account a real estate cycle from 2030 onwards, it is assumed that the purchase of such properties in need of modernization will flatten out and that there will be no further purchases after 2032.

Adjusted EBITDA Recurring Sales is expected to reach a level of around EUR 242.7 million in 2034. With regard to the step-ups achieved, the expectation of a recovery of the currently (still) tense market situation is reflected over the planning period.

The **development business** is planned on the one hand on the basis of specific projects (approved by the Executive Board) and on the other hand on the basis of so-called "standard projects". The standard projects are planned on the basis of empirical values, current indications and market data. Only the contributions from development to sell projects are shown in adjusted EBITDA Development. Gross income from development to hold is not cash-effective from a group perspective and is therefore not relevant to valuation.

Gross profit development to sell is expected to increase from EUR 59.0 million in 2024 to EUR 121.3 million in the planning year 2025. This reflects an expected general market recovery with higher sales margins and a return to a focus on profitability (after the past few years of prioritizing the release of liquidity). As a result, adjusted EBITDA development is expected to increase from EUR 28.8 million in 2024 to EUR 83.8 million in 2025. Over the planning period, sales revenue and corresponding adjusted EBITDA development are expected to increase significantly by 2031.

From 2032 onwards, revenue is expected to decline while earnings are expected to grow. The planned development reflects the expiry of low-margin legacy projects at Deutsche Wohnen Group level and the assumption that margins will return to those achieved in the past.

Due to the expected positive developments in all four segments Rental, Value-add, Recurring Sales and Development, the **adjusted EBITDA Total** is expected to increase significantly in the planning period. The average annual growth rate is planned to be 5.3 % in the period from 2024 to 2034.

Below adjusted EBITDA Total, the sales of properties from the non-core portfolio are reported under **other and non-recurring items**. On the other hand, the non-recurring items are shown as a bundle. Non-core sales are opportunistic sales of entire buildings, plots of land or larger portfolios that are not part of the strategically relevant portfolio and are not relevant for the Vonovia Group's management. In addition, income from the planned sale of the nursing care business will be reported under Other and non-recurring items in 2025. Apart from 2028 and 2029, only insignificant non-core sales are planned in the later planning years.

The planned non-recurring items for 2025 mainly relate to business model optimization and transaction-related matters. From 2026, the non-recurring items are a general estimate of expected future costs for business model optimization and personnel-related matters, among other things.

Depreciation and amortization in the planning period includes scheduled amortization of intangible assets and depreciation of property, plant and equipment. This also includes depreciation in connection with owner-occupied properties. Investment properties recognized at fair value in accordance with IAS 40 in conjunction with IFRS 13 are not amortized. Investment properties recognized at fair value in accordance with IAS 40 in conjunction with IFRS 13 are not depreciated. A moderate increase in depreciation and amortization is expected over the planning period, partly due to the planned expansion of photovoltaics.

EBIT for valuation purposes will increase significantly in the planning period due to the expected positive developments in all segments. The average annual growth rate in the period from 2025 to 2034 is expected to be 5.5 %.

d) Classification and Assessment of the Plausibility of Operative Planning

In view of the inherent uncertainty of corporate planning, it is necessary to assess whether the assumptions on which corporate planning is based are plausible, i.e. comprehensible, consistent and free of contradictions.¹⁶⁹

Overall, a plan is considered plausible if it is both mathematically correct and prepared on the basis of a suitable planning process as well as consistently linked to the past and situation analysis of the valuation object, existing deviations from past developments can be conclusively explained and the expected development of the valuation object is comprehensibly reflected.¹⁷⁰ On the other hand, unjustifiable and therefore implausible planning may exist if it exhibits one-sided, systematic distortions or if, with corresponding market continuity, a level that has never been reached before, even in the best or worst times, has been planned without comprehensible justification.¹⁷¹

As part of our valuation work, we have reviewed the planning in terms of arithmetic and with regard to the comprehensibility and consistency of the assumptions made. According to our findings, the arithmetical and formal plausibility of the planning calculation within the meaning of the IDW Practice Note 2/2017¹⁷² is given.

We assessed the material internal plausibility of the budget on the basis of our knowledge of the business model, the analysis of the adjusted historical figures and the historical development of the Vonovia Group and taking into account comprehensive supplementary explanations and documents provided by the management regarding the assumptions made.

We assessed the material external plausibility on the basis of our knowledge of the market and competitive environment, including the peer group companies.

In our opinion, both the material internal plausibility and the material external plausibility of the planning statement within the meaning of the German Commercial Code are given. IDW Practice Note 2/2017¹⁷³, taking into account the classification described below.

Adjusted EBITDA Rental is expected to increase by EUR 540.0 million or 22.7 % by 2029 compared to the 2024 forecast and by a further EUR 582.2 million or 20.0 % in the following years up to 2034. This growth is based in particular on expected rent increases. In this respect, it is

¹⁶⁹ See IDW Practice Note 2/2017, para. 5.

¹⁷⁰ See OLG Düsseldorf, February 25, 2020, 26 W 7/18, para. 39 (BeckRS).

¹⁷¹ See Thüringer OLG, May 16, 2022, 2 W 197/19, decision text p. 22; OLG Düsseldorf, September 24, 2020, 26 W 5/16, para. 37 (BeckRS).

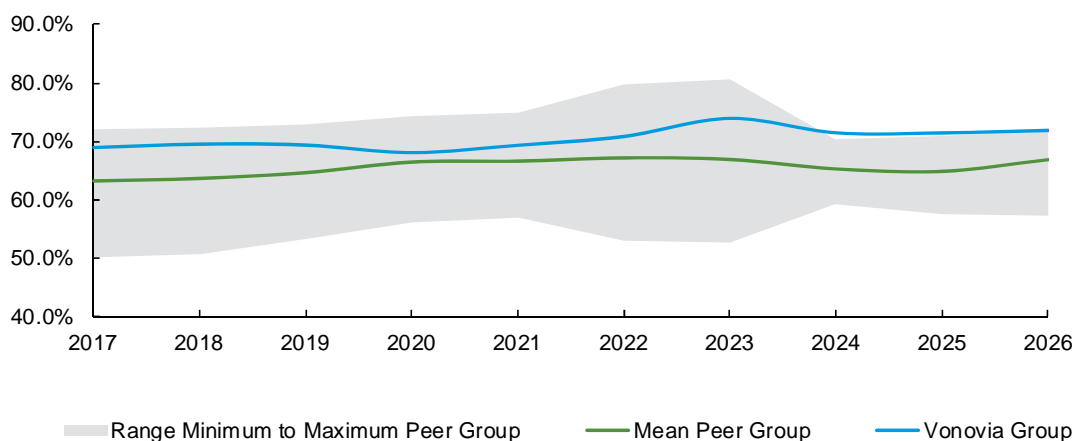
¹⁷² See IDW Practice Note 2/2017, points 15, 19 et seq.

¹⁷³ See IDW Practice Note 2/2017, para. 16 f., 22 ff.

assumed that the delta between the rents actually achieved for the rented units and the market rents relevant to the Vonovia Group's real estate portfolio will decrease slightly over time.

By 2029, the Vonovia Group's adjusted EBITDA rental margin is expected to increase from 71.4% in 2024 to 75.0% in 2029. This means that, as in the past, the margin in this planning period will tend to be above the average for comparable companies. A further improvement in the margin to 77.2% is planned by 2034. In view of the advantages of the Vonovia Group's corporate structure, the planning for the Rental segment is considered plausible.

Development of adjusted EBITDA margin Rental



Source: RSM Ebner Stolz analysis, annual reports, Bloomberg.

The growth shown in the Value-add segment is largely due to a renewed increase in modernization investments compared to recent years. In addition, expected growth effects from the strategic initiatives are also included. The earnings share of the Value-add segment in adjusted EBITDA Total is initially expected to increase by 3.3 percentage points to 10.4 % by 2029. A slight decline to 8.1 % is expected by 2034 as the effects of the strategic initiatives come partially to an end. The forecast in the Value-add segment reflects both a market recovery and an expansion of third-party business. Taking into account the management's explanations as well as the existing capacities of the Group's own craftsmen's organization and the strategic orientation of the Vonovia Group, the planning is considered plausible.

In the Recurring Sales segment, the expected step-ups in the planning period are within the range of the step-ups already achieved by the Vonovia Group in the past.

A positive development is expected for the Development to sell segment over the planning period. The share of adjusted EBITDA Development in adjusted EBITDA Total is therefore expected to

increase from 1.1 % in 2024 to 7.1 % in 2034. Step-ups in the Development segment and gross profit margins are expected to increase significantly in the planning period. The planned margins are reasonable in light of the levels already achieved in the past. The development volume planned over the planning period is plausible, taking into account the projects already specified and the associated capital commitment volume.

Taking into account the explanations set out above, the Vonovia Group's planning calculation is a suitable basis for determining the capitalized earnings value.

e) Financial Result

We have derived the Vonovia Group's financial result using an integrated financial requirements and planning model. The interest-bearing liabilities and assets as at December 31, 2024, were used as the starting point for the financial planning to determine the financial results. The interest results are derived on the basis of the specific conditions available.

Only cash interest expenses and interest income are recognized in the financial result. Interest payments are generally derived from the Vonovia Group's financing model. If the financial liabilities have variable interest rates and interest rate hedges are in place, this is taken into account in the financing model.

We have not included planned, unspecified new financing. For capital requirements arising in our integrated financial requirements and planning models, we have recalculated the corresponding interest payments in accordance with the current financing conditions available to the Vonovia Group in order to reflect current interest rate expectations. We based this on current EURIBOR forecasts (according to the financial information service provider Bloomberg).

In accordance with the reporting date principle, financial surpluses that have already accrued to the owners of the company or whose use has been determined are no longer to be taken into account when deriving the business value. Declared dividends or dividend payments reduce the result and thus the company's earnings opportunities. Conversely, all potential dividend claims that have not yet been resolved are therefore due to the shareholders and are therefore included in the calculation of the capitalized earnings value.¹⁷⁴

As no dividend distributions for the 2024 financial year of Vonovia SE had been resolved as at the valuation date, there are no deferral issues.

¹⁷⁴ See OLG Hamburg, April 11, 2003, 11 U 215/02, AG 2003, p. 441 et seq.; LG Cologne, September 1, 2008, 82 O 151/03, decision text p. 26; LG Frankfurt, July 4, 2006, 3-5 O 52/05, decision text p. 10.

f) Corporate Taxes

The taxation of the Vonovia Group was calculated taking into account the current status of corporate tax law. Income taxes include trade and corporate tax (including solidarity surcharge) on domestic income as well as corporate taxes incurred abroad.

When calculating income taxes, the provisions of the interest barrier and existing material differences between IFRS and tax law are also taken into account.

In particular, we have taken into account the fact that maintenance costs and modernization investments capitalized in accordance with IFRS largely represent immediately deductible operating expenses for tax purposes. In addition, we have recognized tax depreciation on investment properties that are not depreciated according to IFRS.

The existing tax loss carryforwards are taken into account in an integrated manner when deriving the expected taxes to be paid. If the loss carryforwards are recognized in the capitalized earnings value, the recognition of a special value to avoid double recognition in the valuation is excluded.¹⁷⁵

Deferred taxes were not taken into account due to the lack of cash effect.

g) Non-controlling Interests in Profit for the Period

In accordance with the principle of full consolidation, the planned results of companies in which - from the Vonovia Group's perspective - non-controlling interests are held must be fully recognized in the consolidated income statement.

In terms of the valuation method, the earnings attributable to the non-controlling interests can be deducted when determining the earnings to be capitalized.¹⁷⁶ Alternatively, these shares can also be valued separately and deducted from the business value.¹⁷⁷ In this case, we have carried out an integrated presentation of the non-controlling interests within the planning calculation.

Third parties hold minority interests (non-controlling interests) in various subsidiaries of Vonovia SE. From the Vonovia Group's perspective, these include, in addition to the various co-investors in numerous subsidiaries, Apollo's equity interests in SWH and Norddeutsche Immobilien Holding

¹⁷⁵ See Popp, Berücksichtigung von Steuern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, pp. 11567, 1573.

¹⁷⁶ See Ballwieser/Hachmeister, Unternehmensbewertung, 6th edition, 2021, p. 288; OLG Karlsruhe, November 15, 2012, 12 W 66/06, para. 105 (juris); LG Berlin, March 7, 2023, 102 O 2/18, decision text p. 52.

¹⁷⁷ See Meichelbeck, Unternehmensbewertung im Konzern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, pp. 955, 972.

GmbH, Bochum (NIH) (within the Vonovia Group), as well as the shares held by third parties in Deutsche Wohnen SE.

We have derived the minority interests in Deutsche Wohnen SE based on the future successes recognized for valuation purposes as part of the valuation of the Deutsche Wohnen Group.

On the one hand, Apollo's claims comprise current payments. On the other hand, the planning calculation assumes that Apollo will buy back its shares in SWH and NIH in the fifth year of its investment in each case.

To derive the claims of the other co-investors, we have applied their proportionate shareholding in the remaining Vonovia companies and have also taken into account guaranteed dividends from the existing profit and loss transfer agreements with subsidiaries of Vonovia SE.

h) Terminal Value

The financial surpluses can naturally be forecast more accurately and reliably for a period closer to the valuation date than for the more distant future. In addition, detailed corporate planning is regularly (only) available for a limited period of time (detailed planning phase). After this period, (inevitably simplifying) assumptions must be made about the surpluses to be expected in the long term or in infinity. The earnings level to be determined for the first year of the terminal value phase can either be reached by the end of the detailed planning period or be higher or lower. The sustainable result can also be lower than that of the last planning year or individual years of the detailed planning phase. The determination of the sustainable result is linked to the assumption of an "ideal" state of equilibrium with regard to the earnings, financial and asset situation.

If the equilibrium state has not yet been reached at the end of the detailed planning period, it may be necessary to take a transition phase into account.¹⁷⁸

IDW Practice Note 2/2017 emphasizes,¹⁷⁹ that the perpetual annuity must be derived independently by the valuation expert, taking into account separate analyses. In this respect, the last plan year must not be adopted without reflection for the terminal value phase. For the perpetual annuity, long-term achievable return expectations must be taken into account. Indications of the sustainable returns that can be achieved can be derived from the normalized results of the past and the detailed planning phase as well as from industry key figures.¹⁸⁰

¹⁷⁸ See IDW Practice Note 2/2017, para. 55.

¹⁷⁹ See IDW Practice Note 2/2017, para. 54.

¹⁸⁰ See IDW Practice Note 2/2017, para. 57.

Profit margins (e.g. EBIT/EBITDA margins) are regularly used to check the plausibility of sustainable earnings. Average margin considerations can be appropriate, particularly for companies that are dependent on economic cycles and operate on competitive markets, but also generally for companies that have fluctuating results due to their business model and/or accounting. This is based on the view recognized in business administration that the sustainable result should reflect an average result to be expected in infinity.¹⁸¹

We held various discussions with the management responsible for planning in order to derive the expected sustainable level of sales, earnings and investments for the Vonovia Group. We also analyzed the Vonovia Group's historical margins and the expected margin development of the peer group companies.

The Vonovia Group's budget covers the period from 2025 to 2034 (detailed planning period). As the last planning year does not represent a steady state, we have further developed the planning calculation as part of a transitional phase up to 2044. From 2045 onwards, we have extrapolated the sustainable result using the sustainable price-related growth rate.

Based on the result for 2034, the items in the income statement and balance sheet were generally extrapolated at the company-specific growth rate of 1.5 %.

The main reconciliation effects that we have taken into account in consultation with Vonovia SE from 2035 onwards are described below.

- Sustainable expansion investments in the real estate portfolio: For the period from 2035 onwards, assuming that modernization investments and development to hold investments earn their cost of capital, these investments are not explicitly depicted or the explicit depiction of a value-neutral expansion of the real estate portfolio under these assumptions. However, subsequent effects (investments and EBITDA contributions) from modernization and development projects already started but not yet completed by 2034 are taken into account in the years 2035 to 2038.
- Sustainable investment grants: In line with the assumption that no modernization investments will be recognized in the long term, no investment grants will be recognized from 2035 onwards. Due to the lack of payment effectiveness, no reversals of deferred investment grants will be recognized from 2035 onwards either.
- Sustainable maintenance investments in the real estate portfolio: When calculating the capitalized earnings value, it is assumed that the real estate portfolio planned for the end of 2034 will be maintained in the terminal value phase. The maintenance and upkeep expenses required to maintain the portfolio are recognized accordingly. The amounts recognized in the terminal value phase are based on the sustainable figures used by the Vonovia Group as part of the real estate valuation.

¹⁸¹ Cf. in detail Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung in: Fleischer/Hüttemann (eds.), Rechtshandbuch Unternehmensbewertung, 3rd ed. 2024, para. 12.74 f.

- Sustainably recurring real estate sales (recurring sales): As no further development to hold business and therefore no portfolio growth is modeled in the transition phase or the terminal value phase, recurring sales are not explicitly modeled. In this respect, it is assumed that the selling prices correspond to the present value of the lost earnings contributions.
- Sustainable development to sell volume: The sustainable investments, the sustainable capital commitment and the sustainable gross profit margin in the development to sell area are derived taking into account the historical analysis, the planning period and estimates by the Vonovia Group.
- Sustainable investments and depreciation of property, plant and equipment and amortization of intangible assets: Sustainably, (only) maintenance investments in property, plant and equipment and intangible assets are taken into account. In the transition years and in the phase of terminal value, we have mathematically derived the depreciation and amortization taking into account the sustainable growth of the balance sheet items using the sustainable growth rate.
- Sustainable interest rate level: The sustainable interest rate level is based on the Vonovia Group's current financing conditions. We have derived the sustainable interest rate level based on long-term market-based forward interest rate expectations, which we have taken from the financial information service provider Bloomberg.
- Income taxes: Decreasing depreciation under tax law due to the declining level of investment in the model is recognized on an annuity basis.

i) Income Statement

The income statement of the Vonovia Group is shown on the following page.

The income statement presented for the years 2035 et seq. represents a value-equivalent (annuity) compression of the transition phase and the sustainable result (see IDW Practice Note 2/2017, point 55).

	Detailed planning period												TV 2035 ff.								
	2025		2026		2027		2028		2029		2030			2031		2032		2033		2034	
	Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m		Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m
Revenue in the Rental segment	3,363.1	3,485.1	3,644.3	3,771.5	3,884.0	3,997.2	4,128.9	4,258.9	4,396.6	4,526.0	4,613.2										
Expenses in the Rental segment	-964.0	-984.2	-985.7	-979.7	-969.9	-980.0	-991.8	-1,003.5	-1,018.0	-1,029.8	-922.2										
Adjusted EBITDA Rental	2,399.1	2,500.9	2,658.6	2,791.7	2,914.0	3,017.3	3,137.0	3,255.4	3,378.6	3,496.2	3,691.0										
Revenue in the Value-add segment	1,422.7	1,506.6	1,636.0	1,730.6	1,804.2	1,809.8	1,833.2	1,873.1	1,914.2	1,939.3	1,962.4										
Operating expenses in the Value-add segment	-1,240.2	-1,286.4	-1,324.7	-1,365.6	-1,414.0	-1,460.3	-1,489.5	-1,519.3	-1,549.6	-1,580.6	-1,599.4										
Adjusted EBITDA Value-add	182.5	220.2	311.3	365.0	390.2	349.6	343.8	353.9	364.6	358.7	362.9										
Revenue in the Recurring Sales segment	490.0	789.4	1,631.9	1,646.8	1,669.2	1,690.4	1,712.2	1,331.7	1,356.3	1,381.9	0.0										
Expenses in the Recurring Sales segment	-414.2	-628.6	-1,383.3	-1,393.4	-1,411.4	-1,428.3	-1,445.7	-1,103.2	-1,122.5	-1,139.2	0.0										
Adjusted EBITDA Recurring Sales	75.8	160.8	248.7	253.5	257.9	262.1	266.5	228.4	233.8	242.7	0.0										
Revenue from the disposal of "Development to sell" properties	882.1	1,064.7	1,086.9	1,449.3	1,864.9	2,098.4	2,653.8	2,282.8	2,250.2	2,224.0	2,357.7										
Cost of Development to sell	-760.8	-943.3	-916.8	-1,236.3	-1,609.6	-1,819.4	-2,375.2	-1,961.1	-1,889.0	-1,847.5	-1,886.2										
Gross profit Development to sell	121.3	121.4	170.2	213.0	255.3	279.0	278.6	321.7	361.2	376.5	471.5										
Operating costs and income in the Development segment	-37.5	-39.5	-55.6	-65.6	-69.7	-61.3	-37.2	-52.4	-66.5	-61.1	-65.1										
Adjusted EBITDA Development	83.8	81.9	114.5	147.5	185.5	217.7	241.4	269.4	294.7	315.4	406.4										
Adjusted EBITDA Total	2,741.1	2,963.9	3,333.1	3,557.7	3,747.6	3,846.7	3,988.7	4,107.1	4,271.6	4,413.0	4,460.4										
Other and non-recurring items	-17.4	-36.9	-37.0	-48.3	-48.3	-32.9	-32.9	-32.9	-32.9	-32.9	-33.4										
Depreciation and amortization	-121.6	-128.3	-132.7	-137.0	-140.8	-144.2	-147.0	-150.0	-153.0	-156.0	-194.9										
EBIT for valuation purposes	2,602.1	2,798.7	3,163.5	3,372.4	3,558.4	3,669.7	3,808.8	3,924.2	4,085.8	4,224.1	4,232.1										
Financial result	-809.5	-893.2	-998.9	-1,118.8	-1,217.7	-1,263.3	-1,320.6	-1,368.4	-1,396.1	-1,406.0	-1,028.8										
EBT	1,792.7	1,905.4	2,164.6	2,253.6	2,340.8	2,386.4	2,488.1	2,555.8	2,689.6	2,818.1	3,203.2										
Income tax	-262.8	-182.3	-223.0	-295.5	-337.0	-362.5	-479.1	-516.8	-607.2	-681.3	-811.5										
Profit for the period	1,529.9	1,723.2	1,941.6	1,958.1	2,003.7	2,023.9	2,009.1	2,039.0	2,082.4	2,136.8	2,391.7										
Non-controlling interests	-153.0	-172.3	-194.2	-195.8	-120.2	-121.4	-120.5	-122.3	-124.9	-128.2	-143.5										
Profit for the period after non-controlling interests	1,376.9	1,550.8	1,747.4	1,762.3	1,883.5	1,902.5	1,888.5	1,916.7	1,957.5	2,008.6	2,248.2										

j) Derivation of the Expected Net Distributions

Vonovia SE has regularly paid out dividends in the past, with shareholders being offered the choice of receiving the dividend in cash or in the form of new shares (scrip dividend).

Taking into account Vonovia SE's planned distribution policy, we have applied a simplified distribution ratio of 50 % of the earnings before taxes (EBTs) on which the valuation is based in the detailed planning period and the transition phase. In addition, we have also taken stock dividends into account in line with Vonovia SE's distribution policy.

For the terminal value phase from 2045, we then assumed a notional full distribution of the annual results. The notionally fully distributed annual results are split 50/50 between the value contribution from distributions and the value contribution from reinvestments. The distribution ratio of 50 % is in the middle of the range of the average market distribution behavior.

The dividend amount forming the value contribution from distributions must generally be reduced by the final withholding tax of 25.0 % plus 5.5 % solidarity surcharge. Due to the existing tax deposit account at Vonovia SE, the distributions are not subject to final withholding tax to a certain extent. This only applies if a distribution exceeds the "distributable profit" within the meaning of Section 27 (1) sentence 5 KStG and the distribution is made from the tax contribution account.¹⁸² We have taken the temporary tax exemption into account when determining the final withholding tax (plus solidarity surcharge) on the value contribution from distributions. The effects of the tax contribution account that extend beyond the transitional phase are taken into account on a present value equivalent basis when calculating dividend taxation.

The reinvestments leading to increases in value are subject to an effective tax of 13.1875 %. This includes the value contributions from reinvestment on the one hand and so-called inflation-related capital gains on the other.

¹⁸² See Thüringer OLG, May 3, 2021, 2 W 407/18, decision text p. 21; OLG Frankfurt, November 3, 2020, 21 W 76/19, para. 71 (BeckRS); Popp, Berücksichtigung von Steuern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, p. 1567, 1572 f.

5.3. Determination of the Capitalization Rate

In particular, capital market returns for company investments (in the form of share portfolios) can be considered as a starting point for determining the alternative investment. These returns can generally be broken down into a risk-free rate and a risk premium demanded by the shareholders due to the assumption of entrepreneurial risk.

a) Risk-Free Rate

The starting point for determining the "risk-free" prime rate is the yield curve for government bonds. The yield curve shows the relationship between the interest rates and maturities of zero bonds without credit default risk. The maturity-equivalent zero bond factors derived from the yield curve ensure compliance with maturity equivalence.¹⁸³

The data basis is the published interest rate structure data of the Deutsche Bundesbank, which is determined as estimated values on the basis of observed current yields of coupon bonds, i.e. German government bonds, Federal notes and Federal Treasury notes. The necessary parameter estimators can be found on the Deutsche Bundesbank's homepage.

These parameters can be used to derive interest rates for hypothetical zero bonds and thus estimate daily yield curves on the basis of German government bonds traded on the market with residual maturities of up to 30 years. The observable development of the parameters of the estimation function reveals their limited usability for extrapolating interest rate forecasts further into the future. Against this background, the FAUB is of the opinion that, in the absence of available market data from traded bonds for the estimation of zero bond interest rates beyond 30 years and due to general forecast uncertainties, the zero bond interest rates of the longest available residual maturities can be extrapolated constantly as a sustainable forecast value.¹⁸⁴

To smooth out fluctuations, not only the interest rate structure data as at the valuation date is used, but also average values for the **three months preceding the valuation date**.¹⁸⁵ The calculation of the three-month period is based on the WpÜG Offer Regulation pursuant to Sections 187, 188 (2) BGB.¹⁸⁶

¹⁸³ See OLG Munich, November 30, 2006, 31 Wx 59/06, AG 2007, p. 411, 412.

¹⁸⁴ See IDW-FN 2008, p. 491.

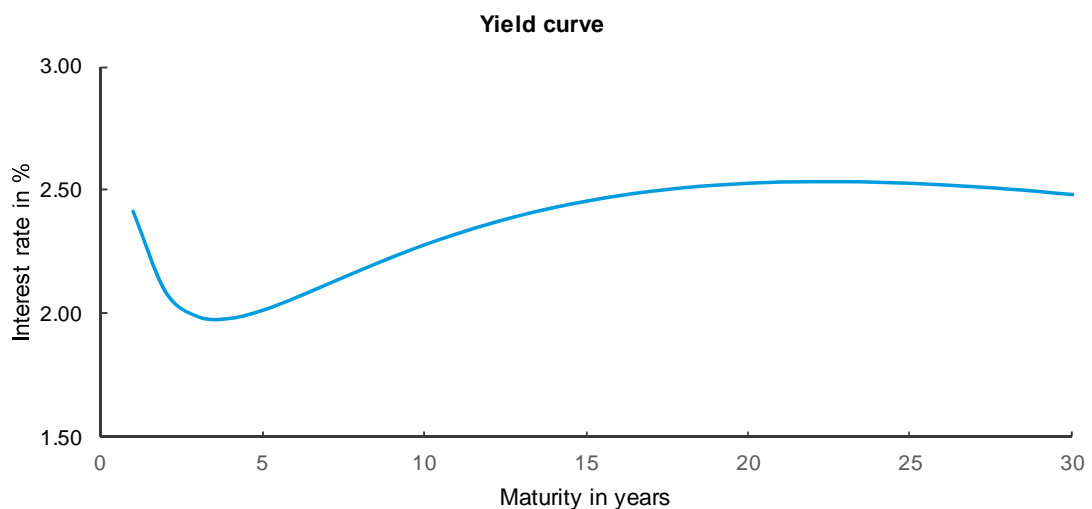
¹⁸⁵ See OLG Hamburg, March 31, 2022, 13 W 20/21, decision text p. 16; OLG Munich, May 12, 2020, 31 Wx 361/18, para. 54 (BeckRS); OLG Frankfurt, November 3, 2020, 21 W 76/19, para. 46 (BeckRS); with further references Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung, in: Fleischer/Hüttemann (ed.), Rechts-handbuch Unternehmensbewertung, 3rd ed, 2024, para. 12.92.

¹⁸⁶ See Questions and Answers on IDW S 1 in the 2008 version (as at October 14, 2020), section 4.2 in conjunction with section 3.1, IDW Life 2020, p. 955. Section 3.1, IDW Life 2020, p. 955.

In accordance with the recommendation of the FAUB¹⁸⁷, the uniform risk-free rate above 1.0 % is **to be rounded** to ¼ percentage points (below 1.0 % to 1/10 percentage points). This has also found approval in case law.¹⁸⁸

The reasons for rounding are (1) to compensate for possible estimation errors, as the Svensson method is an estimation procedure¹⁸⁹ and (2) to compensate for minor changes in the risk-free rate in the post-commission area during the valuation process, but above all in the period between the completion of the valuation or audit work and the date of the general meeting.¹⁹⁰ The OLG Munich explicitly emphasized this aspect and stated that the rounding also serves the planning and legal certainty and the information needs of the minority shareholders.¹⁹¹

Based on the current interest rate structure data published by the Deutsche Bundesbank for the three-month period from September 6, 2024, to December 5, 2024, this results in a uniform **risk-free rate** (before taxes) of **2.50 %** (rounded).



Source: Deutsche Bundesbank, own presentation.

¹⁸⁷ See IDW-FN 2005, p. 555 et seq.; IDW-LIFE 2016, p. 731 et seq.

¹⁸⁸ See OLG Munich, May 12, 2020, 31 Wx 361/18, para. 61 (BeckRS); OLG Munich, August 6, 2019, 31 Wx 340/17, para. 50 (BeckRS).

¹⁸⁹ Cf. 86th meeting of the AKU, IDW-FN 2005, p. 555, 556.

¹⁹⁰ See Popp, WPG 2016, p. 926, 929.

¹⁹¹ See OLG Munich, May 12, 2020, 31 Wx 361/18, para. 64 (BeckRS); OLG Munich, August 6, 2019, 31 Wx 340/17, para. 52 (BeckRS).

The prime rate is reduced by the **final withholding tax including solidarity surcharge** of 26.375 %.¹⁹² The after-tax figure is around 1.84 %.

b) Risk Premium

In practice, the risk premium is regularly derived with the help of capital market pricing models (CAPM, Tax-CAPM) from the share returns empirically determined on the capital market. The use of the CAPM or the Tax-CAPM is considered appropriate by the vast majority of courts and literature and is the predominant method for deriving an objectified risk premium.¹⁹³

As equity returns and risk premiums are fundamentally influenced by income taxes, a more realistic explanation of empirically observable equity returns is provided by the Tax-CAPM, which extends the CAPM by explicitly taking into account the effects of personal income taxes. In particular, this allows the different taxation of interest income, dividends and capital gains to be mapped.

According to the Tax-CAPM, the capitalization interest rate is made up of the risk-free rate reduced by the typified income tax and the risk premium after income taxes determined on the basis of the Tax-CAPM. The company-specific risk premium can be broken down into two empirically observable or derivable factors, the market risk premium and the beta factor.

Market Risk Premium

Case law regularly refers to the statement of the BGH, according to which the decisive factor with regard to the relevant valuation method is "that the respective method is recognized in economics and is commonly used in practice".¹⁹⁴ The same must also apply to the parameters to be applied when implementing the valuation method, i.e. also to the market risk premium. However, an empirically precise and unambiguous determination of the market risk premium - as a point estimate

¹⁹² See OLG Frankfurt, November 3, 2020, 21 2 76/19, para. 52 (BeckRS); OLG Stuttgart, May 4, 2020, 20 W 3/19, para. 61 (BeckRS); LG Berlin, June 20, 2023, 102 O 49/14, decision text p. 59.

¹⁹³ See WPH Edition, Bewertung und Transaktionsberatung, 2018, Chapter C, para. 123; OLG Frankfurt, February 9, 2024, 21 W 129/22, para. 85 (BeckRS); OLG Frankfurt, May 26, 2023, 21 W 119/22, decision text p. 21; OLG Düsseldorf, April 20, 2023, 26 W 8/20, para. 33 (BeckRS); OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 123 (BeckRS); OLG Munich, July 30, 2018, 31 Wx 122/16, para. 52 (BeckRS); OLG Munich, July 30, 2018, 31 Wx 136/16, decision text, p. 9; OLG Frankfurt, January 17, 2017, 21 W 37/12, para. 105 (BeckRS).

¹⁹⁴ E.g. OLG Stuttgart, August 20, 2018, 20 W 2/13, para. 61 (BeckRS); BGH, September 29, 2015, II ZB 23/14, paras. 33, 42 (juris); BGH, January 12, 2016, II ZB 25/14, para. 21 (juris).

- under all capital market conditions is not possible according to the current state of economic science.¹⁹⁵

The FAUB's bandwidth recommendations are recognized in practice as an expert opinion and are therefore regularly used by the courts as an appropriate basis for estimating the market risk premium (in accordance with Section 287 (2) ZPO).¹⁹⁶

The FAUB continuously monitors developments on the capital markets in order to check whether its range recommendations need to be adjusted. To this end, historically measured equity returns and market risk premiums, long-term real equity returns and ex-ante analyses of implicit market risk premiums are considered using a pluralistic approach.¹⁹⁷ The range recommendation is therefore not based solely on a total return expectation of capital market participants that is determined independently of the realities on the capital markets.

The current recommendation of the FAUB is based on the decision made at the meeting on October 22, 2019. Accordingly, based on the findings and analyses at that time, the previously valid bandwidth recommendation was extended slightly upwards to a **range of 5.0 % to 6.5 % for the market risk premium after personal taxes**.¹⁹⁸

At its meeting on January 30, 2023, the FAUB noted that risk-free rates had risen significantly since February 2022. However, this has also been accompanied by a significant increase in implied total returns and market risk premiums based on the ex ante method (implied cost of capital). The FAUB has continued to closely monitor the development of the capital market environment in the subsequent period. At its most recent meeting, the FAUB continued to consider it appropriate to base the calculation of the market risk premium on a range of 6.0 % to 8.0 % before personal taxes or 5.0 % to 6.5 % after personal taxes.¹⁹⁹

For valuation purposes, the bandwidth recommendation of the FAUB must be condensed to a **point estimate**. In our experience, this compression - confirmed by case law - is generally based on the mean value of the after-tax recommendation. The reasons for assuming a market risk premium at the upper end of the range may lie primarily in the increased uncertainty observed on the capital market in the recent past and the resulting increase in risk aversion, as was the basis for the FAUB's recommendations on the effects of the current capital market situation on the

¹⁹⁵ See OLG Stuttgart, March 31, 2021, 20 W 8/20, para. 67 (BeckRS); Thüringer OLG, March 3, 2021, 2 W 407/18, decision text p. 28; OLG Düsseldorf, December 14, 2017, 26 W 8/15, para. 52 (BeckRS).

¹⁹⁶ See Thüringer OLG, March 3, 2021, 2 W 407/18, decision text p. 28; OLG Bremen, March 29, 2019, 2 W 68/18, para. 47 (BeckRS); OLG Stuttgart, June 26, 2019, 20 W 27/18, decision text p. 22; OLG Düsseldorf, September 5, 2019, 26 W 8/17, para. 54 (BeckRS); OLG Frankfurt, September 27, 2019, 21 W 64/14, decision text p. 22; OLG Frankfurt, September 27, 2019, 21 W 64/14, decision text p. 22. 22; OLG Düsseldorf, September 5, 2019, 26 W 8/17, para. 54 (BeckRS); OLG Frankfurt, September 27, 2019, 21 W 64/14, decision text p. 22; OLG Frankfurt, January 26, 2017, 21 W 75/15, para. 73 (BeckRS).

¹⁹⁷ For a detailed justification of the pluralistic approach, see Castedello et al, WPg 2018, pp. 806, 806-825.

¹⁹⁸ See IDW Life 2019, p. 818 f.

¹⁹⁹ See report on the 169th meeting of the FAUB on March 21, 2024.

determination of the capitalization rate of 10 January 2012.²⁰⁰ Mirroring this, indications for the assumption of a market risk premium at the lower end of the range may be given in the case of lower uncertainty on the capital market and reduced risk aversion, among other things.²⁰¹

In this case, we have set the **market risk premium after personal taxes** at **5.75 %**. This means that the FAUB's bandwidth recommendation has been condensed to the mean value of the market risk premium after personal taxes. This mean value of the current range recommendation has also been recognized in recent rulings in award proceedings.²⁰²

Beta Factor

Within the framework of the (tax) CAPM, the beta factor measures the systematic risk of the share that cannot be diversified through portfolio formation and is seen as a measure of the level of company-specific risk.²⁰³ The beta factor is not an empirically ascertainable past value, but a future value to be determined by estimation.²⁰⁴

The valuation-relevant, systematic risk of a company can be divided into the **operational risk**, i.e. the risk inherent in the business activity, and the **capital structure risk**. The latter is based on the fact that the higher the level of debt, the greater the fluctuation in the surpluses flowing to shareholders.

Significance of the Beta Factors

In valuation practice and case law, historical share returns are regularly used as the starting point for estimating the beta factor. In the practical determination of beta within the framework of the CAPM, a linear regression with one variable is carried out. The beta factor is therefore determined using a linear regression of the company-specific share price return (as the dependent variable to be explained) on the return of a share index (as the explanatory, independent variable). The

²⁰⁰ See IDW Fachnachrichten 2/2012, p. 122; OLG Schleswig-Holstein, March 9, 2020, 9 W 169/15, decision text p. 18.

²⁰¹ See also: Großfeld/Egger/Tönnies, *Recht der Unternehmensbewertung*, 9th edition, 2020, p. 180.

²⁰² Cf. OLG Frankfurt, February 9, 2024, 21 W 129/22, text of decision p. 37; OLG Frankfurt, May 26, 2023, 21 W 119/22, text of decision p. 22; LG Munich I, April 19, 2024, 5 HK O 9734/222, text of decision p. 72; LG Hamburg, December 21, 2023, 403 HKO 68/21, text of order p. 16; LG Munich I, December 14, 2023, 5 HK O 11456/21, text of order p. 79; LG Hamburg, November 3, 2023, 403 HKO 90/22, text of order p. 19; LG Munich I, August 25, 2023, 5 HK O 12034/21, text of decision p. 64; LG Munich I, June 30, 2023, 5 HK O 4509/21, text of decision p. 81; LG Munich I, June 15, 2023, 5 HK O 2103/22, text of decision p. 55; LG Stuttgart, May 16, 2023, 40 O 64/20, decision text p. 35; LG Frankenthal (Pfalz), March 20, 2023, 2 HK O 55/21, decision text p. 26; LG Frankfurt, November 25, 2021, 3-05 O 13/20, decision text p.19 (not presented in this respect in BeckRS 2020, 53852, para. 61 (the date of the decision stated there as 2020 is an editorial error)).

²⁰³ See only OLG Frankfurt, June 17, 2010, 5 W 39/98, para. 46 (juris).

²⁰⁴ See only OLG Stuttgart, March 17, 2011, 20 W 9/08, AG 2010, p. 510; OLG Frankfurt, May 2, 2011, 21 W 3/11, AG 2011, p. 828.

quality of the regression function and - more specifically - the regression coefficient is regularly checked **using statistical instruments**. When testing the regression function, the focus is on whether and how well the share price return is explained by the index return (quality of the model). The typical quality measure used here is the coefficient of determination R^2 . The t-test is primarily used to test the regression coefficient beta. In cases in which the empirically measured regression coefficient beta cannot be distinguished with sufficient probability from the value to be specified in the null hypothesis (normally zero) and this cannot be explained by an economically justified estimate, the measured value loses its informative value and thus also its suitability as an estimator for the beta factor.

The basic prerequisite for a meaningful beta factor is that the share returns and thus the underlying share prices adjust to changes in the economic environment in a factually and temporally undistorted manner. Therefore, in practice and also in case law²⁰⁵, great attention is now paid to **the liquidity of the share** in order to assess the fundamental suitability of the beta factors determined for forecasting purposes. Liquidity measures include, for example, the bid-ask spread or trading turnover, although a superior measurement concept for measuring liquidity has not yet emerged either in theory or in practice. In addition, there are (currently) no generally accepted threshold values for "liquid shares" for the individual measurement concepts.²⁰⁶

It should also be noted that the **suitability of** historical prices or the beta factor **for forecasting purposes** cannot be inferred from the mere "fulfillment" of individual, several or all parameters without further consideration. The derivation of the future systematic risk on the basis of the (original) beta factor presupposes that this can be reliably determined and its stability over time can be expected. This means that an analysis of the share price development with regard to structural breaks or **distorting events**, e.g. takeover rumors/procedures, must also be carried out.

In practice, **observation periods** of five years with monthly and two years with weekly return intervals are often used.²⁰⁷ Timeliness may argue for a shorter period of e.g. two years.²⁰⁸ Long periods in which structural breaks have taken place are unsuitable for calculating the beta factor.²⁰⁹

²⁰⁵ See Popp/Ruthardt, in: Fleischer/Hüttemann (eds.), Rechtshandbuch Unternehmensbewertung, 3rd ed. 2024, para. 12.116 et seq.

²⁰⁶ Cf. in detail Ruthardt/Popp, AG 2020, p. 322, 328 f.

²⁰⁷ See OLG Düsseldorf, June 27, 2022, 26 W 13/18, para. 84 (BeckRS); OLG Frankfurt, August 30, 2012, 21 W 14/11, para. 80 (juris); OLG Frankfurt, December 20, 2010, 5 W 51/09, para. 63 (juris).

²⁰⁸ See OLG Stuttgart, June 5, 2013, 20 W 6/10, para. 214 (juris); OLG Frankfurt, August 30, 2012, 21 W 14/11, para. 80 (juris); LG Frankfurt, September 2, 2010, 3-5 O 279/08, decision text p. 27.

²⁰⁹ See OLG Stuttgart, May 4, 2011, 20 W 11/08, para. 204 (juris).

Raw and Adjusted Beta

The beta derived directly from the (price) returns using regression is often referred to as "raw beta". If this is set in relation to an overall market beta of one using a weighting formula, it is referred to as an "adjusted beta". The adjustment formula is based on the adjusted beta factors. Only then is the unlevering carried out.

The adjusted beta according to the so-called "Blume adjustment" is the most frequently used beta definition in the financial sector.²¹⁰ In this method, the raw beta is multiplied by 0.667 (=2/3) and 0.333 is added.

In valuation practice, both adjusted and raw beta factors are used.²¹¹ The case law does not indicate that adjusted or unadjusted beta factors are generally given priority or that a uniform position is taken in this respect.²¹²

Concrete Procedure

In line with standard practice, we calculated beta factors based on data from the financial information service provider Bloomberg over a **five-year observation period with monthly returns** and for a **two-year observation period with weekly return intervals**. For both period-interval combinations, we based our analysis on both a broad local benchmark index (e.g. CDAX Performance Index) and a broad global index (MSCI World Total Return Index). As both adjusted and raw beta factors are used in valuation practice, we have calculated and presented both figures. We have checked the significance of the beta factors determined using statistical criteria (e.g. t-test) and the liquidity of the share (in particular the bid-ask spread).

To adjust the company-specific beta factors for capital structure effects, we converted the beta factors observed in the past into **unlevered** beta factors (so-called "**unlevering**"). We carried out the conversion using an adjustment formula based on the assumption of uncertain tax shields as well as the assumption of debt capital holdings subject to default risk ("debt beta") on the basis of the ratio of debt capital to the market value of equity.

²¹⁰ See Scheld, *Fundamental Beta*, 2013, p. 77.

²¹¹ See WPH Edition: *Valuation and Transaction Advisory*, 2018, Chapter A, para. 410.

²¹² See OLG Munich, December 3, 2020, 31 Wx 330/16, para. 101 (BeckRS); OLG Frankfurt, August 27, 2020, 21 W 59/19, para. 50 (BeckRS); LG Hamburg, September 26, 2019, 412 HKO 156/16, decision text p. 35; LG Stuttgart, September 24, 2018, 42 O 49/16, decision text p. 28; LG Munich I, April 28, 2017, 5 HK O 26513/11, p. 21 (BeckRS); OLG Düsseldorf, August 15, 2016, 26 W 17/13, para. 58 (BeckRS); OLG Düsseldorf, August 15, 2016, 26 W 17/13, para. 58 (BeckRS); 28; LG Munich I, April 28, 2017, 5 HK O 26513/11, p. 21 (BeckRS); OLG Düsseldorf, August 15, 2016, 26 W 17/13, para. 58 (BeckRS); OLG Karlsruhe, July 23, 2015, 12a W 4/15, para. 66 (juris); OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 51 (juris).

As part of the capitalized earnings value calculation, the unlevered beta factor is then adjusted again on a period-specific basis using the level of debt (known as "**relevering**").

Original Beta Factor and/or Peer Group Beta Factor

For listed companies - such as Vonovia SE - a company's own or "original" beta factor can generally be determined directly from capital market data. The original beta factor is seen in case law as the starting point for the beta factor to be applied if meaningful values are available.²¹³

Corresponding to the timing of the stock market price, the prevailing view in valuation and legal practice is that a company's own beta factor based on observed prices in the period after the announcement or the announcement of the structural measure (here: intended domination and profit and loss transfer agreement) is generally unsuitable. Instead, the measurement period for determining the **company's own beta factor** must end (at the latest) on the **day of the announcement of the measure**.²¹⁴

If the original beta factor is not meaningful and also for plausibility purposes, a peer group of international listed comparable companies is used in practice to derive the operating business risk of the company to be valued. This approach is also recognized by case law.²¹⁵ This also applies to the inclusion of foreign companies.²¹⁶

Original Beta Factor of Vonovia SE

We determined the original beta factor of Vonovia SE based on data from the financial information service provider Bloomberg with an analysis period of two years and weekly returns. In addition, in line with standard practice, we calculated the original beta factor for a five-year period with monthly return observations. For both period-interval combinations, we based our analysis on

²¹³ See OLG Frankfurt a.M. of 18.12.2014 - 21 W 34/12, AG 2015, 241 = juris Rz. 83; also OLG Karlsruhe of 12.9.2017 - 12 W 1/17, BeckRS Rz. 76 f.

²¹⁴ See Popp/Ruthardt, § 12 Bewertungsmethoden im Spiegel der Rechtsprechung, in: Fleischer/Hüttemann (ed.), Rechtshandbuch Unternehmensbewertung, 3rd edition, 2024, para. 12.115; OLG Karlsruhe, May 13, 2013, 12 W 77/07 (13), para. 36 (juris); LG Hannover, March 2, 2016, 13 O 191/09, decision text p. 31; LG Düsseldorf, September 3, 2014, 33 O 55/07, para. 145 (juris).

²¹⁵ See OLG Munich, December 3, 2020, 31 Wx 330/16, para. 99 (BeckRS); OLG Düsseldorf, August 15, 2016, 26 W 17/13, para. 56 (juris); OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 51 f. (juris); OLG Karlsruhe, June 22, 2015, 12a W 5/15, para. 60 (juris).

²¹⁶ See Thüringer OLG, March 3, 2021, 2 W 407/18, decision text p. 30; OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 142 (BeckRS); OLG Stuttgart, April 3, 2020, 20 W 2/17, decision text p. 25; OLG Hamburg, 18. September 2015, 13 W 44/14, decision text p. 12; OLG Düsseldorf, July 4, 2012, 26 W 8/10, para. 64 (juris); OLG Stuttgart, January 19, 2011, 20 W 2/07, para. 224 (juris); OLG Düsseldorf, May 27, 2009, 26 W 5/07, decision text p. 43.

both a broad local benchmark index (CDAX) and a broad global index (MSCI World Total Return Index).

The results of these calculations are summarized in the following table:

Period	Interval	Index	Levered Beta raw	Levered Beta adj.	Unlevered Beta raw	Unlevered Beta adj.
Two years	Weekly	CDAX Index	1.32	1.21	0.40	0.37
		GDUEACWF Index*	1.51	1.34	0.46	0.41
Five years	Monthly	CDAX Index	0.92	0.95	0.45	0.46
		GDUEACWF Index*	1.01	1.01	0.49	0.49

*MSCI All Country World Daily Total Return Gross Index

Source: Bloomberg, own calculations.

The unlevered beta factors (raw) calculated over the periods under review **range between 0.40 and 0.49**.

The original beta factors calculated are all statistically significant. The Vonovia SE share also has very high liquidity throughout (see section 4.3. b)).

Expert Derivation of the Unlevered Beta Factor of Vonovia SE

In an overall assessment, we have applied an unlevered beta factor of **0.44** for Vonovia SE.

c) Growth Discount

Methodological Considerations on the Growth Discount

Causes and Illustration of the Growth of Financial Surpluses

The sources of growth in financial surpluses can be divided into purely real economic developments in performance-related success factors in the sense of **operational growth** (capacity optimization and capacity expansion) and purely nominal developments, i.e. developments caused

by price changes (**price-related growth**). In addition, tax-related effects, e.g. from the differentiated taxation of retained earnings and distributions, must be considered separately.²¹⁷

In the planning period, the achievable growth is reflected in the expected development of income and expenses as well as balance sheet items. In the financial years of the **perpetual annuity**, the balance sheet and income statement items and thus also the net income of the shareholders that can be derived from the planning will continue to develop. This sustainable growth of the company can be reflected mathematically as a growth discount in the capitalization interest rate.

Based on the above-mentioned causes of the growth in financial surpluses, the first question to be clarified is which effects should be taken into account in the growth discount.

Causes of the Growth of Financial Surpluses			
Capacity Optimization	Capacity Expansion		Inflation-related Growth
consideration in the detailed planning phase	direct attribution of value contributions from retained earnings	no direct attribution of value contributions from retained earnings	financial surpluses grow with the company-specific inflation rate
		Dividend Discount Model	Capitalized Earnings Method
Consideration in the Growth Discount			
No	No	Yes (total growth rate)	Yes

Source: Own illustration based on WPH Edition: Bewertung und Transaktionsberatung, 1028, Chapter A, para. 451.

In the phase of terminal value, capacity optimization is usually not explicitly mapped. With regard to the consideration of capacity expansions, there are two alternative models, the capitalized earnings method and the dividend discount model, which lead to the same value if the assumptions are consistent.

In the **capitalized earnings method** in accordance with IDW S 1 as amended in 2008, the net income to be discounted sustainably consists not only of the value contribution from distributions, but also of the value contribution from retained earnings. Capacity expansions expected in the perpetual annuity as a result of retained earnings or growth effects due to retained earnings are

²¹⁷ See WPH Edition: Valuation and Transaction Advisory, 2018, Chapter A, para. 441 et seq.

therefore recognized by direct attribution as value contribution from retained earnings, so that no growth discount is required for this.²¹⁸

Due to the full attribution of the financial surpluses (so-called notional full distribution), with the exception of the necessary retention for the growth of the economic equity, the growth discount in the discounted earnings method primarily reflects the **inflation- or price-related growth** of the financial surpluses in the terminal value phase;²¹⁹ the company-specific growth rate of the company to be valued is decisive.

With the **dividend discount model**, on the other hand, only the dividend portion is capitalized in the terminal value. Accordingly, there is no direct attribution of the value contribution from retained earnings. This remaining part of the distribution potential is used in the company for internal financing or growth retention and provides an additional growth effect. In this respect, the additional growth effects resulting from retained earnings must be taken into account in the form of an "overall growth rate".

According to the dividend discount model, the business value equivalent to the capitalized earnings method at the beginning of the terminal value phase is calculated according to the following relationship:²²⁰

$$V_t = \frac{(ZdE_{t+1} - WbT_{t+1})}{r_{EK} - w}$$

with:

V_t = Income value at the beginning of the perpetual annuity, ZdE_{t+1} = Result to be discounted in the first annuity year, WbT_{t+1} = Value contribution from reinvestment in the first annuity year, r_{EK} = sustainable cost of equity, w = overall growth rate.

By rearranging the correlation, the overall growth rate can be represented as follows:

$$w = r_{EK} - \frac{(ZdE_{t+1} - WbT_{t+1})}{V_t}$$

²¹⁸ See OLG Düsseldorf, April 20, 2023, 26 W 8/20, para. 40 (BeckRS); OLG Munich, April 9, 2021, 31 Wx 2/19, para. 119 (BeckRS).

²¹⁹ See OLG Munich, December 3, 2020, 31 Wx 330/16, para. 105 (BeckRS); OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 147 (BeckRS).

²²⁰ See also Tschöpel/Wiese/Willershausen, WPg 2010, p. 349, 357.

In addition to company-specific price increases, this **overall growth rate** also reflects growth due to retained earnings.²²¹

Profit Growth Rate

In empirical studies on historical earnings growth, average values are calculated over limited periods in the past for various companies from a wide range of sectors. In addition to the fact that some of the companies included in these studies are not fully comparable with the respective valuation object, it should be noted that the stated growth rates are regularly not only the result of purely inflation-related increases in financial surpluses, but also to a large extent the result of so-called retention-related profit increases or increases in company capacity.²²² In terms of valuation, the profit growth observable on the market cannot be equated with the growth rate in the terminal value phase because companies make acquisitions, sales and mergers and, in particular, new capital is added to the company.²²³

Schieszl/Bachmann/Amman²²⁴ arrive at growth rates of between around 0 % and 2 % or typically price-related growth rates of less than 2 % for the period from 1972 to 2011 after the necessary **adjustment for retained earnings**. Emmert/Becker/Suerbaum²²⁵ arrive at a mathematical pass-through of the average weighted inflation rate of between 54 % and 69 % of operating profit growth after **adjusting for volume or retention effects** for a period from 1998 to 2020. Accordingly, large corporations and major companies can pass on a median of slightly more than 50 % of the weighted inflation rate. With a long-term inflation expectation of around 2.0 %, the growth discounts would be confirmed in a range of 0.5 % to 2.0 %.²²⁶ Accordingly, it is regularly assumed that the growth discount is below the general inflation rate.²²⁷

This is due to the fact that an investment in a company is **not completely inflation-proof**.²²⁸ The growth discount is also not necessarily intended to compensate for inflation.²²⁹ In principle alone, the management will not base its pricing on the **consumption-oriented general inflation rate**

²²¹ See OLG Munich, April 9, 2021, 31 Wx 2/19, para. 119 (BeckRS).

²²² See OLG Stuttgart, May 4, 2020, 20 W 3/19, para. 83 (BeckRS); OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 63 (juris); LG Munich I, November 27, 2019, 5 HK O 6321/14, decision text p. 242 et seq.; OLG Frankfurt, March 5, 2012, 21 W 11/11, para. 89 (juris).

²²³ See OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 63 (juris).

²²⁴ See Schieszl/Bachmann/Amman, Das Wachstum der finanziellen Überschüsse in der Unternehmensbewertung, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 6th edition, 2015, pp. 699, 715.

²²⁵ See Emmert/Becker/Suerbaum, WPg 2023, pp. 877, 882.

²²⁶ See Emmert/Becker/Suerbaum, WPg 2023, p. 877, 884 f.

²²⁷ See Großfeld/Egger/Tönnies, Recht der Unternehmensbewertung, 9th edition, 2020, p. 247; WPH Edition: Bewertung und Transaktionsberatung, 2018, chapter C, para. 127; OLG Munich, December 3, 2020, 31 Wx 330/16, para. 106 (BeckRS).

²²⁸ Cf. OLG Munich, February 18, 2014, 31 Wx 211/13, para. 26 (juris); OLG Düsseldorf, April 11, 1988, 19 W 32/86, WM 1988, pp. 1052, 1059; OLG Düsseldorf, February 12, 1992, 19 W 3/91, AG 1992, pp. 200, 204.

²²⁹ See OLG Düsseldorf, September 13, 2021, 26 W 1/19, No. 77 (BeckRS); OLG Stuttgart, January 11, 2021, 20 W 10/19, No. 67 (BeckRS); OLG Zweibrücken, November 23, 2020, 9 W 1/18, No. 70 (BeckRS); OLG Karlsruhe, September 12, 2017, 12 W 1/17, No. 83 (BeckRS).

(e.g. measured using the consumer price index for all consumer goods and services),²³⁰ but will focus on the company-specific business model. It should be clarified that **the ECB's inflation target** does not adequately reflect company-specific inflation.²³¹ A general approach at the level of the inflation target is therefore not appropriate.

Growth in Financial Surpluses

When determining the growth discount, it should be emphasized that this is not primarily about the increase in sales revenue or the increase in expenses, but about the effect of the company-specific inflation rate due to price changes on the balance of the financial surplus, i.e. the **growth in earnings**.²³²

Company-Specific Growth Rate

In addition to the general development of the industry, the competitive position of the company being valued must also be taken into account for the growth prospects. As the growth discount indicates the average increase in profit expected in the terminal value phase, the growth rates of the operating result within the detailed planning period cannot simply be used as a growth discount for the capitalization rate.²³³

Without claiming to be exhaustive, the (research-intensive) business model,²³⁴ the long-term market and industry development,²³⁵ the expected change in the competitive situation,²³⁶ demographic framework conditions,²³⁷ possible regulatory changes,²³⁸ high competitive intensity,²³⁹ rationalization requirements and price pressure,²⁴⁰ competitive pressure²⁴¹ or the existing and

²³⁰ See OLG Frankfurt, February 9, 2024, 21 W 129/22, para. 119 (BeckRS); OLG Frankfurt, September 8, 2020, 21 W 121/15, para. 147 (BeckRS).

²³¹ See OLG Munich, January 19, 2022, 31 Wx 366/17, decision text p. 29; OLG Düsseldorf, September 13, 2021, 26 W 1/19, para. 77 (BeckRS); LG Munich I, June 15, 2023, 5 HK O 2103/22, decision text p. 73; LG Berlin, March 7, 2023, 102 O 2/18, decision text p. 82; LG Munich I, July 31, 2015, 5 HK O 16371/13, para. 325 (juris).

²³² See OLG Munich, April 9, 2021, 31 Wx 2/19, para. 119 (BeckRS); OLG Stuttgart, March 31, 2021, 20 W 8/20, para. 78 (BeckRS); OLG Stuttgart, June 5, 2013, 20 W 6/10, para. 222 (juris).

²³³ Cf. OLG Munich, December 15, 2020, 31 Wx 299/16, decision text p. 16; OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 62 (juris).

²³⁴ See OLG Düsseldorf, May 25, 2016, 26 W 2/15, para. 70 (BeckRS).

²³⁵ See OLG Karlsruhe, April 1, 2015, 12a W 7/15, para. 113 (juris); OLG Düsseldorf, May 25, 2016, 26 W 2/15, para. 70 (BeckRS).

²³⁶ See OLG Frankfurt, January 26, 2017, 21 W 75/15, para. 83 (BeckRS).

²³⁷ See OLG Stuttgart, March 30, 2021, 20 W 8/19, decision text p. 62.

²³⁸ See OLG Stuttgart, March 30, 2021, 20 W 8/19, decision text p. 62; OLG Karlsruhe, April 1, 2015, 12a W 7/15, para. 113 (juris).

²³⁹ See OLG Frankfurt, February 9, 2024, 21 W 129/22, para. 122 (BeckRS); OLG Düsseldorf, November 28, 2022, 26 W 4/21, para. 175 (BeckRS).

²⁴⁰ See OLG Stuttgart, March 31, 2021, 20 W 8/20, para. 78 (BeckRS).

²⁴¹ See OLG Frankfurt, September 27, 2019, 21 W 64/14, decision text p. 26.

expected customer structure²⁴² may have an influence on the level of the company-specific growth rate, depending on the individual case.

Justification of the Level of the Sustainable Growth Rate

As the growth discount indicates the average increase in profit expected in the terminal value phase, the growth rates of the operating result within the detailed planning period and the transition phase cannot be used as a growth discount for the capitalization rate without further ado.²⁴³

The starting point for possible growth discounts is the expected average price increase. The following overview presents the current forecasts of bank analysts and the International Monetary Fund on the development of consumer prices in Germany, the inflation expectations derived from the yield on inflation-linked German government bonds and current ECB forecasts on inflation expectations in the eurozone as points of reference.

²⁴² See OLG Frankfurt, December 18, 2014, 21 W 34/12, para. 107 (juris).

²⁴³ See OLG Munich, December 15, 2020, 31 Wx 299/16, decision text p. 16; OLG Frankfurt, January 26, 2015, 21 W 26/13, para. 62 (juris).

Estimates by bank analysts - Change consumer price index Germany	
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2024	
Lower boundary of estimates	2.1%
Upper boundary of estimates	2.6%
Weighted average	2.4%
2025	
Lower boundary of estimates	1.1%
Upper boundary of estimates	2.5%
Weighted average	2.0%
2026	
Lower boundary of estimates	0.8%
Upper boundary of estimates	3.0%
Weighted average	1.9%

Estimates by the International Monetary Fund - Change consumer price index Germany	
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2024	2.4%
2025	2.0%
2026	2.0%
2027	2.0%
2028	2.0%
2029	2.0%

Estimates by the European Central Bank - ECB staff projections	
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2024	2.5%
2025	2.2%
2026	1.9%

Inflation expectation inferred from interest yields on inflation protected German Government Bonds	
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10-year government bond	1.76%
25-year government bond	1.93%

Source: Bloomberg, International Monetary Fund.

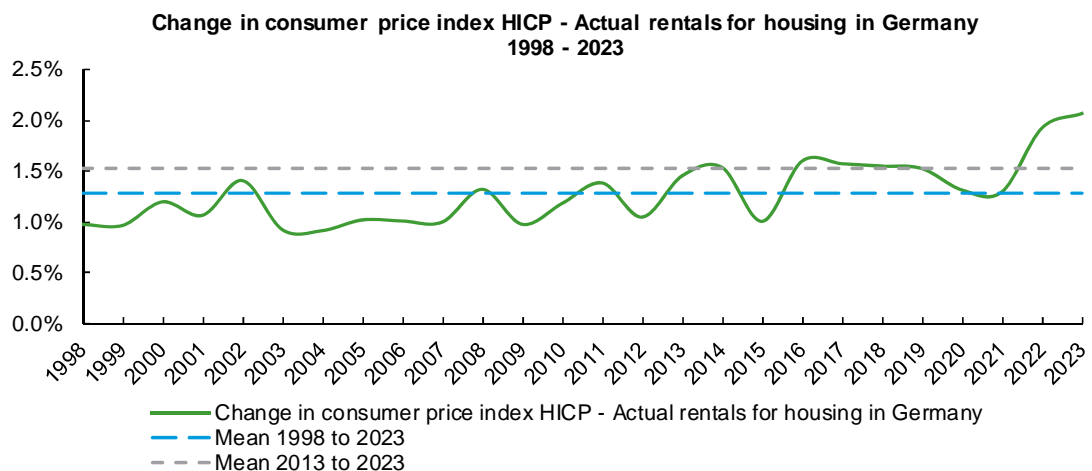
The inflation expectations presented show moderate inflation rates of around 2 % or just above over the next few years. The ECB is forecasting a price increase in line with the inflation target of

around 2.0 % for the eurozone in 2025. The International Monetary Fund expects the consumer price index in Germany to change by 2.0 % from 2025.

In addition to the general development of the sector, the competitive position and, in particular, the expected long-term price-related development on the residential and investment market must also be taken into account for the growth prospects.

It can be assumed that demand for housing will remain relatively high for some time to come. This will generally have a positive effect on rental growth. In the longer term, however, population growth is expected to remain stable, which should have a dampening effect on demand for housing.

We have also carried out an analysis of longer-term rental growth rates. To this end, the following overview shows the development of rents in Germany over the period 1998 to 2023 based on the change in the consumer price index HICP - Actual rents for housing in Germany.



Source: ECB data portal, change in consumer price index HICP - Actual rentals for housing in Germany.

Accordingly, rent increases close to or slightly above 2.0 % have been observed in the recent past. However, longer-term averages between 1998 and 2023 and 2013 and 2023 show rent increases of (only) around 1.3 % and 1.5 % respectively.

On the cost side, real estate companies have been confronted with significant increases in construction costs, particularly in recent years. In addition, it can be assumed that the regulatory framework is having a rather restrictive effect on the development of real estate companies'

profits. In this respect, it cannot simply be assumed that all cost-side price increases can be passed on in full to tenants or property buyers.

Taking into account the business model, the competitive situation and the longer-term prospects on the residential and investment market, we have applied a **sustainable growth discount of 1.5 %** to the valuation of the Vonovia Group. The overall growth rate according to the dividend discount model (see above) is 3.8 %.

d) Derivation of the Capitalization Rate

The derivation of the period-specific capitalization rates is shown on the following page.

In accordance with the presentation of the income statement (see section 5.2. i)), we have applied the capitalization interest rate from 2035 onwards at the same value (annuity). From 2035 onwards, we have taken into account a constant leveraged beta factor or leverage ratio determined on a constant value (annuity) basis.

	Detailed planning period										TV 2035 ff.	
	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan		
Pre-tax risk-free rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Typified income tax	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%
Risk-free rate after typified income tax	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
Market risk prem. after typ. income tax	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Unlevered beta factor	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Present value at beginning of fiscal yr.	24,747.8	25,812.1	26,912.7	28,026.0	31,035.9	32,356.1	33,758.0	35,186.4	36,635.9	38,139.3		
Interest-bearing debt at beg. of fiscal yr.	38,452.2	38,106.1	39,442.1	40,339.2	40,952.5	41,120.9	40,671.7	40,143.0	40,348.9	39,057.1		
Debt-equity ratio	155.38%	147.63%	146.56%	143.94%	131.95%	127.09%	120.48%	114.09%	110.13%	102.41%		55.55%
Levered beta factor	0.74	0.74	0.75	0.76	0.75	0.75	0.74	0.71	0.71	0.71	0.69	0.58
Risk premium	4.27%	4.27%	4.31%	4.35%	4.30%	4.34%	4.23%	4.09%	4.10%	3.95%	3.32%	
Growth rate												-1.50%
Discount rate	6.11%	6.11%	6.15%	6.19%	6.14%	6.18%	6.07%	5.94%	5.94%	5.79%	3.66%	

5.4. Valuation of the Vonovia Group

a) Determination of the Capitalized Earnings Value

Based on the earnings attributable to the shareholders of Vonovia SE and applying the period-specific capitalization rates explained above, the capitalized earnings value of the Vonovia Group as at the technical reporting date (January 1, 2025) is calculated as shown on the following page.

In particular, the deposits reflect the share dividends. A capital increase is also shown in 2028.

The net income shown for the years 2035 et seq. represents a value-equivalent (annuity) compression of the transition phase and the sustainable result (see IDW Practice Note 2/2017, point 55). The deposits shown for the year 2035 reflect the amount of the deposits for the years 2035 to 2044 calculated at the same value (annuity). No further deposits are planned in the terminal value phase.

	Detailed planning period												TV 2035 ff.
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
Profit for the period after non-controlling interests	1,376.9	1,550.8	1,747.4	1,762.3	1,883.5	1,902.5	1,888.5	1,916.7	1,957.5	2,008.6	2,248.2		
Internal financing/Growth accumulation	-480.6	-598.1	-665.1	-635.5	-713.1	-709.3	-644.5	-638.8	-612.6	-599.5	-195.6		
Potential distribution (1)	896.3	952.7	1,082.3	1,126.8	1,170.4	1,193.2	1,244.1	1,277.9	1,344.8	1,409.0	2,052.6		
Value added from distribution	896.3	952.7	1,082.3	1,126.8	1,170.4	1,193.2	1,244.1	1,277.9	1,344.8	1,409.0	1,249.0		
Taxation on dividends (2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	206.8		
Value added from retention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	803.6		
Taxation of capital gains (3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	174.6		
Deposits (4)	448.2	476.4	541.1	2,401.6	585.2	596.6	622.0	638.9	672.4	704.5	219.6		
Net receipts (1) - (2) - (3) - (4)	448.2	476.4	541.1	-1,274.8	585.2	596.6	622.0	638.9	672.4	704.5	1,451.7		
Discount rate	6.11%	6.11%	6.15%	6.19%	6.14%	6.18%	6.07%	5.94%	5.94%	5.79%	3.66%		
Present value factor	0.9424	0.8881	0.8367	0.7879	0.7424	0.6992	0.6591	0.6222	0.5873	0.5552	15.1608		
Present value	422.4	423.1	452.8	-1,004.5	434.4	417.1	410.0	397.6	394.9	391.1	22,008.9		
Capitalized earnings value as at January 1, 2025	24,747.8												

b) Special Values of the Vonovia Group

As at the valuation date, the Vonovia Group holds various investments that are not fully consolidated and for which no investment income is included in the planning statement.

We have generally recognized these investments as special values at the maximum of the carrying amount and the simplified capitalized earnings value. As we do not intend to sell the investments, we have not charged corporate taxes on the respective special values resulting from a (fictitious) sale.

Financial assets accounted for using the equity method: As at September 30, 2024, financial assets accounted for using the equity method had a carrying amount of EUR 213.3 million. This mainly includes the investments in Gropyus AG, Vienna/Austria, and the QUARTERBACK Group. The investments in the QUARTERBACK Group, for which the full acquisition by the end of 2024 is shown in the planning statement, are shown in the planning statement. In addition, the financial assets accounted for using the equity method acquired by the Vonovia Group after September 30, 2024 are also included.

Non-consolidated affiliated companies: Non-consolidated affiliated companies are the 100 % shareholdings in Dr. Schönberger GmbH, Erfurt, and NEARBYK GmbH, Bochum.

Other investments: As at September 30, 2024, other equity investments comprise a carrying amount of EUR 260.6 million (including an investment in Vesteda of EUR 182.7 million). We have not recognized a special value for the investments in the QUARTERBACK Group that still exist as at September 30, 2024 (see above).

The carrying amount of the investment in AVW is close to zero and therefore does not reflect the expected value contribution of the investment income recognized within the adjusted EBITDA value-add. We have therefore recognized the value contribution of AVW by including the planned investment income in the determination of the capitalized earnings value. In this respect, consideration as a special value is ruled out.

There are no indications of the existence of additional circumstances to be taken into account, e.g. non-essential assets.

In the present case, we have recognized the special values for the investments in the following amounts:

	EUR m
Other associated companies	245.0
Non-consolidated affiliated companies	4.5
Investments accounted for using the equity method	282.8
Special values	532.2

c) Business Value

As at January 23, 2025, the Vonovia Group has the following business value:

	EUR m
Capitalized earnings value as at January 1, 2025	24,747.8
Special values	532.2
Business value as at January 1, 2025	25,280.1
Compounding factor	1.0037
Business value as at January 23, 2025	25,374.7
Shares outstanding	822,852,925
Value per share in EUR as at January 23, 2025	30.84

5.5. Comparative Valuation

We use analysts' estimates of EBITDA to derive the multiples of the peer group companies and the Vonovia SE. The average estimates serve as a measure of the EBITDA expectation on which the capital market bases its valuation of the peer group companies and the Vonovia SE.

The EBITDA multiples for the peer group companies and Vonovia SE are as follows:

Company	EBITDA-Multiples		
	2024	2025	2026
LEG	26.7	25.9	24.9
TAG	24.5	22.7	20.8
GCP	21.5	21.4	21.0
Vonovia SE	27.7	27.1	26.0
Minimum	21.5	21.4	20.8
Mean	25.1	24.3	23.2
Maximum	27.7	27.1	26.0

Source: Bloomberg; own calculations.

The following table shows the performance indicators on which the comparative market valuation was based. The value ranges resulting for the enterprise value (market value of total capital) and the equity value (market value of equity) of the Vonovia Group are also shown. In the reconciliation to the market value of equity, we have deducted the interest-bearing debt and minority interests and added the special values.

This results in the following values for the years 2024 to 2026:

	2024	2025	2026
	EUR m	EUR m	EUR m
Resulting variables	2,645.0	2,741.1	2,963.9
Enterprise Value - Minimum	56,795.5	58,693.8	61,724.3
Enterprise Value - Mean	66,425.8	66,514.4	68,718.1
Enterprise Value - Maximum	73,382.0	74,157.7	77,137.7
+ Special values	532.2	532.2	532.2
- Total interest-bearing liabilities	38,452.2	38,452.2	38,452.2
- Equity attributable to non-controlling interests	4,108.5	4,108.5	4,108.5
- Liabilities to non-controlling interests	194.9	194.9	194.9
Equity Value - Minimum	14,572.2	16,470.5	19,501.1
Equity Value - Mean	24,202.5	24,291.1	26,494.8
Equity Value - Maximum	31,158.7	31,934.5	34,914.5
Number of shares	822,852,925	822,852,925	822,852,925
Value per share EUR - Minimum	17.71	20.02	23.70
Value per share in EUR - Mean	29.41	29.52	32.20
Value per share in EUR - Maximum	37.87	38.81	42.43

Source: Own calculations.

Based on the EBITDA multiples of the peer group as well as the Vonovia SE, the value per share of Vonovia SE ranges between EUR 17.71 and EUR 42.43. The mean values are between EUR 29.41 and EUR 32.20 per share.

The result of these plausibility checks is that the fundamental business value derived in accordance with IDW S 1 as amended in 2008 is within the range of market valuations based on the multiples of peer group companies and the Vonovia SE.

6. Company Valuation of the Deutsche Wohnen Group in Accordance with IDW S 1

6.1. Analysis of Historical Results

a) General Information

For general explanations, please refer to section 5.1. a).

b) Assets and Liabilities

The financial position of the Deutsche Wohnen Group as at the reporting dates for the financial years 2022 and 2023 is presented below in accordance with the audited consolidated financial statements in accordance with IFRS and the interim balance sheet as at September 30, 2024 in accordance with IFRS.

The following overview shows the **assets** in accordance with IFRS:

	Dec. 22 Actual	Dec. 23 Actual	Sep. 24 Actual
	EUR m	EUR m	EUR m
Intangible assets	164.8	0.5	0.4
Property, plant and equipment	219.6	151.5	148.0
Investment properties	27,301.9	23,021.5	22,532.2
Financial assets	811.4	561.6	90.7
Investments accounted for using the equity method	208.0	126.3	100.5
Other assets	214.9	203.9	109.2
Deferred tax assets	0.2	1.1	1.1
Total non-current assets	28,920.8	24,066.4	22,982.1
Inventories	13.6	2.7	2.3
Trade receivables	30.0	140.3	57.8
Financial assets	1,019.0	686.1	726.6
Other assets	247.6	391.1	429.0
Income tax receivables	187.1	145.6	114.9
Cash and cash equivalents	184.3	157.1	472.0
Real estate inventories	926.0	752.6	800.9
Assets held for sale	2.4	74.0	280.3
Assets from discontinued operations	0.0	770.1	693.1
Total current assets	2,610.0	3,119.6	3,576.9
Total assets	31,530.8	27,186.0	26,559.0

Intangible assets as at 31 December 2023 and 30 September 2024 include concessions, industrial property rights, licenses and similar rights to an insignificant extent only. The significant decrease in intangible assets as at December 31, 2023 is mainly due to the reclassification of goodwill attributable to the nursing care division to assets from discontinued operations (see below). Goodwill was written down in full (EUR 140.0 million) as at December 31, 2023 within assets from discontinued operations.

As at September 30, 2024, **property, plant and equipment** comprised technical equipment and machinery (September 30, 2024: EUR 54.4 million), owner-occupied property (September 30, 2024: EUR 11.7 million) and other equipment, operating and office equipment (September 30, 2024: EUR 8.5 million). Property, plant and equipment also includes right-of-use assets from leases recognized in accordance with IFRS 16 to a significant extent from heating supply contracts and measurement technology and to a lesser extent from commercial leases (30 September 2024: EUR 73.5 million in total). Corresponding lease liabilities are recognized. The rights of use are depreciated on a scheduled basis depending on the respective useful life. The decrease in property, plant and equipment as at December 31, 2023 is driven in particular by

reclassifications to discontinued operations and the reclassification of (previously) owner-occupied properties in the amount of EUR 31.5 million to investment properties due to the letting of properties. This mainly relates to the headquarters of Deutsche Wohnen SE. As at September 30, 2024, property, plant and equipment had remained stable and was roughly at the same level as at the end of 2023.

The main asset item is **investment properties**, which are recognized at fair value in accordance with IAS 40 in conjunction with IFRS 13. The reduction in investment properties between December 31, 2022 and September 30, 2024 is due in particular to write-downs, which are due in particular to the increased yield expectations of property buyers.

Investment properties include properties that are held to generate rental income or for the purpose of capital appreciation and are not used by the company itself or held for sale in the course of ordinary business activities. Investment properties include undeveloped land, land and land rights with buildings and land with heritable building rights of third parties as well as assets under construction. Investment properties also include rights of use from leasehold contracts recognized in the balance sheet (total EUR 70.1 million as at 30 September 2024). The fair values of the Deutsche Wohnen Group's real estate portfolio are determined on the basis of internal valuations and validated by external appraisals from the appraisal company JLL. The fair value of the nursing care properties is determined by W&P Immobilienberatung GmbH, Frankfurt am Main.

Financial assets (current and non-current) as at September 30, 2024 include, in particular, loan receivables from the QUARTERBACK Group in the amount of EUR 712.0 million. They also include other investments in the amount of EUR 32.7 million and derivatives totaling around EUR 27.7 million as at September 30, 2024.

As at December 31, 2022, the financial assets also included a loan issued to Vonovia SE for a nominal amount of EUR 870,0 million. The decline in financial assets as at December 31, 2023, was driven in particular by the (partial) repayment of this loan. In May 2024, the remaining loan receivable was repaid in full by Vonovia SE (nominal EUR 320.0 million). In addition, the impairment of receivables from the QUARTERBACK Group led to a significant decline in financial assets as at September 30, 2024 (see also section 5.1. b) on the transaction with the QUARTERBACK Group). In contrast, receivables from investments increased as at September 30, 2024.

As at September 30, 2024, the Deutsche Wohnen Group held investments in 16 joint ventures and six associates, which are presented in the **financial assets accounted for using the equity method**. These include a 40 % interest in the unlisted QUARTERBACK Immobilien AG. QUARTERBACK Immobilien AG is a project developer operating in Germany with a focus on central Germany, which works together with the Deutsche Wohnen Group in the area of development. The carrying amount of the investment in QUARTERBACK Immobilien AG was fully impaired as at September 30, 2024. In addition, the Deutsche Wohnen Group holds stakes in eleven unlisted

financial investments of QUARTERBACK Immobilien AG in particular, with stakes of between 44 % and 50 % (QUARTERBACK property companies), which are classified as joint ventures. In addition, the Deutsche Wohnen Group holds shares in ten other unlisted companies that are of minor importance and are also reported under financial assets accounted for using the equity method. The decline in the carrying amount of the financial investments accounted for using the equity method as at December 31, 2023 is driven by the negative result from the equity accounting of the QUARTERBACK investments in the amount of around EUR 73.2 million. The decline is also due to changes in the investment structure. For example, the shares in B&O Service Berlin GmbH, Berlin, DWA Beteiligungsgesellschaft mbH, Berlin, KIWI.KI GmbH, Berlin, and the shares in Funk Schadensmanagement GmbH, Berlin, were sold in the course of 2023. The further decline in financial assets accounted for using the equity method as at September 30, 2024 is mainly due to the negative earnings update.

Other assets (current and non-current) include prepayments for real estate projects (September 30, 2024: EUR 406.3 million), receivables from insurance companies (September 30, 2024: EUR 25.1 million), contract assets from operating costs (September 30, 2024: EUR 4.5 million) and miscellaneous other assets (September 30, 2024: EUR 102.2 million). Advance payments for real estate projects include ongoing project developments by third parties (forward deals). Contract assets from operating costs show the surplus from operating cost payments during the year and advance payments from tenants prior to corresponding invoices. Miscellaneous other assets include, in particular, the claim to the subsequent purchase price payment from the ongoing appraisal proceedings under the control agreement concluded between Deutsche Wohnen SE and GSW Immobilien AG, Berlin (September 30, 2024: EUR 69.3 million). The increase in other assets as at December 31, 2023 is mainly due to the increase in prepayments made for forward deals. The decrease as at September 30, 2024 results in particular from a decrease in prepayments made for forward deals.

Deferred tax assets relate in particular to deferred tax assets from loss carryforwards and temporary differences.

In the historical period under review, **inventories** ranged between EUR 2.3 million in 2024 and EUR 13.6 million in 2022 and were therefore at an insignificant level in the recent past.

Trade receivables include receivables from the sale of investment properties and real estate inventories, receivables from rentals, receivables from affiliated companies and receivables from other goods and services. The increase in trade receivables as at December 31, 2023 is mainly due to the recognition of receivables from the sale of real estate inventories and higher rent receivables. As at September 30, 2024, trade receivables decreased mainly due to the significant decline in receivables from the sale of real estate inventories.

Income tax receivables comprise receivables from corporate tax, trade tax and capital gains tax. The decrease in current income tax assets in the past period presented is due in particular to the receipt of refund claims and adjusted tax prepayments.

Cash and cash equivalents include cash in hand, cheques and bank balances. The increase in cash and cash equivalents as at September 30, 2024 is mainly due to lower repayments of financial liabilities and a better result for the period.

Real estate inventories include properties from the sales-related development business as well as land and buildings intended for sale. Real estate inventories consist of properties still under construction and completed properties that have not yet been sold.

Assets held for sale include properties for which notarized purchase agreements have already been concluded or the sale of which is considered highly probable within the next twelve months. The significant increase in assets held for sale as at September 30, 2024 is mainly due to the planned sale of almost 1,100 residential and six commercial units at a selling price of around EUR 160.0 million.

As part of the strategic review, the management of the Deutsche Wohnen Group has decided to sell the nursing care division. As at December 31, 2023, the majority of the assets and liabilities of the nursing care segment are reported separately as **discontinued operations**. Nursing care properties with a carrying amount of EUR 90.8 million were sold by September 30, 2024. The assets and liabilities of the former nursing care segment that have not yet been sold continue to be presented as discontinued operations as at September 30, 2024.

Liabilities are as follows in accordance with IFRS:

	Dec. 22 Actual	Dec. 23 Actual	Sep. 24 Actual
	EUR m	EUR m	EUR m
Total equity	16,775.1	13,998.2	13,746.0
Provisions	104.6	63.9	53.4
Trade payables	19.4	2.6	2.6
Non-derivative financial liabilities	8,474.2	8,248.3	6,876.4
Derivatives	0.0	7.7	8.4
Lease liabilities	114.1	91.3	83.6
Liabilities to non-controlling interests	196.3	181.0	154.7
Other liabilities	0.0	0.1	4.1
Deferred tax liabilities	4,906.4	3,799.4	3,650.7
Total non-current liabilities	13,815.0	12,394.3	10,833.9
Provisions	110.0	90.4	83.7
Trade payables	147.7	174.7	172.6
Non-derivatives financial liabilities	501.7	234.0	1,448.5
Derivatives	0.1	0.0	0.0
Lease liabilities	14.5	13.8	13.5
Liabilities to non-controlling interests	0.0	9.5	4.7
Current income taxes	99.4	92.1	61.0
Other liabilities	67.3	37.0	108.2
Liabilities from discontinued operations	0.0	142.0	86.9
Total current liabilities	940.7	793.5	1,979.1
Total liabilities	31,530.8	27,186.0	26,559.0

As at September 30, 2024, the **total equity** of Deutsche Wohnen SE comprises subscribed capital of EUR 396.9 million, capital reserves of EUR 4,174.7 million, retained earnings of EUR 8,797.0 million, other reserves of EUR 2.4 million and non-controlling interests of EUR 375.0 million. The decrease in equity in the past period presented is mainly due to the decrease in retained earnings due to negative results for the period. In addition, non-controlling interests decreased in the period under review.

Provisions (current and non-current) as at September 30, 2024 include provisions for pensions and similar obligations of around EUR 47.9 million, other tax provisions (excluding deferred taxes) of around EUR 17.3 million, personnel-related obligations of around EUR 1.7 million and other miscellaneous provisions of around EUR 70.1 million. The decrease in provisions in 2023 is due in particular to lower pension provisions and lower tax provisions. The further decrease in provisions as at September 30, 2024 is mainly due to lower personnel-related obligations and lower other miscellaneous provisions.

Trade payables (current and non-current) include trade payables not yet invoiced (September 30, 2024: EUR 43.5 million), lease liabilities (September 30, 2024: EUR 40.3 million) and liabilities from other trade payables (September 30, 2024: EUR 91.4 million). The increase in lease liabilities is almost offset by a decrease in other trade payables as at September 30, 2024, meaning that trade payables remained almost constant as at September 30

The **non-derivative financial liabilities** (current and non-current) relate in particular to the following financing arrangements:

- **Corporate bonds:** The corporate bonds of Deutsche Wohnen SE have a nominal value of EUR 1,760.7 million as at September 30, 2024. The average nominal interest rate as at September 30, 2024 is 1.12 %. The next scheduled repayment is to take place in 2025.
- **Mortgage loans:** As at September 30, 2024, there were mortgage loans in the amount of around EUR 4,798.2 million. The average interest rate on the nominal obligation of the mortgage loans was around 1.95 % as at September 30, 2024.
- **Bearer and registered bonds:** As at September 30, 2024, the bearer bonds have a nominal value of EUR 1,260.2 million and an average interest rate of 1.77 %. Registered bonds only exist in the amount of around EUR 475.0 million as at September 30, 2024, with an average interest rate of 1.53 %.
- **Promissory note loans:** The promissory note loans bear an average interest rate of 0.80 % and have a nominal value of EUR 50.0 million as at September 30, 2024.

In addition, the non-derivative financial liabilities (current and non-current) include accrued interest from non-derivative financial liabilities. Overall, there is no significant short-term interest rate risk, as the financing either contains long-term fixed interest rates or is hedged using suitable derivative financial instruments. The decrease in non-derivative financial liabilities (current and non-current) as at December 31, 2023 is due to repayments of mortgage loans. Repayments of mortgage loans also led to a slight decrease in non-derivative financial liabilities (current and non-current) in 2024. In addition, some of the mortgage loans and corporate bonds were reclassified from non-current to current non-derivative financial liabilities as at September 30, 2024, as the remaining terms were less than one year.

The Deutsche Wohnen Group holds interest rate swaps and caps to hedge cash flows as part of its risk management. These are reported under **derivatives**. The variable payments are based on EURIBOR.

Corresponding to the right-of-use assets recognized under property, plant and equipment and investment properties, **lease liabilities** (current and non-current) are reported under liabilities. The lease liabilities are mainly attributable to heating supply contracts, heritable building rights and measurement technology. The decrease in lease liabilities in 2023 is mainly due to

repayments for contracts for leased heat generation systems and measurement technology. The further decrease as at September 30, 2024 is primarily due to a decline in lease liabilities from heat supply contracts.

Liabilities to non-controlling interests (current and non-current) include, in particular, obligations to pay guaranteed dividends under profit and loss transfer agreements or agreements with co-investors. The decrease as at September 30, 2024 results from a reassessment of the guaranteed dividend claims.

Other liabilities (current and non-current) as at 30 September 2024 include, in particular, prepayments received of EUR 34.6 million, accrued liabilities of EUR 6.9 million, deferred income of EUR 4.2 million, other tax liabilities of EUR 4.0 million and miscellaneous other liabilities of EUR 62.6 million. The significant increase in other liabilities as at September 30, 2024 is due to an increase in advance payments received and mainly to a purchase price obligation from the acquisition of real estate portfolios and properties of the QUARTERBACK Group.

Deferred taxes result from temporary differences, primarily from the fair value measurement of investment properties in accordance with IAS 40 compared to measurement at amortized cost in the tax accounts. **Deferred tax liabilities** decreased by EUR 1,107.0 million as at December 31, 2023 compared to December 31, 2022, mainly due to the impairment of investment properties. There was a significantly smaller decrease as at September 30, 2024.

The item **current income taxes** reported for the first time in 2023 includes current tax liabilities that were previously recognized in the item other current provisions. The carrying amount as at December 31, 2022 was adjusted to the current reporting structure.

The liabilities from discontinued operations as at December 31, 2023 result from the planned sale of the nursing care business division. As some of the nursing care properties were sold in 2024, the liabilities from discontinued operations will be reduced as at September 30, 2024.

c) Financial Performance

We have analyzed the past results of the Deutsche Wohnen Group in order to assess the existing earnings power and the plausibility of the budget. For this purpose, the operating results (earnings before interest, taxes, depreciation and amortization, EBITDA) are adjusted for special items, resulting in adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA). By eliminating non-recurring items, the planning statement can be better classified. ²⁴⁴

²⁴⁴ See IDW Practice Note 2/2017, para. 25.

The following table shows **the results of operations** of the Deutsche Wohnen Group for the financial years 2022 and 2023 on the basis of the segment results up to adjusted EBT and the 9+3 forecast for the financial year 2024 in accordance with IFRS. The presentation follows the segment reports and the internal reporting structure of the Deutsche Wohnen Group, which is also used to prepare the forecasts. For the positions below the Adjusted EBT, no forecast is prepared, except for non-recurring items. The presentation of the years 2022 and 2023 is reconcilable to the audited consolidated income statement according to IFRS. The figures designated as "adjusted" are essentially, in accordance with the definition of the Deutsche Wohnen Group, figures adjusted for non-recurring items (non-periodic, irregularly recurring or atypical operating items).

As the nursing care division is to be sold and the income and expenses in the Development to hold segment are no longer reported under Adjusted EBITDA Development, the presentation of the earnings situation has changed in 2023. The presentation for 2022 has been reconciled and adjusted to the new format in the Deutsche Wohnen SE 2023 annual report.

	2022 Actual	2023 Actual	2024 FC 9+3	22-24 CAGR
	EUR m	EUR m	EUR m	%
Revenue in the Rental segment	790.4	811.4	828.5	2.4%
Expenses in the Rental segment	-190.3	-173.3	-206.5	4.2%
Adjusted EBITDA Rental	600.1	638.1	622.1	1.8%
Revenue in the Value-add segment	43.1	29.0	37.1	-7.2%
Operating expenses in the Value-add segment	-29.0	-18.4	-17.7	-21.8%
Adjusted EBITDA Value-add	14.1	10.6	19.4	17.2%
Revenue in the Recurring Sales segment	45.3	12.8	30.0	-18.7%
Expenses in the Recurring Sales segment	-30.7	-11.5	-26.9	-6.4%
Adjusted EBITDA Recurring Sales	14.6	1.3	3.1	-54.2%
Revenue from the disposal of "Development to sell" properties	13.6	155.0	317.7	383.4%
Cost of Development to sell	-12.5	-142.0	-322.1	407.6%
Gross profit Development to sell	1.1	13.0	-4.4	n/a
Operating costs and income in the Development segment	-1.4	-28.2	1.9	n/a
Adjusted EBITDA Development	-0.3	-15.2	-2.4	183.9%
Adjusted EBITDA Total (continuing operations)	628.5	634.8	642.1	1.1%
Straight-line depreciation	-36.9	-21.4	-22.5	-22.0%
Adjusted net financial result	-52.9	-67.3	-126.1	54.4%
Adjusted EBT (continuing operations)	538.7	546.1	493.4	-4.3%
Non-recurring items	-76.5	-17.0	-10.7	-62.5%

Segment revenue (rental income), expenses for maintenance and operating costs are reported in the **Rental segment**. The following table shows key figures for the Rental segment as well as key figures for the Deutsche Wohnen Group's residential real estate portfolio in 2022 and 2023 and a forecast for 2024:

	2022 Actual	2023 Actual	2024 FC 9+3
Growth Revenue in the Rental segment		2.7%	2.1%
Adjusted EBITDA Rental in % of Rev. in the Rental Segment	75.9%	78.6%	75.1%
Number of units (end of period)	140,286	139,847	139,009
Floor space in k m ² (end of period)	8,333	8,316	8,275
Maintenance costs in EUR per m ²	20.00	17.90	18.66

The development of the number and area of residential units reflects the real estate developments, acquisitions and disposals of the Deutsche Wohnen Group in recent financial years. The number of residential units decreased only slightly in 2023. According to the forecast, the number of residential units will decrease by around 0.6 % in 2024 due to sales.

The maintenance expenses shown for each m² comprise maintenance expenses and capital expenditure (capitalized in the balance sheet) to preserve substance. Maintenance expenses are capitalized depending on the size of the maintenance measures. Both maintenance expenses and substance-preserving investments per m² fell in 2023. This is due in particular to a reluctance to invest due to the financial environment and to one-off effects as part of the integration of the Deutsche Wohnen Group into the Vonovia Group. In the forecast for 2024, maintenance expenditure per m² increases to EUR 18.66 per m².

The vacancy rate, which is calculated based on the ratio of the number of unlet residential units to the number of rentable residential units, fell by 0.4 percentage points to 1.5 % in 2023 and remains constant at 1.5 % in the forecast.

Despite the slight decrease in the number of residential units in 2023 and 2024, **segment revenue** increased. The increase in segment revenue in the historical period under review is due in particular to the organic increase in rents.

The actual monthly rent increased continuously from EUR 7.48 per sqm in the years 2022 to 2024 to EUR 7.91 per sqm as at September 30, 2024. The organic rent increases result from like-for-like rent increases and rent increases due to new construction and additions to existing properties. Organic rent growth increased by 0.4 percentage points to 3.4 % in 2023. The forecast shows a

further increase in organic rental growth to 3.9 %. The growth rates for segment revenue in 2023 and 2024 were 2.7 % and 2.1 % respectively.

Expenses in the Rental segment include expenses for maintenance and operating costs. In 2023 in particular, the modernization, new construction and maintenance strategy was adapted to the financial framework conditions. Maintenance expenses in 2023 were lower than the previous year's maintenance expenses. An increase is expected again in the forecast for 2024. The significant decline in operating costs in 2023 is due in particular to positive one-off effects as part of the integration of the Deutsche Wohnen Group into the Vonovia Group. In the forecast for 2024, an increase is expected due to inflation-related cost increases, among other things. In the period from 2022 to 2024, expenses rose by an average of 4.2 % per year.

Adjusted EBITDA Rental increased in 2023 due to rising segment revenue with lower maintenance expenses and operating costs. Due to sharply rising maintenance expenses and operating costs, the adjusted EBITDA Rental will decrease in 2024 according to the forecast despite rising segment revenue. The adjusted EBITDA Rental margin increased from 75.9 % in 2022 to 78.6 % in 2023. In 2024, the adjusted EBITDA rental margin was still 75.1 %. Overall, the average annual growth rate of adjusted EBITDA Rental in the period from 2022 to 2024 was 1.8 %.

The **Value-add segment** includes segment revenue and operating costs from the business with housing-related services. Value-add segment revenue is divided into internal and external revenue. Very high revenue of EUR 43.1 million was generated in 2022 due to the expansion of multimedia services. The higher level of operating costs in the Value-add segment in 2022 was mainly due to the high internal business volume and higher procurement and energy costs. In 2023, both segment revenue and operating costs fell significantly compared to 2022. The subsequent significant increase in adjusted EBITDA value-add according to the forecast for 2024 is due in particular to a positive earnings effect from the lease of the coax network.

Regular sales of individual condominiums and single-family homes are reported in the **Recurring Sales segment**. The significant decline in segment revenue in 2023 is mainly due to the lower number of sales. While 145 residential units were sold in 2022, only 57 residential units were sold in 2023. According to the forecast, just under 130 units will be sold in 2024.

Expenses in the Recurring Sales segment include fair value step-ups adjusted for out-of-period effects from properties held for sale and selling expenses. At 24.4 %, the market value step-up in 2023 was significantly lower than the previous year's figure of 54.1 %. Due to the temporary prioritization of liquidity, the fair value step-up is at a slightly lower level of 17.4 % in 2024 according to the forecast. Due to the increased number of sales in 2024, expenses will increase in 2024 according to the forecast. The significant decline in adjusted EBITDA Recurring Sales in 2023 is partly due to the lower sales volume and the lower margin. In 2024, adjusted EBITDA Recurring Sales will increase slightly according to the forecast.

A total of 328 units were completed in the **Development segment** in 2023. In the Development to sell segment, 215 units were completed and 113 units were completed in the Development to hold segment. Proceeds from sales increased significantly in 2023 from EUR 13.6 million in 2022 to EUR 155.0 million. This increase was mainly due to the decision taken in 2022 to reclassify development projects for the company's own portfolio as development projects to sell. In 2023, development projects originally intended for own use were also reclassified as development projects to be sold due to the focus on liquidity. According to the forecast, almost 900 residential units intended for sale will be completed in 2024. In addition, the ECB's interest rate cuts in 2024 favored the transaction environment. In 2024, development projects will be sold to funds set up by HIH Invest, meaning that the forecast shows a further significant increase in segment revenue in 2024. The cost of sales amounted to EUR 142.0 million in 2023, resulting in a positive gross profit of EUR 13.0 million. In 2024, the cost of sales will exceed the proceeds from disposals, resulting in a slightly negative gross profit. Operating costs and income comprise operating costs as part of the development business, rental income from interim letting and other income from subsidies. Against the backdrop of the significant increase in operating costs in the Development segment in 2023, adjusted EBITDA Development was negative at EUR -15.2 million. In 2024, despite the slightly negative gross profit, an improvement in the adjusted EBITDA Development to EUR -2.4 million is expected due to the positive balance of operating costs and income.

The **adjusted EBITDA total** for continuing operations is mainly driven by developments in the Rental segment.

Straight-line depreciation includes depreciation of concessions, industrial property rights, licenses, internally generated software, owner-occupied property, technical equipment and machinery as well as other equipment, operating and office equipment. The high level of depreciation and amortization in 2022 is due in particular to higher depreciation of other equipment, operating and office equipment as well as concessions, industrial property rights and licenses.

The **adjusted net financial result** includes interest income and interest expenses in particular. Interest income increased in 2023. In 2023, interest income stemmed from income from loans to the QUARTERBACK Group, among other things. Interest expenses resulted in particular from financial liabilities. The significant deterioration in the adjusted net financial result in 2024 is mainly due to lower interest income as a result of the restructuring of the QUARTERBACK Group and the repayment of a loan from Deutsche Wohnen SE to Vonovia SE.

The slight increase in the adjusted EBITDA total in 2023 continued at the level of **adjusted EBT** from continuing operations. The significant decline in adjusted EBT in the forecast for 2024 is mainly due to the significant deterioration in the adjusted net financial result. Overall, adjusted EBT fell by an average of 4.3 % annually in the past period under review.

The **non-recurring items** include non-periodic, irregularly recurring or atypical operating items. The non-recurring items of the Deutsche Wohnen Group include transaction costs, personnel-related matters and refinancing. In 2022, the non-recurring items almost exclusively comprised expenses for the integration of the Deutsche Wohnen Group into the Vonovia SE Group. Due to the decrease in these expenses to just under EUR 9.6 million in 2023, the non-recurring items have fallen significantly in 2023. The further slight decrease in non-recurring items in 2024 is due to a further decline in transaction-related non-recurring items to EUR 9.0 million. The other non-recurring items in 2024 include personnel-related matters (EUR 1.3 million) and refinancing (EUR 0.4 million).

6.2. Planning Calculation

a) Description of the Planning Process

The planning statement of the Deutsche Wohnen Group is a component of the planning statement of the Vonovia Group and has a comparable structure and planning process.

Separate bottom-up plans are prepared for the Development, Value-add and Recurring Sales (non-core) segments for the Deutsche Wohnen Group.

In the Rental segment, the budget planning for the Berlin division for the financial year 2025 is fully attributable to the Deutsche Wohnen Group. The Berlin division already covers a large part of the Deutsche Wohnen Group's real estate portfolio. The budget plans for the remaining Rental business units are prepared for the Deutsche Wohnen Group as part of the planning process for the Vonovia Group using the same planning logic and analogous assumptions. From the planning year 2026 onwards, a value driver-based extrapolation is carried out in agreement with the Management Board of Deutsche Wohnen SE, analogous to the planning of the Vonovia Group.

Development planning covers ten planning years. For the sake of simplicity, the plans for the other segments are extrapolated by Group Controlling for a further five years after a five-year planning horizon (from 2030 onwards), generally in line with inflation.

When preparing the Deutsche Wohnen Group's planning accounts, the other companies of the Vonovia Group (including Vonovia SE) that are not part of the Deutsche Wohnen Group from the perspective of the Deutsche Wohnen Group are shown as external third parties.

As part of the planning process, an independent resolution on the multi-year plan is passed by the Management Board of Deutsche Wohnen SE and approved by the Supervisory Board of Deutsche Wohnen SE.

The planning on which the valuation of the Deutsche Wohnen Group is based was adopted by the Management Board of Deutsche Wohnen SE on November 29, 2024 and approved by the Supervisory Board of Deutsche Wohnen SE on December 3, 2024 with regard to the budget year 2025 and acknowledged with regard to subsequent years.

b) Budget Comparisons

Historical budgets reflect the management's expectations at the time regarding the company's development. These are not independent of the purpose pursued with the planning. This can also consist of defining target figures. Planning accuracy is analyzed by comparing historical planning calculations with actual results and analyzing the causes of deviations. This can lead to an assessment of whether planning in the past may have been too optimistic, too pessimistic or realistic.²⁴⁵

To analyze the accuracy of planning, we compared the figures planned at the end of the 2022 financial year for the 2023 financial year with the actual figures for 2023. We compared the budget planning from fall 2023 with the forecast (9+3) for 2024. We have dispensed with any further multi-year considerations, as the multi-year planning of the Deutsche Wohnen Group follows a planning process comparable to that of the Vonovia Group and the analysis of the Rental segment's multi-year planning accuracy is therefore covered by the plan/actual comparisons at Vonovia Group level (see section 5.2. b)).

The deviations were determined at revenue in the Rental segment (rental income) and Adjusted EBITDA Rental level, as these figures have a significant impact on earnings and are subject to significantly fewer special factors than the other Adjusted EBITDA areas. It should be noted that a small number of care facilities were reclassified to the Rental segment in 2023. As a result, the actual figures include income that was reported in the previous nursing care segment in the planning calculations.

The left-hand column of our following overviews always indicates the year in which the plan was prepared (e.g. 2022) for the subsequent plan year (here 2023 or 2024). Green fields indicate a

²⁴⁵ See OLG Düsseldorf, May 9, 2022, 26 W 3/21, para. 41 (BeckRS); OLG Düsseldorf, February 25, 2020, 26 W 7/18, para. 39 (BeckRS); OLG Munich, December 14, 2021, 31 Wx 190/20, para. 109 (BeckRS).

plan overfulfillment, red fields a negative plan deviation. The deviations are shown as a percentage of the planned value.

The percentage plan/actual deviations in **revenue in the Rental segment** are as follows:

Δ Revenue in the Rental segment		Planning year	
		2023	2024
Planning	2022	3.8%	
	2023		3.7%

The analysis of the deviations at segment revenue level in the Rental segment shows that the actual rental income for 2023 was around 3.8 % higher than the rental income planned for 2023 at the end of 2022. The positive deviation is mainly due to the reclassification of parts of the nursing care business to the Rental segment in 2023. In percentage terms, this has a greater impact on the Deutsche Wohnen Group than on the Vonovia Group. At 3.7 %, the forecast for 2024 slightly exceeds the expectations from the 2023 budget. The deviation is partly due to the rents for the reclassified care portfolio. This high level of planning accuracy reflects the generally good planning capability of the property management.

At **Adjusted EBITDA Rental** level, the percentage plan/actual deviations are as follows:

Δ Adjusted EBITDA Rental		Planning year	
		2023	2024
Planning	2022	8.5%	
	2023		2.5%

Overall, there are also positive deviations at the Adjusted EBITDA Rental level. The positive deviation in 2023 compared to the forecast from 2022 is due to higher rental income (see above) and lower than expected maintenance expenses, among other things. The deviation between the forecast for 2024 and the budget from 2023 is mainly due to higher rental income (see above). This was offset by higher operating costs in the forecast for 2024. This also reflects the good predictability of the rental business.

In the Development segment, there have in some cases been significant negative deviations between planned and actual figures in the past, resulting in particular from unforeseen developments in the market environment. Rising construction costs due to price increases for building materials and services, supply bottlenecks and the rise in interest rates primarily had a negative impact on earnings in the Development segment.

We have not analyzed the sales business due to the difficulty of planning.

As a result, our analysis of the budget/actual deviations with regard to the rental business confirms the high planning quality of the historical planning calculations. The plans for the other segments were largely missed due to unforeseeable developments in the market environment.

c) Operative Planning

The following overview shows the planning calculation of the Deutsche Wohnen Group on which our valuation is based at Group level up to EBIT for valuation purposes for the planning years 2025 to 2034 and the last past year 2024 (forecast).

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	FC 9+3 EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m	Plan EUR m
Revenue in the Rental segment	828.5	848.6	863.7	900.2	937.8	974.0	1,016.0	1,067.1	1,116.5	1,169.1	1,223.2
Expenses in the Rental segment	-206.5	-193.7	-192.2	-190.1	-189.0	-187.4	-191.1	-196.3	-201.1	-206.3	-211.4
Adjusted EBITDA Rental	622.1	654.9	671.5	710.2	748.7	786.6	824.9	870.8	915.4	962.8	1,011.8
Revenue in the Value-add segment	37.1	32.2	39.3	41.1	44.2	47.6	48.5	49.5	50.5	51.5	52.5
Operating expenses in the Value-add segment	-17.7	-19.2	-25.1	-26.5	-28.6	-30.7	-31.3	-31.9	-32.6	-33.2	-33.9
Adjusted EBITDA Value-add	19.4	13.0	14.2	14.6	15.5	16.9	17.2	17.6	17.9	18.3	18.6
Revenue in the Recurring Sales segment	30.0	48.4	48.4	49.9	51.3	52.9	54.4	56.0	57.7	59.4	61.2
Expenses in the Recurring Sales segment	-26.9	-44.1	-40.8	-42.0	-43.2	-44.5	-45.8	-47.1	-48.5	-49.9	-51.4
Adjusted EBITDA Recurring Sales	3.1	4.3	7.6	7.9	8.1	8.4	8.7	8.9	9.2	9.5	9.8
Revenue from the disposal of "Development to sell" properties	317.7	557.1	440.1	501.4	489.2	854.1	851.2	1,252.4	414.0	593.0	437.6
Cost of Development to sell	-322.1	-488.9	-385.4	-441.2	-411.8	-718.0	-753.2	-1,134.8	-377.5	-486.7	-344.3
Gross profit Development to sell	-4.4	68.2	54.6	60.3	77.3	136.2	98.0	117.6	36.5	106.3	93.3
Operating costs and income in the Development segment	1.9	-5.4	-13.6	-6.1	-10.5	-12.8	-8.7	14.0	-2.0	-14.2	-8.1
Adjusted EBITDA Development	-2.4	62.8	41.0	54.2	66.8	123.4	89.3	131.6	34.5	92.1	85.1
Adjusted EBITDA Total	642.1	735.0	734.4	786.8	839.2	935.3	940.1	1,028.9	977.1	1,082.7	1,125.4
Other and non-recurring items		114.9	-4.2	-4.3	-4.3	-4.3	-4.4	-4.4	-4.4	-4.4	-4.5
Depreciation and amortization		-23.4	-24.0	-24.3	-24.1	-23.9	-24.4	-24.8	-25.3	-25.8	-26.4
EBIT for valuation purposes		826.5	706.1	758.3	810.8	907.1	911.4	999.7	947.3	1,052.4	1,094.6

Planned results from revaluations of the real estate portfolio at fair value do not represent cash flows relevant to the valuation and are therefore not taken into account, as is the case with the Vonovia Group.

The **revenue in the Rental segment** includes rental income resulting from target rents and sales deductions due to vacant apartments. The development of segment revenue is therefore determined by the expected development of target rents and the vacancy rate as well as changes in the existing portfolio.

The following table shows the planned key figures for the Rental segment and the planned key figures for the Deutsche Wohnen Group's residential real estate portfolio for the years 2025 to 2034 and for the last past year 2024 (forecast).

	2024 FC 9+3	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan
Growth Revenue in the Rental segment	2.1%	2.4%	1.8%	4.2%	4.2%	3.9%	4.3%	5.0%	4.6%	4.7%	4.6%
Adj. EBITDA Rental in % of Rev. in the Rental Segment	75.1%	77.2%	77.7%	78.9%	79.8%	80.8%	81.2%	81.6%	82.0%	82.4%	82.7%
Number of units (end of period)	139,009	139,760	139,886	139,873	139,443	139,173	140,327	141,127	141,927	142,727	143,652
Floor space in k m ² (end of period)	8,275	8,240	8,251	8,250	8,232	8,226	8,304	8,355	8,407	8,458	8,519
Maintenance costs in EUR per m ²	18.66	23.15	24.27	24.72	25.15	25.60	26.09	26.57	27.07	27.57	28.08

The number of residential units is expected to increase slightly over the planning period as a result of development-to-hold projects and, to a lesser extent, planned recurring sales and non-core disposals planned for 2028 and 2029 up to the end of 2034.

The planned average annual increase in rental income of 4.0 % in the period between 2024 and 2034 is driven in particular by organic rent increases (in particular ongoing rent increases in the core business and investment-related rent increases) and, conversely, by planned sales. The average vacancy rate is expected to remain stable at around 1.3 % over the planning period and is therefore in line with historical vacancy rates. (Slightly) declining organic rental growth rates are expected for the projection period from 2031 to 2034 due to investments.

The planning of the revenue in the rental segment takes the legal framework into account. In particular, in addition to rent increases that are possible within existing tenancies in accordance with Section 558 of the German Civil Code (rent increase up to the standard local comparative rent) or that result from new tenancies within the scope of legal possibilities, rent increases due to modernization measures in accordance with Section 559 of the German Civil Code are also planned. Accordingly, rent increases are possible after modernization measures that exceed the "normal" rent increase. As part of the modernization of buildings, investments are planned in the planning period in particular for the energy-efficient refurbishment of the property portfolio. The Deutsche Wohnen Group will also participate in the Vonovia Group's strategic initiatives, particularly with regard to serial modernization, energy cube and occupancy rights.

The maintenance expenses included in the **expenses in the Rental segment** comprise the portion of maintenance expenditure that is not capitalized. Maintenance expenses are generally planned at regional level for 2025 based on maintenance requirements and predefined budgets and are generally updated in subsequent years based on prices.

The significant increase in maintenance expenditure per m² in 2025 is generally due to a slowdown in expenditure in the two previous years as a result of the focus on liquidity as well as inflation-related cost increases and an increase in the scope of services.

The expenses in the Rental segment also include operating costs. The operating costs of the Deutsche Wohnen Group largely comprise legal fees. These are legal fees that are charged to the Deutsche Wohnen Group as an allocation of administrative costs for the services provided by the Vonovia Group (excluding the Deutsche Wohnen Group). A standard market fee is charged for these purchased services. In addition, all other cost items from the Rental segment are allocated to operating costs. These include, in particular, the operating cost balance (non-allocable operating costs), bad debt losses and the costs of the central departments that are not part of the Vonovia Group's invoiced services. Offsetting this, insurance compensation (for maintenance costs) is planned, among other things. A significant decline in operating costs is expected for

2025, as 2024 was characterized by negative special effects. Over the remaining planning period, the items are generally adjusted for price-related factors, taking into account the planned living space and residential units. Any reductions in operating costs will result from the effects of the strategic initiatives (serial modernization, energy cube, occupancy rights).

Adjusted EBITDA Rental is expected to increase from EUR 622.1 million in 2024 to EUR 654.9 million in the first planning year. This is mainly due to expected rental growth. Subsequently, an average annual growth rate of 5.0 % is expected until the planning year 2034. The adjusted EBITDA rental margin is expected to improve correspondingly from 75.1 % in 2024 to 82.7 % in 2034.

Compared to the Vonovia Group, the value-add business is significantly less pronounced in the Deutsche Wohnen Group. At the level of the Deutsche Wohnen Group, the **adjusted EBITDA of the Value-add segment** mainly includes income from multimedia services (from the marketing of cable and internet signals). Stable end customer business is assumed in the area of energy services. The Value-add segment is also expected to generate income from the investment in the insurance brokerage company AVW.

The adjusted EBITDA value-add of EUR 19.4 million in 2024 is mainly positively influenced by a one-off effect from the lease of the coax network in the amount of EUR 7.1 million, which will not be reflected in the same amount in the following years. Adjusted for this one-off effect, the adjusted EBITDA value-add is expected to increase from 2024 to EUR 16.9 million in 2029 and further to EUR 18.6 million in 2034 due to the planned expansion of the multimedia business.

The adjusted EBITDA in the **Recurring Sales segment** reflects the planned sale of residential units from the privatization portfolio. Residential units and single-family homes that can be sold at a premium over fair value (so-called step-up) are allocated to the privatization portfolio. A constant sales volume per year is assumed throughout the planning period.

The **adjusted EBITDA Recurring Sales** is expected to reach a level of around EUR 9.8 million in 2034. With regard to the step-ups achieved, the expectation of a recovery of the currently (still) tense market situation is reflected over the planning period.

The **development business** is planned taking into account specific projects and, in particular, the planned utilization of the building plots acquired by the QUARTERBACK Group in 2024. For planning purposes, it is assumed that the building plots can be fully utilized as part of development activities by the end of 2034. In agreement with the Management Board of Deutsche Wohnen SE, it is not assumed that development activities will continue beyond the planning period.

The expected development of revenue from development to sell projects and adjusted EBITDA Development do not show a uniform trend over the planning period. Rather, this reflects the

expected completion of projects that have already been completed and the development of the other building plots in the Deutsche Wohnen Group's portfolio. As it is assumed that the majority of the building plots can be realized by 2031, the following years are characterized by lower revenues. The margin development observable over the planning period results on the one hand from low-margin existing projects of the Deutsche Wohnen Group. On the other hand, significantly improved margins in the order of the Vonovia Group's projects are assumed for new projects starting in the planning period.

Due to the generally positive development expected in all four segments Rental, Value-add, Recurring Sales and Development, the **adjusted EBITDA Total** is expected to increase significantly in the planning period. The average annual growth rate is planned to be 5.8 % in the period from 2024 to 2034.

In contrast to Recurring Sales, the sales of properties in the non-core portfolio are reported below adjusted EBITDA Total in the **other and non-recurring items** line together with the non-recurring items. Non-core sales are opportunistic sales of entire buildings, plots of land or larger portfolios that are not part of the strategically relevant portfolio and are not relevant for the Deutsche Wohnen Group's management. The exceptionally high level in 2025 results from the sale of a portfolio with a high step-up. In addition, income from the planned sale of the care business will be reported under other and non-recurring items in 2025. No significant non-core sales are planned from 2026 onwards, with the exception of 2028 and 2029.

The planned non-recurring items for 2025 mainly relate to transaction-related items and personnel-related items. From 2025 onwards, non-recurring items are only planned to an insignificant extent.

Depreciation and amortization in the planning period includes planned amortization of intangible assets and depreciation of property, plant and equipment. This also includes depreciation in connection with owner-occupied properties. Investment properties recognized at fair value in accordance with IAS 40 in conjunction with IFRS 13 are not amortized. Investment properties recognized at fair value in accordance with IAS 40 in conjunction with IFRS 13 are not amortized. Depreciation and amortization are expected to increase only moderately over the planning period.

EBIT for valuation purposes will initially fall in 2026 due to the elimination of the extraordinary result in the Other segment. In the further planning period, EBIT for measurement purposes is expected to increase significantly due to the expected positive developments in all segments. The average annual growth rate in the period from 2025 to 2034 is expected to be 3.2 %.

d) Classification and Assessment of the Plausibility of Operative Planning

We assessed the material internal plausibility of the budget on the basis of our knowledge of the business model, the analysis of the adjusted historical figures and the historical development of the Deutsche Wohnen Group and taking into account comprehensive supplementary explanations and documents provided by the management regarding the assumptions made.

We assessed the material external plausibility on the basis of our knowledge of the market and competitive environment, including the peer group companies.

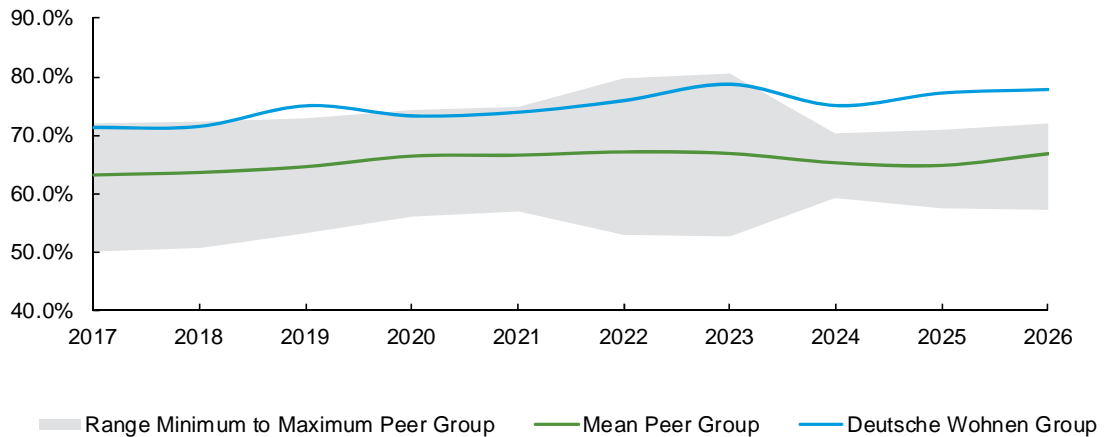
In our opinion, both the material internal plausibility and the material external plausibility of the planning statement within the meaning of the German Commercial Code are given. IDW Practice Note 2/2017²⁴⁶, taking into account the classification described below.

Adjusted EBITDA Rental is expected to increase by EUR 164.6 million or 26.5 % by 2029 compared to the 2024 forecast and by a further EUR 225.2 million or 28.6 % in the following years up to 2034. The growth is based in particular on expected rent increases. In this respect, it is assumed that the delta between the rents actually achieved for the units let and the market rents relevant to the Deutsche Wohnen Group's real estate portfolio will narrow somewhat over time.

By 2029, the adjusted EBITDA rental margin of the Deutsche Wohnen Group is expected to increase from 75.1 % in 2024 to 80.8 % in 2029. This means that the margin in this planning period - as in the past - will tend to be above the average of the peer companies. A further margin improvement to 82.7 % is planned by 2034. In view of the extensive advantages resulting from the integration of the Deutsche Wohnen Group into the Vonovia Group, the planning for the Rental segment can be considered plausible.

²⁴⁶ See IDW Practice Note 2/2017, para. 16 f., 22 ff.

Development of adjusted EBITDA margin Rental



Source: RSM Ebner Stolz analysis, annual reports, Bloomberg.

The value-add business of the Deutsche Wohnen Group is significantly less pronounced than at the Vonovia Group. The share of adjusted EBITDA Value-add in adjusted EBITDA Total remains almost constant at just under 2 % over the entire planning period. This development is plausible in light of the Value-add activities reported in the Deutsche Wohnen Group.

In the Recurring Sales segment, the step-ups expected in the planning period are within the range of the step-ups already achieved in the past. This reflects a slightly higher level compared to the Vonovia Group.

The development of the adjusted EBITDA Development is comprehensible against the background of projects that have already been substantiated and the planned realization of the building plots acquired by the QUARTERBACK Group in 2024. Development to sell is (also historically) not a core business and also not a core competence of the Deutsche Wohnen Group. In this respect, the assumption made by the company that there will be no further development to sell activities to any significant extent in the Deutsche Wohnen Group in the long term is to be regarded as plausible.

The adjusted EBITDA Total is expected to grow slightly faster than the adjusted EBITDA Total of the Vonovia Group in the period from 2024 to 2034 with an average growth rate of 5.8 % p.a.

In view of the above, the planning calculation of the Deutsche Wohnen Group represents a suitable basis for determining the capitalized earnings value.

e) Financial Result

We have derived the financial result of the Deutsche Wohnen Group using an integrated financial requirements and planning model. The starting point for the financial planning to determine the financial results was the interest-bearing liabilities and assets as at December 31, 2024. The derivation of the interest results is based on the specific conditions available.

Only cash interest expenses and interest income are taken into account in the financial result. Interest payments generally result from the financing model of the Deutsche Wohnen Group. If the financial liabilities are subject to variable interest rates and interest rate hedges exist, this is taken into account in the financing model.

We have not included planned, unspecified new financing. For capital requirements arising in our integrated financial requirements and planning models, we have recalculated the corresponding interest payments in accordance with the current financing conditions available to the Deutsche Wohnen Group in order to reflect current interest rate expectations. In doing so, we used current EURIBOR forecasts (according to the financial information service provider Bloomberg).

In accordance with the reporting date principle, financial surpluses that have already accrued to the owners of the company or whose use has been determined are no longer to be taken into account when deriving the business value. Declared dividends or dividend payments reduce the result and thus the company's earnings opportunities. Conversely, all potential dividend claims that have not yet been resolved are therefore due to the shareholders and are therefore included in the calculation of the capitalized earnings value.²⁴⁷

As no dividend distributions for the 2024 financial year of Deutsche Wohnen SE had been resolved as at the valuation date, there are no deferral issues.

f) Corporate Taxes

The taxation of the Deutsche Wohnen Group was calculated taking into account the current status of corporate tax law. Income taxes include trade and corporate tax (including solidarity surcharge) on domestic income.

²⁴⁷ See OLG Hamburg, April 11, 2003, 11 U 215/02, AG 2003, p. 441 et seq.; LG Cologne, September 1, 2008, 82 O 151/03, decision text p. 26; LG Frankfurt, July 4, 2006, 3-5 O 52/05, decision text p. 10.

The provisions of the interest barrier (Section 4h EStG in conjunction with Section 8a KStG) and existing material differences between IFRS and tax law are also taken into account when calculating income taxes.

In particular, we have taken into account the fact that maintenance costs and modernization investments capitalized in accordance with IFRS largely represent immediately deductible operating expenses for tax purposes. In addition, we have recognized tax depreciation on investment properties that are not subject to scheduled depreciation under IFRS.

The existing tax loss carryforwards are taken into account in an integrated manner when deriving the expected taxes to be paid. If the loss carryforwards are recognized in the capitalized earnings value, the recognition of a special value to avoid double recognition in the valuation is excluded.²⁴⁸

Deferred taxes were not taken into account due to the lack of cash effect.

g) Non-controlling Interests in Profit for the Period

In accordance with the principle of full consolidation, the planned results of companies in which - from the perspective of Deutsche Wohnen SE - non-controlling interests are held are to be included in full in the consolidated income statement.

In terms of the valuation method, the earnings attributable to the non-controlling interests can be deducted when determining the earnings to be capitalized.²⁴⁹ Alternatively, these shares can also be valued separately and deducted from the business value.²⁵⁰ In the present case, we have carried out an integrated presentation of the non-controlling interests within the planning calculation.

Various subsidiaries of Deutsche Wohnen SE have third-party minority interests (non-controlling interests) involved.

To derive the claims of the non-controlling interests, we have recognized their proportionate interest in the Deutsche Wohnen companies and have also taken into account guaranteed dividends from the existing profit and loss transfer agreements with subsidiaries of Deutsche Wohnen SE.

²⁴⁸ See Popp, Berücksichtigung von Steuern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, pp. 11567, 1573.

²⁴⁹ See Ballwieser/Hachmeister, Unternehmensbewertung, 6th edition, 2021, p. 288; OLG Karlsruhe, November 15, 2012, 12 W 66/06, para. 105 (juris); LG Berlin, March 7, 2023, 102 O 2/18, decision text p. 52.

²⁵⁰ See Meichelbeck, Unternehmensbewertung im Konzern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, pp. 955, 972.

h) Terminal Value

For general methodological comments on the sustainable result, please refer to section 5.2. h).

We held various discussions with the management responsible for planning as part of the derivation of the expected sustainable sales, earnings and investment level of the Deutsche Wohnen Group. Furthermore, we analyzed historical margins of the Deutsche Wohnen Group as well as the expected margin development of the peer group companies.

The projections of the Deutsche Wohnen Group cover the period from 2025 to 2034 (detailed planning period). As the last planning year does not represent a steady state, we have further developed the planning calculation as part of a transitional phase up to 2044. From 2045 onwards, we have extrapolated the sustainable result using the sustainable price-related growth rate.

Based on the result for 2034, the items in the income statement and balance sheet were generally extrapolated at the company-specific growth rate of 1.5 %.

In agreement with the Management Board of Deutsche Wohnen SE, it is not assumed that the Deutsche Wohnen Group will continue its development activities in the long term (see section 6.2. c)). Accordingly, we have assumed that the remaining development projects will be sold off in 2035.

With regard to the other material reconciliation effects that we have taken into account in consultation with the Deutsche Wohnen Group from 2035 onwards, we refer to section 5.2. h), which applies analogously to the valuation of the Deutsche Wohnen Group.

i) Income Statement

The income statement of the Deutsche Wohnen Group is shown on the following page.

The income statement presented for the years 2035 et seq. represents a value-equivalent (annuity) compression of the transition phase and the sustainable result (see IDW Practice Note 2/2017, point 55).

	Detailed planning period												TV 2035 ff.								
	2025		2026		2027		2028		2029		2030			2031		2032		2033		2034	
	Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m		Plan	EUR m	Plan	EUR m	Plan	EUR m	Plan	EUR m
Revenue in the Rental segment	848.6	863.7	900.2	937.8	974.0	1,016.0	1,067.1	1,116.5	1,169.1	1,223.2	1,249.7										
Expenses in the Rental segment	-193.7	-192.2	-190.1	-189.0	-187.4	-191.1	-196.3	-201.1	-206.3	-211.4	-183.1										
Adjusted EBITDA Rental	654.9	671.5	710.2	748.7	786.6	824.9	870.8	915.4	962.8	1,011.8	1,066.6										
Revenue in the Value-add segment	32.2	39.3	41.1	44.2	47.6	48.5	49.5	50.5	51.5	52.5	53.3										
Operating expenses in the Value-add segment	-19.2	-25.1	-26.5	-28.6	-30.7	-31.3	-31.9	-32.6	-33.2	-33.9	-34.4										
Adjusted EBITDA Value-add	13.0	14.2	14.6	15.5	16.9	17.2	17.6	17.9	18.3	18.6	18.9										
Revenue in the Recurring Sales segment	48.4	48.4	49.9	51.3	52.9	54.4	56.0	57.7	59.4	61.2	0.0										
Expenses in the Recurring Sales segment	-44.1	-40.8	-42.0	-43.2	-44.5	-45.8	-47.1	-48.5	-49.9	-51.4	0.0										
Adjusted EBITDA Recurring Sales	4.3	7.6	7.9	8.1	8.4	8.7	8.9	9.2	9.5	9.8	0.0										
Revenue from the disposal of "Development to sell" properties	557.1	440.1	501.4	489.2	854.1	851.2	1,252.4	414.0	593.0	437.6	2.1										
Cost of Development to sell	-488.9	-385.4	-441.2	-411.8	-718.0	-753.2	-1,134.8	-377.5	-486.7	-344.3	-1.6										
Gross profit Development to sell	68.2	54.6	60.3	77.3	136.2	98.0	117.6	36.5	106.3	93.3	0.4										
Operating costs and income in the Development segment	-5.4	-13.6	-6.1	-10.5	-12.8	-8.7	14.0	-2.0	-14.2	-8.1	0.0										
Adjusted EBITDA Development	62.8	41.0	54.2	66.8	123.4	89.3	131.6	34.5	92.1	85.1	0.4										
Adjusted EBITDA Total	735.0	734.4	786.8	839.2	935.3	940.1	1,028.9	977.1	1,082.7	1,125.4	1,085.9										
Other and non-recurring items	114.9	-4.2	-4.3	-4.3	-4.3	-4.4	-4.4	-4.4	-4.4	-4.5	-3.0										
Depreciation and amortization	-23.4	-24.0	-24.3	-24.1	-23.9	-24.4	-24.8	-25.3	-25.8	-26.4	-25.5										
EBIT for valuation purposes	826.5	706.1	758.3	810.8	907.1	911.4	999.7	947.3	1,052.4	1,094.6	1,057.4										
Financial result	-147.8	-154.8	-180.6	-213.5	-243.6	-268.6	-276.9	-288.8	-307.2	-316.0	-236.7										
EBT	678.7	551.4	577.7	597.3	663.5	642.8	722.8	658.6	745.3	778.6	820.7										
Income tax	-107.6	-33.1	-25.2	-46.2	-65.1	-69.7	-91.0	-84.9	-107.9	-117.8	-190.8										
Profit for the period	571.1	518.3	552.5	551.1	598.4	573.0	631.8	573.7	637.4	660.8	629.9										
Non-controlling interests	-9.7	-9.4	-9.6	-9.6	-9.9	-9.7	-10.1	-9.7	-10.1	-10.2	-10.2										
Profit for the period after non-controlling interests	561.4	508.9	542.9	541.5	588.6	563.3	621.7	564.0	627.3	650.6	619.7										

j) Derivation of the Expected Net Distributions

Deutsche Wohnen SE has distributed dividends of EUR 0.04 per share for the financial years 2021 to 2023 and has therefore not made any significant distributions. For reasons of consistency in the context of a comparative valuation, we have also applied payout ratios of 50 % of the earnings before taxes (EBTs) on which the valuation is based in the detailed planning period and the transition phase, in line with Vonovia SE's dividend policy.

For the terminal value phase from 2045, we then assumed a notional full distribution of the annual results. The notionally fully distributed annual results are split 50/50 between the value contribution from distributions and the value contribution from reinvestments. The distribution ratio of 50 % is in the middle of the range of the average market distribution behavior.

The dividend amount forming the value contribution from distributions must generally be reduced by the final withholding tax of 25.0 % plus 5.5 % solidarity surcharge. Due to the existing tax deposit account at Deutsche Wohnen SE, the distributions are not subject to final withholding tax to a certain extent. This only applies if a distribution exceeds the "distributable profit" within the meaning of Section 27 (1) sentence 5 KStG and to this extent the distribution is made from the tax contribution account.²⁵¹ We have taken the temporary tax exemption into account when determining the final withholding tax (plus solidarity surcharge) on the value contribution from distributions. The effects of the tax contribution account that extend beyond the transitional phase are taken into account on a present value equivalent basis when calculating dividend taxation.

The reinvestments leading to increases in value are subject to an effective tax of 13.1875 %. This includes the value contributions from reinvestment on the one hand and so-called inflation-related capital gains on the other.

²⁵¹ See Thüringer OLG, May 3, 2021, 2 W 407/18, decision text p. 21; OLG Frankfurt, November 3, 2020, 21 W 76/19, para. 71 (BeckRS); Popp, Berücksichtigung von Steuern, in: Peemöller (ed.), Praxishandbuch der Unternehmensbewertung, 8th edition, 2023, p. 1567, 1572 f.

6.3. Determination of the Capitalization Rate

a) Risk-Free Rate

In determining the business value of Deutsche Wohnen SE, we have applied a risk-free rate before personal taxes of 2.5 % in the same way as we determined the business value of Vonovia SE. The prime rate is reduced by the **final withholding tax including solidarity surcharge** of 26.375 %.²⁵² The after-tax figure amounts to around 1.84 %.

Please also refer to the comments in section 5.3. a).

b) Risk Premium

Market Risk Premium

When determining the business value of Deutsche Wohnen SE, we applied a market risk premium after personal taxes of 5.75 % in the same way as we determined the business value of Vonovia SE.

Please also refer to the comments in section 5.3. b).

Beta Factor

For general methodological comments on the beta factor, please refer to section 5.3. b).

Original Beta Factor of Deutsche Wohnen SE

We determined the original beta factor of Deutsche Wohnen SE based on data from the financial information service provider Bloomberg with an analysis period of two years and weekly returns. In addition, in accordance with standard practice, we calculated the original beta factor for a five-year period with monthly return observations. For both period-interval combinations, we based

²⁵² See OLG Frankfurt, November 3, 2020, 21 2 76/19, para. 52 (BeckRS); OLG Stuttgart, May 4, 2020, 20 W 3/19, para. 61 (BeckRS); LG Berlin, June 20, 2023, 102 O 49/14, decision text p. 59.

our analysis on both a broad local benchmark index (CDAX) and a broad global index (MSCI World Total Return Index).

The results of these calculations are summarized in the following table:

Period	Interval	Index	Levered Beta raw	Levered Beta adj.	Unlevered Beta raw	Unlevered Beta adj.
Two years	Weekly	CDAX Index	0.86	0.91	0.44	0.46
		GDUEACWF Index*	0.75	0.83	0.38	0.42
Five years	Monthly	CDAX Index	0.60	0.74	0.39	0.47
		GDUEACWF Index*	0.61	0.74	0.39	0.47

*MSCI All Country World Daily Total Return Gross Index

Source: Bloomberg, own calculations.

The original beta factors calculated are all statistically significant. In addition, the bid-ask spread of the Deutsche Wohnen SE share over the observation periods is well below 1.0 % and therefore below the thresholds discussed by the courts.

When assessing the original beta factors, however, it must be taken into account that the share price performance of Deutsche Wohnen SE in the past was also significantly influenced by the takeover by Vonovia SE and the associated takeover rumors and offers. Deutsche Wohnen SE has been a de facto controlled company since September 30, 2021. Valuation practice and case law regularly assume that the suitability of original beta factors for forecasting purposes is limited in the case of (de facto) controlled companies.²⁵³

In accordance with common practice, we have therefore taken into account a peer group of listed comparable companies when deriving the operating business risk of Deutsche Wohnen SE.

Presentation of the Beta Factors of the Peer Group

We determined the beta factors of the peer group both for an observation period of two years with weekly returns and for an observation period of five years with monthly returns at the end of the valuation work. For both period-interval constellations, we used both broad (local) country indices and the global MSCI World Total Return Index as reference indices.

²⁵³ See OLG Düsseldorf, March 22, 2018, 26 W 20/14, para. 94 (BeckRS).

Below we present the results of our analysis of the beta factors of the peer companies for the parameter combinations in detail.

The results for an **observation period of two years** with **weekly returns** based on **local benchmark indices** are shown in detail below:

Name	Index	Levered Beta raw	Levered Beta adj.	Unlevered Beta raw	Unlevered Beta adj.
LEG	CDAX Index	1.18	1.12	0.42	0.40
TAG	CDAX Index	1.59	1.39	0.59	0.52
GCP	CDAX Index	1.14	1.09	0.46	0.44
Vonovia SE	CDAX Index	1.32	1.21	0.40	0.37
Mean				0.47	0.43

Source: Bloomberg, own calculations.

Using an **observation period of two years**, **weekly returns** and a **global benchmark index**, the results are as follows:

Name	Index	Levered Beta raw	Levered Beta adj.	Unlevered Beta raw	Unlevered Beta adj.
LEG	GDUEACWF Index*	1.45	1.30	0.52	0.47
TAG	GDUEACWF Index*	1.64	1.43	0.61	0.53
GCP	GDUEACWF Index*	1.15	1.10	0.46	0.44
Vonovia SE	GDUEACWF Index*	1.51	1.34	0.46	0.41
Mean				0.51	0.46

*MSCI All Country World Daily Total Return Gross Index

Source: Bloomberg, own calculations.

The results for an **observation period of five years** with **monthly returns** based on **local benchmark indices** are shown below:

Name	Index	Levered Beta raw	Levered Beta adj.	Unlevered Beta raw	Unlevered Beta adj.
LEG	CDAX Index	0.85	0.90	0.48	0.50
TAG	CDAX Index	0.97	0.98	0.53	0.53
GCP	CDAX Index	0.69	0.79	0.45	0.50
Vonovia SE	CDAX Index	0.92	0.95	0.45	0.46
Mean				0.48	0.50

Source: Bloomberg, own calculations.

The results for **an observation period of five years** with **monthly returns** based on a **global benchmark index** are shown in detail below:

Name	Index	Levered Beta raw	Levered Beta adj.	Unlevered Beta raw	Unlevered Beta adj.
LEG	GDUEACWF Index*	0.92	0.95	0.51	0.52
TAG	GDUEACWF Index*	1.08	1.05	0.58	0.56
GCP	GDUEACWF Index*	0.75	0.84	0.48	0.52
Vonovia SE	GDUEACWF Index*	1.01	1.01	0.49	0.49
Mean				0.52	0.52

*MSCI All Country World Daily Total Return Gross Index

Source: Bloomberg, own calculations.

The results of the analysis based on the **mean values of the peer companies** are presented below:

Period	Interval	Index	Unlevered Beta raw	Unlevered Beta adj.
Two years	Weekly	Local Indices	0.47	0.43
		GDUEACWF Index*	0.51	0.46
Five years	Monthly	Local Indices	0.48	0.50
		GDUEACWF Index*	0.52	0.52

*MSCI All Country World Daily Total Return Gross Index

Source: Bloomberg, own calculations.

The mean values of the unlevered peer group beta factors (raw) calculated over the various periods **range between 0.47 and 0.52**.

The unlevered beta factors (raw) calculated for Vonovia SE over the periods under review **range between 0.40 and 0.49**.

Expert Derivation of the Unlevered Beta Factor of Deutsche Wohnen SE

In an overall assessment, we have applied an unlevered beta factor of **0.44** for Deutsche Wohnen SE, taking into account the peer group beta factors and the original beta factors observable for Vonovia SE.

c) Growth Discount

Methodological Considerations on the Growth Discount

For general methodological comments on the growth discount, please refer to section 5.3. c).

Justification of the Level of the Sustainable Growth Rate

The sustainable price-driven growth rate of the Deutsche Wohnen Group is subject to the same influencing factors as that of the Vonovia Group. In this respect, we refer to the explanations in section 5.3.c) for the justification of the level of the sustainable growth rate.

Taking into account the business model, the competitive situation and the longer-term prospects on the residential and investment market, we have applied a **sustainable growth discount of 1.5 %** to the valuation of the Deutsche Wohnen Group in line with the valuation of the Vonovia Group. The overall growth rate according to the dividend discount model is 3.8 %.

d) Derivation of the Capitalization Rate

The derivation of the period-specific capitalization interest rates is shown below. In accordance with the presentation of the income statement (see section 6.2. i)), we have applied the capitalization interest rate from 2035 onwards at the same value (annuity). From 2035 onwards, we have applied a constant leveraged beta factor or leverage ratio determined on a constant value (annuity) basis.

	Detailed planning period										TV 2035 ff.	
	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan		
Pre-tax risk-free rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Typified income tax	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%
Risk-free rate after typified income tax	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
Market risk prem. after typ. income tax	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Unlevered beta factor	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Present value at beginning of fiscal yr.	9,574.2	9,836.4	10,152.8	10,480.6	10,812.2	11,152.5	11,528.8	11,816.0	12,128.5	12,412.1		
Interest-bearing debt at beg. of fiscal yr.	7,753.6	7,203.0	7,483.8	7,756.6	8,316.7	8,880.4	8,806.9	8,283.7	8,358.1	8,176.8		
Debt-equity ratio	80.98%	73.23%	73.71%	74.01%	76.92%	79.63%	76.39%	70.11%	68.91%	65.88%	44.86%	
Levered beta factor	0.61	0.60	0.61	0.59	0.62	0.64	0.64	0.61	0.61	0.61	0.61	0.55
Risk premium	3.51%	3.44%	3.48%	3.42%	3.57%	3.66%	3.66%	3.49%	3.50%	3.54%	3.17%	
Growth rate												-1.50%
Discount rate	5.35%	5.28%	5.32%	5.26%	5.41%	5.50%	5.50%	5.33%	5.34%	5.38%	5.31%	

6.4. Valuation of the Deutsche Wohnen Group

a) Determination of the Capitalized Earnings Value

Based on the earnings attributable to the shareholders of Deutsche Wohnen SE and applying the period-specific capitalization rates explained above, the capitalized earnings value of the Deutsche Wohnen Group as at the technical reporting date (January 1, 2025) is calculated as shown on the following page.

The net income shown for the years 2035 et seq. represents a value-equivalent (annuity) compression of the transition phase and the sustainable result (see IDW Practice Note 2/2017, point 55).

	Detailed planning period											TV 2035 ff.	
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
Profit for the period after non-controlling interests	561.4	508.9	542.9	541.5	588.6	563.3	621.7	564.0	627.3	650.6	619.7		
Internal financing/Growth accumulation	-222.0	-233.2	-254.1	-242.9	-256.8	-241.9	-260.3	-234.7	-254.6	-261.3	-60.0		
Potential distribution (1)	339.4	275.7	288.9	298.7	331.7	321.4	361.4	329.3	372.6	389.3	559.7		
Value added from distribution	339.4	275.7	288.9	298.7	331.7	321.4	361.4	329.3	372.6	389.3	333.5		
Taxation on dividends (2)	89.5	72.7	76.2	78.8	87.5	84.8	14.4	12.3	8.3	12.6	64.2		
Value added from retention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	226.2		
Taxation of capital gains (3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	49.4		
Net receipts (1) - (2) - (3)	249.9	203.0	212.7	219.9	244.2	236.6	347.0	317.0	364.3	376.8	446.2		
Discount rate	5.35%	5.28%	5.32%	5.26%	5.41%	5.50%	5.50%	5.33%	5.34%	5.38%	3.51%		
Present value factor	0.9492	0.9016	0.8561	0.8133	0.7716	0.7314	0.6932	0.6582	0.6248	0.5929	16.8810		
Present value	237.2	183.0	182.1	178.8	188.4	173.1	240.5	208.6	227.6	223.4	7,531.5		
Capitalized earnings value as at January 1, 2025												9,574.2	

b) Special Values of the Deutsche Wohnen Group

As at the valuation date, the Deutsche Wohnen Group holds various investments that are not fully consolidated and for which no investment income is included in the planning statement.

We have generally recognized these investments as special values at the maximum of the carrying amount and the simplified capitalized earnings value. As we do not intend to sell the investments, we have not charged corporate taxes on the respective special values resulting from a (fictitious) sale.

Financial assets accounted for using the equity method: As at September 30, 2024, the financial assets accounted for using the equity method had a carrying amount of EUR 100.5 million, including in particular the investments in companies of the QUARTERBACK Group. The investments in the QUARTERBACK Group, for which the full purchase by the end of 2024 is shown in the planning statement, are shown in the planning statement. In addition, the financial asset acquired by the Deutsche Wohnen Group after September 30, 2024, and accounted for using the equity method is taken into account.

Other investments: As at September 30, 2024, other investments comprise a carrying amount of EUR 32.7 million, which is mainly attributable to the investments in companies of the QUARTERBACK Group. We have not recognized a special value for the investments in the QUARTERBACK Group that still exist as at September 30, 2024 (see above).

The carrying amount of the investment in AVW is close to zero and therefore does not reflect the expected value contribution of the investment income recognized within the adjusted EBITDA value-add. We have therefore recognized the value contribution of AVW by including the planned investment income in the determination of the capitalized earnings value. In this respect, consideration as a special value is ruled out.

There are no indications of the existence of additional circumstances to be taken into account, e.g. non-essential assets.

In the present case, we have recognized the special values for the investments in the following amounts:

	EUR m
Other associated companies	0.4
Investments accounted for using the equity method	122.0
Special values	122.4

c) Business Value

As at January 23, 2025, the business value of Deutsche Wohnen SE is as follows:

	EUR m
Capitalized earnings value as at January 1, 2025	9,574.2
Special values	122.4
Business value as at January 1, 2025	9,696.6
Compounding factor	1.0033
Business value as at January 23, 2025	9,728.5
Shares outstanding	396,934,985
Value per share in EUR as at January 23, 2025	24.51

6.5. Comparative Valuation

We use analysts' estimates of EBITDA to derive the multiples of the peer group companies. The average estimates serve as a measure of the EBITDA expectation on which the capital market bases its valuation of the peer group companies.

The EBITDA multiples for the peer group companies are as follows:

Company	EBITDA-Multiples		
	2024	2025	2026
LEG	26.7	25.9	24.9
TAG	24.5	22.7	20.8
GCP	21.5	21.4	21.0
Vonovia SE	27.7	27.1	26.0
Minimum	21.5	21.4	20.8
Mean	25.1	24.3	23.2
Maximum	27.7	27.1	26.0

Source: Bloomberg; own calculations.

The following table shows the performance indicators on which the comparative market valuation was based. The value ranges resulting for the enterprise value (market value of total capital) and the equity value (market value of equity) of the Deutsche Wohnen Group are also shown. In the reconciliation to the market value of equity, we have deducted the interest-bearing debt capital and added the special values.

This results in the following values for the years 2024 to 2026:

	2024	2025	2026
	EUR m	EUR m	EUR m
Resulting variables	642.1	735.0	734.4
Enterprise Value - Minimum	13,786.5	15,738.2	15,293.9
Enterprise Value - Mean	16,124.2	17,835.2	17,026.8
Enterprise Value - Maximum	17,812.7	19,884.7	19,113.0
+ Special values	122.4	122.4	122.4
- Total interest-bearing liabilities	7,753.6	7,753.6	7,753.6
- Equity attributable to non-controlling interests	365.7	365.7	365.7
- Liabilities to non-controlling interests	159.5	159.5	159.5
Equity Value - Minimum	5,630.1	7,581.8	7,137.5
Equity Value - Mean	7,967.8	9,678.8	8,870.4
Equity Value - Maximum	9,656.4	11,728.3	10,956.6
Number of shares	396,934,985	396,934,985	396,934,985
Value per share EUR - Minimum	14.18	19.10	17.98
Value per share in EUR - Mean	20.07	24.38	22.35
Value per share in EUR - Maximum	24.33	29.55	27.60

Source: Own calculations.

Based on the EBITDA multiples of the peer group, the value per share of Deutsche Wohnen SE ranges between EUR 14.18 and EUR 29.55. The mean values are between EUR 20.07 and EUR 24.38 per share.

The result of these plausibility checks is that the fundamental business value derived in accordance with IDW S 1 as amended in 2008 is within the range of market valuations based on the multiples of peer group companies.

7. Exchange Ratios and Compensation Payment

7.1. Exchange Ratios as the Basis for Settlement pursuant to Section 305 AktG

The following table shows the share price-based exchange ratio based on the volume-weighted three-month average prices determined as at September 17, 2024:

	Deutsche Wohnen SE	Vonovia SE
Three-month average share price as at September 17, 2024	19.81	29.36
Exchange ratio	1	: 0.6747

The exchange ratio based on the stock market price is 0.6747 as at September 17, 2024; i.e. 0.6747 shares of Vonovia SE would have to be granted for one share of Deutsche Wohnen SE.

In addition, we point out that the median (or average) of the share price-based exchange ratio determined on the basis of volume-weighted three-month average prices over a period of one year prior to September 17, 2024, is 0.76 (or 0.79).

The exchange ratio based on the capitalized earnings method is presented below:

	Deutsche Wohnen SE	Vonovia SE
Business value as at January 23, 2025 in EUR m	9,728.5	25,374.7
Number of shares outstanding (units)	396,934,985	822,852,925
Value per share in EUR as at January 23, 2025	24.51	30.84
Exchange ratio	1	: 0.7947

The earnings-based exchange ratio as at September 17, 2024, is 0.7947, i.e. 0.7947 shares of Vonovia SE would have to be granted for one share in Deutsche Wohnen SE.

7.2. Determination of the Compensation pursuant to § 304 AktG

Pursuant to Section 304 (1) AktG, outside shareholders must be offered appropriate compensation. Pursuant to Section 304 para. 2 sentence 1 AktG, the minimum compensation payment to be guaranteed is the annual payment of the amount that could probably be distributed to the individual share as an average profit share based on the company's previous earnings situation and its future earnings prospects, taking into account appropriate depreciation and amortization and value adjustments, but without forming other revenue reserves. This statutory provision ensures that the outside shareholder receives a compensation payment that corresponds in value to the dividend that he would receive without the company agreement.²⁵⁴

In the literature and case law, reference is made to the business value (or the "true", "real" value) as the basis for annuitization. For the determination of the business value, reference was regularly made to the capitalized earnings value, even if this was lower than the stock market value.²⁵⁵ As a result of the referral decisions of the OLG Frankfurt a. M. in the TLG/WCM case and the OLG Munich in the Kabel Deutschland case²⁵⁶, the BGH has now clarified in two decisions that the stock market value can in principle be a suitable basis for estimating the business value and can also be considered as a basis for annuitization.²⁵⁷

To derive the fixed compensation payment to be made annually in the same amount, the annuity basis is converted into an annuity using an annuity interest rate.²⁵⁸

To determine the compensation payment, we converted the capitalized earnings value of Deutsche Wohnen SE into an annuity using an annuity interest rate under the usual assumption of an infinite term of the company agreement.

a) Annuity Interest Rate

In economic terms, the annuitization interest rate represents the alternative investment with an equivalent term and risk compared to the equalization payment. As the compensation payment is not a secure payment, annuitization at the risk-free rate without any risk premium is not appropriate. Similarly, due to the loss assumption obligation (Section 302 AktG) of the controlling company

²⁵⁴ Cf. BGH, July 21, 2003, II ZB 17/01, BGHZ 156, p. 57, 61; OLG Munich, July 17, 2007, 31 Wx 60/06, para. 48 (juris).

²⁵⁵ See, for example, OLG Stuttgart, March 30, 2021, 20 W 8/19, decision text p. 67; with further references *Popp/Ruthardt*, AG 2022, p. 347, 351.

²⁵⁶ See OLG Frankfurt, April 26, 2021, 21 W 139/19; OLG Munich, December 14, 2021, 31 Wx 190/20.

²⁵⁷ See BGH, January 31, 2024, II ZB 5/22, para. 68 (BeckRS).

²⁵⁸ Cf. in detail *Popp/Ruthardt*, in: *Fleischer/Hüttemann* (eds.), *Rechtshandbuch Unternehmensbewertung*, § 12, para. 12.256 et seq.

during the term of the agreement,²⁵⁹ and the compensation payments, which remain constant regardless of actual profit fluctuations, it is not appropriate to use the full risk-adjusted capitalization rate of the capitalized earnings method.²⁶⁰

In practice, two different approaches are used to determine the annuity interest rate: the mean value approach and the creditworthiness approach. In the mean value approach, the risk-free basic interest rate is increased by half the risk premium of the capitalized earnings method. In the credit rating approach (also known as the "bond spread approach" or "credit spread approach"), the risk-free basic interest rate is increased by a credit rating premium for the default risk of the parent company or the company guaranteeing the equalization debtor in the event of default.

In practice, the creditworthiness approach is regularly used if the intercompany agreement contains a clause according to which the settlement offer pursuant to Section 305 AktG is (temporarily) revived upon termination of the agreement. In these cases, there is protection against the "erosion" of the dependent company due to adverse measures by the controlling company during the term of the agreement and the credit risk of the other party to the agreement as the debtor of the compensation payment essentially remains.²⁶¹ If, on the other hand, the intercompany agreement does not contain a revival clause, the mean value approach is usually used in practice.²⁶²

Since in the present case a revival of the settlement offer is contractually provided for, we have determined the settlement payment using the credit rating approach.

We derived the credit spread on the basis of a three-month average of the yields on Vonovia SE's longer-term bonds.

b) Growth Discount

The annuity interest rate is not to be reduced by a growth discount,²⁶³ as this is a fixed (i.e. not price-related growth) variable.

²⁵⁹ See OLG Stuttgart, June 5, 2013, 20 W 6/10, AG 2013, 724; LG Munich I, February 14, 5 HKO 16505/08, decision text, p. 70.

²⁶⁰ See OLG Frankfurt a.M., April 26, 2021, 21 W 139/19, para. 82 (BeckRS); OLG Frankfurt a.M., March 28, 2014, 21 W 15/11, para. 237 (juris).

²⁶¹ See OLG Frankfurt a.M., July 28, 2014, 21 W 113/12, decision text, p. 24; LG Berlin, April 23, 2013, 102 O 134/06, decision text, p. 122; OLG Frankfurt a.M., November 24, 2011, 21 W 7/11, para. 203 (juris).

²⁶² Cf. Ruthardt/Popp, AG 2022, p. 347, 355; OLG Stuttgart, March 30, 2021, 20 W 8/19, decision text, p. 76; LG Munich I, July 31, 2015, 5 HKO 16371/13, para. 391 ff. (juris); LG Berlin v. 23.4.2013 - 102 O 134/06; for the creditworthiness surcharge in the event of revival, see OLG Stuttgart of 30.3.2021 - 20 W 8/19, decision text, p. 77; OLG Düsseldorf of 25.5.2016 - 26 W 2/15 (AktE), AG 2017, 584 = BeckRS Rz. 77.

²⁶³ See OLG Düsseldorf, May 25, 2016, 26 W 2/15, para. 78 (BeckRS) with further references; OLG Karlsruhe, May 13, 2013, 12 W 77/08 (13), para. 106 (juris); OLG Munich, July 17, 2007, 31 Wx 60/06, para. 52 (juris).

c) Effects of the flat-rate Withholding Tax

When determining the compensation payment, it must be taken into account that the inflows from this compensation payment are treated as dividends and are therefore subject to withholding tax of 25.0% plus solidarity surcharge. The compensation payment itself is to be calculated as an amount before the shareholders' personal income tax.²⁶⁴

d) Derivation of the Compensation Payment

The starting point for deriving the compensation payment is the value per share derived from the business value as at January 1, 2025, derived from the value per share:

	EUR m
Capitalized earnings value as at January 1, 2025	9,574.2
Special values	122.4
Business value as at January 1, 2025	9,696.6
Shares outstanding	396,934,985
Value per share in EUR as at January 1, 2025	24.43

The calculation of the appropriate annual compensation payment is shown in the following overview:

	EUR
Business value per share in EUR as at January 1, 2025	24.43
Pre-tax risk-free rate	2.50%
Credit Spread	1.70%
Annuity rate (before income tax)	4.20%
Compensation payment (before income tax)	1.03

²⁶⁴ See OLG Frankfurt, July 20, 2016, 21 W 21/14, para. 131 (BeckRS); OLG Stuttgart, June 5, 2013, 20 W 6/10, para. 258 (juris); LG Stuttgart, November 5, 2012, 31 O 55/08, decision text p. 62.

To determine the compensation payment before income tax, we multiplied the business value per share as at January 1, 2025, by the annuity interest rate before income tax.

e) Modification of the Fixed Compensation according to BGH Case Law

In its decision of July 21, 2003²⁶⁵, the BGH took the view that the compensation payment should be the average gross profit per share that is likely to be distributable less the (distribution) corporate tax to be paid by the company in the amount of the applicable tax rate.²⁶⁶ Adjustments to the corporate tax could therefore lead to adjustments to the compensation payment, as, in the opinion of the BGH, "the corporate tax cannot be influenced by the company itself, but is merely the result of the profit it generates".²⁶⁷

In order to take into account the effects of possible changes in the corporate tax burden on the amount of the compensation payments within the meaning of the BGH ruling of July 21, 2003, according to which Section 304 (1) sentence 1, (2) sentence 1 AktG stipulates that the (fixed) compensation to be guaranteed is the expected distributable average gross profit share per share less the (distribution) corporate tax to be paid by the company on this at the applicable tax rate, the assessment basis for the corporate tax including the solidarity surcharge must be fixed.²⁶⁸ The guaranteed dividend is calculated by deducting the current corporate tax including the solidarity surcharge from the gross profit share derived from the capitalized earnings value.

	Gross profit contr.	./ (KSt + SolZ)	Compens. paym.
	EUR	EUR	EUR
Total compensation	1.22	0.19	1.03

²⁶⁵ Cf. BGH, July 21, 2003, II ZB 17/01, WM 2003, p. 1859 et seq.

²⁶⁶ In practice, the terms "gross settlement amount" and "net settlement amount" are also used in this context. The "gross settlement amount" corresponds to the amount referred to by the BGH as the "gross profit share per share". The "net settlement amount" corresponds to the "settlement payment" pursuant to section 304 para. 2 sentence 1 AktG.

²⁶⁷ See critically: WPH Edition: Bewertung und Transaktionsberatung, 2018, Chapter C para. 85; Popp, WPg 2008, pp. 23, 25.

²⁶⁸ See OLG Frankfurt, April 26, 2021, 21 W 139/19, para. 90 (BeckRS); OLG Stuttgart, June 5, 2013, 20 W 6/10, para. 254 (juris); BayObLG, October 28, 2005, 3Z BR 071/00, AG 2006, pp. 41, 45, LG Munich I, July 31, 2015, 5 HKO 16371, para. 403 (juris).

8. Sensitivities

We performed various sensitivity calculations to examine the impact of changes in parameters on the earnings-based exchange ratio and the compensation payment. We selected the market risk premium and the growth discount as parameters for this purpose.

As a precautionary measure, we would like to point out that the following sensitivity considerations and the exchange ratios and compensation payments derived from them are for information purposes only. The resulting exchange ratios and compensation payments should not be interpreted as being inconsistent with our valuation results.

We have varied the market risk premium after tax within a range of 5.25 % to 6.25 %.

Ceteris paribus, this results in the following exchange ratios and compensation payments:

	Market risk premium				
	5.25%	5.50%	5.75%	6.00%	6.25%
Exchange ratio in Vonovia SE-Shares per Deutsche Wohnen SE-Share	0.76	0.77	0.79	0.82	0.84
Compensation payment (before income tax) in EUR	1.17	1.09	1.03	0.96	0.90

We have varied the growth discount within a range of 1.00 % to 2.00 %.

Ceteris paribus, this results in the following exchange ratios and compensation payments:

	Growth deduction				
	1.00%	1.25%	1.50%	1.75%	2.00%
Exchange ratio in Vonovia SE-Shares per Deutsche Wohnen SE-Share	0.86	0.83	0.79	0.77	0.74
Compensation payment (before income tax) in EUR	0.85	0.93	1.03	1.13	1.25

9. Result

Vonovia SE and Deutsche Wohnen SE have engaged us to derive the exchange ratio based on the stock market price and the exchange ratio based on the capitalized earnings value for the purpose of determining the appropriate settlement in shares pursuant to Section 305 para. 2 no. 1 AktG. In addition, we were engaged to derive the fixed compensation pursuant to Section 304 para. 2 sentence 1 AktG on the basis of the business value of Deutsche Wohnen SE determined using the capitalized earnings method.

The weighted three-month average price calculated by BaFin and communicated on November 27, 2024 pursuant to Section 5 para. 1 WpÜG Offer Regulation of Vonovia SE as at the stock exchange reference date September 17, 2024 (inclusive) is EUR 29.36.

The weighted three-month average price calculated by BaFin and communicated on November 27, 2024 pursuant to Section 5 para. 1 of the WpÜG Offer Regulation of Deutsche Wohnen SE as at the stock exchange reference date September 17, 2024 (inclusive) is EUR 19.81.

The **stock market-based exchange ratio** determined on this basis is **0.6747**.

The objectified business value of Vonovia SE as at January 23, 2025, determined using the capitalized earnings method in accordance with IDW S 1 as amended in 2008, amounts to around EUR 25,374.7 million. Based on a number of 822,852,925 outstanding shares, this results in a value per share of EUR 30.84 as at January 23, 2025.

The objectified business value of Deutsche Wohnen SE as at January 23, 2025, determined using the capitalized earnings method in accordance with IDW S 1 as amended in 2008, amounts to approximately EUR 9,728.5 million. Based on 396,934,985 outstanding shares, this results in a value per share of EUR 24.51 as at January 23, 2025.

The **capitalized earnings value-based exchange ratio** determined on this basis is **0.7947**.

The guaranteed dividend calculated on the basis of the objectified business value of Deutsche Wohnen SE pursuant to Section 304 AktG amounts to EUR 1.22 per share (gross profit share per share) less an amount to be paid by Vonovia SE for corporate tax. Based on the corporate tax rate of 15.825 % (including solidarity surcharge) applicable at the time the agreement was concluded, this results in a deduction of EUR 0.19 and therefore a **compensation payment of EUR 1.03** per share.

We issue this opinion to the best of our knowledge on the basis of our careful investigations and the documents and information provided to us and in accordance with the professional principles of public auditors in Germany.

Stuttgart, December 14, 2024

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Dr. Matthias Popp
Wirtschaftsprüfer
[German Public Auditor]

Dr. Frederik Ruthardt
Wirtschaftsprüfer
[German Public Auditor]

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in a statement as drafted by the German Public Auditor in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Drafts of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.



Annex 4

Decision of the Regional Court (Landgericht) of Berlin II of 2 October 2024 on the appointment of I-ADVISE AG Wirtschaftsprüfungsgesellschaft as expert auditor (Contract Auditor) within the meaning of section 293b(1) of the German Stock Corporation Act (*Aktiengesetz – AktG*).

Landgericht Berlin II

Az.: 102 AR 9/24 AktG

ZUGESTELLT



Landgericht Berlin II Kammer für Handelssachen Postfach 10 17 43 Feldmühleplatz 1 D-10003 Düsseldorf 40545 Düsseldorf	
15. OKT. 2024	
z. d. A.	Abschr. Pt. / m. resp. Anw.
z. K.	z. St. z. Ed. m. Auf. m. Akten
St.	

Beschluss

In dem Verfahren
nach §§ 293b, 293c AktG, Art. 9 Abs. 1 SE-VO

Beteiligte:

- 1) **Deutsche Wohnen SE**, vertreten durch d. Vorstand, Mecklenburgische Straße 57, 14197 Berlin
- Antragstellerin -
- 2) **Vonovia SE**, vertreten durch d. Vorstand, Universitätsstraße 133, 44803 Bochum
- Antragstellerin -

hat das Landgericht Berlin II - Kammer für Handelssachen 102 - durch den Vorsitzenden Richter am Landgericht Pade als Einzelrichter am 02.10.2024 beschlossen:

Auf den Antrag der Antragstellerinnen vom 18. September 2024 wird die

I-ADVISE AG Wirtschaftsprüfungsgesellschaft, vertreten durch d. Vorstand, Klaus-Bun-
gert-Straße 5 a, 40468 Düsseldorf

zur gemeinsamen Prüferin des zwischen den Beteiligten beabsichtigten Beherrschungs- und Gewinnabführungsvertrages bestellt.

Die Wirtschaftsprüfungsgesellschaft erfüllt nach der dem Gericht gegenüber abgegebenen Erklärung vom 5. September 2024 die Bedingungen des § 327 c Abs. 2 AktG und ist insbesondere nicht nach § 319 Abs. 2 und 3 HGB von der Prüfertätigkeit ausgeschlossen.

Der sachverständigen Prüferin wird aufgegeben, je ein Exemplar ihres Prüfberichtes in gedruckter sowie elektronischer Form für das Gericht zu den Akten zu reichen.

Ansprüche, die auf Gebühren- und/oder Auslagenerstattung gegen das Land Berlin gerichtet sind, kann die Prüferin aus der Bestellung nicht herleiten.

Die Antragstellerinnen haben die Kosten dieses Bestellungsverfahrens nach einem Verfahrenswert von 20.000,00 € zu tragen.

Pade
Vorsitzender Richter am Landgericht



Für die Richtigkeit der Abschrift
Berlin, 10.10.2024

Weber, JBesch
Urkundsbeamter der Geschäftsstelle
Durch maschinelle Bearbeitung beglaubigt
- ohne Unterschrift gültig