

**Vonovia SE, Bochum**  
WKN: A1ML7J  
ISIN: DE000A1ML7J1  
Common Code: 094567408

*NOT FOR DISTRIBUTION IN THE UNITED STATES, AUSTRALIA OR JAPAN.*

## **Prospectus Exemption Document\***

for the public offer and the admission of new shares from the share  
dividend 2021

**dated 10 March 2021**

### **I. Purpose**

A proposal will be made to the Annual General Meeting of Vonovia SE (“**Vonovia**”) which takes place on 16 April 2021 to resolve to partly distribute the net income of the 2020 financial year of Vonovia to the shareholders by paying out a dividend of €1.69 per no-par value share carrying dividend rights (“**Resolution on Appropriation of Net Income**”). The Management Board and the Supervisory Board of Vonovia intend to again give the shareholders of Vonovia the opportunity to choose whether to have the dividend paid out in cash or in the form of shares in Vonovia.

The necessary new shares are to be created through partial use of the Authorized Capital 2018 pursuant to sec. 5 of Vonovia’s Articles of Incorporation. The dividend entitlements in connection with the Resolution on Appropriation of Net Income are to be transferred as contributions in-kind by those shareholders who want to receive their dividend in the form of shares.

This document has been created to fulfill the requirements of article 1 para. 4 lit. h), para. 5 subpara. 1 lit. g) of the Prospectus Regulation and article 37 para. 1 lit. f of the Swiss Financial Act which state that there is no obligation to publish a prospectus for the public offering in Germany and in Switzerland and admission for trading on a regulated market in a member state of the European Union of dividends paid out to shareholders in the form of shares *provided that a document is made available which contains information on the number and nature of the shares and the reasons for and details of the offer* (“**Prospectus Exemption Document**”). The Prospectus Exemption Document will neither be submitted to an authority or comparable body nor be examined or approved by an authority or comparable body. However, the Frankfurt Stock Exchange will

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\* Document pursuant to article 1 para. 4 lit. h), para. 5 subpara. 1 lit. g) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC („**Prospectus Regulation**“).

only allow shares to be traded on the regulated market if this Prospectus Exemption Document contains the information required by law.

*Neither the subscription rights nor the new shares are, or will be, registered in accordance with the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with the securities regulators of individual states or other territories of the United States of America. At no time may the subscription rights and new shares be offered, sold, exercised, pledged or transferred, neither directly nor indirectly, to the or within the United States of America, except to Qualified Institutional Buyers (“QIBs”) as defined in Rule 144A of the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act or in such a transaction that is not covered by them, if it does not constitute a breach of applicable securities legislation in the individual states of the United States of America .*

## **II. Reasons**

Giving shareholders the choice between a dividend in cash and a dividend in the form of shares is common practice at an international level and is chosen by more and more listed companies in Germany. Granting such an option gives shareholders the opportunity for an easy re-investment of their dividends into shares of Vonovia. If shareholders opt to receive the dividend in the form of shares, they can prevent their shareholding in Vonovia being diluted as a result of the rights issue capital increase without the use of additional financial resources. For Vonovia, cash outflow is reduced to the extent that otherwise payable dividend entitlements are reinvested in Vonovia by its shareholders and new shares are delivered instead of dividend payments in cash.

Last year c. 40.74% of all dividend entitlements have been paid out in the form of shares in Vonovia.

## **III. Details**

### **1. Current share capital and shares of Vonovia**

Vonovia’s share capital as of today is €565,887,299.00, divided into 565,887,299 no-par value registered shares (shares without nominal value) with a pro rata capital stock of €1.00 attributable to each no-par value share.

All issued shares have the same rights and in particular grant one vote in the general meetings of Vonovia.

The existing Vonovia shares are evidenced in several global certificates deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn (the “**Clearstream**”). Pursuant to sec. 4.3 of Vonovia’s Articles of Incorporation, the right of shareholders to certification of their shares is precluded unless certification is required by the regulations for a stock exchange on which the stock is listed.

The existing Vonovia shares are admitted for trading on the regulated market of Frankfurt and Luxembourg stock exchanges as well as on the regulated market

sub-segment with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

Vonovia's shares are freely transferable.

Announcements of Vonovia are published in the German Federal Gazette in accordance with the Articles of Incorporation of Vonovia. Notifications relating the shares of Vonovia are also published in the German Federal Gazette or, as the case may be, in media suitable for distribution across the European Economic Area.

The paying agent pursuant to § 48 par. 1 no. 4 WpHG is Deutsche Bank AG.

## **2. Rights issue capital increase**

### **a) Rights issue capital increase for non-cash contributions from Authorized Capital 2018**

The Management Board and the Supervisory Board intend to create the new shares which are the subject of this Prospectus Exemption Document and which are to be issued against contribution of dividend entitlements during the rights issue capital increase by partially using the Authorized Capital 2018.

For reasons of practicality, COMMERZBANK Aktiengesellschaft, Kaiserstraße 16, 60311 Frankfurt am Main (“**COMMERZBANK**”) is handling the execution of the capital increase (indirect subscription right).

Each shareholder will only be able to exercise his subscription right by assigning his dividend entitlements to COMMERZBANK as third-party trustee within the subscription period in accordance with the terms of the rights offer while at the same time commissioning and authorizing it to subscribe, to the extent of such assigned dividend rights, for new shares in its own name but for the account of the shareholder. The subscription by COMMERZBANK is made at the Subscription Ratio and Subscription Price yet to be determined. Following subscription and registration of the execution of the rights issue capital increase with the commercial register, COMMERZBANK will transfer the new shares acquired in this process to the shareholders. If applicable, COMMERZBANK, with the assistance of the depository banks, will also transfer any dividend entitlements that are not required or sufficient to subscribe for one share back to the shareholders. COMMERZBANK is also obliged to handle the process as described above vis-à-vis Vonovia.

### **b) Subscription period/Subscription agent**

The subscription period is expected to last from 19 April 2021 following publication of the subscription offer to 10 May 2021 (inclusively). Subscription rights that are not timely exercised will expire without compensation. In such case, shareholders will receive the dividend in cash.

The subscription agent is COMMERZBANK.

c) **Bases of determination of Subscription Ratio/Subscription Price; Residual Balance**

At the time the subscription offer is published, the Management Board will not determine the Subscription Ratio, i.e., the number of shares granting a subscription right for one full new share and the Subscription Price, i.e., the value that a shareholder must invest in Vonovia in order to obtain one new share, and will only announce the basis for such determinations.

The Subscription Price and the Subscription Ratio are expected to be published in the German Federal Gazette and on the website of Vonovia (<https://investors.vonovia.de/agm>) on the third last business day of the subscription period, i.e., on 7 May 2021.

Basis of calculation of the Subscription Ratio and the Subscription Price is the volume-weighted average price of Vonovia shares in Euro in the Xetra trading system on the Frankfurt Stock Exchange on the last trading day before the date on which the Subscription Price was set (“**Reference Price**”), i.e., expected to be 6 May 2021.

The Subscription Ratio will be the relationship between the result of dividing the Reference Price by the nominal amount of a dividend entitlement (€1.69), less a discount to be set by Vonovia in the subscription offer which Vonovia expects to be 3% and rounded to one decimal place, and one new share (“**Subscription Ratio**”).

The Subscription Price is the Subscription Ratio multiplied by the nominal amount of one dividend entitlement (€1.69) (“**Subscription Price**”).

To the extent the number of dividend entitlements or portions thereof, for which a shareholder has opted to receive the dividend in the form of shares, is not sufficient to cover the subscription of one (additional) full new share, such shareholder will receive this part of their dividend paid out in cash (the “**Residual Balance**”). The amount of the Residual Balance is calculated by multiplying the number of dividend entitlements, or portions thereof, that are not sufficient to cover the subscription of one (additional) full new share by nominal amount of one dividend entitlement (€1.69), rounded down to the nearest whole cent. Any commercial roundings, which Clearstream and/or the depository banks may apply due to technical reasons, remain unaffected and shall neither be accrued on the account of Vonovia nor on the account of COMMERZBANK.

The calculation of the Subscription Ratio and the Subscription Price is to be illustrated by the following example calculation with a fictitious Reference Price of €60.00:

- ***Fictitious Subscription Ratio:***
  - Reference Price (€60.00) divided by the nominal amount of a dividend entitlement (€1.69) less 3% rounded down to one decimal place after the decimal point = 34.4.

- The fictitious Subscription Ratio is therefore: 34.4 : 1, i.e., for each 34.4 existing shares, one new share can be acquired.
- ***Fictitious Subscription Price:***
  - Subscription Ratio (34.4) multiplied by the nominal amount of a dividend entitlement (€1.69) = 58.136.
  - The fictitious Subscription Price is therefore: €58.136, i.e., for each new share a shareholder must contribute dividend entitlements in a value of €58.136.
- ***Fictitious Residual Balance:***

If a shareholder transfers dividend entitlements from, for example, 35 shares, s/he would transfer 0.6 dividend entitlements too many pursuant to this example calculation. 0.6 dividend entitlements are equal to a nominal amount of €1.014 (0.6 x €1.69). This amount will be rounded down to the nearest whole cent (€1.01) and will be paid out to the shareholder in cash. In this example, the shareholder therefore receives one new share and €1.01 in cash in exchange for 35 dividend entitlements. The rounding difference (of €0.0004) will not be paid out.

**d) Features of the new shares**

The new shares which are the subject matter of this Prospectus Exemption Document will be created after the Annual General Meeting on 16 April 2021. They will feature the same rights as all other shares in Vonovia and will not be vested with any additional rights or benefits. Each new share entitles the holder to one vote at the general meetings of Vonovia. There are neither restrictions on voting rights, except in specific cases prescribed by law, nor any different voting rights for specific shareholders of Vonovia. The new shares will carry full dividend entitlements as from 1 January 2021.

The new shares participate in any liquidation proceeds according to their mathematical share of the capital stock.

The new shares will be evidenced in a global certificate without an owner's global profit share certificate and deposited with Clearstream. The new shares will be delivered via collective safe custody credit. The new shares will be freely transferable.

**e) Booking and stock exchange treatment**

The dividend entitlements and the inseparably linked subscription rights from the existing shares of Vonovia, all of which are held in collective safe custody, are expected to be booked automatically to the depository banks on 21 April 2021, with effect on 20 April 2021 (24:00 hours) (Record Day) by Clearstream. The posting of the dividend entitlements (ISIN DE000A3H3L51 / WKN A3H3L5) automatically includes the associated subscription rights.

The existing shares of Vonovia will be listed “*ex dividend*” and hence also “*ex subscription right*” on the regulated markets of the Frankfurt am Main and Luxembourg stock exchanges, probably from 19 April 2021 onwards.

The subscription rights will only be transferable together with the dividend entitlement because the subscription right can only be exercised if the corresponding dividend entitlement is assigned. Stock exchange trading of the subscription rights is not envisaged.

**f) Maximum/minimum number of shares offered**

The maximum number of new shares that will be created is not yet set. It depends on the extent to which shareholders exercise their right to choose, as well as on the (still pending) Subscription Ratio.

If no shareholder should choose the dividend in the form of shares, no new shares would be issued.

If all shareholders choose the dividend in the form of shares with their entire stock of shares, then at a current number of 565,887,299 dividend entitled shares and a fictional Subscription Ratio of 34.4 : 1 (and assuming all shareholders hold an integer multiple of 34.4 shares) a maximum of 16,450,212 new shares would be created.

**3. Costs and benefits of the offer for Vonovia**

Vonovia will not acquire new cash assets as a result of the rights issue. Object of the contribution at the capital increase will be the dividend entitlements of the shareholders who have opted for the share dividend. Since Vonovia is the debtor of the dividend entitlements, the respective payment obligation lapses due to the contribution (*Konfusion*).

Each dividend entitlement that a shareholder brings to Vonovia by COMMERZBANK reduces Vonovia’s liabilities to its shareholders. Due to the proposed Resolution on Appropriation of Net Income Vonovia will be obliged to pay a total of €956,349,535.31. The more shareholders choose the dividend in the form of shares, the less cash Vonovia has to pay-out to the shareholders. If, for example, all dividend entitlements were brought into Vonovia, Vonovia would not have to pay any dividends in cash.

The costs of executing the share dividend must be deducted from these savings of Vonovia. These costs, including the remuneration to be paid to COMMERZBANK, who is supporting the transaction, will amount to around €850,000 (net).

**4. Information about exercising the right to choose**

**a) Entitled shareholders**

The right to opt to receive the dividend in cash or in new shares exists for all shareholders who own no-par value registered shares of Vonovia on the evening of 16 April 2021 (24:00 hours) and have not already sold them before. These

shareholders receive dividend entitlements which are inseparably linked to subscription rights for shares.

**b) Exercise of the right to choose**

Shareholders do not need to make the choice for all their shares uniformly but are free to choose for each share whether they want to receive the dividend entitlement in cash or new shares. This shall also apply if the shares are held in a single securities account.

Shareholders who have exercised their right to choose cannot revoke their choice once it has been made.

**c) Details of the choice of the dividend in cash**

Shareholders who choose to receive their dividend in cash do not need to take any actions. Payment of the dividend is expected to be made via the depository bank on 19 May 2021.

**d) Details of the choice of the dividend in the form of shares**

Shareholders who opt to receive their dividend in new shares must notify their depository bank no later than 10 May 2021 during normal business hours. For this, a form available via the depository bank (the "**Declaration of Subscription and Assignment**") must be used. On this form shareholders can indicate how many subscription rights they would like to exercise, i.e., how many dividend entitlements they would like to assign to COMMERZBANK in order to obtain new shares. However, please observe the deadlines set by your custodian bank, upon which Vonovia has no influence.

The dividend entitlements are transferred by the shareholders to COMMERZBANK as third-party trustee. COMMERZBANK will transfer the transferred dividend entitlements as contribution in kind to Vonovia and will subscribe for a corresponding number of new shares in its own name but on the shareholder's account. After the new shares have been created by entry in the commercial register, COMMERZBANK will transfer the shares to the entitled shareholder. The new shares are expected to be transferred to the depository banks on 21 May 2021.

Vonovia reimburses the depository banks for their services with a payment of €0.75 per depository client and an additional €3.00 per depository client who opted for the share dividend. In addition, further depository bank fees that neither Vonovia nor COMMERZBANK will pay may accrue when the dividend in new shares is chosen. Shareholders are kindly asked to inquire about the details regarding fees at their depository bank in advance. For the settlement of subscription rights COMMERZBANK in its function as settlement agent does not charge an additional commission to the shareholders.

**5. Admission of the new shares to trading on the stock exchange**

The new shares will be admitted to the regulated market for trading on the Frankfurt am Main and Luxembourg stock exchanges as well as to the regulated market subsection with additional post-admission obligations (Prime Standard)

on the Frankfurt Stock Exchange and incorporated in the listing for existing shares at these stock exchanges upon delivery to the shareholders.

## 6. Expected schedule

- 15 April 2021 In principle resolution of the capital increase by the Management Board (subject to the Resolution on Appropriation of Net Income of the Annual General Meeting).
- 16 April 2021 In principle resolution of the capital increase by the Finance Committee of the Supervisory Board (subject to the Resolution on Appropriation of Net Income of the Annual General Meeting).
- 16 April 2021 Annual General Meeting of Vonovia.
- from 19 April 2021 Ex dividend Vonovia share trading.
- 19 April 2021 Publication of the subscription offer and start of subscription period.
- 21 April 2021 Dividend entitlements are posted to securities deposit account of shareholders.
- 7 May 2021 Announcement of the Subscription Price and the Subscription Ratio.
- 10 May 2021 End of the subscription period.
- 14 May 2021 Publication of the acceptance rate of the share dividend.
- 14 May 2021 Resolution of the Management Board and the Finance Committee of the Supervisory Board regarding the details of the capital increase.
- 19 May 2021 Payout of the dividend in cash and the Residual Balance.
- 19 May 2021 Creation of the new shares by entry in the commercial register.
- 19 May 2021 Admission of the new shares for trading on the regulated market of the Frankfurt am Main (Prime Standard) and Luxembourg stock exchanges.
- 21 May 2021 First day of trading; inclusion of the new shares in the existing listing.
- 21 May 2021 Transfer of the new shares to the shareholders.

## 7. Tax treatment in Germany

*The following concise statement does not claim to provide all the necessary information on tax treatment of the dividend in Germany and is no substitute for consultation with a tax advisor.*



Since the dividend for the 2020 financial year will be paid in full from the tax contribution account in accordance with § 27 Corporation Tax Act (*Körperschaftsteuergesetz* – KStG) (contributions other than into nominal capital), no capital gains tax, solidarity surcharge or possible church tax will be deducted. This applies both to the contribution of the dividend in cash and in new shares.

Dividends paid out in cash or in new shares to shareholders in Germany are not subject to taxation.

Dividends do not entitle recipients to tax refunds or tax credits. In the German tax authorities' view the dividend payment reduces the acquisition costs of the shares for tax purposes.

## **8. Condition of execution of the share dividend**

The Management Board and the Supervisory Board point out that they will only offer and carry out the share dividend if they consider it to be reasonable after due assessment, taking into account the interests of Vonovia as well as of its shareholders. This decision will be based, in particular, on the development of Vonovia's share price in relation to the latest financial key performance indicators. If the Management Board and the Supervisory Board decide not to carry out a share dividend, the possibility for the shareholders to opt for a share dividend will not exist or cease and the dividend will be paid out in cash only (on 19 May 2021 at the latest). The rights issuance for the creation of the new shares would not be executed.

## **9. Later submission of confidential information; Updates**

The details which were initially left open in this Prospectus Exemption Document, in particular the Subscription Ratio and the Subscription Price, will be published in the German Federal Gazette and on the Vonovia's website at <https://investors.vonovia.de/agm>. Any necessary updates to the Prospectus Exemption Document will be published on the aforementioned website.

Bochum, 10 March 2021

**Vonovia SE**

*signed by the Management Board*

*This document is not an offer of securities for sale in the United States. The subscription rights and the shares referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"). The subscription rights may only be exercised, and the new shares may only be offered or sold, pursuant to an exemption from, or in transactions not subject to, the registration requirement of the Securities Act.*