

Corporate News

Improved Takeover Offer by Vonovia SE

Deutsche Wohnen supports improved offer by Vonovia to combine both companies

- › **Deutsche Wohnen and Vonovia remain convinced of the strategic benefits of a business combination**
- › **Vonovia plans to publish an improved voluntary takeover offer in the near future and to offer all shareholders of Deutsche Wohnen 53 euros in cash per share**
- › **Waiver of the one-year lock-up period for a new offer is subject to approval by the German Federal Financial Supervisory Authority (BaFin) following consent of Deutsche Wohnen**
- › **With the new offer, Deutsche Wohnen and Vonovia also respond to the wish of numerous investors to participate in the transaction after all**
- › **Business combination agreement of Deutsche Wohnen and Vonovia has been adjusted to reflect the new situation while keeping key provisions**
- › **The “Future and Social Housing Pact” (“Zukunfts- und Sozialpakt Wohnen”) for Berlin continues to apply unchanged**

Berlin, August 1, 2021. Deutsche Wohnen SE (“Deutsche Wohnen”) and Vonovia SE (“Vonovia”) continue to pursue a business combination of both companies in partnership. In this context, Vonovia plans to launch a renewed improved voluntary public takeover offer for all outstanding shares of Deutsche Wohnen in the near future. The Executive Board and Supervisory Board of Deutsche Wohnen support the planned offer.

As Vonovia's former takeover offer that has been agreed on May 24, 2021 has not reached the set minimum acceptance level narrowly by 2.38 %, an exemption by the German Federal Financial Supervisory Authority (BaFin) is needed to lift the lock-up period of one year so that Vonovia may submit a new voluntary public takeover offer. Vonovia plans to submit an according application to BaFin. Deutsche Wohnen has agreed to the exemption of the lock-up period. The Executive Board and Supervisory Board of Deutsche Wohnen believe that this is in the best interest of the company as well as its stakeholders and shareholders.

Deutsche Wohnen and Vonovia remain convinced of the strategic benefits of a business combination. Together, the two companies can better shoulder the necessary investments in cli-

mate protection, needs-based housing and affordable housing. As already announced, significant synergies are also expected from joint management and the complementary regional portfolios. In addition, the combined company will be ideally positioned according to Deutsche Wohnen and Vonovia to play a major role in the real estate sector in Europe.

Michael Zahn, CEO of Deutsche Wohnen: “A combination with Vonovia in partnership still makes strategic sense and offers significant benefits. From recent discussions with our shareholders, we have gained the impression that the strategic logic is recognized. In addition, many shareholders regretted that the transaction was not successful. We do not want to deprive them of the opportunity to approve the combination on improved terms.”

Improved Takeover Offer by Vonovia

Vonovia plans (subject to approval by BaFin) to publish an improved voluntary takeover offer in the near future and to offer all shareholders of Deutsche Wohnen 53 euros in cash per share. The increased offer price is slightly above Deutsche Wohnen's expected EPRA NTA as of June 30, 2021. The offer thus values Deutsche Wohnen at approx. 19 billion euros (on undiluted basis).

The Executive Board and Supervisory Board of Deutsche Wohnen welcome the planned renewed takeover offer by Vonovia and – subject to the review of the offer document – intend to support it and to recommend its acceptance to the shareholders.

The planned takeover offer will be subject to a minimum acceptance level of 50 % of all shares of Deutsche Wohnen and other customary closing conditions. The clearance granted by the Federal Cartel Office under the offer of June 23, 2021 also applies to the improved takeover offer.

Business Combination Agreement

The existing business combination agreement of Deutsche Wohnen and Vonovia was adjusted in view of the parameters of the improved offer. The agreement remains valid that no terminations for operational reasons in connection with the planned transaction with effect from a date prior to December 31, 2023 are to be issued. The agreements reached in terms of governance structure and board composition of the combined companies ("Vonovia SE" with headquarters in Bochum and management from Bochum and Berlin) remain in place. This applies in particular the appointment of Mr. Michael Zahn as Deputy Chairman of the management board and Mr. Philip Grosse as Chief Financial Officer of Vonovia.

In addition, the “Future and Social Housing Pact” (“Zukunfts- und Sozialpakt Wohnen”) continues to apply and the offer to the State of Berlin to acquire a significant number of apartments remains unchanged. The corresponding discussions with the State of Berlin will be continued.

Important note

This announcement is for information purposes only and neither constitutes an invitation to sell, nor an offer to purchase, securities of Deutsche Wohnen SE. The final terms and further provisions planned by Vonovia regarding the public takeover offer will be disclosed in the offer document after its publication has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). To the extent

legally permissible, the final terms and conditions of the public takeover offer may deviate from the basic information described herein. Investors and holders of securities of Deutsche Wohnen SE are strongly recommended to read the offer document and all announcements in connection with the public takeover offer as soon as they are published, since they contain or will contain important information.

The offer will be made exclusively under the laws of the Federal Republic of Germany, especially under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahme-gesetz – WpÜG), and certain provisions of the securities laws of the United States of America applicable to cross-border tender offers. The offer will not be executed according to the provisions of jurisdictions other than those of the Federal Republic of Germany or the United States of America (to the extent applicable). Thus, no other announcements, registrations, admissions or approvals of the offer outside of the Federal Republic of Germany have been filed, arranged for or granted. Investors in, and holders of, securities in Deutsche Wohnen SE cannot rely on having recourse to provisions for the protection of investors in any jurisdiction other than the provisions of the Federal Republic of Germany or the United States of America (to the extent applicable). Subject to the exceptions described in the offer document as well as any exemptions that may be granted by the relevant regulators, a public takeover offer will not be made, neither directly nor indirectly, in jurisdictions where to do so would constitute a violation of the laws of such jurisdiction.

Deutsche Wohnen SE understands that Vonovia SE (the “Bidder”) reserves the right, to the extent legally permitted, to directly or indirectly acquire further shares outside the offer on or off the stock exchange. If such further acquisitions take place, information about such acquisitions, stating the number of shares of Deutsche Wohnen SE acquired or to be acquired and the consideration paid or agreed on, will be published without undue delay.

To the extent any announcements in this document contain forward-looking statements, such statements do not represent facts and are characterized by the words “will”, “expect”, “believe”, “estimate”, “intend”, “aim”, “assume” or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of Deutsche Wohnen SE and/or the Bidder. Such forward-looking statements are based on current plans, estimates and forecasts, which Deutsche Wohnen SE and/or the Bidder have made to the best of their knowledge, but which they do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by Deutsche Wohnen SE and/or the Bidder. These expectations and forward-looking statements can turn out to be incorrect and the actual events or consequences may differ materially from those contained in or expressed by such forward-looking statements. Deutsche Wohnen SE and/or the Bidder do not assume an obligation to update the forward-looking statements with respect to the actual development or incidents, basic conditions, assumptions or other factors.

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed residential property companies in Europe. The business focus of the company is on managing its own portfolio of residential properties in dynamic metropolitan regions and conurbations in Germany. Deutsche Wohnen sees itself as having both a social responsibility and a duty to maintain and newly develop good-quality and affordable housing in vibrant residential neighbourhoods. As at 31 March 2021, the portfolio comprised a total of around 157,500 units, of which 154,600 were residential and 2,900 commercial units. Deutsche Wohnen SE is listed in the Deutsche Börse’s DAX and is also included in the leading indices EPRA/NAREIT, STOXX Europe 600, GPR 250 and DAX 50 ESG.