



# New Voluntary Offer to Be Launched<sup>1</sup>

Business Combination of Vonovia and Deutsche Wohnen  
to Manage the Residential Megatrends

August 1, 2021

<sup>1</sup> Subject to BaFin approval

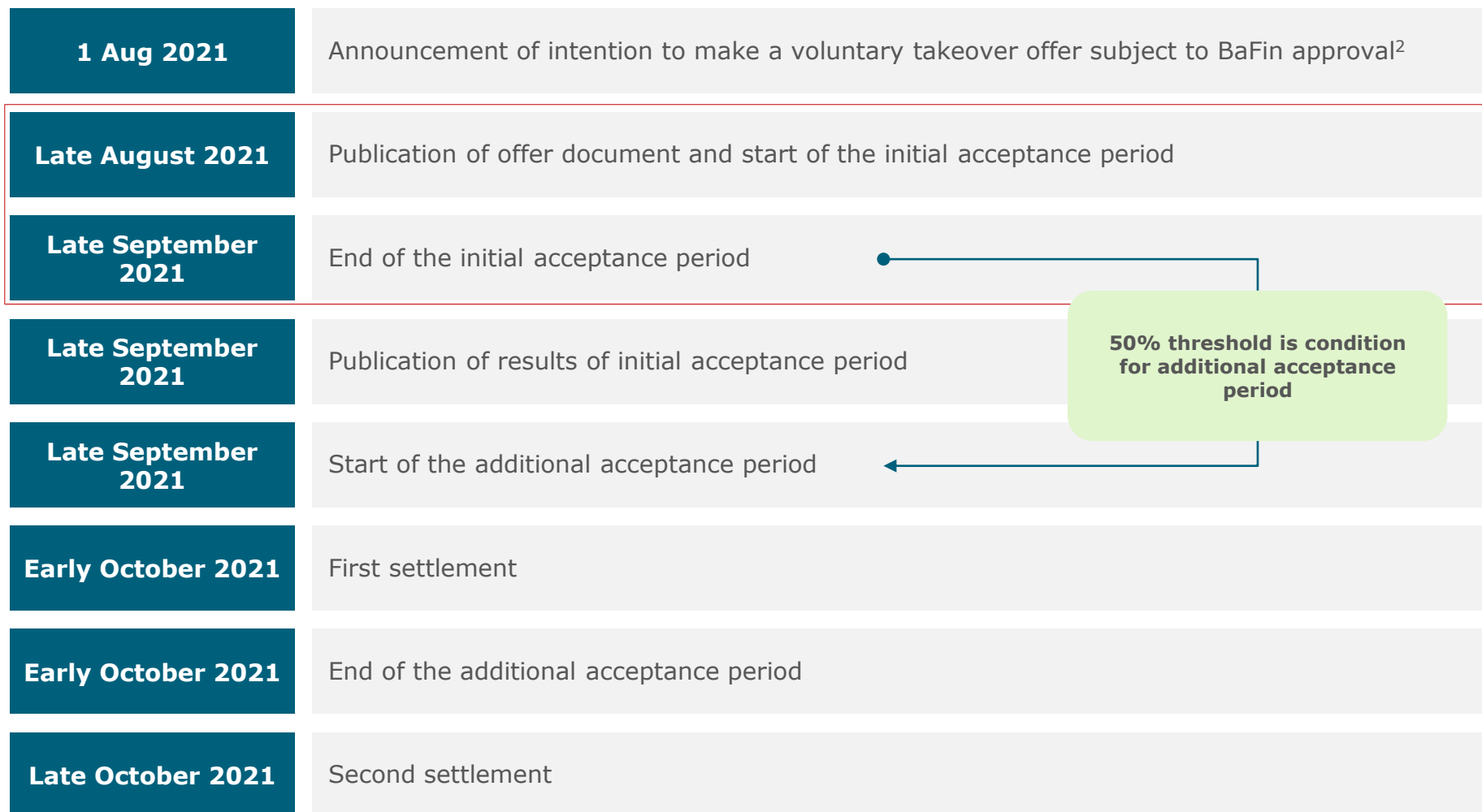
## Relaunch with Revised Terms (subject to BaFin approval)<sup>1</sup>

Relaunch of a Logical Transaction ...	... With an Attractive Offer Structure
<ul style="list-style-type: none"> <li>➤ Compelling strategic rationale               <ul style="list-style-type: none"> <li>➤ Strategies of both companies have converged</li> <li>➤ Strong portfolio fit</li> <li>➤ Increased scale to address future megatrends</li> <li>➤ Attractive offer for both shareholder groups with significant synergies (Adj. EBITDA synergies of €105m to be fully realized by 2024)</li> </ul> </li> <li>➤ Combined company is an even stronger partner for citizens and lawmakers. Commitment to City of Berlin: New offer has no impact on original agreement, including portfolio disposals</li> <li>➤ Meets all of Vonovia's acquisition criteria applying the standard leverage-neutral (50:50) underwriting; actual transaction financing expected to differ</li> <li>➤ Continued commitment to 40-45% LTV target range and expectation that rating agencies will affirm their previous rating view</li> </ul>	<ul style="list-style-type: none"> <li>➤ Amended offer price of €53.00 per share</li> <li>➤ Vonovia is largest Deutsche Wohnen shareholder with currently ca. 29.99% stake<sup>2</sup></li> <li>➤ Acceptance threshold of 50% (including Vonovia stake, which counts against the threshold)</li> <li>➤ Binding commitment to not implement a domination agreement within 36 months after closing</li> <li>➤ 1st settlement after initial acceptance period, and 2nd settlement after additional acceptance period</li> </ul>

<sup>1</sup> Approval needed to waive 12-months restriction period for renewed voluntary takeover offer. The decision whether to grant the waiver is at the discretion of BaFin and is expected in the upcoming week.

<sup>2</sup> Subject to acquisition of parts of the Deutsche Wohnen treasury shares.

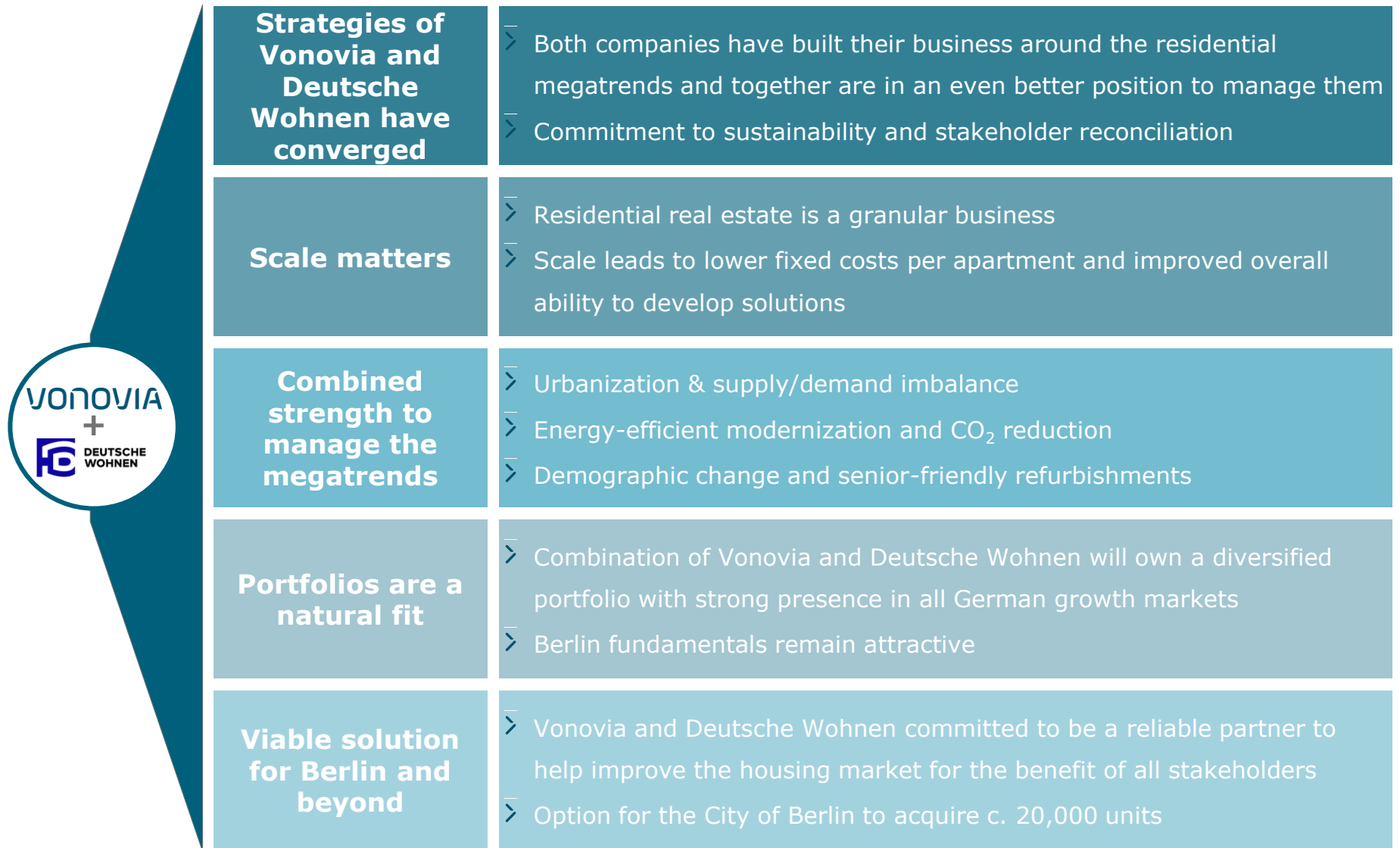
## Expected Transaction Timeline<sup>1</sup>



<sup>1</sup> Indicative dates, subject to change.

<sup>2</sup> Approval needed to waive 12-months restriction period for renewed voluntary takeover offer. The decision whether to grant the waiver is at the discretion of BaFin and is expected in the upcoming week.

Compelling Strategic Rationale Unchanged



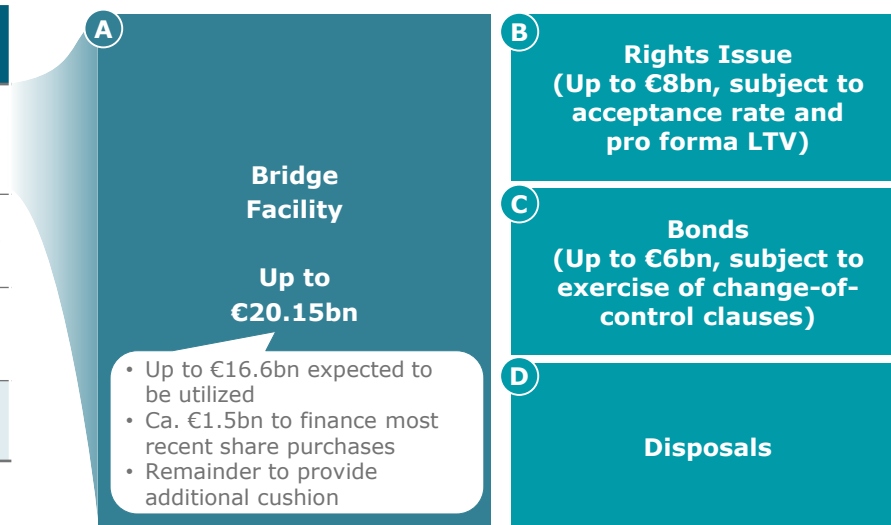
# Overview of Sources & Uses and Expected Financing

## Sources & Uses Based on c. 90% Acceptance Rate (net of shares already acquired)

Uses	€bn	Sources	€bn
Acquisition of Deutsche Wohnen shares not yet acquired <sup>1</sup>	1 11.3	Bridge Financing	4 16.6
Pro forma Deutsche Wohnen net debt Q1 2021	2 11.1	Rollover of debt	5 6.4
Transaction Costs	3 0.6		
<b>Total<sup>2</sup></b>	<b>23.1</b>	<b>Total<sup>2</sup></b>	<b>23.1</b>

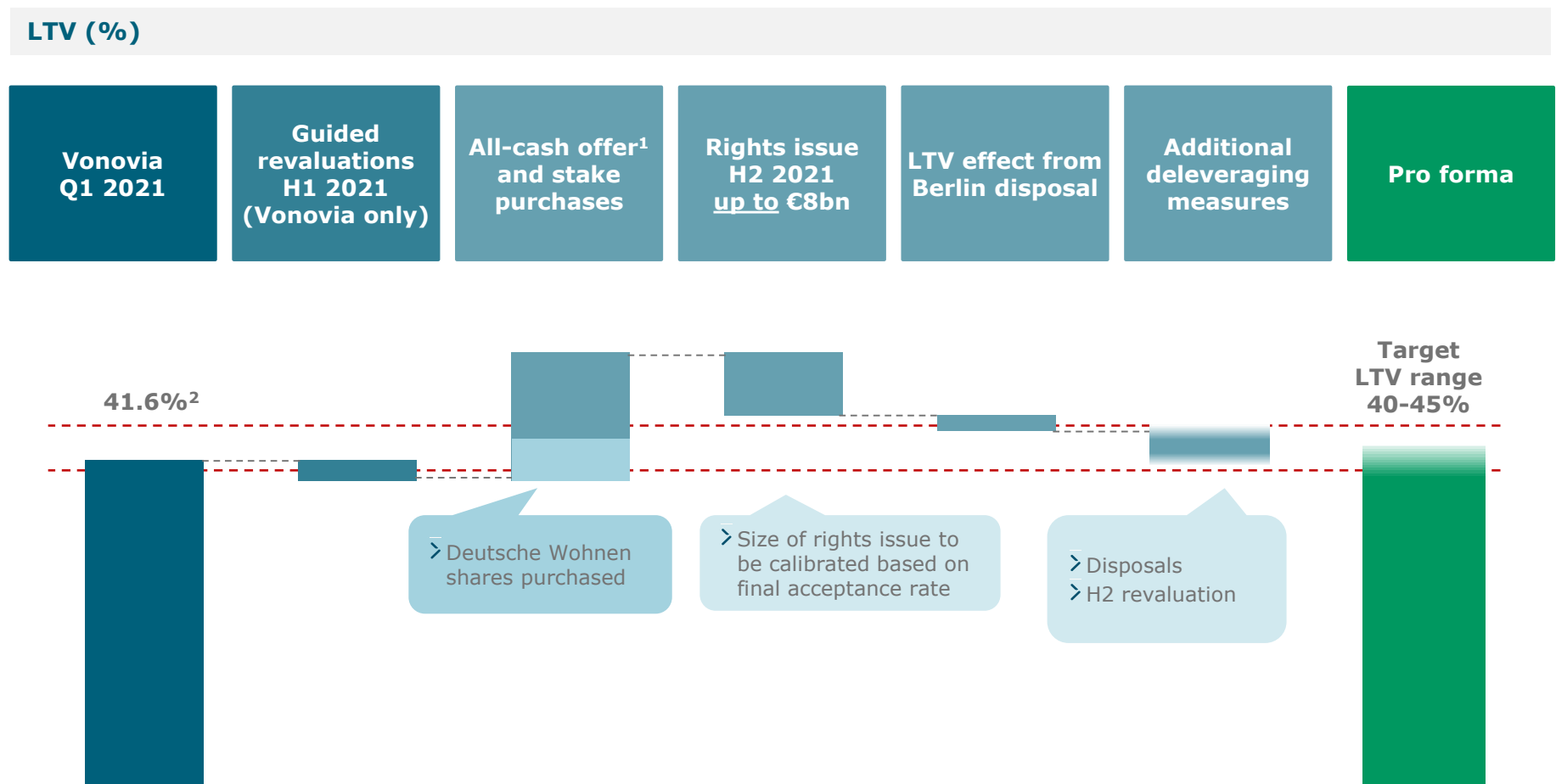
- 1 Acquisition of Deutsche Wohnen shares for €53.00, less shares already purchased
- 2 Net debt of €11.1bn includes convertible bonds, €4.1bn of straight bonds (pro forma)<sup>3</sup>, €6.4bn of secured debt less cash<sup>4</sup>
- 3 Transaction costs of €0.6bn including synergy implementation cost of c. €0.2bn and for setup of final financing structure incl. rights issue
- 4 Bridge financing of €16.6bn covers shares to be acquired, convertible bonds and all unsecured bonds
- 5 Secured debt of €6.4bn assumed to be rolled over

## Bridge Financing and Illustrative Take-out



<sup>1</sup> Based on assumed acquisition of c. 214m shares (c. 90% acceptance rate); including GSW free float. <sup>2</sup> Differences due to rounding. <sup>3</sup> Pro forma adjusted for €1bn Green Bond issuance in March 2021 (issue proceeds were received in April 2021). <sup>4</sup> Pro forma adjusted for dividend paid of €0.4bn / €1.03 p.s.






# Combined Group Will Remain Committed to a 40-45% LTV Policy



<sup>1</sup> Based on assumed acquisition of c. 90% of Deutsche Wohnen shares; including GSW free float. <sup>2</sup> Incl. Perpetual hybrid, pro forma for dividend pay-out, with 49% scrip dividend take-up.

## Key Updates of the Revised Offer<sup>1</sup>

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-  Vonovia is the largest shareholder of Deutsche Wohnen with currently ca. 29.99%<sup>2</sup>
-  Attractive offer price of €53.00 per share
-  Acceptance threshold of 50% (including Vonovia stake)
-  Binding commitment to not implement a domination agreement within 36 months after closing
-  Two settlement dates (after the initial and the additional tender period)

<sup>1</sup> Offer conditional on BaFin approval. <sup>2</sup> Subject to acquisition of parts of the Deutsche Wohnen treasury shares.

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Tables and diagrams may include rounding effects.

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