

Annex 5 to the Invitation to the Annual General Meeting of Vonovia SE on 29 April 2022 at 10:00 hours

Vonovia SE, Bochum
ISIN DE000A1ML7J1
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Agenda item 11: Report of the Management Board on the reasons for the authorization to exclude subscription and/or tender rights (Acquisition of own shares 2022 using derivatives)

Regarding Item 11 of the Agenda of the Annual General Meeting on 29 April 2022, the Management Board and the Supervisory Board propose to authorize the Company, in addition to the authorization to repurchase its own shares pursuant to section 71(1) no. 8 AktG proposed under Item 10 of the Agenda, to acquire its own shares also by using derivatives. In addition to the report on Item 10 of the Agenda, the Management Board gives the following report pursuant to section 71(1) no. 8 AktG in conjunction with section 186(4) sentence 2 AktG with regard to Item 11 of the Agenda concerning the exclusion of any tender rights of shareholders in the acquisition of own shares by using derivatives and by making reference to the report on Item 10 of the Agenda concerning the exclusion of subscription rights in the sale of repurchased own shares (Annex no. 4 of this Invitation):

In addition to the possibilities of repurchasing own shares as provided for in Item 10 of the Agenda, the Company is to be authorized to repurchase its own shares by using specific derivatives. This only aims at offering additional alternatives to repurchase own shares, not to increase the total volume of shares that may be acquired. These additional alternatives will give the Company further possibilities to flexibly structure the acquisition of own shares.

It may be advantageous to the Company to sell put options, to acquire call options, to conclude forward purchase contracts to buy shares or to combine these possibilities instead of directly acquiring shares of the Company. Subject to the proposed authorization, the volume of all shares acquired by using these possibilities is restricted to 5% of the share capital existing at the time the resolution is passed by the Annual General Meeting or – if lower – of the share capital existing at the time the relevant authorization is exercised. The term of each derivative may not exceed 18 months, must end on 28 April 2027 at the latest and must be set such that the acquisition of Company shares by exercising or settling such derivatives may not take place after 28 April 2027. This is to ensure that the Company will not acquire own shares after the authorization to repurchase own shares has expired on 28 April 2027 unless a new authorization is granted.

By concluding put options, the Company grants the holder of each put option the right to sell shares in the Company to the Company within a specified period or on a specified date and at a price specified in the option, the exercise price. As consideration for the obligation to repurchase own shares, the Company

will receive an option premium to be determined at close-to-market conditions by considering the exercise price, the term of the option and the volatility of the share, among other factors. Exercising a put option, in general, is of financial benefit to the option holder only if the share price at the time the option is exercised is below the exercise price because the option holder can then sell the share to the Company at a higher price than that which could be achieved on the market; the Company, in turn, can use instruments available on the market to hedge against a material price development risk. Repurchasing shares by using put options offers the advantage to the Company that a specific exercise price is already fixed when concluding the option contract, while no cash flow occurs until the exercise date. From the Company's perspective, the consideration paid for acquiring the share is reduced by the option premium. If the option holder does not exercise the option, for example because the share price on the exercise date or within the exercise period is above the exercise price, the Company will not acquire own shares in this way, but it will definitely receive the option premium without any further consideration.

When agreeing on a call option, in return for payment of an option premium, the Company obtains the right to buy a predefined number of shares in the Company at a specified price, the exercise price, within a specified period or on a specified date from the relevant seller of the option, the option writer. As a rule, exercising the call option makes sense for the Company if the share price is above the exercise price because it can then buy the shares from the option writer at a price below the market price. The same applies if exercising the option enables a block of shares to be bought that could otherwise only be acquired at higher cost.

Furthermore, using call options protects the Company's liquidity as the exercise price in respect of the shares is not payable before the call option is exercised. Again, the option premium is to be determined at close-to-market conditions, that means by considering the exercise price, the term of the option and the volatility of the share, among other factors. From the Company's perspective, when exercising a call option, the consideration paid for acquiring the share is increased by the option value. This value could be realized by the Company when the option is not exercised; it is a financial benefit which will thus increase the purchase price as costs when the option is exercised. It also reflects the current value of what was originally paid as option premium and is thus to be taken into account as part of the share's purchase price.

In the case of a forward purchase contract, the Company acquires shares at a fixed future date, as agreed with each forward seller, and at a purchase price agreed on conclusion of the relevant forward purchase contract. Concluding forward purchase contracts is useful where the Company wants to cover a fixed future demand for its own shares at a certain price level.

When using options, the consideration for the shares to be paid by the Company is the relevant exercise price (excluding incidental acquisition costs, but taking into account the current option value). This

exercise price can be higher or lower than the stock market price of the Company's share on the day the option contract is concluded and on the day the shares are acquired due to the exercise of the option. However, upon exercise of the put option or maturity of the forward purchase, the exercise price per share must not be more than 10% above or 20% below the arithmetical average closing auction price of shares of the same class in Xetra trading (or a functionally equivalent successor system taking the place of the Xetra system) on the last three trading days of the Frankfurt Stock Exchange prior to the conclusion of the relevant transaction, excluding incidental acquisition costs, but taking into account the option value upon exercise or maturity. The call option may be exercised only if the purchase price to be paid is not more than 10% above and not more than 20% below the arithmetical average closing price of shares of the same class in the Xetra trading (or a functionally comparable successor system replacing the Xetra trading system) of the Frankfurt Stock Exchange during the last three trading days prior to the date of the acquisition of the shares, excluding incidental acquisition costs, but taking into account the value of the option upon exercise.

The derivatives must be concluded with one or several credit institutions or equivalent companies. The derivative terms must ensure that the derivatives are settled only with shares that were acquired in compliance with the general principle of equal treatment (section 53a AktG) of shareholders. The acquisition price paid or received by the Company for derivatives must not be significantly higher or lower, respectively, than the theoretical market price calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined exercise price must be taken into account when determining the theoretical market price.

The close-to-market determination of the exercise price and of the option premium described above as well as the obligation to settle derivatives only with shares previously acquired in compliance with the general principle of equal treatment (section 53a AktG) will ensure that shareholders not involved in such derivatives transactions will not suffer any economic disadvantage. At the same time, the possibility to conclude derivative contracts enables the Company to seize short-term market opportunities and to conclude relevant derivatives. This gives the Company the necessary flexibility to respond quickly to changing market situations. Any rights of shareholders to conclude such derivatives with the Company and any tender rights of shareholders are excluded. This exclusion is required to allow the use of equity derivatives in the repurchase of own shares and to achieve the advantages they offer to the Company. Concluding relevant derivatives with all shareholders would not be feasible.

Therefore, having carefully weighed the interests of shareholders and of the Company, and given the advantages the use of equity derivatives offers to the Company, the Management Board considers the authorization to be justified not to grant or to restrict any rights of shareholders to conclude such equity derivatives with the Company and any tender rights of shareholders.

As regards the use of own shares acquired by means of equity derivatives, no difference exists to the possibilities of use proposed under Agenda Item 10. Therefore, reference is made to the report by the Management Board on Agenda Item 10 as regards the reasons provided for excluding shareholder subscription rights in using the shares.

Bochum, March 2022

The Members of the Management Board of Vonovia SE

(signed)