

Annex 4 to the Invitation to the Annual General Meeting of Vonovia SE on 29 April 2022 at 10:00 hours

Vonovia SE, Bochum
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Agenda item 10: Report of the Management Board on the reasons for the authorization to exclude tender and/or subscription rights (Acquisition of own shares 2022)

With regard to Item 10 of the Agenda of the Annual General Meeting on 29 April 2022, the Management Board and the Supervisory Board propose that the Company be again authorized pursuant to section 71(1) no. 8 AktG for a period of 5 years ending 28 April 2027 to acquire own shares in the amount of up to 10% of the Company's share capital existing when the resolution is passed or, if this value is lower, the share capital existing when this authorization is exercised. According to the proposed resolution, the Management Board is entitled to also acquire the shares while restricting the principle of equal treatment and any shareholder tender rights, and to use the acquired own shares under this authorization or an earlier or a subsequent authorization while excluding shareholder subscription right. 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 10 of the Agenda of the Annual General Meeting regarding the reasons for the authorization to exclude any tender rights shareholders may have and to exclude shareholder subscription rights in the disposal of repurchased own shares:

The existing authorization granted by resolution of the Annual General Meeting on 9 May 2018 will expire on 8 May 2023. In order to keep continuing this practice, the Management Board is to be authorized again to use the possibility of acquiring own shares. This authorization is subject to the condition that any newly purchased shares, together with own shares already held, must not exceed the limit of 10% of the Company's share capital pursuant to section 71(2) sentence 1 AktG.

a) Acquisition of own shares while excluding any tender rights

Own shares may initially be acquired on the stock market, through a purchase offer made to all shareholders, or through a public invitation to submit an offer for sale. The Company is to be enabled to offer other listed shares for exchange as consideration instead of a cash payment, which for shareholders can be an attractive alternative to a public purchase offer. This provides the Company with additional options enabling it to utilize the ideal structure for a share buyback, which is also in the interests of shareholders.

In a public purchase offer, a public exchange offer or a public invitation to submit an offer for sale, the number of shares of the Company tendered by shareholders may exceed the number of shares offered

to buy by the Company. In such case, tenders will have to be prorated. It is proposed in such case that priority may be given to smaller tenders or smaller parts of tenders of up to a maximum of 100 shares. The purpose of this option is to avoid fractional amounts in determining the quotas to be acquired and to avoid small residual amounts, thus facilitating the technical implementation of the share repurchase. This also avoids *de facto* disadvantages to small shareholders. Offers may otherwise be allotted according to the ratio of shares tendered (tender ratios) instead of participation ratios, as this allows the purchase procedure to be technically handled within a commercially reasonable framework. Finally, rounding according to commercial principles is to be permitted to prevent fractional amounts of shares. For this purpose, the purchase ratio and the number of shares to be purchased from each tendering shareholder can be rounded as required to enable the acquisition of whole numbers of shares in the technical settlement. The Management Board considers the consequent exclusion of any further shareholder tender rights to be objectively justified and to be reasonable towards shareholders.

The authorization further allows for the acquisition to be implemented by means of tender rights granted to shareholders. Such tender rights will be designed such that the Company will only be obliged to purchase whole numbers of shares. Any tender rights which cannot be exercised in accordance therewith will be forfeited. This procedure treats shareholders equally and simplifies the technical settlement of the share repurchase.

b) Use of own shares acquired while excluding subscription rights

aa) The own shares acquired on the basis of the authorization granted by the Annual General Meeting on 29 April 2022 or on any other basis shall be permitted to be used, in defined cases, while excluding shareholder subscription rights:

- (i) The Company is to be enabled to sell repurchased own shares to third parties otherwise than on the stock market or by means of an offer to all shareholders against cash payment while excluding subscription rights.

This requires that the price achieved is not significantly lower than the stock market price for shares of the same class on the date of such sale. The selling price is to be finally determined immediately before such sale of own shares. In addition, the Management Board will determine a minimum amount for any discount from the current stock market price or a volume-weighted stock market price for an appropriate number of trading days prior to the sale, in accordance with the prevailing market conditions at the time of the placement. Subject to special circumstances in the specific case, such discount is not expected to exceed approximately 5% of the relevant stock market price. This also ensures that shareholders are protected against dilution of their shareholdings. Determining a sales price close to the stock market price ensures that the value of subscription rights for the shares to be sold would be very low in practice. Shareholders have the possibility to maintain their relative shareholding by acquiring additional

shares on the stock market at nearly identical terms. This authorization is in the Company's interest as it enables the Company to react quickly and flexibly to favorable market situations. The Company may thus, for instance, expand the group of shareholders by specifically selling shares to strategic partners, institutional investors, or financial investors. The exclusion of subscription rights is objectively justified not least by the fact that a higher inflow of funds can often be achieved.

The authorization further ensures that the shares sold while excluding subscription rights may not exceed a total of 10% of neither the share capital existing on the effective date nor, if this value is lower, the share capital existing on the date this authorization is exercised. The proposed resolution further provides for an inclusion clause: The above limit of 10% of the share capital includes shares issued or sold during the term of this authorization while excluding subscription rights pursuant to, or in analogous application of, section 186(3) sentence 4 AktG. It further includes shares issued to service warrant or convertible bonds, provided that these are issued during the term of this authorization and while excluding subscription rights in analogous application of section 186(3) sentence 4 AktG. Including such shares ensures that repurchased own shares will not be sold while excluding subscription rights according to section 186(3) sentence 4 AktG if this would result in shareholder subscription rights being excluded for more than 10% in total of the share capital pursuant to, or in analogous application of, section 186(3) sentence 4 AktG. This limitation and the fact that the issue price must be based on the stock market price appropriately safeguard shareholders' financial and voting right interests.

The limit reduced in accordance with the above inclusion clause will be increased again upon effectiveness of a new authorization to exclude shareholder subscription rights pursuant to, or in analogous application of, section 186(3) sentence 4 AktG that is resolved by the Annual General Meeting following the decrease, in the amount specified in the new authorization, but not exceeding a maximum of 10% of the share capital in accordance with sentence 1 of the relevant paragraph. This is because in such case(s), the Annual General Meeting may decide again on the simplified exclusion of shareholder subscription rights, meaning that the reason for inclusion has ceased to apply. The reason for this is that upon the effectiveness of the new authorization for a simplified exclusion of subscription rights, the restriction regarding the authorization to issue the bonds without shareholder subscription rights caused by using the authorization to issue new shares or to issue bonds or by selling own shares ceases to apply. Due to the identical majority requirements for such a resolution and to the extent that the relevant statutory requirements are met, the renewed authorization for the simplified exclusion of subscription rights is at the same time to be considered a confirmation regarding the authorization resolution on the use of own shares. In the event of a renewed exercise of an authorization to exclude subscription rights in direct or analogous application of section 186(3) sentence 4 AktG, the deduction applies again.

- (ii) Furthermore, the Company is to be enabled to sell own shares either directly or indirectly while excluding subscription rights against contributions in kind. The Company should continue to be able to acquire (also indirectly), without limitation, companies, parts of companies, interests in companies (including by way of merger or other measures under transformation law) or other assets (including receivables), properties or property portfolios relating to a proposed acquisition or to respond to offers of acquisitions or mergers in order to strengthen its competitiveness and to increase its profitability or enterprise value.

Practice has shown that some shareholders in attractive acquisition targets are very interested in acquiring the Company's no-par value (voting) shares as consideration, for example to maintain a certain degree of influence over the object of the contribution in kind. The option to provide consideration not only by way of cash payments but also, or exclusively, by way of shares is also supported by the seller's participation in future price potential. This improves the Company's competitive position in acquisitions.

The option of using Company shares as an acquisition currency gives the Company the necessary scope of action to quickly and flexibly respond to such acquisition opportunities and enables it to acquire even larger units in return for transferring shares. Also in the case of other assets (in particular property portfolios or interests in property companies) it should be possible to acquire them in exchange for shares, under certain circumstances. In both cases, it must be possible to exclude shareholder subscription rights. As such acquisitions often have to be implemented at short notice, it is important that they normally are independent of the usual annual rhythm of the Annual General Meeting or do not require an Extraordinary General Meeting, whose preparation and notice period prevent swift action.

Should any opportunity arise to merge with other companies or to acquire companies, parts of companies, interests in companies or other assets, the Management Board will in each case carefully assess whether or not to use the authorization to sell own shares while excluding subscription rights. This includes, in particular, assessing the valuation ratio between the Company and the acquired company interest or other assets and determining the consideration. The Management Board will only utilize this authorization if it is satisfied that such merger or such acquisition of a company or part of a company or interest in a company in exchange for granting shares is in the best interests of the Company and its shareholders.

- (iii) The Company is to be enabled to use own shares to fulfill obligations or to secure obligations or rights to acquire shares in the Company, in particular under convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) issued by the Company or its affiliates within the meaning of sections 15 et seqq. AktG.

It may be appropriate at times to satisfy such acquisition obligations or acquisition rights by delivering own shares instead of using conditional capital even if sufficient conditional capital should be available. Shareholder subscription rights are excluded in this respect. This is in the interests of the Company and its shareholders as it offers even more flexibility to the Management Board and allows preventing the dilutive effect that is typical of a capital increase. Shareholders are additionally protected by the subscription rights to which they are entitled in principle when bonds are issued with conversion or option rights or with conversion or option obligations. Where subscription rights were excluded on the issue of such bonds, the interests of shareholders were already taken into account in the assessment to be made in such case by the Management Board and the Supervisory Board. The instances in which subscription rights for bonds with conversion rights and obligations may be excluded have been or are outlined in the report relating to the issue of such instruments.

bb) The Management Board is further to be authorized, with the approval of the Supervisory Board, to exclude subscription rights in specific cases:

- (i) Subscription rights may be excluded when distributing a share dividend (also known as scrip dividend) where shares of the Company are used (including partially and/or optionally) to satisfy shareholder dividend rights.

This is to enable the Company to distribute a scrip dividend at the most favorable conditions. In the case of a scrip dividend, shareholders are offered to exchange, in whole or in part, their right to receive payment of a dividend created by the Annual General Meeting's resolution on the appropriation of profits, receiving shares in Company in return. A scrip dividend can be distributed with subscription rights. In individual cases, depending on the capital markets situation, it may be preferable to design the distribution of a scrip dividend such that the Management Board offers to all shareholders entitled to dividends, in accordance with the general principle of equal treatment (section 53a AktG), to receive shares against transfer of their dividend entitlements and thus grants shareholders a subscription right in economic terms, but to legally exclude shareholder subscription rights to such shares in their entirety.

Such exclusion of subscription rights allows distributing the scrip dividend at more flexible conditions. In view of the fact that shares are offered to all shareholders and fractional dividend amounts will be settled by cash payment of the dividend, excluding subscription rights appears to be reasonable and justified in such case.

- (ii) Moreover, with the approval of the Supervisory Board, the Management Board is to be authorized to exclude subscription rights in the sale of own shares to the extent required to grant to holders/creditors of conversion or option rights or obligations in respect of shares of the

Company, as compensation for dilutive effects, subscription rights in such amount as they would have after the exercise of such rights or the fulfilment of such obligations. The reason for this is that the terms of issue of bonds with conversion or option rights or obligations regularly include anti-dilution provisions that grant to holders/creditors subscription rights to shares in subsequent share issuances or certain other measures. Such holders/creditors are thus treated as if they were already shareholders. For bonds to feature such anti-dilution measure, shareholder subscription rights to such shares have to be excluded. This serves to facilitate the placing of such bonds and is therefore in the interests of shareholders in an optimum financial structure of the Company. Apart from that, the exclusion of subscription rights for the benefit of the holders/creditors of bonds has the advantage that, in the event that the authorization is exercised/utilized, the option or conversion price does not have to be reduced for the holders/creditors of existing bonds in accordance with the relevant bond terms. This allows for a greater inflow of funds and is therefore in the interests of the Company and its shareholders.

(iii) Finally, the Management Board is to be authorized to exclude subscription rights for fractional amounts. This exclusion of subscription rights aims at technically enabling the sale of acquired own shares by way of a selling offer to shareholders. The value of each shareholder's fractional amount is generally low and as such the potential dilutive effect is also be deemed to be low. In contrast to this, the required effort without such an exclusion is considerably greater. The exclusion therefore increases practicability and facilitates implementation. Own shares which, as fractional amounts, are excluded from shareholder subscription rights will either be sold on the stock exchange or realized otherwise in the best possible manner for the Company. For these reasons, the Management Board and the Supervisory Board consider the potential exclusion of subscription rights to be objectively justified and also appropriate when weighed against the interests of shareholders.

cc) In a public takeover procedure in which the offer of the Company, as bidder, to the shareholders of the target company to be acquired (also) includes shares in the Company as consideration, the target company may also tender own shares held by it (that means shares in the target company) in such takeover offer. The target company thereby acquires an entitlement to shares in the Company. In the case of a successful takeover, depending on the schedule of the implementation process upon consummation of the takeover, the target company may already have become an affiliate of the Company within the meaning of sections 15 et seqq. AktG whereas the shares in the Company offered as consideration have not yet been transferred to it. Rather, the shares in the Company will not be transferred to the target company before the time when it has already become a subsidiary of the Company, meaning that the Company indirectly repurchases part of the shares offered. This acquisition situation may have to be assessed against section 71d sentence 2 AktG in conjunction with section 71(1)

no. 8 AktG and therefore requires an authorization which also permits to exclude tender or, as the case may be, subscription rights. In the event of a takeover, it may be in the interest of the Company to also offer shares in the Company as consideration. However, this is only possible if subscription or tender rights of other shareholders are excluded. In this process, the interests of shareholders are sufficiently considered in the decision on the exclusion of subscription rights for the offer of shares to all holders of shares in the target company.

The authorizations to exclude subscription rights in the event of capital increases against contributions in cash and/or in kind as described in the paragraphs above are limited to a total amount not exceeding 10% of the share capital, either at the time this authorization becomes effective or at the time it is exercised. This limit of 10% of the share capital is to include shares in the Company (i) that are issued during the term of this authorization under other authorizations while excluding subscription rights, and (ii) that are issued or are to be issued in order to service bonds, provided that such bonds were issued without shareholder subscription rights during the term of this authorization. This includes capital increases from authorized capital and the issue of bonds.

This limitation at the same time limits a potential dilution of voting rights of the shareholders whose subscription rights have been excluded. The limit reduced in accordance with the above inclusion clause will be increased again upon effectiveness of a new authorization to exclude shareholder subscription rights resolved by the Annual General Meeting following the decrease, in the amount specified in the new authorization, but not exceeding a maximum of 10% of the share capital in accordance with the above requirements. This is because in this case, the Annual General Meeting may decide again on the exclusion of shareholder subscription rights, meaning that the reason for inclusion has ceased to apply.

When considering these circumstances, the authorization to exclude subscription and tender rights within the limits outlined above is necessary, suitable, appropriate and required in the interests of the Company. If the Management Board utilizes any of the above authorizations to exclude subscription rights in connection with the sale of own shares during a financial year, it will report thereon at the Annual General Meeting next following such exercise.

Bochum, March 2022

The Members of the Management Board of Vonovia SE

(signed)