

The Company and its Shares

Positive development in 2022 in an extremely challenging macroeconomic development with an adjusted investment strategy.

Full occupancy with high satisfaction values.

Integration work to realize synergy potential with Deutsche Wohnen successfully under way.

4	Letter from the Management Board
8	Report of the Supervisory Board
16	Management Board
18	Supervisory Board
19	Corporate Governance
28	Overview
30	Vonovia SE on the Capital Market

Dear Shareholders, Dear Employees, Dear Readers,

I want to start my letter to you today by addressing the topic of **expectations**. They are very important in terms of our course of action and provide the framework for it: Housing that is affordable in the long term and reliable support in everyday life. Stable value development and an appropriate dividend policy. Building new apartments and contributing to the energy revolution. Helping to solve social issues and being reliable as a state-of-the-art employer. All of these aspects are legitimate expectations that you, as our stakeholders, have placed on us. The past year has, however, demonstrated just how much macroeconomic changes impact this framework. We see it as our responsibility to deliver an active entrepreneurial response to these changes that is also in the interest of society.

And this is something we have already done: The decision we made in November 2022 to scale back our investments for 2023 triggered a heated public debate. This only goes to show, yet again, that as a leading real estate company, we are a particular focus of attention. It also makes it clear to me: people are counting on us.

Vonovia achieved positive development in 2022. Our company remains an anchor of stability. We were there for our tenants and did a good job of running our business. We built apartments and improved energy efficiency within our portfolio. We contributed to social issues – in our local neighborhoods, within the sector and also as part of the political discourse. And we want to show that, for all the overall situation might have changed: Vonovia is a company you can rely on.

This stable situation for Vonovia is not intended to obscure the fact that the world has been turned upside down since Russia launched its war of aggression on Ukraine. We are all feeling the consequences in the form of high energy prices and inflation. Our policymakers are taking appropriate and courageous action in this area. But as far as the topic of housing is concerned, the major challenges within society are still ahead of us.

Let me take this opportunity to set out **our own expectations**. After all, the housing industry will not be able to solve the tasks that lie ahead of us operating in isolation, not in the conditions we are faced with at the moment. We need everyone to do their bit, including policymakers. If Germany is to be able to build the 400,000 new homes a year that the government has set as a target, someone will have to invest € 100 billion every year. And even that is unlikely to be enough to meet the requirements. Current estimates predict that up to 700,000 new apartments are required. If the statutory climate path is to remain within reach, another € 50 billion will have to be invested in energy-efficient modernization measures every year. That is simply impossible without private investment.

It is high time for policymakers to take action. We need an appropriate level of construction standards. We need faster construction processes. We need binding overall conditions instead of more stringent tenancy law. We need subsidy programs that are set up for the long term. This is how the state creates a stable environment in which private capital helps to tackle the tasks facing our societies.

If we have made the decision not to launch any new investment projects at the moment, this is not because we did not want to launch them, but rather because we cannot ignore the development in construction prices and interest rates. When we decide to invest, we always have to consider the triad of construction costs, affordable rent and subsidies. At the moment, it is virtually impossible to implement new construction and modernization projects at reasonable conditions. Construction costs are rising dramatically, due in particular to financing costs. A large part of the population is unable to pay rising rents. Subsidy programs have been drastically cut back. In this environment, forging ahead with our large-scale investment programs would be the wrong approach.



from left: **Arnd Fittkau** Member of the Management Board (CRO); **Helene von Roeder** Member of the Management Board (CTO); **Rolf Buch** Chairman of the Management Board (CEO); **Daniel Riedl** Member of the Management Board (CDO); **Philip Grosse** Member of the Management Board (CFO)

At this point, it is very important for me to stress that the **adjustments made to our investment strategy are temporary**. We are not abandoning our long-term climate targets. By 2030, we want to achieve CO₂ intensity of less than 25 kg CO₂e/m² and make our portfolio virtually climate-neutral by 2045.

One thing that will benefit us in this regard is the fact that we have been making investments on a huge scale in recent years. This has given us a head start when it comes to refurbishment, with our refurbishment rate three times higher than the national average. This has improved the quality of our housing stock significantly. The fact that we have exceeded our sustainability targets is also testimony to

this. Today, only just under 1.6% of our buildings have an energy efficiency rating of “H”. Incidentally, this actually benefits our tenants considerably through low energy consumption.

The cost of capital has increased threefold within the space of only a few months. An increase at this rate is unprecedented and has raised the question among financial market players of to what extent this is affecting the **value development of our portfolio**. The figures leave no room for doubt: The impact is limited. Our portfolio is worth around € 95 billion. The year-on-year drop of 3% is due primarily to the sale of around 10,600 apartments in Berlin to the federal state’s own housing companies. The sale of the Berlin subportfolio

is part of the “Future and Social Pact for Housing”, an agreement reached with the Berlin State Government in which we are contributing to a socially responsible, sustainable housing industry.

It is important to understand that the German real estate market cannot be compared with the Anglo-Saxon markets. The real estate market in Germany is very stable: There are stringent lending standards and high transaction costs. Loans have long terms and interest rates are fixed accordingly. There are tax advantages to holding a property for longer. These overall conditions create an environment in which owners tend not to sell their properties in the short term. This is confirmed by the current calm activity on the transaction market. If we look at the German residential real estate market, we can see that demand in conurbations is higher than it probably ever has been.

I am much more concerned about the implications that could emerge from this unpredictable environment for day-to-day life within society. Many tenants in our country are reliant on affordable housing. They cannot be expected to live with the constant worry about whether they will still be able to afford their apartment in two years' time. The construction sector is the same: Only a year ago, its order books were bursting at the seams. And here at Vonovia, we had to be very creative in order to be able to realize our projects. The market has, however, been turned on its head within a very short space of time. Because they are smart entrepreneurs, construction companies will be thinking very carefully about whether they want to ramp up their capacities to the same extent the next time there is a surge in demand. And this ultimately brings us back to the same point: We need policymakers to ensure a predictable and reliable environment.

But I now want to turn our attention back to the tasks that Vonovia is responsible for. Let's take a look at **economic development last year**: At the end of the year, we were able to complete the preparatory work for the integration of Deutsche Wohnen and lay the foundation that will allow us to leverage the planned synergy potential. This synergy potential will be more extensive than expected. By 2024, it will amount to a figure of € 105 million as planned, and from 2025 onwards, another € 30 million in synergy potential can be exploited every year. Together with the Deutsche Wohnen management team, we will implement the integration process in 2023 and turn it into a success story.

Our combined **income values** have shown a marked improvement. Our revenue – total segment revenue – rose by 20% and our Adjusted EBITDA Total by as much as 23%. Group FFO, the key figure for the sustained earnings power of our business, increased by 20% to € 2,035.6 million.

Our **vacancy rate** is lower than ever before at 2.0%. We hardly have any vacant apartments – but demand remains high, especially in major cities. To help meet this demand, we once again built a significant number of apartments in 2022: more than 3,700.

Our net tangible assets **NTA** fell slightly as against 2021 to € 45,744.5 million. The NTA per share came to € 57.48. This also reflects the increased number of shares from the scrip dividend.

We expect the demand trend to remain positive, particularly for our market segment, which we understand as being the segment for affordable housing. We will continue to give you the security you need in the future by having our portfolio valued by independent property appraisers twice a year.

The loan-to-value ratio (**LTV**) is more or less on a par with the previous year at 45.1%. By making a commitment not to raise any additional debt capital, to suspend acquisitions and to restructure our investments in a way that makes sense, we have already laid an important foundation for appropriate capital allocation.

So our financing profile is also a reflection of our stability. Against this backdrop, it is only logical that the renowned **rating agencies** have confirmed our high credit rating. Both Moody's and Standard & Poor's have highlighted our diversified financing sources, balanced maturity profile and adequate liquidity.

They know that we do not just manage our business based on financial key figures. Our Sustainability Performance Index (**SPI**) is equally important to us and reached a value of 103% in 2022. This means that we have once again outstripped our targets – particularly when it comes to reducing carbon emissions. Our new decarbonization tool allows us to calculate current and future greenhouse gas emissions for each of our buildings today. This means that we can identify the ideal modernization measures for each individual building, allowing us to set a new standard within our sector.

Satisfaction among our customers is at the highest level seen since we started measuring it via an independent institute, up by 1.3%. This is something that makes me particularly happy and serves as motivation for all of us to keep improving.

Dear Shareholders,

what does the current environment mean in terms of dividends? And what is our outlook for the year that lies ahead?

The consequences of Russia's war of aggression meant that central banks across the globe had to raise interest rates at an unprecedented speed. In a regulated market, our business model, which is stable in the long run, reacts to changes like these with a time delay. This also has an impact on some of our key figures.

In the medium and long term, however, the new environment reinforces the megatrends driving our business: increasingly unmet demand for homes and the focus on climate protection.

The decision on the dividend is your intrinsic right. We have identified two different sets of expectations from the various discussions we have had with you. One group of shareholders would like to see continuity with regard to dividends, while the other is calling for particular cost discipline. Both aspects are equally important to us.

We want to strike the right balance between your requirements and feel that it is appropriate to adjust the distribution ratio for the 2022 fiscal year and retain a bigger share of liquidity. On May 17, 2023, together with the Supervisory Board, we will be proposing a dividend of € 0.85 per share. Shareholders will once again be able to choose between a scrip dividend and a conventional cash dividend this year.

In general, the Management Board and the Supervisory Board are sticking to the company's established distribution policy, which remains unchanged with a distribution ratio of around 70% of our Group FFO after minority interests. Going forward, it will continue to ensure that the income from Recurring Sales and the part of the dividend that will remain in the company provide sufficient funds to finance the investment program.

Our business model is intact. We still expect to see stable development in terms of both earnings and value development. The demand for housing will continue to rise this year, but the market environment will remain challenging. We expect that, while our revenue will increase. EBITDA and FFO are likely to be on a par with, or slightly below, the prior-year level, respectively. As far as the Development segment is concerned, we expect EBITDA to fall considerably due to the lower new construction activity.

We will be spending around € 850 million on modernization and new construction. When it comes to our investments, you will be used to rather different amounts. We genuinely hope that we can return to the sort of figures you are used to in the near future for the sake of everyone involved and society at large. We will need reliable overall conditions to be able to do so.

I would like to thank you, our shareholders, and also our partners, for supporting Vonovia on its journey. Of all the things I have learned during my time at Vonovia, which now spans a period of ten years, there are two things I would like to highlight in particular: the huge challenges facing the housing sector can only be mastered as a joint effort. And in order to be successful, we need to think far beyond short-term cycles.

Let me take this opportunity to come back to a recent event: The authorities conducted investigations on our premises in March 2023. It would seem that some employees of our subsidiaries accepted bribes with a detrimental impact on Vonovia. You can rest assured that we will be clarifying these incidents in full.

Dear employees,

many of you have been supporting our tenants for much longer than ten years. Your awareness of the situation, your decisions and the fact that you all voluntarily go that extra mile enable us, as a company, to be reliable in meeting the diverse expectations of our stakeholders year in, year out. On behalf of my colleagues on the Management Board, I would like to take this opportunity to assure you that your efforts do not go unnoticed. Thank you for your exceptional commitment!

Bochum, March 2023

Sincerely,

Rolf Buch
Chairman of the Management Board



Rolf Buch (CEO)

Report of the Supervisory Board

Dear readers,

2022 was far more than a year of crisis in both global and economic policy terms. Russia's attack on Ukraine in February plunged the population of an up-and-coming European state into war. More than 17 million people abandoned their homes, many of them also heading for Germany. The conflict forced numerous countries to adopt a new stance – with what were sometimes serious implications for economic development in Europe and Germany as well.

Rising prices and a dramatic increase in energy costs sent inflation soaring and also prompted the European Central Bank to take significant countermeasures by raising key rates. This resulted in fundamental changes on the capital market within only a very short space of time.

Despite this challenging environment, Vonovia can once again look back on a successful fiscal year in 2022. Vonovia's business model remains intact. The Management Board has verified which measures the company can take to counteract negative developments.

Interest rate developments, price increases for construction materials and supply chain disruption are currently making it impossible to implement new investment projects in a cost-effective manner. Construction and modernization work that has already started was, and will be, continued.

Here on the Supervisory Board, we provided in-depth advice to the Management Board on these issues and support the approach it has taken. The aim is to steer this adjusted investment policy back to the previous course as soon as possible. Vonovia remains committed to doing its best to support the achievement of climate targets by implementing energy-efficient refurbishment measures in its portfolio, and to take further pressure of the housing market in urban areas by building new homes.

Over the past year, the Management Board and Vonovia's employees again took responsibility in a difficult environment and advocated resolutely for the interests of the company's stakeholders – first and foremost for the concerns and well-being of our tenants. At the same time, they forged ahead successfully with the internal integration of the two real estate companies, Vonovia and Deutsche Wohnen.

In the 2022 fiscal year, the Supervisory Board continuously monitored the Management Board's management activities and provided the Management Board with regular advice concerning the running of the company. We were able at all times to establish that their actions were lawful, expedient and regular. The Management Board notified us regularly, promptly and comprehensively, both in writing and verbally, of all circumstances and measures that were relevant to the company. The Management Board fulfilled its information obligations to an appropriate extent at all times.

At our plenary meetings and in our committees, we always had ample opportunity to critically appraise the reports and proposals submitted by the Management Board and to contribute our own suggestions. We discussed and tested the plausibility of all business occurrences of significance to the company, as communicated to us by the Management Board in written and verbal reports, in detail. Where required by law or the Articles of Association, we granted our consent to individual business transactions.

Meetings of Supervisory Board and Committees in the 2022 Fiscal Year

Member	Supervisory Board	Audit Committee	Executive and Nomination Committee	Finance Committee	Participation rate in %
Jürgen Fitschen	7/7	-	10/10	5/6	96
Burkhard Ulrich Drescher	1/2	1/1	-	-	67
Vitus Eckert	7/7	4/4	-	-	100
Prof. Dr. Edgar Ernst	7/7	4/4	-	-	100
Jürgen Fenk	4/5	2/3	-	-	75
Dr. Florian Funck	7/7	3/4	-	-	91
Dr. Ute Geipel-Faber	7/7	-	-	6/6	100
Matthias Hünlein	5/5	-	6/6	-	100
Daniel F. Just	7/7	-	-	6/6	100
Hildegard Müller	7/7	-	10/10	-	100
Prof. Dr. Klaus Rauscher	2/2	-	4/4	-	100
Dr. Ariane Reinhart	6/7	-	9/10	-	88
Clara-Christina Streit	7/7	-	10/10	6/6	100
Christian Ulbrich	4/7	-	-	5/6	69

Cooperation Between the Management Board and the Supervisory Board

In the last fiscal year, our Supervisory Board consisted of twelve members. We were on hand to support the Management Board in the various meetings held and also in its key decisions. We also kept a close eye on the company's business development outside of meetings. The Management Board regularly informed us about key events and the company's strategic direction as part of a collaboration based on trust.

As Chairman of the Supervisory Board, I maintained regular and close dialogue with the Chairman of the Management Board in particular, but also with the other Management Board members, even outside of the Supervisory Board meetings. The employee representative bodies were involved in communications on key company matters via the Management Board. The Chairman of the Management Board informed me on company-related topics emerging from the Management Board's discussions with representatives of the Group works council, going into an appropriate level of detail. Other members of the Supervisory Board were notified of any important findings promptly, or at the latest by the next board meeting. In the fiscal year, conflicts of interest involving Management Board or Supervisory Board members, which are to be reported immediately to the Supervisory Board, were reported once at the meeting of the Supervisory Board held on December 8, 2022. The Supervisory Board member did not participate in this meeting of the Supervisory Board, but granted a voting proxy for the topics not affected by the conflict of interest.

Main Remit

In line with the duties assigned to the Supervisory Board by law, the Articles of Association and the rules of procedure, we once again closely scrutinized the Group's operational, economic and strategic progress in the 2022 fiscal year. The main issues covered included the development of overall conditions on the markets, changes in the capital market environment and their impact on portfolio and new investments. We also discussed the topics of digitalization and portfolio strategy with the Management Board in detail.

Once again, the topic of governance was a key issue for the Supervisory Board. At a further training event, we addressed the Corporate Sustainability Reporting Directive (CSRD) as the new framework for sustainability reporting within the EU. The regulatory requirements also require us to analyze our business activities and the corresponding implementation. We will be providing close support in this matter. We will continue to focus on governance topics in further training events in the current fiscal year.

We also took an in-depth look at the future structure of the Supervisory Board and the Management Board. As far as the Management Board is concerned, we discussed the management structure, including possible succession arrangements. In 2023, the Supervisory Board will be (re)appointing candidates for numerous Supervisory Board mandates. This was intensively discussed and prepared in detail by the Executive and Nominating Committee as part of strategic succession planning. To implement the "Staggered Board", we have set up a nomination process with the involvement

of an independent HR consulting firm to ensure that succession planning takes account of the Board's skills profile. Onboarding measures already in place ensure that new Board members are introduced to the company quickly and effectively.

The Supervisory Board and the committees again worked together efficiently in the past year. An efficiency review is planned for the end of the year, taking into account this year's restructuring of the Board with the assistance of an experienced moderator.

The Chairman of the Supervisory Board maintains dialogue with the relevant investors on governance issues as part of a regular governance roadshow, which was last held at the end of February 2023.

Meetings

In the 2022 fiscal year, the easing of the COVID-19 pandemic meant that meetings could once again be held as face-to-face events or in hybrid format. The Supervisory Board met a total of seven times to consult and pass resolutions – once in a face-to-face meeting (September) and four times by means of video conference (twice in March, and in October and December). Two meetings were held as hybrid events (July and December). The Supervisory Board made decisions using the written procedure in three cases (twice in January and in May).

Any individual members absent from the seven meetings had always been excused and, especially in the case of the extraordinary committee meetings, were absent for work-related reasons. The absent members reviewed the meeting documents in detail and participated in the decisions met by issuing voting instructions to the Chairman of the Supervisory Board.

The attendance rate for Supervisory Board and committee meetings averaged 92%. No member of the Supervisory Board took part in less than half of the meetings during their term of office. The same applies to participation in committee meetings. In preparation for the meetings, the Management Board submitted timely, comprehensive and valid written reports and resolution proposals to us.

Information on the Individual Meetings and Their Content as well as Written Resolutions

At the beginning of 2022, the ongoing pandemic meant that it appeared to make sense to hold the Annual General Meeting on April 29, 2022 as a virtual event in order to protect everyone involved. On **January 18, 2022**, the Supervisory Board approved this decision by the Management Board using the written procedure.

On **January 24, 2022**, the Supervisory Board made a decision, using the written procedure, to nominate Jürgen Fenk and Matthias Hünlein for election to the Supervisory Board at the Annual General Meeting on April 29, 2022.

On **March 1, 2022**, the Supervisory Board passed a resolution reappointing Rolf Buch as Chairman of the Management Board for a further five years with effect from March 1, 2023. The extraordinary meeting was held as a video conference.

On **March 17, 2022**, the Supervisory Board met to adopt the balance sheet. It approved the company's annual and consolidated financial statements as of December 31, 2021. The agenda and the resolution proposals for the Annual General Meeting were discussed and adopted. The Supervisory Board approved the proposal for the appropriation of profit to be made to the Annual General Meeting as well as the proposal that the dividend be paid either in cash or in the form of shares. Furthermore, the Supervisory Board approved the Non-financial Declaration. It passed a resolution engaging KPMG to conduct the business audit of the Non-financial Declaration for the 2022 fiscal year, the ESG report as well as the 2022 Sustainability Report. The Supervisory Board approved the proposed resolution to appoint KPMG as auditor for the annual financial statements and consolidated financial statements for the 2022 fiscal year, as well as to appoint PricewaterhouseCoopers as auditor of the interim financial report for the first quarter of the 2023 fiscal year. The Supervisory Board approved the remuneration report for the 2021 fiscal year prepared by the Management Board and the Supervisory Board, and decided to publish it on the company's website with the audit report issued by KPMG.

The Supervisory Board approved the fundamental resolution of the Management Board on the partial use of authorized capital 2021 in connection with the scrip dividend and transferred to the Finance Committee the powers required to take further steps. The update of the EMTN prospectus, involving an increase from € 30 billion to € 40 billion, and the issue of euro-denominated bonds with ESG elements (Green, Social or Sustainable) as part of the EMTN program in the amount of € 2.0 was also approved by Supervisory Board.

The consultations also focused on the report submitted by the Management Board on the process involved in integrating Deutsche Wohnen, and the reports by the Management Board members on the course of business in individual segments.

Under the "HR-related matters" agenda item, the Supervisory Board discussed remuneration issues relating to the Management Board (including target agreements, short-term and long-term incentive plans, the target achievement level under the 2021 short-term incentive plan, payment of

the 2018 long-term incentive plan tranche) and passed corresponding resolutions. The Supervisory Board also addressed HR matters relating to the Management Board.

After the Annual General Meeting held on April 29, 2022, the Supervisory Board appointed the newly elected Supervisory Board members Jürgen Fenk, as member of the Audit Committee, and Matthias Hünlein, as member of the Executive and Nomination Committee, on **May 3, 2022** using the written procedure.

At the hybrid meeting held on **July 13, 2022** the Management Board provided the members of the Supervisory Board with information on current developments on the capital market and the resulting effects on the cost of capital for the company, among other things. The Supervisory Board also addressed the issue of succession planning for the Supervisory Board. The Supervisory Board's current skills profile was also discussed in this context.

The Management and Supervisory Boards were able to consult on the further corporate strategy at a face-to-face meeting on **September 8, 2022**. We discussed the decision made by the Management Board to suspend acquisitions and new investment projects in new construction and modernization for the time being given the new financing conditions and the associated industry-specific effects. Our Supervisory Board supported the Management Board in its decision to continue with the business model and the associated investment strategy as soon as the overall conditions allow again. We also supported the Management Board's plans to attract equity partners for subportfolios, also via joint ventures. The Supervisory Board approved the Management Board's decision to hold the Annual General Meeting as a virtual event again in 2023. This was prompted by the positive experience from recent years. We also addressed the issue of succession planning in the Supervisory Board.

At the extraordinary Supervisory Board meeting held as a video conference on **October 1, 2022**, we approved the issue of bonds with maturities of up to five years based on the recommendation put forward by the Finance Committee. The proceeds are to be used to repay financing that will reach final maturity in 2024.

At a hybrid meeting held on **December 8, 2022**, we took a detailed look at the budget for 2023. We discussed the plans presented by the Management Board in response to the special overall conditions in depth. We support the Management Board in the measures presented and approved the budget for the 2023 fiscal year. We also discussed the five-year plan, again taking the new overall conditions into account. The Management Board informed us of the operating business performance in the individual segments,

financial performance and capital market performance, as well as the status of the process involved in integrating Deutsche Wohnen into the Vonovia Group.

In our discussions on HR-related matters, we looked at the remuneration paid to the Management Board and found it to be in line with market practice. As a result, we confirmed the appropriateness of the remuneration paid to the Management Board members.

We resumed the discussions on the future orientation and skills profile as well as the staffing of the Supervisory Board that had already been raised at the September meeting, and followed the recommendations made by the Executive and Nomination Committee in our decisions. In connection with the upcoming (re)appointments to the Supervisory Board in 2023, we made a decision on a successor for Jürgen Fitschen due to the latter's departure from the Supervisory Board. The Supervisory Board intends to elect Clara-Christina Streit as Chairperson of the Supervisory Board following the Annual General Meeting – subject to her being reelected.

We also decided to propose to the Annual General Meeting that the Articles of Association be amended so as to reduce the number of members from twelve to ten. In the context of the upcoming (re)appointments to the Supervisory Board, a "Staggered Board" is to be introduced. The staggered terms of the Supervisory Board mandates are to be proposed to the Annual General Meeting along with the nominations of candidates for election as members of the Supervisory Board in 2023.

Amendments to the German Corporate Governance Code (GCGC) meant that the rules of procedure for the Supervisory Board and the Management Board had to be updated. The Supervisory Board approved these updates. We also passed a resolution on the submission of an updated Declaration of Conformity with the GCGC.

At an extraordinary meeting held as a video conference on **December 22, 2022**, we discussed the targets for the variable Management Board remuneration. Based on a recommendation made by the Executive Committee, we adopted the corporate targets for the 2023 fiscal year for the STIP (short-term incentive plan) Management Board remuneration component and also defined the target values for the Management Board members in the 2023-2026 performance period for the purposes of the LTIP (long-term incentive plan). We also decided to agree on an individual performance criterion in the 2023 STIP. We also addressed HR-related matters regarding the Boards.

Duties of the Committees

The Supervisory Board made use of the existing committees (Audit Committee, Finance Committee and Executive and Nomination Committee) to effectively perform its work. The committees prepare subjects which are to be discussed and/or resolved by the Supervisory Board. In addition, the committees passed further resolutions that we had delegated to them instead of passing them on the Supervisory Board as a whole.

In addition to regular dialogue between the Audit Committee and the auditors at the quarterly meeting, there is also regular communication between the Chairman of the Audit Committee and the auditors, particularly before the quarterly meetings of the Audit Committee.

Audit Committee

The Audit Committee had four members in the reporting year. The Chairman was Prof. Dr. Edgar Ernst. The other members were Burkhard Ulrich Drescher (until April 29, 2022), Vitus Eckert, Jürgen Fenk (as of May 3, 2022) and Dr. Florian Funck. In 2022, the Audit Committee met four times (March, May, August and November).

At the hybrid meeting held on **March 17, 2022**, the Committee assessed the annual and consolidated financial statements as of December 31, 2021, as well as the combined management report for the 2021 fiscal year. The Committee's review took account of both the company's reports and the reports prepared by the auditor KPMG. The auditor audited the presentation of the consolidated financial statements in ESEF format (European Single Electronic Format), which has been required since 2021, and confirmed that it is legally compliant. The main points of the audit of the consolidated financial statements were the valuation of investment properties located in Germany, Sweden and Austria and the value of goodwill. The acquisition and the associated inclusion of the Deutsche Wohnen SE Group into Vonovia's consolidated financial statements was another focal point.

KPMG also reported on the audit certificate issued for the Non-financial Declaration (NFD). The Committee recommended that the Supervisory Board approve the Non-financial Declaration. The Audit Committee approved the Management Board's proposal for the appropriation of profit and made a recommendation for a resolution to be passed by the Supervisory Board regarding the approval and adoption of the annual financial statements.

The Committee approved the proposal for the selection of KPMG as auditor for the 2022 fiscal year and for the audit of the condensed consolidated interim financial statements and interim Group management reports for 2022. The Audit Committee also approved the recommendation to appoint PwC as auditor for the interim financial report for the first quarter of 2023.

The Committee also examined the 2022 annual report of Internal Audit. Other topics of discussion included the compliance report and the Internal Audit status report, which confirmed the effectiveness of the internal control system (ICS), among other things.

In a video conference on **May 4, 2022** with some members attending in person, the Audit Committee looked at the condensed consolidated interim financial statements as of March 31, 2022. The Committee acknowledged and approved the auditor's report and the condensed consolidated interim financial statements and interim statement as of March 31, 2022. The Committee discussed the new overall conditions in the construction industry and the effects of higher construction and energy costs with the Management Board. The Committee also addressed the risk management and compliance reports, as well as the Internal Audit status report. The Audit Committee also acknowledged the report on the company's tax situation and the information on the status of the ongoing company tax audits.

In a video conference with some members attending in person held on **August 2, 2022**, the Audit Committee acknowledged and approved the consolidated half-year financial statements, including the interim financial report, as of June 30, 2022. The Audit Committee approved the audit focal points for 2022 presented by KPMG, as well as the audit budget. Other topics of discussion included the Internal Audit and compliance management status reports. The Audit Committee acknowledged the certificate issued by KPMG on the audit of the EMIR (European Market Infrastructure Regulation) system.

On **November 3, 2022**, the Audit Committee discussed the condensed consolidated interim financial statements as of September 30, 2022 at a hybrid meeting, acknowledging and approving them. The discussions covered topics including the reports of the company and the auditor. The Committee looked at the risk report, the compliance report and the report on the major legal disputes. The Committee's members discussed the report prepared by the Internal Audit department on the status of its audits and set the audit plan for the Internal Audit department for the 2023 fiscal year.

Finance Committee

In 2022, the Finance Committee comprised five members. The Chairperson was Clara-Christina Streit. The other members were Jürgen Fitschen, Dr. Ute Geipel-Faber, Daniel Just and Christian Ulbrich. The Finance Committee met five times via video conference and once at a hybrid meeting during the reporting year (March, April, July, September, October and November). The Committee made decisions using the written procedure in one case (in May). The Finance Committee had been previously authorized by the Supervisory Board to make all decisions on matters outside the scope of the topics for which it is generally responsible.

In a video conference held on **March 17, 2022**, the Finance Committee discussed the Management Board's plans to increase the EMTN prospectus volume by € 10 billion (from € 30 billion to € 40 billion), as well as a bond issue (euro-denominated bonds with ESG elements) as part of the EMTN program in the amount of € 2 billion. The Finance Committee decided to make a corresponding recommendation to the Supervisory Board that the measures be implemented. The Finance Committee also discussed the possible granting of a scrip dividend at the Annual General Meeting.

In a video conference on **April 28, 2022**, the Finance Committee approved the fundamental resolution of the Management Board on the partial use of authorized capital 2021 in connection with the 2022 scrip dividend and, using the written procedure on **May 20, 2022**, granted its consent to the Management Board's more detailed resolution on the performance of the non-cash capital increase.

At a face-to-face meeting with some members joining by video held on **July 12, 2022**, the Management Board provided the Finance Committee with information on possible effects and key aspects of a capital allocation strategy given the changes in the overall conditions, especially with regard to the cost of capital.

In a video conference held on **September 5, 2022**, the Management Board provided the Finance Committee with information on strategic considerations regarding the realignment of Vonovia's capital allocation and growth strategy.

At an extraordinary meeting held as a video conference on **October 1, 2022**, the Finance Committee discussed the Management Board's plans to issue bonds in an amount of up to € 2 billion with maturities of up to five years and the repayment of financing. The Committee made a corresponding recommendation to the Supervisory Board.

At an extraordinary meeting held via video conference on **November 25, 2022**, the Management Board provided the Finance Committee with information on the status of the company's financing and capital structure in light of current developments, as well as on the status of the company's sales activities.

Executive and Nomination Committee

In the fiscal year under review, the Executive and Nomination Committee consisted of five members. The Committee was headed up by Jürgen Fitschen as Chairman of the Supervisory Board. The other members were Matthias Hünlein (as of May 3, 2022), Hildegard Müller, Prof. Dr. Klaus Rauscher (until April 29, 2022), Dr. Ariane Reinhart and Clara-Christina Streit. The Executive and Nomination Committee met ten times by video conference in 2022 (twice in January, twice in February, in July, August, October, November and twice in December). The Committee made one decision using the written procedure (February).

At meetings held as video conferences on **January 10 and 26, 2022** and on **February 17 and 25, 2022**, the Executive and Nomination Committee mainly dealt with personnel matters relating to the Management Board and personnel matters relating to Supervisory Board committees. Discussions centered on the further development and focus of the Management Board with regard to the future challenges the company is facing. The Committee addressed the skills profile of the Management Board and the Chairman of the Management Board. In the course of its discussions, the Executive and Nomination Committee made a recommendation to the Supervisory Board that Rolf Buch be reappointed for a further five years. The Committee adopted the relevant resolution using the written procedure on February 25, 2022.

In video conferences held on **July 11, 2022** and **August 24, 2022**, the Executive and Nomination Committee dealt with personnel matters relating to the Management Board and the HR decisions to be addressed at the 2023 Annual General Meeting regarding the (re)appointment of Supervisory Board members and the appointment of a Chairperson for the Supervisory Board. The committee members prepared the upcoming personnel matters relating to the Management Board, as well as the Supervisory Board's discussions on possible adjustments relating to the future number of Supervisory Board members and the introduction of a "Staggered Board". The Committee also addressed governance issues, also regarding diversity within the Boards.

On **October 21, 2022** and **November 17, 2022**, the Executive and Nomination Committee dealt with personnel matters relating to the Management Board and the further development of the Management Board in video conferences. The Committee members also discussed the skills profiles within the Supervisory Board, measures to ensure a continuous

nomination process for Supervisory Board members and corresponding onboarding measures. The Committee adopted recommendations to be made to the Supervisory Board on structural adjustments to the Board (introduction of a "Staggered Board" and reduction in the number of members) as well as on the appointment of the Chairperson of the Supervisory Board after the 2023 Annual General Meeting.

In a video conference held on **December 5, 2022**, the Executive and Nomination Committee reviewed the appropriateness of Management Board remuneration based on market data, and recommended to the Supervisory Board that the appropriateness of the remuneration be confirmed, as it does not exceed the remuneration that is standard in the market. The Committee also recommended that an individual performance criterion be provided for in the STIP 2023 target agreement. The Committee also discussed personnel matters relating to the Management Board and strategic succession planning within the Supervisory Board.

On **December 19, 2022**, the Executive Committee discussed the corporate targets for the variable remuneration to be paid to the Management Board for the 2023-2026 tranche of the long-term incentive plan and the 2023 short-term incentive plan. The Committee approved corresponding recommendations to be made to the Supervisory Board. The Executive Committee also discussed personnel matters relating to the Management Board and the Supervisory Board.

Corporate Governance

The Management Board and Supervisory Board of Vonovia SE are committed to the principles of good corporate governance. As a result, the members of the Supervisory Board once again looked at the German Corporate Governance Code in the reporting year. On December 8 and 9, 2022, the Management Board and the Supervisory Board issued a Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The Management Board also reports, including on behalf of the Supervisory Board, on corporate governance at Vonovia in the declaration on corporate governance. Both declarations will be permanently published by the company on its website for perusal.

Audit

After being appointed at the Annual General Meeting on April 29, 2022 to audit financial statements for the 2022 fiscal year, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, has duly audited the annual financial statements and consolidated financial statements of Vonovia SE as of December 31, 2022, and the combined management report

for the 2022 fiscal year and has expressed an unqualified opinion thereon. The → [Non-financial Group Declaration](#), which is included in a separate section in the combined management report, has been subjected to a separate limited assurance engagement in accordance with ISAE 3000 by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. In accordance with Section 317 (4) of the German Commercial Code (HGB), KPMG also assessed the risk early warning system of Vonovia SE.

The auditor had affirmed its independence to the Chairman of the Audit Committee and duly declared that no circumstances exist that could give grounds for assuming a lack of impartiality on its part. The audit assignment was awarded to KPMG AG Wirtschaftsprüfungsgesellschaft by the Chairman of the Audit Committee in line with the Committee's resolution and the choice of auditor made by the shareholders at the Annual General Meeting.

The annual financial statements were prepared by the Management Board in accordance with the German commercial law and stock corporation law provisions, including the generally accepted accounting practice. The consolidated financial statements were prepared by the Management Board in accordance with the International Financial Reporting Standards (IFRS), as applied in the European Union, as well as the supplementary provisions applicable pursuant to Section 315e (1) HGB.

For the annual financial statements and the consolidated financial statements, Vonovia SE prepared a combined management report based on the requirements set out in Sections 315, 298 (2) HGB.

Every member of the Supervisory Board received copies of the annual financial statements, the consolidated financial statements, the combined management report and the auditor's report in good time. On the basis of the preliminary examination and assessment by the Audit Committee, about which the Audit Committee Chairman reported to the Supervisory Board, the Supervisory Board has scrutinized in detail the annual financial statements, consolidated financial statements and combined management report of Vonovia SE for the 2022 fiscal year and also considered the Management Board's proposal for the appropriation of profit. With regard to the Non-financial Declaration to be published pursuant to the CSR Directive Implementation Act, the Supervisory Board complied with its review obligation.

At both the joint meeting on March 15, 2023 with the Audit Committee and the Supervisory Board meeting on March 16, 2023, the auditors reported on their findings, including the strategic audit objectives and key audit matters. The strategic audit objectives and the key audit matters set out in the auditor's report had been defined by the auditor within the

context of his independent mandate in the second half of 2022, and had already been discussed and agreed upon with the Audit Committee in advance.

In the 2022 fiscal year, with regard to the consolidated financial statements, particularly key audit matters included the valuation of investment properties and the value of goodwill. A particularly important audit matter for the separate financial statements is the measurement of the carrying amounts of investments in view of the increased interest rate environment. In addition, among other key areas, business relations with related parties and the economic impact of the Russian war of aggression on Ukraine on the annual and consolidated financial statements were subjected to an in-depth review.

The auditors gave detailed answers to our questions. After an in-depth review of all documentation, we found no grounds for objection. As a result, we concurred with the auditors' findings.

On March 16, 2023, we followed the Audit Committee's recommendation and approved the annual financial statements and consolidated financial statements of Vonovia SE, as well as the combined management report. The annual financial statements are thus duly adopted.

Remuneration Report

The Management Board and Supervisory Board prepared a report on the remuneration granted and owed to the members of the Management Board and the Supervisory Board in the 2022 fiscal year. The remuneration report was reviewed by the auditor to check that it included the disclosures required by law under Section 162 (1) and (2) AktG. As well as checking the statutory requirements, KPMG also audited the content of the report.

The remuneration report, including KPMG's audit report, was published on the company's website.

Dividend

The Supervisory Board considered the Management Board's proposal for the appropriation of profit. It gave particular consideration to the liquidity of the company/the Group, tax-related aspects and financial and investment planning. Following its audit, the Supervisory Board agrees with the proposal for the appropriation of profit set out by the Management Board, namely the proposal that, from the profit for the 2022 fiscal year, a dividend of € 0.85 per share or € 676,472,497.45 in total on the shares of the share capital as of December 31, 2022, be paid to the shareholders and the remaining amount be carried forward to the new account or be used for other dividends on shares carrying dividend

rights at the time of the Annual General Meeting that go beyond those as of December 31, 2022.

As in the previous fiscal years from 2018 to 2021, the dividend for the 2022 fiscal year, payable after the Annual General Meeting in May 2023, will again include the option of a non-cash dividend in shares, to the extent that the Management Board and the Supervisory Board consider this to be in the interests of the company and its shareholders.

Personnel

Philip Grosse joined the Management Board as Chief Financial Officer (CFO) at the beginning of 2022. Ms. Helene von Roeder assumed the duties of Chief Transformation Officer (CTO) in January 2022. The Supervisory Board members Burkhard Ulrich Drescher and Prof. Dr. Klaus Rauscher will step down from the Supervisory Board after the Annual General Meeting on April 29, 2022. Jürgen Fenk and Matthias Hünlein were appointed members of the Supervisory Board at the Annual General meeting.

Concluding Remarks

We would like to thank the Management Board for what remained successful management of the company in the challenging 2022 fiscal year. We would like to thank the company's employees for their considerable commitment, for being there for the company and for the company's tenants and business partners in the third year of the COVID-19 pandemic. We would like to thank the employee representative bodies for another year of constructive collaboration.

Bochum, March 16, 2023

On behalf of the Supervisory Board



Jürgen Fitschen

Management Board

The Management Board of Vonovia SE consisted of five members as of December 31, 2022.



Rolf Buch, Chairman of the Management Board

As Chief Executive Officer (CEO), Rolf Buch is responsible for sustainability/strategy, transactions, general counsel, investor relations, HR management, auditing and corporate communications.

Rolf Buch joined the company in 2013 and led Vonovia to its listing on the stock exchange. Prior to his move to the company, he spent 22 years in various leadership positions at Bertelsmann, ultimately as a Management Board member at Bertelsmann SE and Chairman of the Management Board at Arvato AG. He is a member of the executive board of the German Association of German Housing and Real Estate Companies (GdW), vice president of the German central real estate committee Zentraler Immobilien Ausschuss (ZIA) and the German Association for Housing, Urban and Spatial Development, and member of the Board of Directors of the European Public Real Estate Association (EPRA) in Brussels. He has also been a moderator for the Initiative for the Ruhr region (Initiativkreis Ruhr) since January 2021. After training as a bank clerk, he studied mechanical engineering and business management at RWTH Aachen University.



Arnd Fittkau, Member of the Management Board

In his role as Chief Rental Officer (CRO), Arnd Fittkau is responsible for the property management business in the North, East, South and West business areas, as well as for customer service and portfolio and tenant management.

Following completion of a management training program at MAN Gutehoffnungshütte AG (1992–1996), Arnd Fittkau started his career in various controlling functions. After holding positions at MAN AG in Munich and Hochtief AG in Essen, he joined the company now known as Vonovia in 2002. He spent three years as Head of Controlling for the GAGFAH Group starting in 2005. Since 2008, Arnd Fittkau has held several managing directorships at Vonovia subsidiaries in various locations such as Bochum, Munich, Frankfurt and Gelsenkirchen. Most recently, he held the position of chief representative of Vonovia SE from the beginning of March 2018 and chaired the regional management teams.



Philip Grosse, Member of the Management Board

Since January 1, 2022, Philip Grosse has been responsible, in his role as Chief Financial Officer (CFO), for accounting, controlling, finance, valuation and portfolio controlling as well as taxes.

After studying business management at the Universities of Würzburg and Swansea, Philip Grosse started his career in investment banking, most recently as Head of Equity Capital Markets for Germany and Austria at Credit Suisse. From 2013 onwards, Philip Grosse held managerial positions in corporate finance and investor relations at Deutsche Wohnen SE, being appointed to the Management Board as CFO in 2016.



Daniel Riedl, Member of the Management Board

In his role as Chief Development Officer (CDO), Daniel Riedl is responsible for the development business in Austria, development in Germany and the operating business in Austria.

Daniel Riedl is a graduate in business administration from Vienna University of Economics and Business and a Fellow of the Royal Institution of Chartered Surveyors. Daniel Riedl has more than 20 years' experience in property management, more than 14 of them at Management Board level. He served on the Executive Board of IMMOFINANZ AG from 2008 to 2014. He led BUWOG AG to a successful stock exchange listing in April 2014 and was the company's CEO until its delisting at the end of 2018.



Helene von Roeder, Member of the Management Board

Since January 1, 2022, Helene von Roeder has been responsible for the new Innovation and Digitalization executive division as Chief Transformation Officer (CTO), including the areas Value-add (incl. insurance), Innovation & Business Building, IT and purchasing as well as condominium administration and the management of properties for third parties.

She is a member of the Government Commission on the German Corporate Governance Code. Before being appointed Chief Financial Officer of Vonovia SE in May 2018, she headed Credit Suisse's business in Germany, Austria and Central and Eastern Europe (CEE) as CEO Germany from 2014. She began her career at Deutsche Bank in London in 1995 after studying theoretical physics in Munich and theoretical astrophysics in Cambridge. She worked for UBS AG in Frankfurt and London from 2000 to 2004, before moving to Morgan Stanley Bank AG in Frankfurt, where her most recent role was Head of Global Capital Markets for Germany and Austria, Member of the Management Board of Morgan Stanley Bank AG.

Supervisory Board

The current Supervisory Board consists of twelve members. The Annual General Meeting of May 9, 2018, elected ten members for a statutory term of office, and the Annual General Meeting of April 29, 2022, elected two members for a three-year term of office.

Jürgen Fitschen

Chairman

Senior Advisor at Deutsche Bank AG

Prof. Dr. Edgar Ernst

Deputy Chairman

Self-employed management consultant

Burkhard Ulrich Drescher (until April 29, 2022)

Managing Director of Innovation City Management GmbH

Vitus Eckert

Attorney, Partner in Wess Kux Kispert & Eckert
Rechtsanwalts GmbH

Jürgen Fenk (since April 29, 2022)

Chief Executive Officer of Primonial REIM, Paris
Self-employed management consultant as of January 31, 2023

Dr. Florian Funck

Chief Financial Officer of
Franz Haniel & Cie. GmbH

Dr. Ute Geipel-Faber

Self-employed management consultant

Matthias Hünlein (since April 29, 2022)

Managing Director of Tishman Speyer Properties
Deutschland GmbH

Daniel Just

Chairman of Bayerische Counterargument

Hildegard Müller

President of the German Association of the Automotive
Industry V.

Prof. Dr. Klaus Rauscher (until April 29, 2022)

Self-employed management consultant

Dr. Ariane Reinhart

Member of the Management Board of Continental AG

Clara-Christina Streit

Member of Supervisory/Administrative Boards

Christian Ulbrich

President and Chief Executive Officer of Jones Lang LaSalle
Incorporated

Supervisory Board Committees

Executive and Nomination Committee

Jürgen Fitschen, Chairman
Matthias Hünlein (since May 3, 2022)
Hildegard Müller
Prof. Dr. Klaus Rauscher (until April 29, 2022)
Dr. Ariane Reinhart
Clara-Christina Streit

Audit Committee

Prof. Dr. Edgar Ernst, Chairman
Burkhard Ulrich Drescher (until April 29, 2022)
Vitus Eckert
Jürgen Fenk (since May 3, 2022)
Dr. Florian Funck

Finance Committee

Clara-Christina Streit, Chairwoman
Jürgen Fitschen
Dr. Ute Geipel-Faber
Daniel Just
Christian Ulbrich

Corporate Governance

In the corporate governance declaration (also known as the Corporate Governance Report), we report on the principles of management and corporate governance for the last fiscal year in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC, in the current version published on April 28, 2022).

The declaration contains the Declaration of Conformity, information on corporate governance practices, a description of how the Management Board and Supervisory Board work and key corporate governance structures. The declaration is also available to the public on our [website](#). Pursuant to Section 317 (2) (6) HGB, the disclosures pursuant to Sections 289f and 315d HGB are not included in the audit performed by the auditor of the annual financial statements.

Fundamental Information

Fundamental Understanding

In order for a company to be successful, its business model has to be accepted by all relevant stakeholder groups, from its customers through to civil society and the public, investors or business partners. Managing with integrity, the sustainability of business models and the extent to which a company is perceived as living up to its social responsibilities are playing an increasingly important role. This applies no less to the real estate sector.

Any misconduct by a company's management also tends to result in the corporate governance regulations being tightened up, as was the case with the Financial Market Integrity Strengthening Act (FISG). The government's stated aim is to use the FISG to ensure that confidence in the German financial market is strengthened.

This objective is to be achieved, among other things, by the statutory obligation to establish an appropriate and effective internal control system (ICS) as well as a corresponding risk management system (RMS) for listed stock corporations and by mandating the establishment of an audit committee for public interest entities. The aim is also to strengthen the impartiality of the auditor, to tighten up the rules governing the auditor's liability and to considerably expand the auditing powers granted to the Federal Financial Supervisory Authority (BaFin).

This is why, here at Vonovia, we see corporate governance as the responsible management and supervision of a company. The Management Board and the Supervisory Board have made a comprehensive commitment to the principles of corporate governance as set out in the German Corporate Governance Code and in the Code of Conduct of the Institute for Corporate Governance in the German Real Estate Industry.

Standards of Corporate Governance

These principles are the basis for the sustainable success of the company and therefore serve as guidelines for conduct in the company's daily management and business. Good corporate governance strengthens the trust of our shareholders, business associates, customers, employees and the general public in Vonovia SE. It increases the company's transparency and strengthens the credibility of our group of undertakings.

With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Vonovia SE's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value. Corporate governance, acting in accordance with the principles of responsible management aimed at increasing the value of the business on a sustainable basis, is an essential requirement for the Vonovia Group, embracing all areas of the business.

As a major real estate company, we are aware of the particular significance of our entrepreneurial actions for society at large. As a result, we are committed not only to the general principles of corporate governance but also to all the main aims and principles of the Institute for Corporate Governance in the German Real Estate Industry, which we have been a member of since November 14, 2003. The institute supplements the corporate governance principles to include housing-specific aspects and is committed to even greater transparency, an improved image and a more competitive real estate sector.

Our corporate culture is founded on transparent reporting and corporate communications, on corporate governance aimed at the interests of all stakeholders, on fair and open dealings between the Management Board, the Supervisory Board and employees as well as on compliance with the law.

The Code of Conduct provides the ethical and legal framework within which we act and want to ensure our commercial success. The focus is on dealing fairly with each other but also in particular on dealing fairly with our customers, business partners and investors. The Code of Conduct specifies how we assume our ethical and legal responsibility as a company and is the expression of our company values.

Information on the Company's Governing Constitution

The designation Vonovia comprises Vonovia SE and its Group companies. Vonovia is a European company (SE) in accordance with the German Stock Corporation Act (AktG), the SE Act and the SE Regulation. Its registered headquarters are in Bochum. It has three governing bodies: the Annual General Meeting, the Supervisory Board and the Management Board. The duties and authority of those bodies derive from the SE Regulation (SE-VO), the German Stock Corporation Act (AktG) and the Articles of Association. Shareholders, as the owners of the company, exercise their rights at the Annual General Meeting.

According to the two-tier governance system, Vonovia SE has a Management Board and a Supervisory Board. In the two-tier governance system, the management of business and the monitoring of business are strictly separated from each other, meaning that individuals cannot be members of both bodies at the same time. The duties and responsibilities of the bodies are clearly specified by law in the German Stock Corporation Act. In accordance with the governing laws, in particular the SE Regulation and the German SE Employee Participation Act (SEBG), the Supervisory Board is only made up of representatives of the shareholders. The highest representative body of the employees is the Group works council. An SE works council was also set up at the level of Vonovia SE.

The Management Board and Supervisory Board of a company listed in Germany are obliged by law (Section 161 of the German Stock Corporation Act) to report once a year on whether the officially published and relevant recommendations issued by the government commission German Corporate Governance Code, as valid at the date of the declaration, have been, and are being, complied with. Companies affected are also required to state which of the recommendations of the Code have not been, or will not be, applied and, if not, why. The most recent Declaration of Conformity is valid for at least the next five years and the Declarations of Conformity that are no longer valid can be found on the company's website. If the auditor finds the Declaration of Conformity to be incorrect, the Supervisory Board is informed and this is also noted in the audit report.

The Management Board reports in its declaration, also on behalf of the Supervisory Board, on important aspects of corporate governance pursuant to Section 289f of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC) 2022.

Declaration of Conformity to the GCGC Pursuant to Section 161 of the German Stock Corporation Act (AktG)

On December 9, 2022, the Management Board and the Supervisory Board of Vonovia SE declared that, since the last Declaration of Compliance was issued on 1 December 2021, with the exception of G.13 sentence 1 and sentence 2, the company has complied with all the recommendations of the Government Commission on the German Corporate Governance Code as amended on 20 March 2020, published by the German Federal Ministry of Justice in the official section of the Federal Gazette, and will comply in future with all the recommendations of the Government Commission on the German Corporate Governance Code as amended on 27 June 2022 (the "Code"), with the exception of G.13 sentence 2.

According to G.13 sentence 1 of the Code, any payments made to a Management Board member due to early termination of their Management Board activity shall not exceed twice the annual remuneration (severance cap) and shall not constitute remuneration for more than the remaining term of the employment contract. All Management Board employment contracts comply with the recommendation in G.13 sentence 1 of the Code. However, when extending existing contracts and concluding future contracts, the Supervisory Board reserved the right to conclude contracts providing for a severance pay of up to 150% of the severance cap upon a change of control (as it had been recommended in Section 4.2.3 para. 5 of the 2017 Code), so that it can consider any grandfathering rights as well as any specific circumstances

of individual cases. When concluding future Management Board employment contracts or extending existing ones, the Supervisory Board intends to limit severance payments upon a change of control to two annual remunerations.

G.13 sentence 2 of the Code specifies that, if post-contractual non-compete clauses apply, the severance payments shall be taken into account in the calculation of any compensation payments. Even before the 2020 Code came into force, post-contractual non-compete clauses were partly agreed in a way that does not provide for such an offset regulation. When extending existing contracts and concluding future contracts, the Supervisory Board continues to decide on a case-by-case basis whether to offset severance payments against compensation payments; this may be required in the interest of flexibility and/or due to grandfathering rights. We therefore declare that Vonovia SE will not comply with the recommendation in G.13 sentence 2 of the 2022 Code.

Shareholders and Annual General Meeting

Shareholder Information: Shareholders can obtain full and timely information about our company on our website and can access current as well as historical company data. Among other information on its website, Vonovia regularly posts all financial reports, important information on the company's governing bodies (including current resumes), its corporate governance documentation (declaration of conformity and governance-related guidelines and voluntary commitments), information requiring ad hoc disclosure and press releases.

Directors' Dealings: Information on directors' dealings/managers' transactions notifiable pursuant to Article 19 of the Market Abuse Regulation is published by Vonovia without delay in accordance with the Regulation and is made available on the company's website, with information also being provided on the shares held by each member of the company's executive bodies.

Financial Calendar: Shareholders and interested members of the financial community can use the regularly updated financial calendar on the website to obtain information on publication, conference and information dates, roadshows and the timing of the Annual General Meeting early on.

Annual General Meeting and Voting: The Annual General Meeting decides in particular on the appropriation of profit, the ratification of the acts of the members of the Management Board and of the Supervisory Board, the appointment of the external auditor, amendments to the Articles of Association as well as specific capital measures and individually elects the shareholders' representatives to the Supervisory Board.

Our shareholders can exercise their voting rights at the meeting or instruct a proxy of their choice or one of the proxies provided for that purpose by the company. Our shareholders are also able to submit a postal vote. The details regarding the postal voting procedure are in the respective shareholder's invitation to the Annual General Meeting.

The entire documentation for the Annual General Meeting and opportunities to authorize, and issue instructions to, the company's proxies as well as to submit a postal vote are available to shareholders at all times on the Vonovia website.

Due to the coronavirus pandemic, the 2022 Annual General Meeting was held as a virtual event, as was the case in 2021. Vonovia believes that this concept has proven to be very successful. In the spirit of digitalization and sustainability, the legislator also considers this Annual General Meeting format to have future potential, as is evidenced by the amendment to the German Stock Corporation Act.

Remuneration Paid to Executive Bodies: In line with the German Stock Corporation Act and the GCGC, the Supervisory Board presented the remuneration system it had adopted for the Management Board members to the 2021 Annual General Meeting for approval, which was granted with 87.75% of the votes cast.

The Management Board also presented the remuneration report required under the Act Implementing the Second Shareholders' Rights Directive (ARUG II) at the 2022 Annual General Meeting for the first time. The remuneration report for the 2021 fiscal year, which was audited by the auditor, was approved by 84.4% of the votes cast before being published on Vonovia SE's website.

The remuneration system of the Supervisory Board of Vonovia SE is governed by the Articles of Association. It was confirmed by a 99.34% majority by the 2021 Annual General Meeting in accordance with ARUG II. The Annual General Meeting held in the reporting year approved an amendment to the Articles of Association to adjust the remuneration, which had remained unchanged since 2013.

The Supervisory Board

Duties and Responsibilities

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the company. The Supervisory Board performs its work in accordance with the legal provisions, the Articles of Association, its rules of procedure and its resolutions. It consists of twelve members, ten of whom were elected for four fiscal years by the 2018 Annual General

Meeting and two of whom were elected for three years by the 2022 Annual General Meeting.

The Supervisory Board examines and adopts the annual financial statements and the combined management report, which also includes the Non-financial Group Declaration. It assesses and confirms the proposal for the appropriation of profit as well as the consolidated financial statements and the combined management report on the basis of the report prepared by the Audit Committee. The Supervisory Board reports in writing to the shareholders at the Annual General Meeting on the result of its examination.

The Chairman of the Supervisory Board is an independent member. The same applies to the chairs of the committees which the Supervisory Board has set up.

The Chairman of the Supervisory Board chairs the meetings and coordinates communications. The members of the Supervisory Board generally have the same rights and obligations. Supervisory Board resolutions are above all passed in the Supervisory Board meetings but also, if necessary, using the written procedure or by other communication means. At least two meetings are held every six months. In addition, if necessary and on the basis of the rules of procedure of the Supervisory Board, a meeting of the Supervisory Board or its committees can be convened at any time at the request of a member or the Management Board.

The Supervisory Board is composed in such a way that its members as a group have the knowledge, ability and specialist experience, also in those sustainability matters that are significant to the company, required to properly complete its tasks. All of them are familiar with the real estate sector as the segment in which the company operates. At least one member of the Supervisory Board has expertise in the field of accounting and another member has expertise in the field of auditing.

Each Supervisory Board member shall ensure that they have enough time to carry out their mandate.

At the time at which this declaration was prepared, no Supervisory Board members exercised directorships or advisory tasks for important competitors of the company (see → [Avoidance of Conflicts of Interest](#)).

Since 2020, a standard process for related party transactions has been firmly established within the company. This includes reporting on a regular basis to the Annual General Meeting as part of the Supervisory Board report. The Supervisory Board receives information twice a year in the compliance report on the recording of related party transactions in accordance with the German Stock Corporation Act. Members of the Supervisory Board, for their part, immediately report any transactions that they or parties related to them

conclude with the company. The relevant data is also collected at the end of the fiscal year. The Supervisory Board reserves the right to make a decision itself on any transaction requiring approval or to delegate the decision to one of its committees in line with the statutory requirements. No such transactions were recorded in the reporting period.

Supervisory Board Self-Assessment

The Supervisory Board performs regular efficiency reviews that are performed, in alternation, as self-evaluations using a written survey conducted among the members and with the involvement of an independent and experienced moderator in the form of personal interviews. The most recent regular evaluation, supported by a moderator and conducted in the fourth quarter of 2019, revealed that the Supervisory Board performs its work efficiently (see → [Report of the Supervisory Board](#)).

Supervisory Board Committees

The Supervisory Board sets up an Executive and Nomination Committee, an Audit Committee and a Finance Committee from among its members. Further committees are formed as required. Committees are made up of at least four members of the Supervisory Board (see → [Report of the Supervisory Board](#)). The committees prepare subjects which are to be discussed and/or resolved by the Supervisory Board. In addition, they pass resolutions on behalf of the entire Supervisory Board. The basis for committee work was the transfer of tasks and responsibilities within the scope of the legal provisions.

The **Executive and Nomination Committee** is made up of the Chairman of the Supervisory Board and at least three other members to be elected by the Supervisory Board. The Chairman of the Supervisory Board is the Chairman of the Executive and Nomination Committee. The tasks of this committee are, in particular, to prepare the appointment of Management Board members and propose candidates for election as Supervisory Board members, to advise on the remuneration system, to assign responsibilities and to decide in cases of legal and loan transactions with members of the Management Board and conflicts of interest.

The Supervisory Board appoints one of the members of the **Audit Committee as the Chairman of the Audit Committee**. When electing the committee members, the Supervisory Board shall ensure that the Chairman of the Audit Committee has specialist knowledge and experience in the application of accounting principles and internal control and risk management systems and/or in audits. The Committee Chairman should be independent and not be a former member of the company's Management Board whose appointment ended less than two years before their appointment as Chairman of the Audit Committee. The Supervisory Board Chairman should not be the Chairman of the Audit

Committee. As a result of the FISG provisions, one committee member must have experience in accounting and the other in auditing. With Prof. Dr. Edgar Ernst as the long-standing President of the German Financial Reporting Enforcement Panel and Dr. Florian Funck as the Chief Financial Officer of Haniel & Cie GmbH responsible, among other things, for accounting, the Audit Committee is composed of experts in the areas of auditing and accounting (see table → [Supervisory Board Qualifications Profile](#)). The Audit Committee handles, in particular, the monitoring of the accounting process, the effectiveness of the internal control system, risk management system and internal audit system, the audit of the annual financial statements and – unless another committee is entrusted therewith – compliance. Accounting and auditing also include the sustainability report and the auditing of this report. Each member of the Audit Committee can obtain information directly from the heads of those central departments that are relevant to the Audit Committee via the Committee's Chairman.

The Audit Committee prepares the resolutions of the Supervisory Board on the annual financial statements (and, if applicable, the consolidated financial statements), and, in place of the Supervisory Board, reaches the agreements with the auditor (in particular the issuing of the audit mandate to the auditor, the determination of strategic audit objectives and the fee agreement). The Audit Committee takes suitable action to assess and monitor the independence of the auditor and the audit quality and is responsible for discussing the assessment of the audit risk, audit strategy, planning and results with the auditor. The Audit Committee also makes decisions on behalf of the Supervisory Board on the approval of contracts with auditors for non-assurance services.

The **Finance Committee** consists of the Supervisory Board Chairman or the latter's Deputy Chairman and at least three other members. The Finance Committee prepares the resolutions of the Supervisory Board on the following matters:

- > Financing and investment principles, including the capital structure of the Group companies and dividend payments.
- > Principles of the acquisition and disposal policies, including the acquisition and disposal of individual shareholdings of strategic importance.

In place of the Supervisory Board, the Finance Committee adopts resolutions in particular on general guidelines and principles for the implementation of this financial strategy, including the handling of currency risks, interest, liquidity and other financial risks, the handling of credit risks and the implementation of external financing principles, and also on important transactions regarding the acquisition and disposal of properties and shares in companies as well as corporate financing.

The Management Board

Duties and Responsibilities

The Management Board members are jointly accountable for independently managing the company in the company's best interests while complying with the applicable laws and regulations, the Articles of Association and the rules of procedure. In doing so, they must take the interests of the shareholders, the employees and other stakeholders into account.

The Management Board is monitored and advised by the Supervisory Board. It has adopted the rules of procedure in consultation with the Supervisory Board. The Management Board has a Chairman who coordinates the work of the Management Board and represents it in dealings with the Supervisory Board.

The Management Board informs the Supervisory Board regularly, in due time and comprehensively in line with the principles of diligent and faithful accounting in accordance with the law and the reporting duties specified by the Supervisory Board.

The Management Board develops the company's strategy, coordinates it with the Supervisory Board and implements it. It ensures that all statutory provisions and the company's internal policies are complied with. The Management Board also ensures appropriate risk management and risk controlling in the company. The Chief Executive Officer is responsible for the social and environmental factors to be taken into account in this process, as well as for the associated risks, opportunities and impacts.

The CEO submits the corporate planning for the coming fiscal year to the Supervisory Board as well as the midterm and strategic planning, which also includes sustainability targets. The Chairman of the Management Board informs the Supervisory Board Chairman without delay of important events that are essential for the assessment of the situation and the development of the company or for the management of the company as well as of any shortcomings that occur in the monitoring systems.

The Management Board requires the approval of the Supervisory Board for certain important transactions. Transactions and measures that require Supervisory Board approval are submitted in good time to the Supervisory Board, or to one of its committees where particular powers are delegated to them. The Management Board members are obliged to disclose any conflicts of interest to the Supervisory Board without delay and to inform the other Management Board members accordingly.

The Management Board members are subject to a comprehensive non-competition obligation. Management Board members may only take up sideline activities, in particular positions on supervisory boards in companies outside the Group, with the approval of the Supervisory Board.

Important transactions between the company, on the one hand, and the Management Board members as well as persons they are close to or companies they have a personal association with, on the other, require the approval of the Supervisory Board. The internal procedure put in place by the Supervisory Board to evaluate these transactions is set out in the section entitled → [The Supervisory Board](#).

Recruitment of Members of Executive Bodies

In accordance with the German Corporate Governance Code, the Supervisory Board and the Management Board must be composed in such a way that these bodies/their members as a group have the knowledge, ability and specialist experience required to properly complete their tasks. The requirements were extended and set out by law with the entry into force of the CSR Directive Implementation Act. The Supervisory Board has adopted the following criteria and objectives for recruiting individuals to the Management and Supervisory Boards, taking the above-mentioned requirements into account:

Recruitment of Members of the Supervisory Board

Composition: As a listed company that is not subject to codetermination, the Supervisory Board of Vonovia SE is to include twelve members, an appropriate number of whom are to be independent within the meaning of the Code. All members should have sufficient time available to perform the duties associated with their mandate with due regularity and care.

When proposing candidates to fill new Supervisory Board positions to the Annual General Meeting, the Supervisory Board should have performed an extensive review to ensure that the candidates standing for election meet the corresponding professional and personal requirements (see table → [Supervisory Board Qualifications Profile](#)) and must disclose the

candidates' personal and business-related relationships with the company, the governing bodies of the company and any shareholders with a material interest in the company. Shareholders are deemed to hold a material interest if they hold more than 10% of the voting shares in the company, either directly or indirectly. The proposals are not based on the candidate's affiliation to any particular party that is interested in the company.

Other general criteria, and criteria defined in the GCGC that applied in the fiscal year under review, governing composition include:

- > No more than two former members of the Management Board shall be members of the Supervisory Board.
- > Supervisory Board members shall not exercise directorships or similar positions or advisory tasks for important competitors of the company.
- > If a (designated) member belongs to the management board of a listed company, this member shall not accept more than a total of two supervisory board mandates in non-Group listed companies or on supervisory bodies of non-Group entities that make similar requirements.
- > The age limit has been set at 75 at the time of election to the Supervisory Board.

Skills profile: The Supervisory Board of Vonovia SE should be composed so as to ensure qualified supervision of, and provision of advice to, the Management Board. The candidates nominated for election to the Supervisory Board should be able, on the basis of their knowledge, skills and professional experience, to perform the duties of a Supervisory Board member of a listed real estate company that is active on the international capital market. In terms of their personality, the candidates nominated for election should show integrity, professionalism and commitment. The aim is to ensure that the Supervisory Board as a whole offers all of the knowledge and experience that the Group considers to be important for ensuring Vonovia's operational and financial further development, also from a sustainability perspective.

Independence: The Supervisory Board shall only include members that it considers to be independent. Material conflicts of interest that are not merely of a temporary nature, e.g., arising from functions on executive bodies or advisory roles performed at the company's major competitors, should be avoided. A Supervisory Board member is, in particular, not to be considered independent if they have personal or business relations with the company, its bodies, a controlling shareholder or a company associated with such a shareholder that may cause a substantial and not merely temporary conflict of interest.

Diversity: When nominating candidates for election, the Supervisory Board should also take diversity into account. In accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in Privatwirtschaft und im öffentlichen Dienst), the Supervisory Board should comprise at least 30% women and 30% men. Vonovia intends for the Nomination Committee to continue to have at least one female member. Vonovia's Supervisory Board should meet both criteria in the current target period leading up to the end of 2026. When assessing potential candidates for reelection or to fill a Supervisory Board position that has become vacant, qualified women are to be included in the selection process and given appropriate consideration when the nominations are made.

Target achievement: The objectives regarding the composition of the Supervisory Board set out above have been met. There are four female members of the Supervisory Board (33%). Hildegard Müller, Clara-Christina Streit and Dr. Ariane Reinhart are members of the Executive and Nomination Committee. All twelve members of the Supervisory Board are considered by the latter to be independent within the meaning of C. 6 and C. 7 of the GCGC. No member of the Supervisory Board was a member of the company's Management Board or has a personal relationship with a significant competitor of the company as defined by C. 12 of the GCGC. The Chairman of the Audit Committee is an expert in the fields of auditing and accounting. The main knowledge, skills and professional experience of the Supervisory Board members are summarized in the table below.

Supervisory Board Qualifications Profile

Name	Independent	Year of birth	Year appointed	Nationality	Key skills & areas of experience*							
					Finance, accounting, financial planning and analysis	Real estate	Strategy	Legal and regulation	International experience, M&A, capital markets	Investment expertise	Digitalization	Sustainability
Jürgen Fitschen (Chairman)	yes	1948	2018	German	x		x	x	x	x		
Prof. Dr. Edgar Ernst	yes	1952	2013	German	x		x	x	x	x		
Vitus Eckert	yes	1969	2018	Austrian		x	x	x	x	x		
Jürgen Fenk	yes	1966	2022			x	x		x	x		x
Dr. Florian Funck	yes	1971	2014	German	x		x	x	x	x		
Dr. Ute Geipel-Faber	yes	1950	2015	German	x	x			x	x		x
Matthias Hünlein	yes	1961	2022			x	x		x	x		x
Daniel Just	yes	1957	2015	German	x	x	x			x		x
Hildegard Müller	yes	1967	2013	German	x		x	x			x	x
Dr. Ariane Reinhart	yes	1969	2016	German			x	x	x		x	x
Clara-Christina Streit	yes	1968	2013	German/U.S.	x		x		x	x	x	
Christian Ulbrich	yes	1966	2014	German		x	x		x	x	x	

* The members of the Supervisory Board can specify up to 5 areas of experience.

Recruitment of Members of the Management Board

Composition: In accordance with the Articles of Association, the Management Board of Vonovia SE consists of at least two members. The Supervisory Board appoints the Management Board members in accordance with the Articles of Association and the law. The Supervisory Board can appoint a Chairman of the Management Board and a Deputy Chairman of the Management Board. The decisions made by the Supervisory Board on the composition of the Management Board should be based on a careful analysis of the existing and future challenges facing the company. The Management Board of Vonovia SE should be composed so as to ensure that, as the management body, it can perform the duties set out above reliably and in full. When taken as a whole, it should combine all of the knowledge and experience required to ensure that the Group can pursue its operational and financial objectives in an effective and sustainable manner in the interests of the shareholders and other stakeholders. While membership of the Management Board is not limited to a certain period of time, the contract of employment of a Management Board member ends when the member turns 67 at the latest.

Skills profile: Newly appointed Management Board members should be able, on the basis of their knowledge, skills and professional experience, to reliably perform the duties assigned to them in a listed real estate company that is active on the international capital market. In addition to having good professional and fundamental general qualifications, they should also show integrity, professionalism and commitment.

Independence: The Management Board should perform its management duties in a manner that is free of any conflicts of interest. Functions on executive bodies or advisory roles performed at major competitors of the company should be avoided.

Diversity: When looking for candidates to fill a Management Board position that has become vacant, the Supervisory Board should include qualified women in the selection process and give them appropriate consideration. Gender should be irrelevant when it comes to filling Management Board positions. The Supervisory Board has adopted a target of at least 20% women on the Management Board for the current period, which is set to run until December 31, 2026. For the two levels of management below the Management Board, the target for the proportion of women is 30%, to be achieved by December 31, 2026.

Target achievement: The objectives regarding the composition of the Management Board set out above have been met in full. The Management Board consists of one female and four male members who are able to manage the Group appropriately on the basis of their experience and skills. At the time at which this declaration was made, the first two levels of management below Vonovia's Management Board comprises 25.1% women. Achieving the target of 30% women by December 31, 2026, for both management levels will continue to require even more systematic succession planning in order to actively support women and open up opportunities for them to assume technical management roles against the backdrop of the planned expansion of technical services at Vonovia.

Succession planning: The Management Board and the Supervisory Board address long-term succession planning for the Management Board on an ongoing basis. Last year, the Supervisory Board once again discussed positions to be filled in the Management Board and long-term workforce planning, taking the ideas explored by the Management Board into account.

Cooperation Between the Management Board and the Supervisory Board

The Management and Supervisory Boards vote on the strategic direction of the company and discuss the current status of implementation of the corporate strategy, which also includes sustainability topics (see → [Strategy](#)) at regular intervals. Furthermore, the Management Board regularly informs the Supervisory Board in written or verbal reports of topics including the development of business and the situation of the company. In this way, the Supervisory Board receives detailed documents from the Management Board regularly and in a timely manner on the economic development and the company's current situation as well as the half-yearly risk management and compliance reports that deal with the most important risks for the business as well as compliance management at Vonovia SE. On the basis of these reports, the Supervisory Board monitors the company's management by the Management Board as well as via its committees where particular powers are delegated to these committees. The Supervisory Board meets on a regular basis without the Management Board if personnel matters relating to the Management Board are to be discussed. For information on the remuneration agreements that reflect this cooperation, please refer to the [Remuneration Report](#).

Avoidance of Conflicts of Interest

In the reporting year, there were no conflicts of interest of Management Board or Supervisory Board members, which are to be reported immediately to the Supervisory Board. There was no need to discuss or make decisions on legal matters, in particular lending transactions with members of executive bodies or individuals related to them.

Accounting and Audits

The Annual General Meeting selected KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the annual financial statements and consolidated financial statements.

We prepare the annual financial statements of Vonovia SE in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) and the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU. In addition, we prepare a combined management report as required by the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The Management Board is responsible for financial accounting. The Supervisory Board examines and adopts or approves the annual financial statements, the consolidated financial statements and the combined management report.

In addition to our annual financial statements, we also prepare interim statements for the first and third quarters as well as an interim financial report for the first half-year in accordance with the German Securities Trading Act.

Both the interim statements and the interim financial report are presented to, and discussed with, the Audit Committee of the Supervisory Board before they are published.

Under German stock corporation and commercial law, there are special requirements for internal risk management that apply to Vonovia. Therefore, our risk management system covers risk inventory, analysis, handling and limitation. In accordance with Section 317 (4) of the German Commercial Code (HGB) applicable to listed companies, KPMG assesses in its audit the risk early warning system as part of the risk management system. Furthermore, we maintain standard documentation of all our internal control mechanisms throughout the Group and continually evaluate their effectiveness.

In the combined management report, we provide comprehensive information on the main features of the internal control and risk management system with regard to the accounting process and the Group accounting process in accordance with our reporting duties pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB).

Pursuant to Section 315b of the German Commercial Code (HGB), the Management Board is obliged to submit a Non-financial Group Declaration, which in turn has to be reviewed by the Supervisory Board. The Supervisory Board has commissioned the auditor to perform the review. The Management Board also prepares a sustainability report with annexes for classification in the context of sustainability ratings.

Overview

- > Positive economic development overall in 2022.
- > Stable rental business with virtually full occupancy of the portfolio.
- > Investment strategy adapted to reflect new overall conditions.
- > A total of 3,749 new apartments created.
- > Customer satisfaction values remain high.
- > Sales portfolio expanded for 2023.

Despite deteriorating overall conditions on the procurement and capital markets, mainly due to the war in Ukraine, Vonovia can look back on a positive 2022 fiscal year and rising business figures overall. The contribution made by Deutsche Wohnen strengthens the company's positive overall development.

Total segment revenue increased by 19.9% to around € 6.3 billion in 2022.

The **Adjusted EBITDA Total** came to € 2,763.1 million, an increase of 22.6% against the prior-year figure.

Group FFO improved by 20.1% from € 1,694.4 million to € 2,035.6 million.

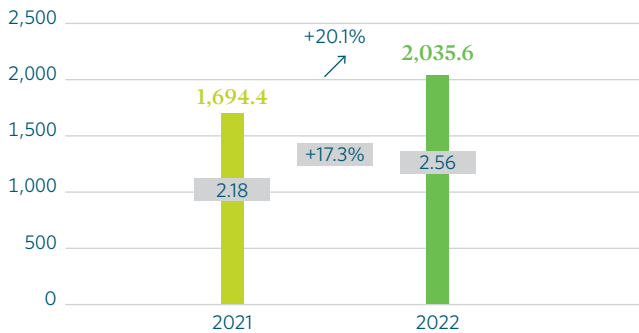
The **EPRA NTA per share** came in at € 57.48, down by 8.2% on the prior-year value of € 62.63.

The **Sustainability Performance Index** (Vonovia excl. Deutsche Wohnen) stood at 103% in the 2022 fiscal year. This was helped along in particular by the reduction of CO₂ intensity, the development of the average primary energy requirements of new construction and (partial) modernization measures to make apartments fully accessible.

Sustained Earnings

Group FFO*

in € millions



■ Group FFO per share (€)

* Based on the new definition 2022 without elimination IFRS 16 effect and results of assets accounted for using the equity method.

Maintenance, Modernization and New Construction

Investments

in € million

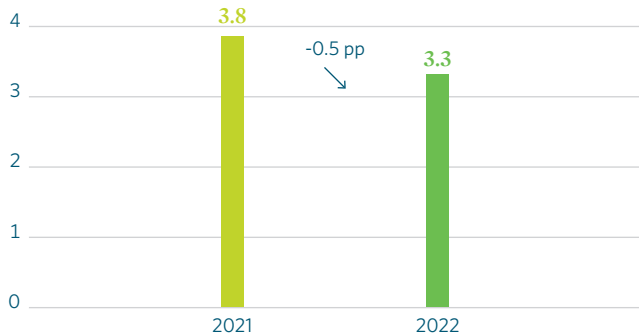


■ Maintenance ■ Modernization ■ New Construction

Organic Rent Growth

Organic Rent Increase

in %



Vacancy

Vacancy Rate

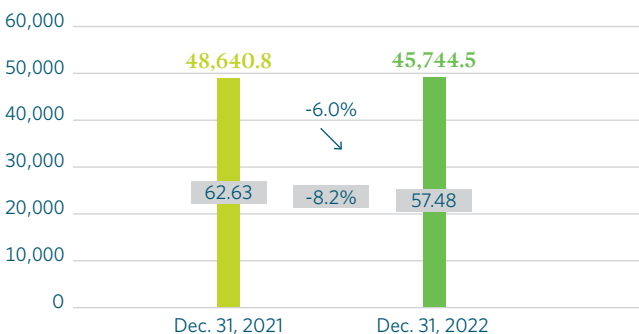
in %



Net Assets

EPRA NTA*

in € million



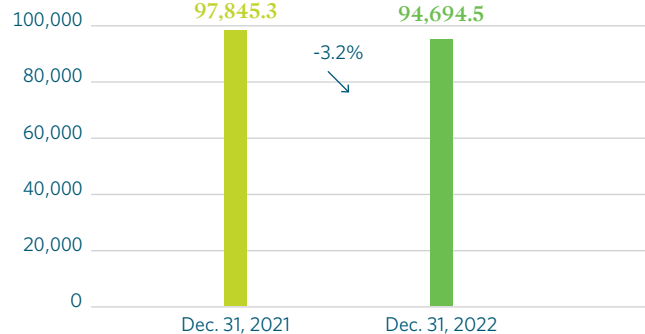
■ EPRA NTA per share (€)

* Based on new definition 2022 excluding real estate transfer tax. 2021 adjusted after closing ppa Deutsche Wohnen.

Fair Value of the Real Estate Portfolio

Fair Value

in € million



Vonovia SE on the Capital Market

- > Despite Vonovia achieving its forecast for 2022 and exhibiting ongoing positive economic development, share price performance is still being hit by the macroeconomic environment – in particular by interest rate development.
- > Very good placement in key ESG ratings such as MSCI, CDP and S&P Global again.

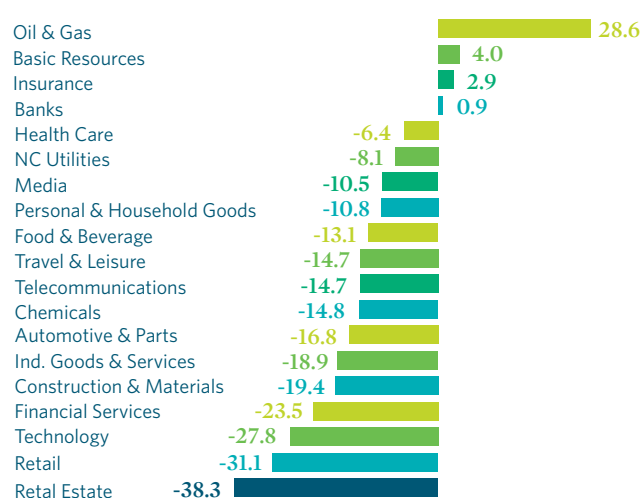
Capital Market Development and Shares in Vonovia

The past year on the capital markets was dominated in particular by high inflation, rising interest rates and concerns about a recession. In this environment, it came as little surprise to see a negative performance in almost all sectors: DAX 40 -12.3%; EURO STOXX 50 -11.5%; EPRA Europe -38.9%.

The real estate sector was hit harder than most, largely due to the capital-intensive nature of the business. Rising bond yields also made real estate shares less attractive in relative terms. In this environment, at least the short-term outlook for shares in German residential real estate was particularly

Sector Development

in %



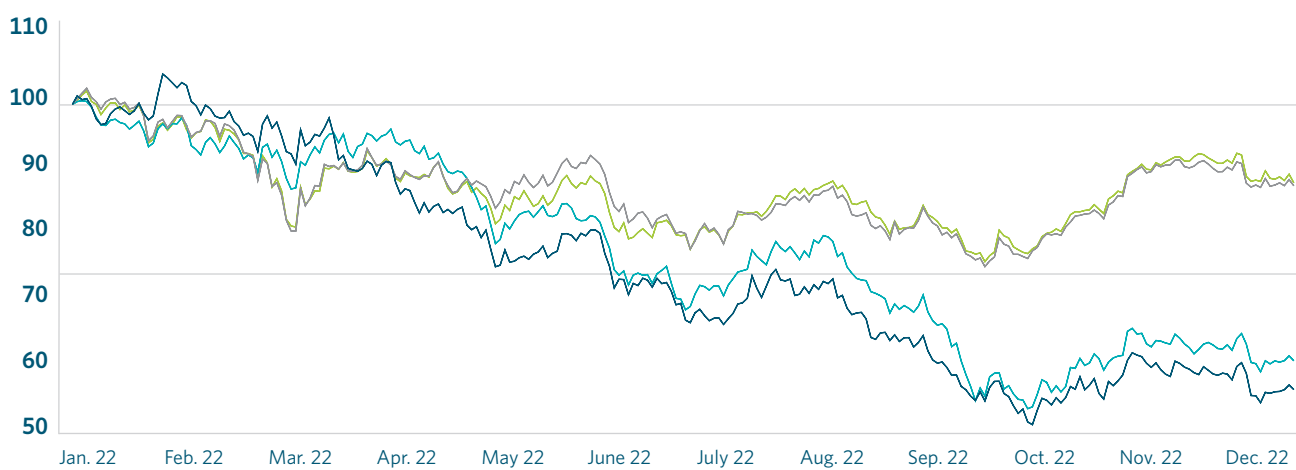
pessimistic, not least against the backdrop of the increase in value seen in recent years, and resulted in underperformance in an environment that was already challenging. Shares in Vonovia lost 54.6% in the course of the year,

Share Price Development

■ Vonovia SE ■ DAX ■ FTSE EPRA Europe ■ EuroStoxx50

Source: FactSet

in %



closing 2022 at € 22.02. This was once again due to the marked negative correlation with government bond yields.

This means that we are still observing an ever-wider gap between what remain pessimistic capital market expectations on the one hand, and the sustained robust development on the residential real estate market on the other. While the capital market appears to be pricing in a large-scale correction for real estate assets, the residential property markets in which we operate remain relatively stable. This is due, in particular, to the favorable relationship, from an owner's point of view, between supply and demand in urban regions, which have conventionally been long-term financing arrangements, tax aspects as well as the structural momentum on the revenue side.

As a result, even though Vonovia's share price declined in 2022, we still believe that our shares can reflect the positive operating development and ultimately the success of our business model as a whole, at least in the medium to long term. Our responses to key long-term megatrends – climate change, urbanization and demographic change – remain the dominant factors driving our business. We are optimistic as we look ahead to the future and are confident that we will remain financially successful.

The average daily trading volume for shares in Vonovia SE, expressed as the number of shares traded on XETRA, came to 2.5 million in 2022. Expressed in euros, shares in Vonovia worth € 84 million were traded every day on average in 2022, on a par with the previous year.

Vonovia's shares reached their highest intraday price for the year on February 2, 2022, at € 51.30 and their lowest price on October 13, 2022, at € 18.58.

Vonovia's market capitalization amounted to around € 17.5 billion as of December 31, 2022.

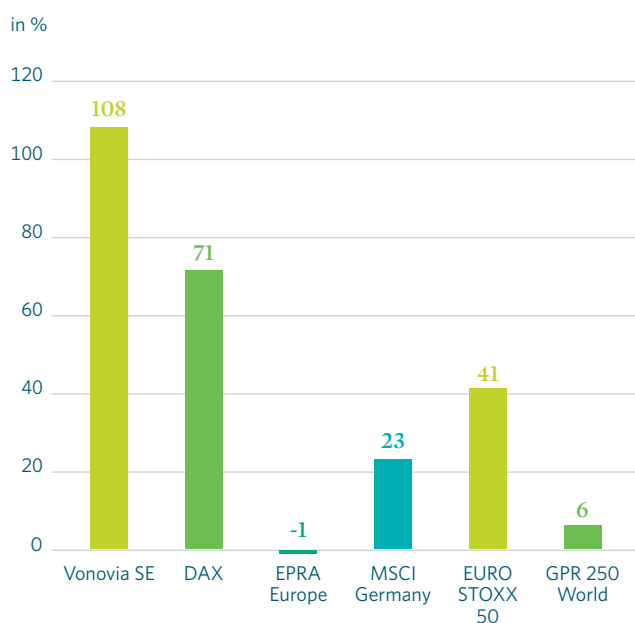
Index Memberships: Vonovia SE member of the EURO STOXX 50, DAX 50 ESG and DJSI Europe

Vonovia has been a member of various sustainability indices since 2020, in particular the DAX 50 ESG and the Dow Jones Sustainability Index (DJSI Europe), which confirms Vonovia's successful ESG activities and the progress made in this area.

Long-term Yield

An investor who bought shares in Vonovia when the company went public in 2013 and has held them ever since, reinvesting each dividend in more shares in Vonovia, will have seen the value of their securities deposit account increase by 108% by December 31, 2022, a result that far outstrips the performance of a corresponding investment in the benchmark indices.

Yield since Vonovia IPO

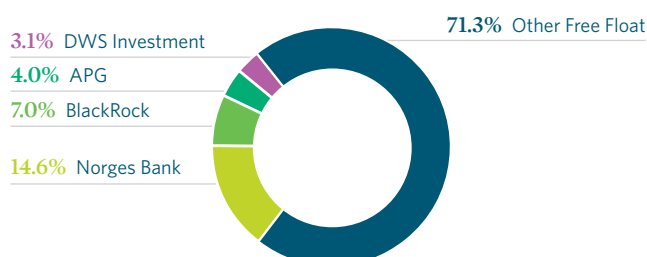


VNA and DAX performance are total shareholder return (share price plus dividends reinvested); MSCI Germany, GPR 250 World, EURO STOXX 50 and EPRA Europe are share price performance only.

Shareholder Structure

The chart shows the company's shareholdings based on the data it collects itself and/or based on the voting rights pursuant to Sections 33 and 34 of the German Securities Trading Act (WpHG) as notified by the shareholders in relation to the current share capital. It is important to note that the number of voting rights reported could have changed within the respective thresholds without triggering an obligation to notify the company.

Major Shareholders (as of December 31, 2022)

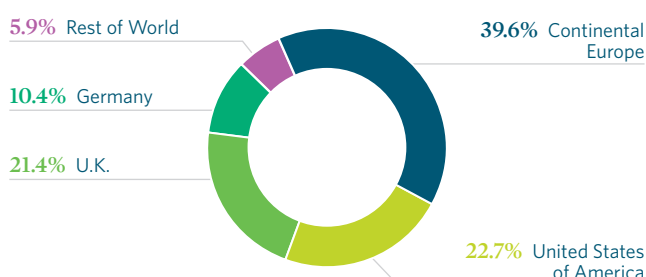


Based on the German stock exchange's definition of free float, only the interest held by Norges Bank (Ministry of Finance on behalf of Norway) does not count toward the free float. This means that 85.4% of Vonovia's shares were in free float on December 31, 2022. The underlying [voting rights notifications](#) and corresponding financial instruments reported by shareholders or other instruments pursuant to Sections 38 and 39 WpHG can be found online.

In line with Vonovia's long-term strategic focus, the majority of its investors also have a long-term focus. The company's investors include pension funds, sovereign wealth funds and international asset managers in particular. We determine/update the shareholder structure once a quarter. By the end of 2022, we had identified approximately 95% of our shareholder base. Institutional investors account for 89% of our shareholders and private investors for around 6%. The breakdown of the company's shareholders by region at the end of 2022 is as follows:

Regional Distribution of Institutional Investors of Vonovia SE

Source: Own survey by NASDAQ



2022 Annual General Meeting

The Annual General Meeting of Vonovia SE was held as a virtual event on April 29, 2022. The shareholders approved all of the resolution proposals put forward by the Supervisory Board and the Management Board as required. They also formally approved the actions of the Supervisory Board (98.03% of the votes) and the Management Board (99.87% of the votes) for the 2021 fiscal year with a large majority.

The Annual General Meeting approved the dividend proposal of € 1.66 made by the Supervisory Board and the Management Board, which corresponds to a dividend yield of 3.4% based on the closing price for 2021 of € 48.50. In a year-on-year comparison, this corresponds to an increase of € 0.08 – taking into account the increased number of shares due to the capital increase. Shareholders were free to choose between a cash dividend and a scrip dividend. 47.85% opted for a dividend in the form of shares.

A total of 72.48% of the company's share capital was represented.

Since 2018, [the investor portal](#) has given our shareholders the option to conveniently attend to all formalities relating to registering for and voting at the Annual General Meeting online.

Investor Relations Activities

In 2022, Vonovia participated in a total of 26 investors' conference days and organized 25 roadshow days. In addition, Vonovia took part in various investor forums and numerous one-on-one meetings with investors and analysts

Successful Development of Vonovia's Shares Over a Period of Several Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual closing price (€)	16.06*	25.08*	26.76*	28.97*	38.80*	37.11*	45.00*	56.02*	48.50	22.02
High (€)*	17.62	25.08	31.15	34.51	39.26	41.88	45.78	58.33	56.64	51.14
Low (€)*	15.65	16.31	22.68	23.43	28.08	33.94	37.39	36.19	45.85	18.97
No. of shares as of Dec. 31 (in million)	251.5*	304.6*	497.2*	497.2*	517.6*	552.8*	578.6*	603.8*	776.6	795.8
Market cap as of Dec. 31 (€ billion)	4.0	7.6	13.3	14.4	20.1	20.5	26.0	33.8	37.7	17.5
Average transaction volume per day (VWAP in € million)*	1.3	12.3	45.2	41.2	47.6	55.8	65.9	85.7	84.2	84.2
Dividend per share (€)	0.62*	0.70*	0.88*	1.05*	1.24*	1.35*	1.47*	1.58*	1.66	0.85**
Dividend yield (%)	3.9	2.8	3.3	3.6	3.2	3.6	3.3	2.8	3.4	3.9

* Values are TERP-adjusted (TERP 2015: 1.051 – capital increase with subscription rights in connection with Südwew acquisition; TERP 2021: 1.067 – capital increase with subscription rights in connection with Deutsche Wohnen acquisition).

** Planned dividend proposed to the 2023 Annual General Meeting.

Source of share prices: FactSet

to keep them informed of current developments and special issues. In 2022, we held several hundreds of talks with analysts and investors. The dominant topics included the business outlook in the changed macroeconomic environment, the capital structure, capital allocation and transaction activity in the residential real estate market.

After a two-year break due to the coronavirus pandemic, Vonovia's seventh Capital Markets Day was held in Bochum on September 27, 2022. We took the event, which focused on the ecological aspect of the megatrend of sustainability, as an opportunity to delve deeper into various topics including, in particular, the "Internet of Things," the decarbonization tool and the Energy Center of the Future with around 50 investors and analysts. We concluded the Capital Markets Day with a property tour in Bochum. The presentations held at the Capital Markets Day can be downloaded online on the [Investor Relations website](#).

We will also continue to communicate openly with the capital market in 2023. Various roadshows, conferences and investor forums have already been planned. Information can be found in the [Financial Calendar](#) on our Investor Relations website.

Positive Analyst Assessments

As of December 31, 2022, 24 analysts were publishing studies on Vonovia on a regular basis. The average target share price at the end of the year was € 37.23 per share, with 71% of analysts issuing a "buy" recommendation, 25% issuing a "hold" recommendation and 4% issuing a "sell" recommendation.

For information on the banks that regularly report on Vonovia and value its shares, please visit our [Investor Relations website](#).

Dividend

As a reaction to Russia's war of aggression, central banks around the world have been increasing interest rates at an unprecedented speed.

The drawback of Vonovia's stable business model in a regulated market is that it can only react slowly to this new environment, and the initial impact on our KPIs is negative.

However, the new environment also accelerates the megatrends around which we have built our business, especially the supply/demand imbalance in urban areas and the need to fight climate change. This will lead to even stronger fundamentals in the medium- and long-term.

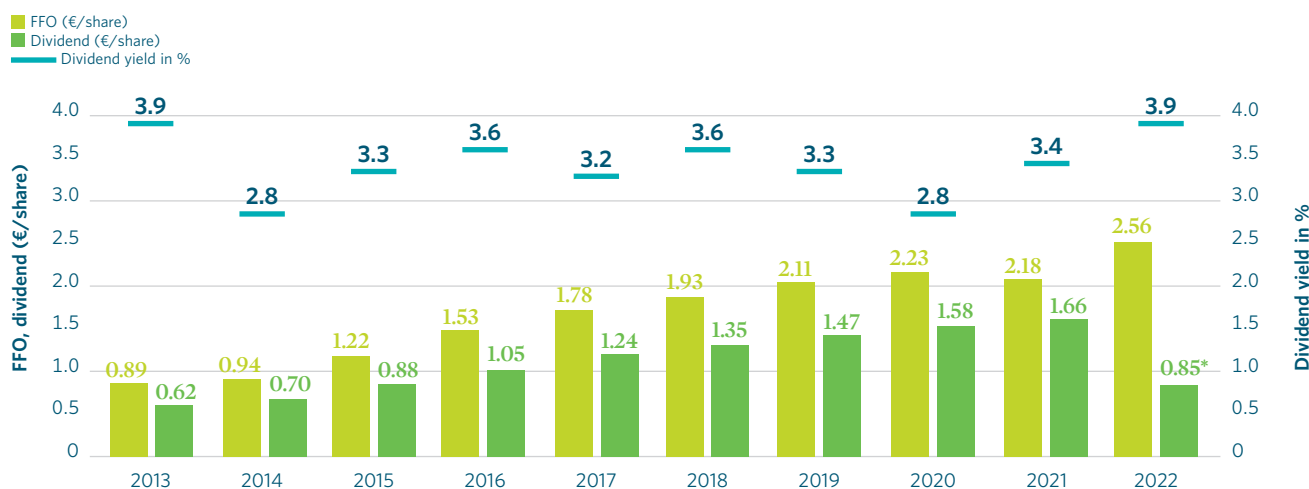
While Vonovia proposes the dividend to the AGM, it is the shareholders' prerogative to vote on the dividend, and there are basically two fundamentally different sets of expectations among shareholders.

As dividend continuity is a key priority for Vonovia, offering an adequate dividend remains an important objective due to the fact that a significant part of our shareholder base counts on dividends as a form of shareholder returns.

However, in the current environment, many shareholders expect capital discipline; it is therefore prudent to adjust the payout ratio of the dividend for the 2022 fiscal year and strike a different balance between cash retention and returns to shareholders.

This decision underlines our responsiveness to what shareholders expect regardless of our firm conviction with respect to the medium- and long-term robustness of our business model.

Attractive Dividend



FFO: 2013–2018: "FFO" corresponds to FFO 1; as of 2019: "FFO" corresponds to Group FFO. The years 2013 and 2014 are TERP-adjusted. TERP 2015: 1.051 – capital increase with subscription rights in connection with Südewo acquisition. The years 2013 and 2020 are TERP-adjusted. TERP 2021: 1.067 – capital increase with subscription rights in connection with Deutsche Wohnen acquisition.

* Planned dividend proposed to the 2023 Annual General Meeting.

The Management and Supervisory Board firmly believe in the robustness of Vonovia's stability and the success of its business model, and we explicitly confirm the general and unchanged dividend policy of paying out approx. 70% of Group FFO after minority interests. This policy makes sure that retained earnings plus the proceeds from Recurring Sales provide sufficient funds to sustain the investment program.

Financing Environment

The capital market in 2022 was very unusual and different; it was a volatile environment. The start of the year had already been characterized by caution and restraint among investors and interest rates that were on a slight upward trajectory, but an upward trajectory all the same. With the start of the war in Ukraine, interest rates rose to unfamiliar levels, while share prices of real estate companies moved in the opposite direction. Disrupted supply chains, the coronavirus pandemic, dramatically higher construction costs, concerns about gas and electricity prices and storage levels had an impact on society as a whole, but especially on real estate companies and their tenants.

Central banks brought their loose monetary policy to an end, primarily in a quest to counter inflation. In July 2022, the European Central Bank ("ECB") initiated a monetary policy turnaround and lifted the key interest rate from 0% to 0.5% for the first time in years. This was followed by three further increases as the year progressed (September, October and December), and by the end of the year, the key interest rate stood at 2.5%. The yield on ten-year German Federal bonds, which had been in negative territory for years, stood at 2.3% at the end of December. The ECB also wants to gradually reduce its bond holdings from March

Share Information (as of December 31, 2022)

First day of trading	Jul. 11, 2013
Subscription price	€ 16.50 € 14.71*
Total number of shares	795,849,997
Share capital	€ 795,849,997
ISIN	DE000A1ML7J1
WKN	A1ML7J
Ticker symbol	VNA
Common code	94567408
Share class	Registered shares with no par value
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market
Indices	DAX 40, EURO STOXX 50, DAX 50 ESG, Dow Jones Sustainability Index Europe, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe and GPR 250 World

* TERP-adjusted.

2023 onward. Funds from maturing securities as part of its Asset Purchasing Program ("APP"), introduced back in 2015 with a volume running into the trillions, will then no longer be reinvested in full. By the end of the second quarter of 2023, holdings are to have been reduced by an average of € 15 billion a month.

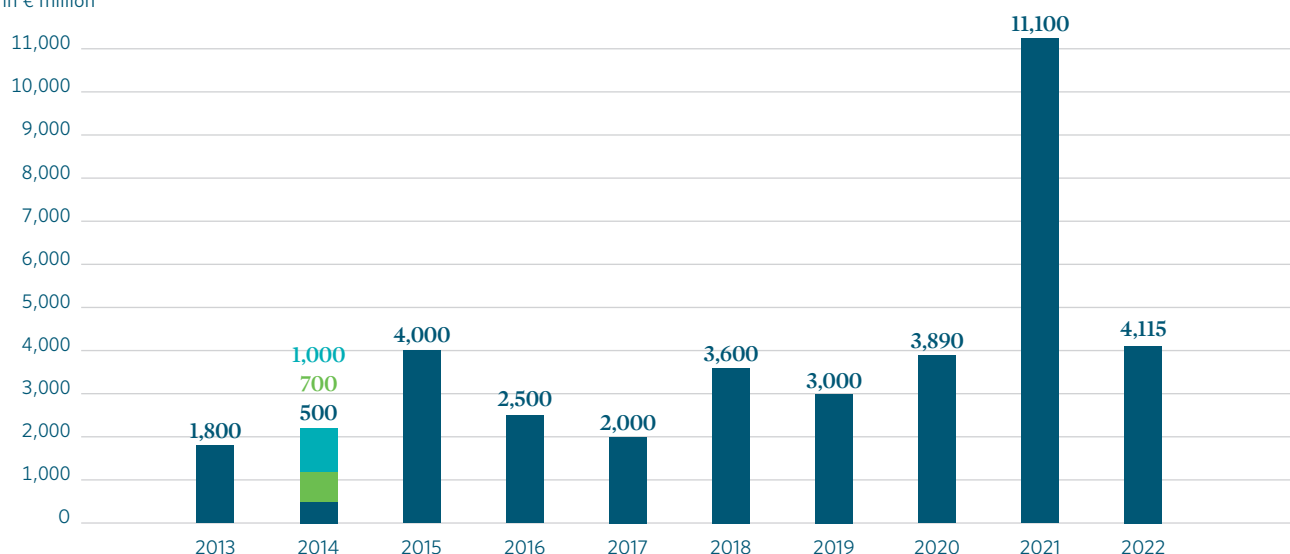
In as early as December 2021, the US Federal Reserve ("FED"), the world's largest central bank, had signaled that it would be tightening the monetary policy reins. The key interest rate, which had been at an extremely low level of between 0.00% and 0.25% since March 2020, has since been gradually lifted to between 4.25% and 4.50% – the highest

Vonovia's Public Bond Issue Volume Per Year (EUR bonds excl. convertible bonds)

■ EUR-Bonds/EMTN ■ Debt-Hybrid ■ Equity-Hybrid

Source: Dealogic, company data

in € million

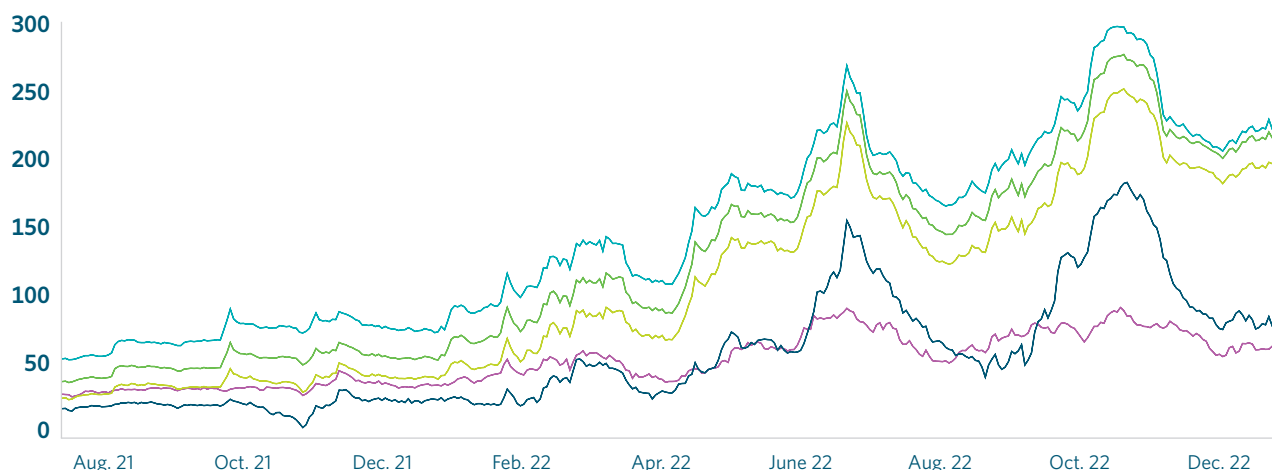


Since 2021 incl. Deutsche Wohnen

Spread Development (in Basis Points)

■ 2 years ■ 5 years ■ 7 years ■ 10 years ■ 8Y iBOXX A

Source: Refinitiv



level since 2007. All in all, this already marked the seventh increase of 2022, with the FED most recently raising its key rate by 0.75 percentage points four times in a row. The Bank of England ("BoE") also raised its key interest rate to 3.50% in December. This was the ninth time in a row that the BoE had tightened the key rate by 0.5 percentage points.

One of the World's Biggest Capital Market Issuers

The rating agency Standard & Poor's has assigned Vonovia SE and Deutsche Wohnen SE a long-term corporate credit rating of BBB+ and a short-term credit rating of A-2. The outlook was changed from "positive" to "stable" in November. The Berlin-based Scope Group has also issued Vonovia SE a rating of A- with a stable outlook. Moody's became the third rating agency to publish ratings for Vonovia, with its first rating in May 2021. This is also an investment grade rating. The rating was lowered from A3 with a stable outlook to Baa1 in November.

Vonovia's first-class credit rating continues to give the company unrestricted access to the international capital markets. At the start of 2022, we harmonized the existing Green Bond Frameworks of Vonovia SE and Deutsche Wohnen, added social criteria and made the Framework fully consistent with the EU Taxonomy, which was confirmed by a third, independent party in a Second Party Opinion (SPO). In March 2022, we were able to issue green and social bonds in EUR and SEK for the very first time based on this new Sustainable Finance Framework.

In a phase that proved very challenging for the real estate sector, Vonovia once again demonstrated its excellent access to the capital market in November 2022, reopening the bond market for the real estate sector and focusing on

liability management. With a bond issue volume of € 4.1 billion (2021: € 11.1 billion), Vonovia (incl. Deutsche Wohnen) once again ranks among the top 5 euro-investment grade issuers in the world in 2022 (2021: also among the top 5 euro-investment grade issuers) based on analyses performed by Dealogic. The volume-weighted average interest cost of the new bonds comes to 2.99% in 2022 (2021: 0.63% p.a.) with a weighted average maturity of 6.5 years (2021: 10.9 years).

Capital Markets Outlook

The end of 2022 marked the end of a turbulent year dominated by change and transformation. The war in Ukraine caused dismay and also triggered events with far-reaching implications. The realms of industry and business were confronted with rising inflation, higher interest rates, increased energy prices and the associated uncertainty.

In 2022, Vonovia was once again successful in demonstrating that its debt instruments remain a highly sought-after investment thanks to its loan-to-value ratio, the cover pool eligibility of its financing and its investment grade ratings. 2023 will be another year full of challenges, as there seems to be no end in sight to the current obstacles. We also believe that the considerable challenges currently facing us present opportunities, because the construction and real estate industry has huge potential to become more sustainable and climate-friendly. This is an area in which we want to live up to our responsibility and play a pioneering role.

A mild (technical) recession is forecast in both the United States and the eurozone, followed by a below-average recovery. Inflation will slow in 2023 – both the FED and the ECB are likely to have finished their tightening cycle next year.

