VONOVIA SE
HALF-YEAR REPORT 2023

Interim Financial Report 2023 H1

VONOVIA

Key Figures

Financial Key Figures* in € million	H1 2022	H1 2023	Change in %	12M 2022
Total Segment Revenue	3,102.0	2,925.7	-5.7	6,256.9
Adjusted EBITDA Total	1,405.8	1,338.3	-4.8	2,763.1
Adjusted EBITDA Rental	1,111.7	1,198.2	7.8	2,233.5
Adjusted EBITDA Value-add	83.9	44.1	-47.4	126.7
Adjusted EBITDA Recurring Sales	82.3	37.0	-55.0	135.1
Adjusted EBITDA Development	84.9	23.8	-72.0	183.2
Adjusted EBITDA Care	43.0	35.2	-18.1	84.6
Group FFO	1,066.6	964.8	-9.5	2,035.6
thereof attributable to non-controlling interests	41.0	45.2	10.2	91.3
Group FFO after non-controlling interests	1,025.6	919.6	-10.3	1,944.3
Group FFO per share in €**	1.34	1.18	-11.9	2.56
Income from fair value adjustments of investment properties	3,115.9	-6,382.9	–	-1,269.8
EBT	2,887.2	-5,868.7	–	-732.7
Profit for the period	1,870.4	-4,130.4	–	-669.4
Cash flow from operating activities	1,039.6	911.4	-12.3	2,084.3
Cash flow from investing activities	1,399.9	-346.2	–	938.2
Cash flow from financing activities	-2,298.6	-186.3	-91.9	-3,145.1
Total cost of maintenance, modernization and new construction	1,119.9	670.4	-40.1	2,300.7
thereof for maintenance expenses and capitalized maintenance	377.2	313.1	-17.0	856.2
thereof for modernization	402.0	243.3	-39.5	837.4
thereof for new construction	340.7	114.0	-66.5	607.1

Key Balance Sheet Figures/Financial Covenants in € million	Dec. 31, 2022	June 30, 2023	Change in %
Fair value of the real estate portfolio	94,694.5	88,242.8	-6.8
EPRA NTA	45,744.5	40,460.1	-11.6
EPRA NTA per share in €**	57.48	49.67	-13.6
LTV (%)	45.1%	47.2%	2.1 pp
Net Debt/EBITDA	15.8x	16.0x	0.2x
ICR bond covenants	5.5x	4.7x	-0.8x

Non-financial Key Figures*	H1 2022	H1 2023	Change in %	12M 2022
Number of units managed	621,846	618,516	-0.5	621,303
thereof own apartments	549,484	548,080	-0.3	548,524
thereof apartments owned by others	72,362	70,436	-2.7	72,779
Number of units bought	893	63	-92.9	969
Number of apartments sold	17,748	1,282	-92.8	19,760
thereof Recurring Sales	1,349	628	-53.4	2,710
thereof Non Core/other	16,399	654	-96.0	17,050
Number of new apartments completed	1,103	1,193	8.2	3,749
thereof own apartments	511	962	88.3	2,071
thereof apartments for sale	592	231	-61.0	1,678
Vacancy rate (in %)	2.2	2.2	–	2.0
Monthly in-place rent in €/m²	7.44	7.58	1.9	7.49
Organic rent increase (in %)	3.4	3.5	0.1 pp	3.3
Number of employees (as of June 30/Dec. 31)	15,845	15,764	-0.5	15,915

* Previous year's figures for 2022 comparable according to current key figure definition/segmentation for 2023.
** Based on the shares carrying dividend rights on the reporting date.

Contents

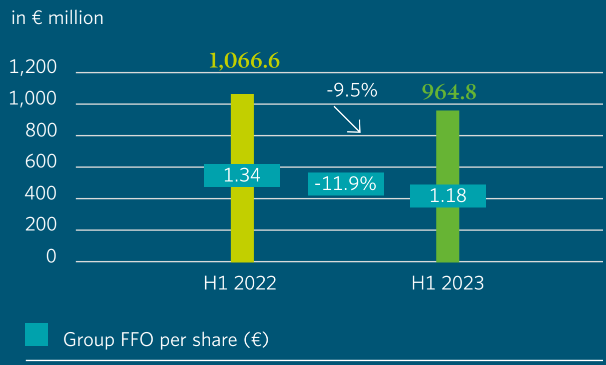
Interim Group Management Report – Business Development in the First Half-Year of 2023

Overview

> Inflation, interest rate trends and, as a result, monetary policy remain the key drivers of investment activity; fundamental overall business conditions remain positive.
> Value adjustments for investment properties.
> Positive economic development in the core Rental segment with virtually full occupancy.

Sustained Earnings

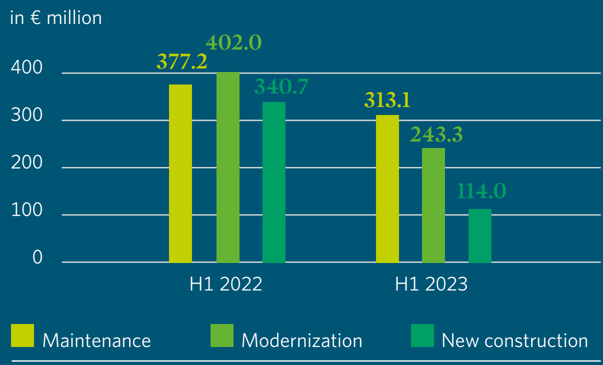
Group FFO*



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

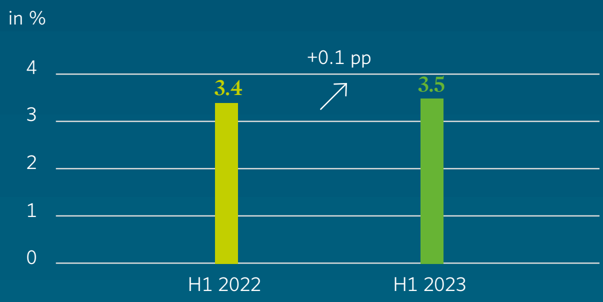
Maintenance and Modernization

Investments



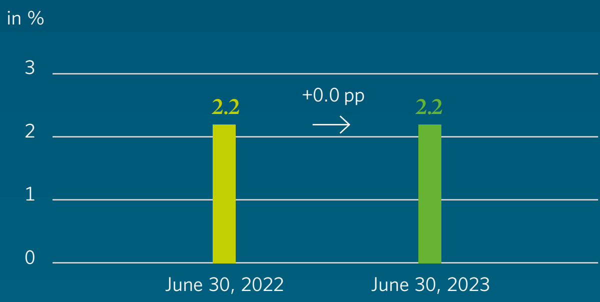
Organic Rent Growth

Organic Rent Increase



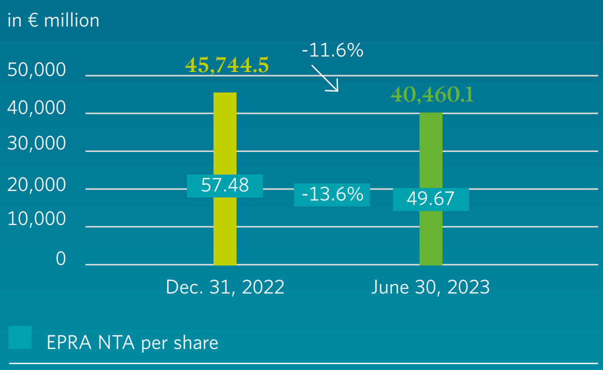
Vacancy

Vacancy Rate



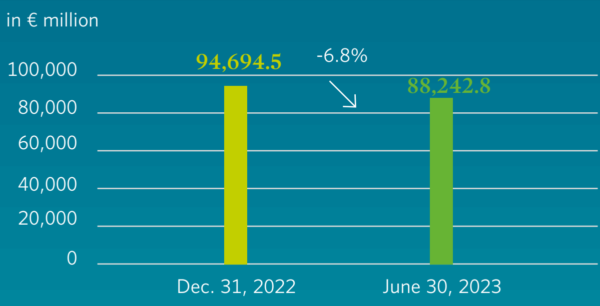
Net Assets

EPRA NTA*



Fair Value of the Real Estate Portfolio

Fair Value



Vonovia SE on the Capital Market

Shares in Vonovia

The war in Ukraine and the resulting consequences remained the main focus on the capital markets in the first half of the year. Developments on the stock exchange were dominated by inflation, the interest rate trend and the monetary policy pursued by central banks, in particular. Although the broad-based DAX (+16.0%) and EuroStoxx 50 (+16.0%) indices reported positive performance after a weak previous year, the real estate sector as a whole, and German residential real estate stocks in particular, reported marked price losses in some cases. The EPRA Europe, for example, closed the first half of the year down by 10.2%, with shares in some German residential real estate companies reporting even heftier losses.

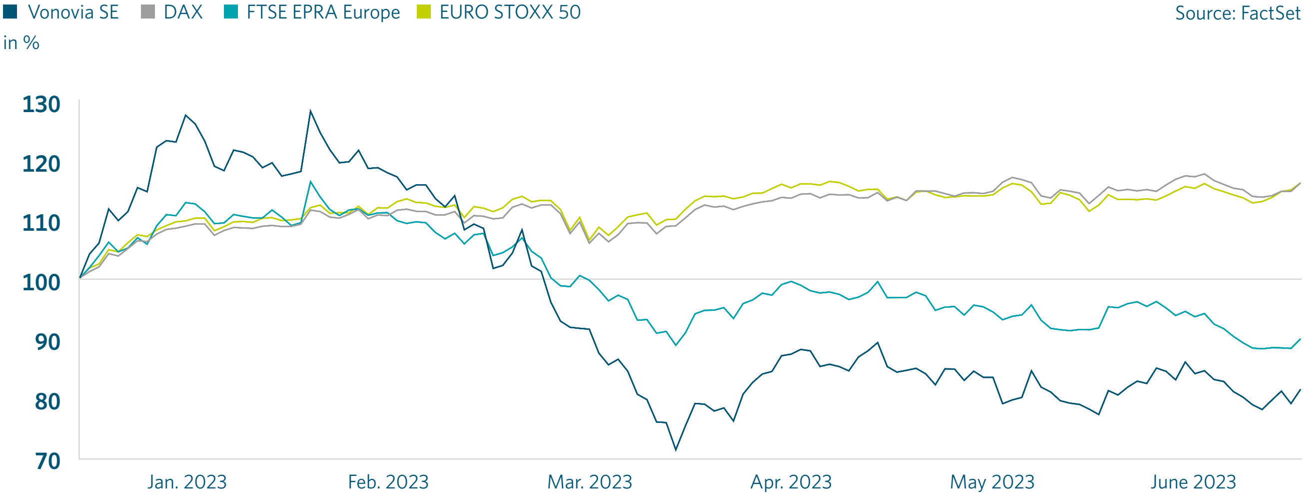
In this exceptionally difficult market, shares in Vonovia reported above-average losses, trading at € 17.90 at the end of the second quarter, down by 18.7% on the closing price for 2022. This was due, in particular, to the negative correlation with rising interest rates and climbing government bond yields. In particular, the increased interest rates and the pessimistic view taken by the capital market with regard to the impact on income and real estate values, at least in the short term, were the main factors driving this negative performance.

As a result, we are still observing an ever-wider gap between capital market expectations on the one hand, and what remains fairly stable development on the residential real estate market on the other. While the capital market appears to be pricing in a massive correction, the residential property markets in which we operate remain extremely robust. The less pronounced real estate value adjustments compared with capital market expectations are countered by an increasing trend towards higher rents and much shorter supply.

As a result, we remain confident that the fundamental conditions in our markets will ensure positive development in the long run. These include, in particular, the favorable relationship, from an owner's point of view, between supply and demand in urban regions as well as the structural momentum on the revenue side.

The company's market capitalization amounted to around € 14.6 billion as of June 30, 2023.

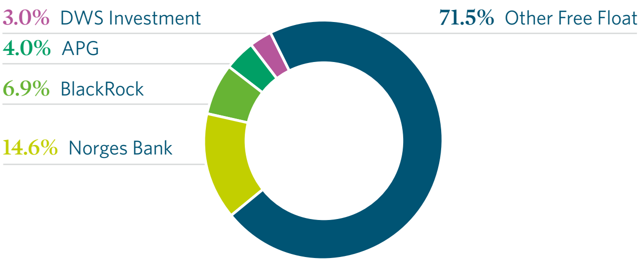
Share Price Development



Shareholder Structure

The chart displayed below shows 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 June 30, 2023)



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 June 30, 2023. 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, we believe that 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. There are also a large number of individual shareholders, although they only represent a small proportion of the total capital.

Investor Relations Activities

Vonovia SE is committed to transparent, ongoing dialogue with its shareholders and potential investors. We continued with our road shows and meetings in the first half of 2023, both as virtual and face-to-face events. We took part in a total of 11 investor conferences and organized 14 roadshow days.

In addition, numerous one-on-one meetings, video conferences and conference calls were held with investors and analysts to keep them informed of current developments and special issues. The following topics in particular dominated the meetings held in the first half of 2023: interest rates, inflation, rent increases, energy prices, the capital structure and sustainability.

We will continue to communicate openly with the capital market. Various road shows, conferences and participation in investor forums have already been planned. Information can be found in the Financial Calendar on our **Investor Relations** website.

Annual General Meeting

The Annual General Meeting of Vonovia SE was held as a virtual event on May 17, 2023. 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 and the Management Board for the 2022 fiscal year with a large majority in each case.

The Annual General Meeting approved the dividend proposal of € 0.85 made by the Supervisory Board and the Management Board, which corresponds to a dividend yield of 3.9% based on the closing price for 2022 of € 22.02. Shareholders were free to choose between a cash dividend and a scrip dividend. 44.87% opted for a dividend in the form of shares.

A total of 68.08% of the company's share capital was represented.

Analyst Assessments

As of June 30, 2023, 24 international analysts were publishing research studies on Vonovia. The average target share price was € 30.37. Of these analysts, 67% issued a "buy" recommendation, with 21% issuing a "hold" recommendation and 13% a "sell" recommendation.

Share Information (as of June 30, 2023)

First day of trading	July 11, 2013
Subscription price	€ 16.50 | € 14.71*
Total number of shares	814,644,998
Share capital	€ 814,644,998
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.

Business Development in the First Half of 2023

Key Events During the Reporting Period

All in all, our operating business developed in line with our expectations in the first half of the year. The sustained high demand for homes supports the operational basis of our business, particularly in our core Rental segment.

The high customer satisfaction values confirm our efforts in property management and, together with the low vacancy rate, provide a solid foundation for our business. At the same time, this means positive cash flows and, as a result, a stable basis for the income from our portfolio.

The changes in overall financial market conditions are prompting market players to revise their return criteria due to the higher interest rates, impacting investment decisions both at Vonovia itself and at potential transaction partners. This means that the higher interest rates also have a potential impact on the assessment of business models and the valuation of assets, i.e., holdings measured at fair value and goodwill.

In the second quarter of 2023, a value adjustment of around € 2.8 billion was recognized for investment properties, which corresponds to a total value adjustment of around € 6.4 billion for the first half of 2023. The value of investment properties came to around € 85.7 billion as of June 30, 2023. Goodwill and the trademark rights for the Development cash-generating unit were written off in full in the amount of € 204.8 million.

In the publication dated April 26, 2023, Vonovia reached an agreement with with an investment vehicle, advised and managed by Apollo Capital Management L.P., for a direct minority stake of 34.5%, or an indirect participation of 27.6%, in a selected portfolio comprising around 21,000 residential units in the German federal state of Baden-Württemberg. The transaction values the portfolio at around € 3.3 billion (excluding liabilities and cash funds) and the net consideration amounts to around € 1.0 billion. The transaction was closed in the second quarter of 2023. The investment vehicle, AP Sunrise S.à r.l., is financed by insurance companies and other long-term investors. Vonovia will use the proceeds for liability management, with a positive impact on its LTV, the ratio of net debt to EBITDA and the ICR.

The transaction values the Südewo portfolio at € 3.3 billion on a debt free and cash free basis, implying a discount below 5% to its fair value as of December 31, 2022, and below 6% to the fair value as of June 30, 2022. Vonovia retains a long-term call-option to repurchase the participation at an IRR of 6.95%-8.30% (including dividends received) without an obligation to exercise the option. Vonovia will continue to control, operate, and consolidate the portfolio, which comprises more than 21,000 residential units in locations across the state of Baden-Württemberg.

On May 4, 2023, Vonovia and Deutsche Wohnen reached an agreement with funds managed by CBRE Investment Management on the sale of five properties in Berlin, Munich and Frankfurt with a total of 1,350 apartments and a purchase price of around € 560 million. The properties are three newly constructed properties belonging to the company's stock and two new construction projects that are in the final phase of construction.

In the first quarter of 2023, Vonovia had also sold its 10% stake in the French company Vesta SAS for a net amount of € 95.7 million, marking its withdrawal from the French market.

The Annual General Meeting held on May 17, 2023 resolved to pay a dividend for the 2022 fiscal year in the amount of € 0.85 per share. As in previous years, shareholders were offered the option of choosing between being paid the dividend in cash or being granted new shares. During the subscription period, shareholders holding a total of 44.87 % of the shares carrying dividend rights opted for the scrip dividend instead of the cash dividend. As a result, 18,795,001 new shares were issued using the company's authorized capital for a total of € 303,539,266.15. The total amount of the dividend distributed in cash therefore came to € 372,933,231.30.

The Annual General Meeting also voted on the election of eight Supervisory Board members. Dr. Daniela Gerd tom Markotten was elected as a new Supervisory Board member. As planned, the size of the Supervisory Board was reduced from twelve to ten members. The Supervisory Board elected Clara C. Streit as its Chair at its inaugural meeting.

On March 7, 2023, the Bochum public prosecutor's office notified Vonovia, as reported, that, due to search measures that had to be conducted in the context of an investigation, former and current technical employees were being investigated due to suspected corruption. The persons under suspicion may also have caused damage for Vonovia by overriding and circumventing controls and compliance policies.

Vonovia is still cooperating fully with the work of the investigating authorities. The auditing firm Deloitte and the law firm Hengeler Mueller have been commissioned to perform a forensic assessment of all the facts of the case. It is not currently possible to arrive at any conclusive assessment regarding the amount of any damage. Looking at 2022, it is estimated to come to a maximum of 1% of the order volume awarded by Vonovia.

Development of the Economic Environment

According to the European Commission, the EU economy showed better development than expected in the winter just past – just after a winter recession in the EU appeared inevitable last year. The EU made a good job of weathering the energy crisis and the risk of shortages next winter is now considerably lower. The EU economy's resilience has, however, also delayed the slowdown in inflation. The Federal Statistical Office (Destatis) reports, by contrast, that the German economy started 2023 with a slight drop in gross domestic product (GDP, Q1 2023 -0.3% compared to the previous quarter), marking two negative quarters in a row. Sustained hefty price increases had a negative impact at the start of the year. According to Statistics Sweden (SCB), GDP there rose by 0.6% during the same period. The upswing can be traced back primarily to an increase in inventories and strong growth in goods exports. Austrian GDP also grew in the first three months of 2023, albeit only slightly, by 0.1% as against the previous quarter. However, the Austrian statistical office, Statistik Austria, is reporting that the growth momentum has flattened out in almost all sectors of the economy. For 2023, GDP growth of -0.3% is forecast for Germany (IfW Kiel), -0.2% for Sweden (National Institute of Economic Research) and 0.3% for Austria (Institute of Economic Research, WIFO).

While the labor market in Germany was initially quite stable despite weak economic development overall, the economic slump is also leaving its mark here. The German Federal Employment Agency (Bundesagentur für Arbeit) reports, for example, that unemployment rose in June 2023, while underemployment fell. The unemployment rate based on the total civilian labor force rose by 0.3 percentage points year-on-year in June 2023 to 5.5% (not adjusted for seasonal work). The migration of Ukrainian refugees had an impact of around 0.4 percentage points. According to Statistics Sweden (SCB), the unemployment rate in Sweden fell by 0.6 percentage points as against May 2022 to 7.9% in May 2023 (not adjusted for seasonal work). According to national calculations by the Austrian Public Employment Service (AMS), the unemployment rate in Austria in June 2023 was 5.7% and thus 0.2 percentage points higher than in the previous year. Based on respective national definitions, the average unemployment rate expected in 2023 is 5.6% for Germany (IfW Kiel), 7.5% in Sweden (National Institute of Economic Research) and 6.4% in Austria (WIFO).

Measured based on the consumer price index (CPI), inflation in Germany came in at 6.1% year-on-year in May 2023 and 6.4% in June, according to Destatis. This signals a drop in inflation rates compared with the beginning of the year. DB Research ascribes the slight increase from May to June primarily to base effects linked to the introduction of the fuel discount and the nine-euro public transport ticket in

June 2022. In Sweden and Austria, year-on-year inflation rates based on the respective national CPI came to 9.3% (SCB) and an estimated 8.0% (Statistics Austria) in June 2023, and were also down on the rates witnessed at the beginning of the year. Inflation rates remain high in all three countries. Recent factors driving inflation include higher food prices in Germany, the development of mortgage interest rates for households in Sweden and the prices of household energy in Austria. The average inflation rates in 2023 are expected to be somewhat lower. Based on respective national definitions, the expected consumer price index increase is 5.8% in Germany (IfW Kiel), 6.1% in Sweden (National Institute of Economic Research) and 7.5% in Austria (WIFO).

In a quest to make a timely return to its 2% medium-term inflation target, the European Central Bank (ECB) raised key rates further in several steps in the first half of 2023, bringing it to 4.00% at the end of June 2023. High inflation also prompted the Swedish Riksbank to take further steps to lift its policy rate from the beginning of the year, most recently raising it to 3.75% on 5 July 2023. Further increases in the key rates/policy rates are possible in 2023. In this overall environment, interest rates for construction in Germany, Sweden and Austria were higher overall in the first half of 2023 than they were in the same period of the previous year.

The interest rate environment is having an adverse impact on the real estate markets. The residential property markets had already cooled down in the course of 2022 and the residential investment market is dominated by price adjustment processes and low transaction figures. Meanwhile, Savills describes the fundamental conditions in Germany as being more attractive than usual from the landlord's perspective. According to DB Research, the rental housing market has received further demand impetus from the larger population and from the redirection of potential buyers into the rental market. Quoted rents continued to increase across Germany; empirica reports that they were 5.5% higher on average over all years of construction in the second quarter of 2023 (new construction 5.2%) than in the same quarter of the previous year. Rents are likely to increase further in 2023, with considerable increases expected for both quoted and existing rents. According to "Hem & Hyra," the member magazine published by the Swedish tenants' association ("Hyresgästföreningen"), around 60% of all rents for 2023 had been negotiated as of March. The average rent increase until that point was 4.12%. Measured against the index for actual rental payments for primary residences as part of the consumer price index, rents in Austria also rose further from the beginning of the year and were approx. 7.5% higher in May 2023 than in the comparable previous-year month.

Although residential property prices were still climbing at the start of 2022, price growth slowed down noticeably in Germany, Sweden and Austria as the year progressed. The trend towards declining prices in Germany continued at the beginning of 2023. The empirica price index for condominiums (all years of construction) was 5.5% lower in the second quarter of 2023 compared to the same period of the previous year (new construction -0.2%). Given the fundamental shortage on the supply side in particular, DB Research only expects a temporary dip in prices in Germany. According to Svensk Mäklarstatistik, prices for tenant-owned apartments (Bostadsrätter) in Sweden fell by 5.4% in June 2023 compared with the same month of last year. Prices started to make a slight recovery since the start of 2023. According to SEB, however, the ongoing rise in interest rates suggests that residential property prices in Sweden could fall even further. The values of the current residential real estate price index of the Austrian central bank (OeNB) on the basis of new and used condominiums and single-family residences show an increase in Austria in the first quarter of 2023 of 1.1% compared to the previous year. In a short-term analysis measured in terms of quarter-on-quarter increases, residential property prices fell at the end of 2022 for what was the first time in several years, namely by 2.0% initially. According to the Austrian central bank (OeNB), prices in the first quarter of 2023 stagnated at more or less the level seen in the previous quarter (-0.4%). While it is impossible to rule out further slight price drops, the OeNB considers the risk of sudden marked price corrections to be fairly low at the moment.

The size of the population in Germany, Sweden and Austria rose again in 2022 and is expected to increase further. There is still a shortage of apartments in many large cities and urban areas. Construction activity, however, is expected to drop considerably. According to Destatis, 295,300 apartments were completed in Germany in 2022. According to calculations performed by the Institute for Economic Research (ifo), the number of completions could gradually fall to only 200,000 residential units in 2025 due primarily to the considerable increase in the cost of financing and construction services. The German federal government set itself the goal of building 400,000 new apartments per year in Germany. With the demand for housing still on the rise, Savills reports that a large number of cities and regions are facing a huge housing shortage. Boverket estimates that approximately 63,000 apartments have to be built per year in Sweden by 2030. In 2022, only around 56,700 apartments were completed. According to Boverket's calculations, completions will peak at around 58,000 apartments in 2023 before falling to around 40,000 in 2024 and around 30,000 in 2025. This means that the additional annual need will not be met. According to the OeNB, Austria is witnessing the end of a pronounced residential construction cycle. According to Bank Austria, residential construction activity there has largely addressed the marked increase in the demand for homes in recent years. However, gaps are likely to be found primarily in the sector comprising low-cost rental apartments in bigger cities. Based on an OeNB estimate, the number of apartments completed is expected to drop from 59,000 in 2022 to 57,000 in 2023 and 43,000 in 2024.

The construction industries and project development markets are being hit by higher interest rates and less favorable financing conditions as well as by higher construction costs. In addition, Germany and Austria are suffering from a shortage of skilled labor. In Germany, the government has reduced new construction subsidies to a minimum, and it imposed more stringent new construction standards at the start of 2023. Investment subsidies for rental apartments in Sweden were discontinued as of the end of 2022. In the current circumstances, new construction developments are barely viable in commercial terms.

The German residential investment market showed a sharp decline in the first half of 2023 compared to the first half of 2022. Savills put the transaction volume at € 3.7 billion, 53% lower than in the previous year. According to BNP Paribas, the subdued transaction activity can be traced back to macroeconomic uncertainty and costlier debt financing in the context of higher interest rates. Meanwhile, the phase of price adjustment continued. The interest rate turnaround means that buyers and sellers have different price expectations. According to Savills, prime yields have risen by 120 basis points to 3.4% since March 2022, triggering a short-term drop in capital values. The fact that the housing shortage is set to worsen is likely to push rents up further, which should mean a return to higher capital values in the long term, according to Savills. BNP Paribas expects to see higher momentum on the residential investment market at the end of 2023 due to expectations of an initial interest rate pause in the fall. According to Savills, properties worth SEK 35 billion were traded on the Swedish transaction market in the period between January and May 2023, around 65% less than in the first five months of the previous year. Residential properties accounted for 19% of the total volume. According to EHL, the Austrian real estate investment market saw a transaction volume of approximately € 1.2 billion in the first half of 2023, roughly 45% less than in the previous year. The share of the residential segment stood at 14.8% and was therefore down on the previous year (first half of 2022: 19.2%).

Housing policy developments in Germany in the first half of 2023 included changes to the Federal Funding for Efficient Buildings (BEG). A reform of the BEG came into effect at the start of 2023; as such, new conditions apply in respect of refurbishments to achieve energy-efficiency building standards as well as for individual measures. Since March 1, 2023, funding guidelines have been available for climate-friendly new construction, with loans available on more favorable terms for environmentally friendly buildings that meet the KfW Efficiency House 40 standard. In the German Buildings Energy Act (GEG), the permissible primary energy level for new builds was tightened at the start of 2023. While details of a further amendment to the Buildings Energy Act were being discussed at the end of June 2023, it was not possible to adopt the law in the German Bundestag (lower house of parliament) as planned at the beginning of July. The “Heating Act” largely stipulates that in the future, the country will only permit the installation of new heating systems that can run on at least 65% renewable energies. The Act is likely to come into force in 2024 at the earliest. A law on the division of CO_2 costs between landlord and tenant came into force on January 1, 2023. The straight-line rate for the amortization of residential buildings was increased from 2% to 3% as of January 1, 2023. This applies to residential buildings completed as of January 2023. A subsidy program called Home Ownership for Families (Wohneigentum für Familien) was also launched at the start of June 2023. An expert commission convened by the Berlin State Government on the “Socialization of major residential real estate companies” referendum submitted its final report at the end of June 2023, in which it stated that, in their opinion, the socialization of major residential real estate companies was possible from a legal perspective. The Berlin State Government will now start examining a framework socialization act. Mid-March 2023 saw the adoption of a draft revised version of the EU Building Directive. The Directive states, for example, that new builds are to produce zero emissions from 2028 onwards. In Austria, indicative rents were increased as of April 1, 2023, with category-based rents being increased effective July 1, 2023. Since July 1, 2023, the party hiring an agent has also been responsible for paying for their services in connection with the letting of apartments.

Results of Operations

Overview

All in all, Vonovia's performance was in line with expectations in the first half of 2023.

We saw ongoing high demand for rental apartments and positive economic development in the core Rental segment in the first six months of the year.

The expected impact of the war in Ukraine and its implications, particularly with regard to energy and construction costs, as well as higher interest rates, were also reflected in the interim financial statements for the other segments.

Any analysis of the figures for the first half of 2023 has to consider the fact that the prior-year figures are reported based on the current segmentation, and that the indicators that are relevant from a corporate management perspective, namely Adjusted EBITDA Total and Group FFO, are reported in line with the current definition.

Vonovia had 15,764 employees as of June 30, 2023 (June 30, 2022: 15,845).

The following key figures provide an overview of Vonovia's results of operations and the relevant drivers in the first half of 2023.

in € million	H1 2022	H1 2023	Change in %	12M 2022
Total Segment Revenue	3,102.0	2,925.7	-5.7	6,256.9
Revenue in the Rental segment	1,570.5	1,606.4	2.3	3,163.4
Revenue in the Value-add segment	637.4	619.8	-2.8	1,272.0
Revenue in the Recurring Sales segment	295.2	141.4	-52.1	543.4
Revenue in the Development segment	462.0	414.2	-10.3	998.0
Revenue in the Care segment	136.9	143.9	5.1	280.1
Adjusted EBITDA Total	1,405.8	1,338.3	-4.8	2,763.1
Adjusted EBITDA Rental	1,111.7	1,198.2	7.8	2,233.5
Adjusted EBITDA Value-add	83.9	44.1	-47.4	126.7
Adjusted EBITDA Recurring Sales	82.3	37.0	-55.0	135.1
Adjusted EBITDA Development	84.9	23.8	-72.0	183.2
Adjusted EBITDA Care	43.0	35.2	-18.1	84.6
Group FFO	1,066.6	964.8	-9.5	2,035.6
Monthly in-place rent in €/m²	7.44	7.58	1.9	7.49
Average area of own apartments in the reporting period (in thou. m²)	34,616	34,380	-0.7	34,525
Average number of own units (number of units)	551,390	548,358	-0.5	550,342
Vacancy rate Vonovia (in %)	2.2	2.2	–	2.0
Maintenance expenses and capitalized maintenance Rental segment (€/m²)	10.89	9.11	-16.3	24.80
thereof expenses for maintenance (€/m²)	6.21	6.02	-3.1	12.85
thereof capitalized maintenance (€/m²)	4.68	3.09	-34.0	11.95
Number of units bought	893	63	-92.9	969
Number of units sold	17,748	1,282	-92.8	19,760
thereof Recurring Sales	1,349	628	-53.4	2,710
thereof Non Core/other	16,399	654	-96.0	17,050
Number of new apartments completed	1,103	1,193	8.2	3,749
thereof own apartments	511	962	88.3	2,071
thereof apartments for sale	592	231	-61.0	1,678
Number of employees (as of June 30/Dec. 31)	15,845	15,764	-0.5	15,915

Total segment revenue came to € 2,925.7 million in the first six months of 2023, down by 5.7% on the figure of € 3,102.0 million reported in the prior-year period. This decline was due primarily to lower proceeds from the sale of real estate inventories and lower sales in the Recurring Sales segment due to volume-related aspects.

Total Segment Revenue

in € million	H1 2022*	H1 2023	Change in %	12M 2022
Rental income	1,573.0	1,609.3	2.3	3,168.1
Other income from property management unless included in the operating expenses in the Rental segment	56.9	65.9	15.8	118.3
Other income from property management from the Care segment	136.9	143.8	5.0	280.1
Income from disposals Recurring Sales	277.9	137.2	-50.6	515.7
Internal revenue Value-add	579.8	553.4	-4.6	1,152.4
Income from disposal of properties	380.5	222.5	-41.5	588.4
Fair value Development to hold	97.0	193.6	99.6	433.9
Total Segment Revenue	**3,102.0**	**2,925.7**	**-5.7**	**6,256.9**

* Prior-year figures for Deutsche Wohnen adjusted to new segment definition.

The overview below shows the other key figures for the company's results of operations, as well as their reconciliation to the performance indicator Group FFO:

Group FFO

in € million	H1 2022*	H1 2023	Change in %	12M 2022
Revenue in the Rental segment	1,570.5	1,606.4	2.3	3,163.4
Expenses for maintenance	-215.1	-207.0	-3.8	-443.6
Operating expenses in the Rental segment	-243.7	-201.2	-17.4	-486.3
Adjusted EBITDA Rental	**1,111.7**	**1,198.2**	**7.8**	**2,233.5**
Revenue in the Value-add segment	637.4	619.8	-2.8	1,272.0
thereof external revenue	57.6	66.4	15.3	119.6
thereof internal revenue	579.8	553.4	-4.6	1,152.4
Operating expenses in the Value-add segment	-553.5	-575.7	4.0	-1,145.3
Adjusted EBITDA Value-add	**83.9**	**44.1**	**-47.4**	**126.7**
Revenue in the Recurring Sales segment	295.2	141.4	-52.1	543.4
Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment	-203.7	-97.1	-52.3	-391.6
Adjusted result Recurring Sales	**91.5**	**44.3**	**-51.6**	**151.8**
Selling costs in the Recurring Sales segment	-9.2	-7.3	-20.7	-16.7
Adjusted EBITDA Recurring Sales	**82.3**	**37.0**	**-55.0**	**135.1**
Revenue from disposal of Development to sell properties	363.2	218.3	-39.9	560.6
Cost of Development to sell	-292.0	-195.7	-33.0	-440.4
Gross profit Development to sell	**71.2**	**22.6**	**-68.3**	**120.2**
Fair value Development to hold	97.0	193.6	99.6	433.9
Cost of Development to hold**	-68.2	-179.4	>100	-340.6
Gross profit Development to hold	**28.8**	**14.2**	**-50.7**	**93.3**
Rental revenue in the Development segment	1.8	2.3	27.8	3.5
Operating expenses in the Development segment	-16.9	-15.3	-9.5	-33.8
Adjusted EBITDA Development	**84.9**	**23.8**	**-72.0**	**183.2**
Revenue in the Care segment	136.9	143.9	5.1	280.1
Expenses for maintenance	-2.9	-2.6	-10.3	-7.0
Operating expenses in the Care segment	-91.0	-106.1	16.6	-188.5
Adjusted EBITDA Care	**43.0**	**35.2**	**-18.1**	**84.6**
Adjusted EBITDA Total	**1,405.8**	**1,338.3**	**-4.8**	**2,763.1**
FFO interest expense	-236.4	-297.6	25.9	-493.8
Current income taxes FFO	-60.1	-66.8	11.1	-145.0
Consolidation***	-42.7	-9.1	-78.7	-88.7
Group FFO	**1,066.6**	**964.8**	**-9.5**	**2,035.6**
Group FFO after non-controlling interests	**1,025.6**	**919.6**	**-10.3**	**1,944.3**

* Prior-year figures adjusted to new adjusted EBITDA definition (excluding results from at-equity investments), adjustments to Adjusted EBITDA Rental: € 4.3 million, adjustments to Adjusted EBITDA Value add: € 0.5 million. In the course of the fourth quarter of 2022, the Deutsche Wohnen segment was dissolved and transferred to the Rental, Value-add, Recurring Sales, Development and Care segments. Previous year's values for H1 2022 updated accordingly.

** Excluding capitalized interest on borrowed capital in H1 2023 of € 0.5 million (H1 2022: € 0.0 million), 12M 2022: € 2.5 million.

*** Thereof intragroup losses in H1 2023: € +5.1 million (H1 2022: € -13.7 million), 12 M 2022 intragroup losses: € +4.8 million, gross profit development to hold in H1 2023: € -14.2 million (H1 2022: € -28.9 million), 12M 2022: € -93.3 million.

As of June 30, 2023, Vonovia managed a portfolio comprising 548,080 of its own residential units (June 30, 2022: 549,484), 165,085 garages and parking spaces (June 30, 2022: 163,558) and 8,779 commercial units (June 30, 2022: 8,873). 70,436 residential units (June 30, 2022: 72,362) are also managed for other owners.

Details on results of operations by segment

Rental segment

At the end of June 2023, the portfolio in the Rental segment had a vacancy rate of 2.2% (end of June 2022: 2.4%), meaning that it was once again virtually fully occupied.

The **segment revenue in the Rental segment** increased by a total of 2.3% year-on-year in the first six months of 2023, mainly due to organic growth resulting from new construction and modernization, also taking into account the Berlin portfolio that was sold at the beginning of 2022, (H1 2022: 1.6%) to total € 1,606.4 million (H1 2022: € 1,570.5 million). Of the segment revenue in the Rental segment in the 2023 reporting period, € 1,376.5 million is attributable to rental income in Germany (H1 2022: € 1,338.0 million), € 171.4 million to rental income in Sweden (H1 2022: € 178.5 million) and € 58.5 million to rental income in Austria (H1 2022: € 54.0 million).

Organic rent growth (twelve-month rolling) totaled 3.5% (H1 2022: 3.4%). The current rent increase due to market-related factors came to 1.5% (H1 2022: 1.0%) and the increase from property value improvements translated into a further 1.2% (H1 2022: 1.7%). All in all, this produces a **like-for-like rent increase** of 2.7% (H1 2021: 2.7%). New construction measures and measures to add extra stories also contributed 0.8% (H1 2021: 0.7%) to organic rent growth.

The average monthly in-place rent within the Rental segment at the end of June 2023 came to € 7.58 per m² compared to € 7.44 per m² at the end of June 2022 (including Deutsche Wohnen). The monthly in-place rent in the German portfolio at the end of June 2023 came to € 7.51 per m² (June 30, 2022: € 7.32 per m² including Deutsche Wohnen), with a figure of € 9.50 per m² (June 30, 2022: € 10.00 per m²) for the Swedish portfolio and € 5.37 per m² for the Austrian portfolio (June 30, 2022: € 5.01 per m²). The rental income from the portfolio in Sweden reflects inclusive rents, meaning that the amounts contain operating, heating and water supply costs. The rental income from the Austrian real estate portfolio additionally includes maintenance and improvement contributions (EVB).

We have continued with our refurbishment, new construction and maintenance strategy, which has been adjusted to reflect the current overall conditions, in the 2023 fiscal year. The overview below provides details on maintenance, modernization and new construction.

Maintenance, Modernization and New Construction*

in € million	H1 2022	H1 2023	Change in %	12M 2022
Expenses for maintenance	215.1	207.0	-3.8	443.6
Capitalized maintenance	162.1	106.1	-34.5	412.6
Maintenance measures	**377.2**	**313.1**	**-17.0**	**856.2**
Modernization measures	402.0	243.3	-39.5	837.4
New construction (to hold)	340.7	114.0	-66.5	572.5
Modernization and new construction measures	**742.7**	**357.3**	**-51.9**	**1,409.9**
Total cost of maintenance, modernization and new construction	**1,119.9**	**670.4**	**-40.1**	**2,266.1**

* Without Care segment, H1 2022 adjusted to the new structure.

Operating expenses in the Rental segment in the first half of 2023 were down by 17.4 % on the figures for the first half of 2022, from € 243.7 million to € 201.2 million. All in all, the **Adjusted EBITDA Rental** came to € 1,198.2 million in the first six months of 2023, up by 7.8% on the prior-year value of € 1,111.7 million.

Value-add segment

Developments in the **Value-add segment** remained dominated by the new overall conditions for our own craftsmen's organization. General price increases for construction services and materials, as well as productivity losses due to the shortage of skilled labor, had a negative impact on economic development. In addition, short-term changes in the technology for heating modernization measures resulted in lower service provision.

All in all, revenue from the Value-add segment came to € 619.8 million in the 2023 reporting period, down by 2.8% on the value of € 637.4 million seen in the first six months of 2022 . External revenue from our Value-add activities with our end customers in the first six months of 2023 were up by 15.3% on the first six months of 2022, from € 57.6 million to € 66.4 million. Group revenue fell by 4.6% in the first six months of 2023 from € 579.8 million in the first six months of 2022 to € 553.4 million.

Operating expenses in the Value-add segment in the first six months of 2023 were up by 4.0% on the figures for the first six months of 2022, from € 553.5 million to € 575.7 million. This was due in particular to higher construction and energy costs.

Adjusted EBITDA Value-add came to € 44.1 million in the first six months of 2023, considerably lower than the figure of € 83.9 million reported for the first six months of 2022.

Recurring Sales segment

In the Recurring Sales segment, income from the disposal of properties in the first six months of 2023 was down to € 141.4 million, 52.1% lower than the 2022 value of € 295.2 million due to volume-related factors, with 628 units sold (H1 2022: 1,349), 412 of which were in Germany (H1 2022: 1,046) and 216 of which were located in Austria (H1 2022: 303). Income of € 82.7 million is attributable to sales in Germany (H1 2022: € 216.7 million), with € 58.7 million to sales in Austria (H1 2022: € 78.4 million; and € 0.2 million to sales in Sweden in H1 2022).

In the first half of 2023, the fair value step-up in the portfolio came to 45.6%, up on the value of 44.9% seen in the first half of 2022. This was due primarily to much higher step-ups for sales in Austria.

Selling costs in the Recurring Sales segment came in at € 7.3 million in the first half of 2023, down by 20.7% on the value of € 9.2 million seen in the first half of 2022. Adjusted EBITDA Recurring Sales came in at € 37.0 million in the first half of 2023, down considerably on the value of € 82.3 million seen in the first half of 2022.

In the first half of 2023, 654 residential units from the Non Core/Other portfolio (H1 2022: 16,399) were also sold as part of our portfolio adjustment measures, with proceeds totaling € 101.0 million (H1 2022: € 2,627.2 million). At 9.2%, the fair value step-up for Non Core/Other disposals in the 2023 reporting period was higher than for the same period in the previous year (1.2%).

Development segment

In the Development to sell area, a total of 231 units were completed in the first half of 2023 (H1 2022: 592 units), 104 in Germany (H1 2022: 16 units) and 127 in Austria (H1 2022: 576 units). Income from the disposal of development properties to sell came to € 218.3 million in the first half of the 2023 fiscal year (H1 2022: € 363.2 million), with € 189.6 million attributable to project development in Germany (H1 2022: € 173.8 million) and € 28.7 million attributable to project development in Austria (H1 2022: € 189.4 million). In Austria, the decline was chiefly due to a lower notarization volume compared to the previous year. The resulting gross profit for Development to sell came to € 22.6 million in the first half of 2023 with a margin of 10.4% (H1 2022: € 71.2 million, margin of 19.6%).

In the Development to hold area, a total of 962 units were completed in the first half of 2023 (H1 2022: 511 units), 502 in Germany (H1 2022: 448), 296 in Austria (H1 2022: 0 units) and 164 in Sweden (H1 2022: 63 units). In the Development to hold area, a fair value of € 193.6 million was achieved in the 2023 reporting period (H1 2022: € 97.0 million). € 82.6 million of this amount was attributable to project development in Germany (H1 2022: € 97.0 million), with € 84.2 million attributable to project development in Austria (H1 2022: € 0.0 million) and € 26.8 million attributable to project development in Sweden. The gross profit for Development to hold came to € 14.2 million in the first six months of 2023 with a margin of 7.3 % (H1 2022: € 28.8 million, margin of 29.7%).

Development operating expenses amounted to € 15.3 million in the first half of 2023, 9.5% lower than the € 16.9 million reported in the first half of 2022. The Adjusted EBITDA for the Development segment amounted to € 23.8 million in the 2023 reporting period (H1 2022: € 84.9 million).

Care Segment

The Care segment developed as expected in the first six months of 2023. At the end of the first half of 2023, there were still 72 care properties in the Rental portfolio, 71 of which were still owned by Vonovia.

Segment revenue came to € 143.9 million in the first half of 2023, 5.1% higher than the value of € 136.9 million for the first half of 2022.

Expenses for maintenance came to € 2.6 million in the 2023 reporting period (H1 2022: € 2.9 million).

Operating expenses in the Care segment amounted to € 106.1 million in the first six months of 2023, as against € 91.0 million in the first six months of 2022. This is due primarily to higher personnel and energy costs as well as delayed adjustments to nursing fund payments.

The **Adjusted EBITDA Care** came in at € 35.2 million in the 2023 reporting period, down by 18.1% on the prior-year value of € 43.0 million.

Group FFO

Group FFO came to € 964.8 million in the first six months of 2023 (H1 2022: € 1,066.6 million). The **Adjusted EBITDA Total** fell slightly from € 1,405.8 million in the first half of 2022 to € 1,338.3 million in the first half of 2023.

In the 2023 reporting period, the non-recurring items eliminated in the Adjusted EBITDA Total came to € 119.2 million (H1 2022: € 7.5 million). The change is mainly attributable to positive non-recurring items in the previous year, as well as higher expenses for pre-retirement part-time work arrangements and one-off effects linked to the Südewo transaction in the 2023 reporting period.

The following table gives a detailed list of the non-recurring items:

Non-recurring Items

in € million	H1 2022	H1 2023	Change in %	12M 2022
Transactions*	-3.9	82.9	–	113.2
Personnel matters	2.1	26.6	>100	-3.1
Business model optimization	7.0	6.2	-11.4	12.2
Research & development	1.5	3.4	>100	4.2
Refinancing and equity measures	0.8	0.1	-87.5	1.0
Total non-recurring items	**7.5**	**119.2**	**>100**	**127.5**

* Including one-time expenses in connection with acquisitions, such as HR measures relating to the integration process and other follow-up costs.

Reconciliations

The **financial result** changed from € -137.8 million in the first half of 2022 to € -317.6 million in the first half of 2023. FFO interest expense is derived from the financial result as follows:

Reconciliation of Financial Result/FFO Interest Expense

in € million	H1 2022	H1 2023	Change in %	12M 2022
Interest income	35.8	49.9	39.4	115.5
Interest expense	-152.5	-383.2	>100	-367.6
Other financial result excluding income from investments	-21.1	15.7	–	-10.9
Financial result*	**-137.8**	**-317.6**	**>100**	**-263.0**
Adjustments:				
Other financial result excluding income from investments	21.1	-15.7	–	10.9
Effects from the valuation of interest rate and currency derivatives	-94.3	21.2	–	-152.5
Prepayment penalties and commitment interest	7.8	4.5	-42.3	12.6
Effects from the valuation of non-derivative financial instruments	-32.2	-4.7	-85.4	-77.4
Interest accretion to provisions	5.8	9.2	58.6	6.8
Accrued interest/other effects	-61.7	-57.3	-7.1	-40.0
Net cash interest	**-291.3**	**-360.4**	**23.7**	**-502.6**
Adjustment for IFRS 16 Leases	5.5	6.8	23.6	12.2
Adjustment of income from investments in other real estate companies	5.0	5.2	4.0	7.9
Adjustment of interest paid due to taxes	-0.5	-1.0	100.0	-0.6
Adjustment of accrued interest	44.9	51.8	15.4	-10.7
Interest expense FFO	**-236.4**	**-297.6**	**25.9**	**-493.8**

* Excluding income from other investments.

In the first six months of 2023, the **profit for the period** came to € -4,130.4 million (H1 2022: € 1,870.4 million). This is chiefly due to the negative result from the valuation of investment properties totaling € -6,382.9 million (H1 2022: € 3,115.9 million).

The reconciliation of profit for the period to Group FFO is shown below:

Reconciliation of Profit for the Period/Group FFO

in € million	H1 2022*	H1 2023	Change in %	12M 2022
Profit for the period	**1,870.4**	**-4,130.4**	**–**	**-669.4**
Financial result**	137.8	317.6	>100	263.0
Income taxes	1,016.8	-1,738.3	–	-63.3
Depreciation and amortization (incl. depreciation on financial assets)	1,104.9	371.4	-66.4	1,303.1
Net income from investments accounted for using the equity method	334.6	12.3	-96.3	436.6
Net income from fair value adjustments of investment properties	-3,115.9	6,382.9	–	1,269.8
Non-recurring items	7.5	119.2	>100	127.5
Total period adjustments from assets held for sale	37.9	-2.4	–	52.3
Income from investments in other real estate companies	-5.0	-5.2	4.0	-7.9
Other	-25.7	2.1	–	-37.2
Intragroup profits/losses	13.7	-5.1	–	-4.7
Gross profit Development to hold	28.8	14.2	-50.7	93.3
Adjusted EBITDA Total	**1,405.8**	**1,338.3**	**-4.8**	**2,763.1**
Interest expense FFO***	-236.4	-297.6	25.9	-493.8
Current income taxes FFO	-60.1	-66.8	11.1	-145.0
Consolidation	-42.7	-9.1	-78.7	-88.7
Group FFO******	**1,066.6**	**964.8**	**-9.5**	**2,035.6**
Group FFO after non-controlling interests	**1,025.6**	**919.6**	**-10.3**	**1,944.3**
Group FFO per share in €****	1.34	1.18	-11.9	2.56

* Prior-year figures adjusted to new adjusted EBITDA definition (excluding results from at-equity investments), adjustments of Adjusted EBITDA Total/Group FFO: € -3.8 million. In the course of the fourth quarter of 2022, the Deutsche Wohnen segment was dissolved and transferred to the Rental, Value-add, Recurring Sales, Development and Care segments. Previous year's values for H1 2022 updated accordingly.

** Excluding income from other investments.

*** Incl. financial income from investments in other real estate companies.

****Based on the new 2022 definition without elimitation of IFRS 16 effect, Group FFO per share based on the shares carrying dividend rights on the reporting date.

Assets

Consolidated Balance Sheet Structure

	Dec. 31, 2022		June 30, 2023	
	in € million	in %	in € million	in %
Non-current assets	96,037.9	94.7	89,451.0	93.8
Current assets	5,351.7	5.3	5,920.2	6.2
Total assets	**101,389.6**	**100.0**	**95,371.2**	**100.0**
Equity	34,438.8	34.0	30,953.2	32.5
Non-current liabilities	61,474.9	60.6	58,721.4	61.6
Current liabilities	5,475.9	5.4	5,696.6	6.0
Total equity and liabilities	**101,389.6**	**100.0**	**95,371.2**	**100.0**

The Group's **total assets** dropped by € 6,018.4 million as against December 31, 2022, falling from € 101,389.6 million to € 95,371.2 million.

The main development in non-current assets is the decline in investment properties of € 6,682.2 million on account of the write-down performed. The disposal of the non-current equity investments in the French residential portfolio is reflected in non-current financial assets. Goodwill and the trademark rights for the Development segment were written off in full in the combined amount of € 204.8 million.

The transaction with Apollo Capital Management L.P. on the sale of a 27.6 % stake in the Südewo residential portfolio in Baden-Württemberg resulted in a call option on these shares, which is measured at € 359.0 million and has been recognized outside profit or loss as an asset.

Current assets fell, mainly as a result of the drop in the current financial assets, by € 57.8 million. This includes a reclassification due to the new long-term loans granted to QUARTERBACK Immobilien AG, which is reflected accordingly in non-current financial assets. Inventories also dropped by € 81.7 million and real estate inventories by € 69.7 million. Trade receivables rose by € 62.8 million.

Goodwill comprised 1.5% of the total assets.

As of June 30, 2023, the **gross asset value (GAV)** of Vonovia's property assets came to € 88,645.8 million. This corresponds to 92.9 % of total assets, as against € 95,125.5 million or 93.8 % at the end of 2022.

Equity fell by € 3,485.6 million, from € 34,438.8 million to € 30,953.2 million, mainly due to the profit for the period of € -4,130.4 million. The other comprehensive income of € -311.9 million was influenced to a significant degree by currency effects amounting to € -277.6 million.

The **equity ratio** stood at 32.5% as of June 30, 2023, compared with 34.0% at the end of 2022.

Liabilities dropped by € 2,532.8 million from € 66,950.8 million to € 64,418.0 million. The amount of non-current non-derivative financial liabilities fell by € 874.6 million, whereas current non-derivative financial liabilities rose by € 251.4 million.

Deferred tax liabilities fell by € 1,861.8 million.

Net Assets

Vonovia's net asset value figures are based on the best practice recommendations of the EPRA (European Public Real Estate Association).

At the end of the first half of 2023, the EPRA NTA came to € 40,460.1 million, down by 11.6% on the value of € 45,744.5 million seen at the end of 2022. EPRA NTA per share decreased from € 57.48 at the end of 2022 to € 49.67 at the end of the first half of 2023. It is important to note that the creation of a new MFH Sales subportfolio has reduced the amounts added for deferred taxes, as these are only intended to be recognized for properties to be held in the portfolio in the long term.

EPRA Net Tangible Assets (EPRA NTA)

in € million	Dec. 31, 2022	June 30, 2023	Change in %
Total equity attributable to Vonovia shareholders	**31,331.5**	**27,324.2**	**-12.8**
Deferred tax in relation to fair value gains of investment properties*	16,190.0	14,709.8	-9.1
Fair value of financial instruments**	-117.5	-124.0	5.5
Goodwill as per the IFRS balance sheet	-1,529.9	-1,391.7	-9.0
Intangibles as per the IFRS balance sheet	-129.6	-58.2	-55.1
EPRA NTA	**45,744.5**	**40,460.1**	**-11.6**
EPRA NTA per share in €* **	**57.48**	**49.67**	**-13.6**

* Proportion of hold portfolio.
** Adjusted for effects from cross currency swaps.
*** EPRA NTA per share based on the shares carrying dividend rights on the reporting date.

Fair Values

Major market developments and valuation parameters that have an impact on the fair values of Vonovia are assessed on an ongoing basis. The revaluation* led to a net result from the valuation of € -6,382.9 million for the first six months of the year (H1 2022: € 3,115.9 million).

Buildings under construction (new construction/development to hold) were completed during the reporting period. A fair value measurement is performed for the first time when the properties are completed. This resulted in a valuation effect of € 13.7 million (H1 2022: € 28.9 million) for the period from January 1 to June 30, 2023, with this valuation effect included in the aforementioned valuation result.

The recognition and valuation of investment properties are explained in detail in the consolidated financial statements for 2022.

* Existing portfolio comprising developed land, excluding Care and Development.

Financial Position

Cash Flow

The Group cash flow is as follows:

Key Data from the Statement of Cash Flows

in € million	H1 2022	H1 2023
Cash flow from operating activities	1,039.6	911.4
Cash flow from investing activities	1,399.9	-346.2
Cash flow from financing activities	-2,298.6	-186.3
Influence of changes in foreign exchange rates	-4.5	-4.7
Net changes in cash and cash equivalents	136.4	374.2
Cash and cash equivalents at the beginning of the period	1,432.8	1,302.4
Cash and cash equivalents at the end of the period	**1,569.2**	**1,676.6**

The cash flow from **operating activities** came to € 911.4 million for the first six months of 2023, compared with € 1,039.6 million for the first six months of 2022.

The cash flow from **investing activities** shows a payout balance of € 346.2 million for the first six months of 2023. Payments for the acquisition of investment properties came to € 445.1 million in the first six months of 2023 (6M 2022: € 1,138.5 million). On the other hand, income from portfolio sales in the amount of € 201.4 million was collected (6M 2022: € 2,699.4 million). The prior-year figure was influenced to a considerable degree by the sale of residential and commercial units to public housing companies in Berlin.

The cash flow from **financing activities** of € -186.3 million (6M 2022: € -2,298.6 million) includes payments for regular and unscheduled repayments in the amount of € 1,547.6 million (6M 2022: € 6,361.5 million) and, on the other hand, proceeds from issuing financial liabilities in the amount of € 1,071.3 million (6M 2022: € 5,172.9 million). Furthermore, this figure includes € 1,083.2 million (6M 2022: € - million) proceeds from the sale of shares in consolidated companies, of which around € 1.0 billion resulted from the sale of shares in relation to the Südewo transaction. Payouts for transaction and financing costs amounted to € 5.6 million (6M 2022: € 44.8 million). Interest paid in the first six months of 2023 amounted to € 378.4 million (6M 2022: € 298.8 million).

Net changes in **cash and cash equivalents** came to € 374.2 million.

Financing

According to the publication dated March 21, 2023, Vonovia's credit rating as awarded by the agency Standard & Poor's is unchanged at **BBB+** with a stable outlook for the long-term issuer credit rating and A-2 for the short-term issuer credit rating. At the same time, the credit rating for the issued and unsecured bonds is BBB+.

Furthermore, in an announcement dated November 2, 2022, Vonovia was awarded a rating of Baa1 with a stable outlook by the rating agency Moody's.

Vonovia received an A- investment grade rating from the rating agency Scope, although the outlook was changed from stable to negative in a publication dated June 29, 2023.

Vonovia SE has launched an **EMTN program** (European medium-term notes program). This program, which was originally launched via Vonovia Finance B.V., allows funds to be raised quickly at any time, without any major administrative outlay, using bond issues. The prospectus for the € 40 billion program, which was published on March 24, 2023, is to be updated annually and approved by the financial supervisory authority of the Grand Duchy of Luxembourg (CSSF).

As of the reporting date of June 30, 2023, Vonovia had placed a total bond volume of € 25.6 billion, € 25.3 billion of which relates to the EMTN program. Deutsche Wohnen bonds worth a further € 1.8 billion were also assumed.

In January 2023, Vonovia implemented an open market repurchase to buy back bonds maturing in 2028, 2029 and 2033. € 53.6 million was bought back early within this context. A bond in the amount of € 403.4 million was repaid as planned in April 2023.

Deutsche Wohnen repaid secured financing in the amount of € 281.8 million as scheduled in March 2023.

Vonovia repaid promissory note loans of € 120.0 million as scheduled in March 2023.

On March 16, 2023, Vonovia took out secured financing with Berlin Hyp in the amount of € 550.0 million with a maturity of ten years. The financing was disbursed in April 2023.

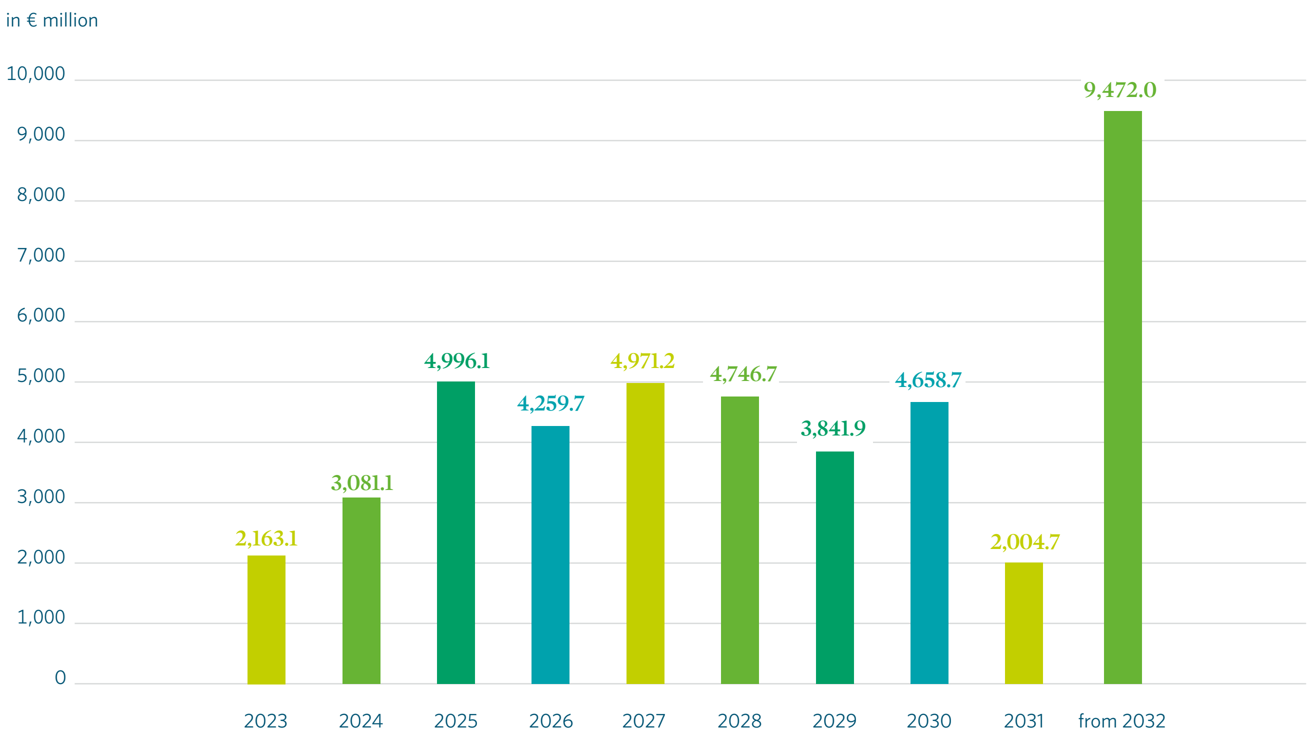
On April 19, 2023, Vonovia took out unsecured financing with Caixabank in the amount of € 150.0 million with a maturity of five years. The financing was disbursed in April 2023.

June 2023 saw Vonovia repay a secured financing arrangement in the amount of € 75.9 million on the final maturity date.

Vonovia repaid a commercial paper with a volume of € 75.0 million as planned in June 2023.

The **debt maturity profile** of Vonovia's financing was as follows as of June 30, 2023:

Debt Maturity Profile on June 30, 2023 (face values)



In connection with the issue of unsecured bonds, Vonovia has undertaken to comply with the following standard market covenants:

> Limitations on incurrence of financial indebtedness
> Maintenance of consolidated coverage ratio
> Maintenance of total unencumbered assets

The existing structured and secured financing arrangements also require adherence to certain standard market covenants. Any failure to meet the agreed financial covenants could have a negative effect on the liquidity status.

The key debt ratios are as follows as of the reporting date:

in € million	Dec. 31, 2022	June 30, 2023	Change in %
Non-derivative financial liabilities	45,059.7	44,436.5	-1.4
Foreign exchange rate effects	-50.0	-45.6	-8.8
Cash and cash equivalents*	-1,302.4	-1,818.7	39.6
Net debt	**43,707.3**	**42,572.2**	**-2.6**
Sales receivables	-387.2	-339.8	-12.2
Adjusted net debt	**43,320.1**	**42,232.4**	**-2.5**
Fair value of the real estate portfolio	**94,694.5**	**88,242.8**	**-6.8**
Loans to companies holding immovable property and land	809.8	809.3	-0.1
Shares in other real estate companies	547.4	389.4	-28.9
Adjusted fair value of the real estate portfolio	**96,051.7**	**89,441.5**	**-6.9**
LTV	**45.1%**	**47.2%**	**2.1 pp**
Net Debt**	43,690.9	43,179.2	-1.2
Adjusted EBITDA Total***	2,763.1	2,695.7	-2.4
Net Debt/EBITDA multiple	**15.8x**	**16.0x**	**0.2x**

* Incl. term deposits not classified as cash equivalents.
** Average over 5 quarters.
*** Total over 4 quarters.

The financial covenants have been fulfilled as of the reporting date.

	Dec. 31, 2022	June 30, 2023	Change in %
ICR bond covenants	**5.5x**	**4.7x**	**-0.8x**
LTV bond covenants	**44.4%**	**46.6%**	**2.2 pp**

Opportunities and Risks

In addition to the opportunities and risks set out in the combined management report for the 2022 fiscal year, there were essentially no changes in the assessment of the overall risk position at the end of the first half of 2023.

The number of overall risks fell from 107 at the end of 2022 to 104 at the end of the first six months of 2023.

The number of amber risks came to 9 at the end of the first half of 2023, as against 11 at the end of 2022. The following nine amber risks were identified as of June 30, 2023:

"Value of stated goodwill" with a potential amount of loss of € 600–2,400 million and an expected probability of occurrence of 40–59%.

"Future market development leads to a drop in property values" with a potential amount of loss of >€ 12,000 million and an expected probability of occurrence of 5–39%.

"Development sale risk" with a potential amount of loss of € 150–375 million and an expected probability of occurrence of 40-59%.

"Unfavorable interest rate developments" with a potential amount of loss of >€ 750 million and an expected probability of occurrence of 5–39%.

"Higher refinancing costs due to a change in risk profile" with a potential amount of loss of € 375–750 million and an expected probability of occurrence of 5–39%.

"Failure to fulfill obligations (from bonds, secured loans, transactions)" with a potential amount of loss of >€ 750 million and an expected probability of occurrence of <5%.

"Unfavorable exchange rate developments" with a potential amount of loss of € 40–150 million and an expected probability of occurrence of 40–59%.

"Deteriorating residential property market situation" with a potential amount of loss of € 375–750 million and an expected probability of occurrence of 5–39%.

"Amendments to the German Real Estate Transfer Tax Act (Grunderwerbsteuergesetz) due to share deals" with a potential amount of loss of >€ 750 million and an expected probability of occurrence of <5%.

The risks "Higher construction costs than planned due to increases in the price of construction materials & services" and "Significant increase in the CO_2 price" were downgraded from amber to green.

The assessment of the probability of occurrence for the risk "Higher construction costs than planned due to increases in the price of construction materials & services" was reduced from 60–95% to 5–39%, with an unchanged expected potential amount of loss of € 40–150 million.

The assessment of the probability of occurrence for the risk "Significant increase in the CO_2 price" was reduced from 60–95% to 40–59%, and the assessment of the potential amount of loss was reduced from € 40–150 million to € 5-40 million.

There are currently no indications of any risks that could pose a threat to the company's existence, and – as things stand at present – no such risks are expected to arise in the future.

Business Outlook

The forecast was based on the accounting principles used in the consolidated financial statements, with the adjustments described elsewhere in the management report being made. The forecast does not take account of any larger acquisitions of real estate portfolios.

Our forecast for the 2023 fiscal year is based on determined and updated corporate planning for the Vonovia Group as a whole and considers current business developments, the completed integration of Deutsche Wohnen, possible opportunities and risks, potential after-effects of the coronavirus pandemic and the effects of the war in Ukraine. It also includes the key overall macroeconomic developments and the economic factors that are relevant to the real estate industry and our corporate strategy. Further information is provided in the sections entitled Development of the Economy and the Industry and Fundamental Information About the Group in the 2022 Annual Report. Beyond this, the Group's further development remains exposed to general opportunities and risks (see chapter of the 2022 Annual Report on Opportunities and Risks). In addition to the opportunities and risks set out in the combined management report for the 2022 fiscal year, there were essentially no changes in the assessment of the overall risk position at the end of the first quarter of 2023.

We expect price increases triggered by the Ukraine crisis, particularly on the energy markets, to have a substantial impact on Vonovia and our customers. While these will have a direct impact on ancillary expenses, they will also have an indirect effect on all areas of the economy due to general price increases. We also expect prices for construction materials to remain high, with a knock-on effect on our construction projects, too.

Rising interest rates and inflation continue to create increased volatility on the equity and debt capital markets, also due to, or exacerbated by, the war in Ukraine. We therefore assess the overall economic situation and developments on an ongoing basis, particularly with regard to the return requirements for investment and divestment decisions.

We expect total segment revenue to increase slightly in 2023. We also expect Adjusted EBITDA Total to be slightly below the prior-year level. Both key figures are currently being influenced to a considerable degree by the sales risks on the transaction market.

We expect the EBITDA contribution for the Rental segment to increase slightly with rising demand for rental apartments. In the Value-add segment, we expect to see a moderate year-on-year drop in results due to the reduced investment volume. Due to the strong result in the 2022 fiscal year, the updated project valuations and the sales risks on the transaction market, we expect to see a pronounced drop in EBITDA in the Development segment. We also expect to see a marked drop in EBITDA in the Recurring Sales segment due to a similar situation on the transaction market. As far as the Care segment is concerned, we predict a slight drop in EBITDA in 2023 due to positive one-off effects in 2022.

We also expect borrowing costs to increase further, and current income taxes to increase due to the higher transaction volume.

As a result, we expect Group FFO to decline slightly.

In addition, we expect the value of our company to increase further in 2023 and predict a slight increase in EPRA NTA per share, leaving any further market-related changes in value out of the equation.

Due to the increased cost of capital as described above, we anticipate a decline in modernization/portfolio investments and new construction/densification in 2023.

Due to our extended sales efforts and the associated lower share of Recurring Sales in relation to the total sales volume, we are not providing any forecast as to the number of units sold and the step-up Recurring Sales from H1 2023 onwards.

Based on the individual weighted targets and the values planned for the 2023 fiscal year in each case, we predict a total value of around 100% for the Sustainability Performance Index.

The following table provides an overview of our forecast and presents material and selected key figures.

	Actual 2022	Forecast for 2023	Forecast for 2023 in the 2023 Q1 Report	Forecast for 2023 in the 2023 H1 Report
Total Segment Revenue	€ 6.3 billion	€ 6.4–7.2 billion	€ 6.4–7.2 billion	€ 6.4–7.2 billion
Adjusted EBITDA Total	**€2,763.1 million**	**€ 2.6–2.85 billion**	**€ 2.6–2.85 billion**	**€ 2.6–2.85 billion**
Group FFO	**€ 2,035.6 million**	**€ 1.75–1.95 billion**	**€ 1.75–1.95 billion**	**€ 1.75–1.95 billion**
Group FFO per share*	€ 2.56	suspended	suspended	€ 2.15–2.39
EPRA NTA per share*	**€ 57.48**	**suspended**	**suspended**	**suspended**
Sustainability Performance Index (SPI)**	**103.0%**	**~100%**	**~100%**	**~100%**
Rental income	€ 3,168.1 million	€ 3.15–3.25 billion	€ 3.15–3.25 billion	€ 3.15–3.25 billion
Organic rent growth (eop)	3.3%	above previous year	above previous year	3.6–3.9%
Modernization/portfolio investments	€ 837.4 million	~€ 0.5 billion	~€ 0.5 billion	~€ 0.5 billion
New construction/space creation	€ 607.1 million	~€ 0.35 billion	~€ 0.35 billion	~€ 0.35 billion
Number of units sold Recurring Sales	2,710	3,000–3,500	3,000–3,500	suspended
Fair value step-up Recurring Sales	38.8%	~25%	~25%	suspended

* Based on the shares carrying dividend rights on the reporting date.
** Up to and including 2022, excluding Deutsche Wohnen. From 2023 forecast, including Deutsche Wohnen (excluding Care segment and SYNVIA).

Bochum, Germany, July 26, 2023

The Management Board

Condensed Interim Consolidated Financial Statements

Consolidated Income Statement

in € million	Notes	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023	Apr. 1– June 30, 2022	Apr. 1– June 30, 2023
Revenue from property letting		2,171.7	2,529.0	1,095.7	1,270.0
Other revenue from property management		207.5	227.6	108.1	109.2
Revenue from property management	**B6**	**2,379.2**	**2,756.6**	**1,203.8**	**1,379.2**
Income from disposal of properties		2,905.1	238.1	236.7	125.8
Carrying amount of properties sold		-2,863.2	-204.1	-221.9	-112.0
Revaluation of assets held for sale		38.3	20.4	24.3	13.2
Profit from the disposal of properties	**B7**	**80.2**	**54.4**	**39.1**	**27.0**
Revenue from disposal of real estate inventories		380.5	222.5	127.0	188.8
Cost of sold real estate inventories		-305.3	-199.0	-102.4	-171.3
Profit from disposal of real estate inventories	**B8**	**75.2**	**23.5**	**24.6**	**17.5**
Net income from fair value adjustments of investment properties	B9	3,115.9	-6,382.9	2,711.1	-2,770.7
Capitalized internal expenses		315.4	225.7	168.0	110.3
Cost of materials	B10	-1,033.8	-1,262.9	-540.9	-602.7
Personnel expenses		-423.2	-465.5	-204.8	-227.5
Depreciation and amortization*		-1,104.9	-349.8	-155.2	-319.9
Other operating income		104.9	106.3	42.5	55.2
Impairment losses on financial assets		-17.5	-6.5	-5.9	-3.6
Net income from the derecognition of financial assets measured at amortized cost		2.1	0.6	1.1	-0.6
Other operating expenses	B11	-150.6	-258.1	-77.1	-176.5
Net income from investments accounted for using the equity method*		-334.6	-12.3	-335.6	-12.2
Interest income	B12	35.8	49.9	14.3	16.6
Interest expenses	B13	-152.5	-383.2	-92.6	-187.3
Other financial result	B14	-4.4	35.5	-14.8	10.5
Earnings before tax		**2,887.2**	**-5,868.7**	**2,777.6**	**-2,684.7**
Income taxes*		-1,016.8	1,738.3	-965.6	642.4
Profit for the period		**1,870.4**	**-4,130.4**	**1,812.0**	**-2,042.3**
Attributable to:					
Vonovia's shareholders		1,715.8	-3,918.0	1,693.0	-1,955.9
Non-controlling interests		154.6	-212.4	119.0	-86.4
Earnings per share (diluted) in €		**2.40**	**-4.81**	**2.32**	**-2.34**
Earnings per share (basic) in €		**2.40**	**-4.81**	**2.32**	**-2.34**

* The impairment test for goodwill was recalculated due to the conclusion of the purchase price allocation in connection with the acquisition of Deutsche Wohnen. As a result, the impairment loss to be recognized as of June 30, 2022, decreased by € 163.5 million, the negative net income from investments accounted for using the equity method increased by € 49.3 million and also the income taxes increased by € 40.2 million.

Consolidated Statement of Comprehensive Income

in € million	Jan. 1–June 30, 2022	Jan. 1–June 30, 2023	Apr. 1–June 30, 2022	Apr. 1–June 30, 2023
Profit for the period*	1,870.4	-4,130.4	1,812.0	-2,042.3
Change in unrealized gains/losses	44.3	-19.6	27.5	3.0
Taxes on the change in unrealized gains/losses	-13.5	6.1	-8.5	-1.0
Net realized gains/losses	-12.5	2.5	-11.6	-2.1
Taxes due to net realized gains/losses	5.5	0.3	4.4	1.2
Profit on cash flow hedges	**23.8**	**-10.7**	**11.8**	**1.1**
Changes in the period	-242.7	-277.6	-198.9	-207.6
Tax effect	16.1	–	–	–
Profit on currency translation differences	**-226.6**	**-277.6**	**-198.9**	**-207.6**
Items which will be recognized in profit or loss in the future	**-202.8**	**-288.3**	**-187.1**	**-206.5**
Changes in the period	-2.2	-18.8	-2.2	-6.2
Taxes on changes in the period	0.4	0.8	0.3	0.1
Profit on equity instruments at fair value in other comprehensive income	**-1.8**	**-18.0**	**-1.9**	**-6.1**
Change in actuarial gains/losses, net	197.7	-7.8	120.6	-3.1
Tax effect	-64.1	2.2	-44.6	0.8
Profit on actuarial gains and losses from pensions and similar obligations	**133.6**	**-5.6**	**76.0**	**-2.3**
Items which will not be recognized in profit or loss in the future	**131.8**	**-23.6**	**74.1**	**-8.4**
Other comprehensive income	**-71.0**	**-311.9**	**-113.0**	**-214.9**
Total comprehensive income	**1,799.4**	**-4,442.3**	**1,699.0**	**-2,257.2**
Attributable to:				
Vonovia's shareholders	1,639.8	-4,229.5	1,577.8	-2,170.6
Non-controlling interests	159.6	-212.8	121.2	-86.6

* The impairment test for goodwill was recalculated due to the conclusion of the purchase price allocation in connection with the acquisition of Deutsche Wohnen. As a result, the profit for the period increased by € 74.0 million.

Consolidated Balance Sheet

Assets

in € million	Notes	Dec. 31, 2022	June 30, 2023
Intangible assets	D16	1,659.5	1,449.9
Property, plant and equipment		673.4	664.9
Investment properties	D17	92,300.1	85,617.9
Financial assets	D18	745.0	1,201.3
Investments accounted for using the equity method	D19	240.1	223.2
Other assets		380.2	254.3
Deferred tax assets		39.6	39.5
Total non-current assets		**96,037.9**	**89,451.0**
Inventories		146.4	64.7
Trade receivables		330.2	393.0
Financial assets	D18	768.2	710.4
Other assets		337.5	460.0
Income tax receivables		239.9	170.9
Cash and cash equivalents		1,302.4	1,676.6
Real estate inventories		2,156.3	2,086.6
Assets held for sale		70.8	358.0
Total current assets		**5,351.7**	**5,920.2**
Total assets		**101,389.6**	**95,371.2**

Equity and Liabilities

in € million	Notes	Dec. 31, 2022	June 30, 2023
Subscribed capital		795.8	814.6
Capital reserves		5,151.6	5,433.7
Retained earnings		25,605.1	21,611.9
Other reserves		-221.0	-536.0
Total equity attributable to Vonovia shareholders		**31,331.5**	**27,324.2**
Non-controlling interests		3,107.3	3,629.0
Total equity	E20	**34,438.8**	**30,953.2**
Provisions		655.7	630.4
Trade payables		5.2	0.2
Non-derivative financial liabilities	E21	41,269.7	40,395.1
Derivatives		–	–
Lease liabilities	E22	641.0	635.2
Liabilities to non-controlling interests		220.0	219.3
Financial liabilities from tenant financing		43.0	43.6
Other liabilities		27.9	47.0
Deferred tax liabilities		18,612.4	16,750.6
Total non-current liabilities		**61,474.9**	**58,721.4**
Provisions		549.7	483.2
Trade payables		563.3	457.4
Non-derivative financial liabilities	E21	3,790.0	4,041.4
Derivatives		1.3	1.6
Put options		270.9	335.5
Lease liabilities	E22	41.5	43.4
Liabilities to non-controlling interests		15.9	15.3
Financial liabilities from tenant financing		112.1	113.6
Other liabilities		131.2	205.2
Total current liabilities		**5,475.9**	**5,696.6**
Total liabilities		**66,950.8**	**64,418.0**
Total equity and liabilities		**101,389.6**	**95,371.2**

Consolidated Statement of Cash Flows

in € million	Notes	Jan. 1-June 30, 2022*	Jan. 1-June 30, 2023
Profit for the period*		1,870.4	-4,130.4
Net income from fair value adjustments of investment properties	B9	-3,115.9	6,382.9
Change in value from properties sold		-38.3	-20.4
Depreciation and amortization*		1,104.9	349.8
Interest expenses/income and other financial result	B12/B13/B14	137.9	317.6
Income taxes*		1,016.8	-1,738.3
Profit on the disposal of investment properties	B7	-41.9	-34.0
Results from disposals of other non-current assets		-0.2	-4.1
Other expenses/income not affecting cash*		317.5	8.8
Change in working capital		-92.9	-153.0
Income tax paid		-118.7	-67.5
Cash flow from operating activities		**1,039.6**	**911.4**
Proceeds from disposals of investment properties and assets held for sale		2,699.4	201.4
Proceeds from disposals of other assets		9.7	601.2
Proceeds from the disposal of other financial assets		1,199.6	-
Payments for investments in investment properties	D17	-1,138.5	-445.1
Payments for investments in other assets		-77.7	-592.2
Payments for acquisition of other financial assets		-1,300.0	-139.0
Interest received		7.4	27.5
Cash flow from investing activities		**1,399.9**	**-346.2**

in € million	Notes	Jan. 1- June 30, 2022*	Jan. 1- June 30, 2023
Cash paid to shareholders of Vonovia SE and non-controlling interests	E20	-691.1	-388.0
Proceeds from issuing financial liabilities	E21	5,172.9	1,071.3
Cash repayments of financial liabilities	E21	-6,361.5	-1,547.6
Cash repayments of lease liabilities	E22	-23.1	-21.1
Payments for transaction costs in connection with capital measures	E21	-36.1	-3.3
Payments for other financing costs	E21	-8.7	-2.3
Payments in connection with the disposal of shares in non-controlling interests		-52.2	-0.1
Proceeds for the sale of shares of consolidated companies		–	1,083.2
Interest paid		-298.8	-378.4
Cash flow from financing activities		**-2,298.6**	**-186.3**
Influence of changes in foreign exchange rates on cash and cash equivalents		-4.5	-4.7
Net changes in cash and cash equivalents		136.4	374.2
Cash and cash equivalents at the beginning of the period		1,432.8	1,302.4
Cash and cash equivalents at the end of the period**		**1,569.2**	**1,676.6**

* The impairment test for goodwill was recalculated due to the conclusion of the purchase price allocation in connection with the acquisition of Deutsche Wohnen. As a result, the impairment loss to be recognized as of June 30, 2022, decreased by € 163.5 million, the negative net income from investments accounted for using the equity method increased by € 49.3 million and also the income taxes increased by € 40.2 million.

** Includes € 101.6 million (June 30, 2022: € 449.9 million) in current securities classified as cash equivalents and total restricted cash of € 206.3 million (June 30, 2022: € 74.5 million).

Consolidated Statement of Changes in Equity

in € million	Subscribed capital	Capital reserves	Retained earnings	Other reserves: Cash flow hedges	Other reserves: Equity instruments at fair value in other comprehensive income
As of Jan. 1, 2023	795.8	5,151.6	25,605.1	41.2	63.9
Profit for the period			-3,918.0		
Changes in the period			-5.2	-13.5	-18.0
Reclassification affecting net income				2.8	
Other comprehensive income			-5.2	-10.7	-18.0
Total comprehensive income			-3,923.2	-10.7	-18.0
Capital increase	18.8				
Premium on the issue of new shares		284.7			
Transaction costs in connection with the issue of shares		-0.1			
Dividend distributed by Vonovia SE			-676.5		
Changes recognized directly in equity		-2.5	606.5		-8.7
As of June 30, 2023	**814.6**	**5,433.7**	**21,611.9**	**30.5**	**37.2**
As of Jan. 1, 2022*	776.6	15,458.4	16,535.5	-11.9	80.7
Profit for the period*			1,715.8		
Changes in the period			128.6	30.8	-1.8
Reclassification affecting net income				-7.0	
Other comprehensive income			128.6	23.8	-1.8
Total comprehensive income			1,844.4	23.8	-1.8
Capital increase	19.2				
Premium on the issue of new shares		597.6			
Transaction costs in connection with the issue of shares		-0.4			
Reclassification of equity instruments at fair value in other comprehensive income					
Withdrawal from the capital reserves					
Dividend distributed by Vonovia SE			-1,289.2		
Addition of non-controlling interests due to acquisition of Deutsche Wohnen					
Changes recognized directly in equity		-2.2	-4.2		
As of June 30, 2022	**795.8**	**16,053.4**	**17,086.5**	**11.9**	**78.9**

* The impairment test for goodwill was recalculated due to the conclusion of the purchase price allocation in connection with the acquisition of Deutsche Wohnen. As a result, the impairment loss to be recognized as of June 30, 2022, decreased by € 163.5 million, the net income from investments accounted for using the equity method increased by € 49.3 million and also the income taxes increased by € 40.2 million.

Currency translation differences	Total	Equity attributable to Vonovia's shareholders	Non-controlling interests	Total equity
-326.1	**-221.0**	**31,331.5**	**3,107.3**	**34,438.8**
		-3,918.0	**-212.4**	**-4,130.4**
-277.6	-309.1	-314.3	-0.4	-314.7
	2.8	2.8		2.8
-277.6	**-306.3**	**-311.5**	**-0.4**	**-311.9**
-277.6	**-306.3**	**-4,229.5**	**-212.8**	**-4,442.3**
		18.8		18.8
		284.7		284.7
		-0.1		-0.1
		-676.5		-676.5
	-8.7	595.3	734.5	1,329.8
-603.7	**-536.0**	**27,324.2**	**3,629.0**	**30,953.2**
57.4	**126.2**	**32,896.7**	**3,242.4**	**36,139.1**
		1,715.8	**154.6**	**1,870.4**
-226.6	-197.6	-69.0	5.0	-64.0
	-7.0	-7.0		-7.0
-226.6	**-204.6**	**-76.0**	**5.0**	**-71.0**
-226.6	**-204.6**	**1,639.8**	**159.6**	**1,799.4**
		19.2		19.2
		597.6		597.6
		-0.4		-0.4
				0.0
				0.0
		-1,289.2		-1,289.2
		-6.4	-68.3	-74.7
-169.2	**-78.4**	**33,857.3**	**3,333.7**	**37,191.0**

Notes

Section (A): Principles of the Consolidated Financial Statements

1 General Information

Vonovia SE is incorporated and domiciled in Germany. The company has been registered in the commercial register in Bochum under HRB 16879 since 2017. Its registered office is at Universitätsstrasse 133, 44803 Bochum, Germany.

The interim consolidated financial statements as of June 30, 2023, were prepared in line with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union for interim financial statements in accordance with IAS 34. They include the company and its subsidiaries.

In accordance with IAS 34, the scope of Vonovia's interim consolidated financial statements as of June 30, 2023, is condensed compared with the consolidated financial statements as of December 31, 2022.

2 Currency Translation

The exchange rates of the currencies relevant to the Vonovia Group have developed as follows:

	Closing rate		Average for period	
Basis: € 1	Dec. 31, 2022	Jun. 30, 2023	Jan. 1–Jun. 30, 2022	Jan. 1–Jun. 30, 2023
SEK — Swedish krona	11.12	11.81	10.48	11.33
USD — US dollar	1.07	1.09	1.09	1.08

3 Accounting Policies

Recognition and measurement, as well as the explanatory information and notes, are generally based on the same recognition and measurement methods that were used to prepare the consolidated financial statements for the 2022 fiscal year. There were no seasonal or economic influences that had an impact on Vonovia's business activities in the reporting period.

The operating business was stable as expected. The changes in overall financial market conditions are prompting market players to revise their return criteria due to the higher interest rates, impacting investment decisions both at Vonovia itself and at potential transaction partners. This means that the higher interest rates also have a potential impact on the assessment of business models and the valuation of assets, i.e., holdings measured at fair value and goodwill.

The new standards and interpretations to be applied as of January 1, 2023, do not have any material effects on Vonovia's consolidated financial statements.

For detailed information on the effects in the 2022 fiscal year, please refer to note (A) Principles of the Consolidated Financial Statements in Vonovia's published 2022 Annual Report.

4 Adjustment to Prior-Year Figures

The conclusion of the purchase price allocation in connection with the acquisition of the Deutsche Wohnen Group resulted in adjustments, for June 30, 2022, in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity, which are explained in the relevant sections of the condensed interim consolidated financial statements.

Segment Report

In the 2022 fiscal year, Vonovia continued with the 2021 management system for the time being. Details can be found in the chapter Management System of the 2022 Annual Report. Vonovia's business was managed via the five segments: Rental, Value-add, Recurring Sales, Development and Deutsche Wohnen.

In the course of the fourth quarter of 2022, the Deutsche Wohnen segment was dissolved and transferred to the Rental, Value-add, Recurring Sales, Development and Care segments. Details on the allocation of Deutsche Wohnen's segment figures for the first half of 2022 to the five segments that are relevant from a corporate management perspective are presented below:

	H1 2022	Adjustments		H1 2022 (adjusted)	Allocation to the segments				
in € million	Deutsche Wohnen	Removal of at-equity-investment from Adjusted EBITDA*	Line-shifts**	Segments total	Rental	Value-add	Recurring Sales	Develop-ment	Care
Jan. 1–June 30, 2022									
Segment revenue	**578.2**		**-8.8**	**569.4**	**381.8**	**18.8**	**26.7**	**5.2**	**136.9**
thereof external revenue	566.0		–	566.0	381.8	15.4	26.7	5.2	136.9
thereof internal revenue	12.2		-8.8	3.4		3.4		–	
Carrying amount of assets sold***	-3.6		-2.4	-6.0			-6.0		
Revaluation from disposal of assets held for sale			-10.9	-10.9			-10.9		
Expenses for maintenance	-51.3		0.1	-51.2	-48.3				-2.9
Cost of development to sell	-18.2		13.3	-4.9				-4.9	
Cost of development to hold			–	–					
Operating expenses	-163.7	3.8	9.0	-150.9	-44.0	-13.4	-1.7	-0.8	-91.0
Adjusted EBITDA Total	**341.4**	**3.8**	**0.3**	**345.5**	**289.5**	**5.4**	**8.1**	**-0.5**	**43.0**

* Adjusted to new adjusted EBITDA definition (excluding results from at-equity investments), due to Vonovia's minor control influence on the operating results of companies consolidated using the equity method.

** The amounts shown in this column are transactions that took place in the old segment structure within the Deutsche Wohnen segment and now represent transactions between the segments of the new segment structure.

*** Incl. cost of sold real estate inventories in the Recurring Sales segment.

5 Subsequent Events

As part of its ongoing efforts to be proactive in managing its financial liabilities, Vonovia successfully completed a cash offer for a number of bonds.

Out of the total nominal value offered by the bond investors amounting to approximately € 1.25 billion, Vonovia accepted the buyback of a nominal value of € 1.0 billion for a total value of € 892.0 million. This corresponds to a discount of around 11%.

Vonovia also reached an agreement on secured financing of € 125.0 million with NordLB on June 29, 2023, disbursement of which is scheduled for August 2023.

On June 30, 2023, Vonovia concluded a secured financing agreement with a volume of € 130.0 million with UniCredit. This is scheduled for disbursement in the third quarter of 2023.

Another agreement on secured financing of € 175.0 million was reached with Berliner Sparkasse on July 5, 2023, and will be disbursed in July 2023.

In order to manage its interest rate risk, Vonovia also concluded five interest rate swaps in the period between June 30, 2023 and July 6, 2023. These were supplemented by a forward interest rate swap concluded on July 5, 2023.

The interest rate swaps will run for between 3.5 years and 6.25 years and hedge a total nominal amount of € 775.0 million.

The forward interest rate swap, with a nominal value of € 500 million and a term of ten years, will take effect in 2024.

The interest rate hedges exchange a 3M or 6M Euribor for a fixed interest rate of between 2.989% and 3.513%.

Section (B): Profit for the Period

6 Revenue from Property Management

in € million	Jan. 1–June 30, 2022	Jan. 1–June 30, 2023
Rental income	1,573.0	1,609.3
Ancillary costs	598.7	919.7
Revenue from property letting	2,171.7	2,529.0
Other revenue from property management	207.5	227.6
	2,379.2	2,756.6

Other revenue from property management includes income of € 143.8 million (H1 2022: € 136.8 million) from the nursing and assisted living business area.

7 Profit on the Disposal of Properties

in € million	Jan. 1–June 30, 2022	Jan. 1–June 30, 2023
Income from the disposal of properties	103.3	146.4
Carrying amount of properties sold	-66.5	-113.4
Profit from the disposal of investment properties	36.8	33.0
Income from the sale of assets held for sale	2,801.8	91.7
Retirement carrying amount of assets held for sale	-2,796.7	-90.7
Change in value from properties sold	38.3	20.4
Profit from the disposal of assets held for sale	43.4	21.4
	80.2	54.4

The fair value adjustment of residential properties held for sale, for which a purchase contract had been signed but transfer of title had not yet taken place, led to a gain of € 20.4 million as of June 30, 2023 (H1 2022: € 38.3 million).

The year-on-year drop in the profit on, and retirement carrying amount from, the disposal of assets held for sale is due primarily to the disposal of properties as part of the Berlin Deal in the first quarter of 2022 (see further information in the 2022 Annual Report in note [D28] Investment Properties).

8 Profit on Disposal of Real Estate Inventories

Revenue from the disposal of real estate inventories amounting to € 222.5 million (H1 2022: € 380.5 million) comprises € 120.5 million (H1 2022: € 234.8 million) in period-related revenue together with € 102.0 million (H1 2022: € 145.7 million) in time-related revenue from the disposal of real estate inventories. As of the reporting date, contract assets of € 185.7 million (December 31, 2022: € 169.2 million) are recognized within trade receivables in connection with the period-related revenue recognition. As of the reporting date, this amount includes advance payments received of € 145.5 million (December 31, 2022: € 172.6 million). The drop in revenue as against the previous year is due primarily to the transfer of benefits and encumbrances for a project in Berlin in connection with the sale to an individual investor (global exit).

9 Net Income from Fair Value Adjustment of Investment Properties

The measurement of the investment properties led to a valuation result as of June 30, 2023, of € -6,382.9 million (H1 2022: € 3,115.9 million; see explanatory information in chapter note [D17] Investment Properties). This includes € -52.1 million (H1 2022: € -5.7 million) for the measurement of right-of-use assets (IFRS 16).

The figure also includes the valuation result from buildings under construction (new construction/development to hold) that were completed during the reporting period and were moved to the Rental portfolio. A fair value measurement is performed for the first time when the properties are completed. This resulted in a valuation effect of € 13.7 million as of June 30, 2023 (H1 2022: € 28.9 million).

The recognition and valuation of investment properties are explained in detail in the consolidated financial statements for 2022.

10 Cost of Materials

in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023
Expenses for ancillary costs	618.7	909.1
Expenses for maintenance and modernization	337.9	255.6
Other cost of purchased goods and services	77.2	98.2
	1,033.8	**1,262.9**

11 Other Operating Expenses

The increase in other operating expenses can be traced back first of all to higher consultancy and expert appraisal costs of € 85.4 million (H1 2022: € 24.2 million). These mainly include expenses in connection with the Südewo transaction.

Impairment losses were also recognized on real estate inventories in the amount of € 21.6 million (H1 2022: € - million) in the reporting period.

12 Interest Income

in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023
Income from non-current securities and non-current loans	24.8	23.6
Other interest and similar income	11.0	26.3
	35.8	**49.9**

Other interest and similar income in the reporting period includes income of € 15.3 million (H1 2022: € 0.0 million) from a partial buyback of bonds.

13 Interest Expenses

in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023
Interest expense from non-derivative financial liabilities	253.7	363.4
Swaps (current interest expense for the period)	12.1	-20.3
Effects from the valuation of non-derivative financial instruments	-32.2	-4.7
Effects from the valuation of swaps	-94.3	21.2
Prepayment penalties and commitment interest	7.8	4.5
Interest accretion to provisions	8.1	9.8
Interest from leases	8.5	9.9
Other financial expenses	-11.2	-0.6
	152.5	**383.2**

The interest expenses for non-derivative financial liabilities reflect the comparatively higher interest conditions for refinancing over the last twelve months.

The change in the valuation of swaps was influenced by the marked increase in interest rates in the previous year. The reporting year, on the other hand, is characterized by slight adjustments to the future swap interest rates observed on the market, as well as by the interest expenses associated with the drop in the fair value of swaptions settled in the reporting period.

14 Other Financial Result

in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023
Income from other investments	16.7	19.7
Transaction costs	-0.8	-0.5
Purchase price liabilities from put options/rights to reimbursement	-20.2	18.7
Miscellaneous other financial result	-0.1	-2.4
	-4.4	**35.5**

The income from investments includes financial income resulting from the collection of profits from the investment in AVW GmbH & Co. KG, Hamburg, in the amount of € 14.5 million (H1 2022: € 11.7 million) for the previous fiscal year in each case.

Section (C): Other Disclosures on the Results of Operations

15 Segment Reporting

The following table shows the segment information for the reporting period:

in € million	Rental	Value-add	Recurring Sales	Develop-ment	Care	Segments total	Other*	Consolida-tion*	Group
Jan. 1–June 30, 2023									
Segment revenue	**1,606.4**	**619.8**	**141.4**	**414.2**	**143.9**	**2,925.7**	**1,020.7**	**-729.2**	**3,217.2**
thereof external revenue	1,606.4	66.4	141.4	220.6	143.9	2,178.7	1,020.7	17.8	3,217.2
thereof internal revenue		553.4		193.6		747.0		-747.0	
Carrying amount of assets sold**			-108.2			-108.2	-99.3		
Revaluation from disposal of assets held for sale			11.1			11.1	6.9		
Expenses for maintenance	-207.0				-2.6	-209.6			
Cost of development to sell				-195.7		-195.7			
Cost of development to hold***				-179.4		-179.4		179.4	
Operating expenses	-201.2	-575.7	-7.3	-15.3	-106.1	-905.6	-21.3	540.6	
Ancillary costs							-909.1		
Adjusted EBITDA Total	**1,198.2**	**44.1**	**37.0**	**23.8**	**35.2**	**1,338.3**	**-2.1**	**-9.2**	**1,327.0**
Non-recurring items									-119.2
Period adjustments from assets held for sale									2.4
Income from investments/amortization in other real estate companies									5.2
Net income from fair value adjustments of investment properties									-6,382.9
Depreciation and amortization (incl. depreciation on financial assets)									-371.4
Net income from investments accounted for using the equity method									-12.3
Income from other investments									-19.7
Interest income									49.9
Interest expenses									-383.2
Other financial result									35.5
EBT									**-5,868.7**
Income taxes									**1,738.3**
Profit for the period									**-4,130.4**

* The revenue for the Rental, Value-add, Recurring Sales, Development and Care segments constitutes income that is regularly reported to the Management Board as the chief operating decision-maker and that reflects Vonovia's sustainable business. The revenue/costs in the "Other" and "Consolidation" columns are not part of the Management Board's segment management.
** Incl. cost of sold real estate inventories in the Recurring Sales segment.
*** Excluding capitalized interest on borrowed capital of € 0.5 million.

in € million	Rental	Value-add	Recurring Sales	Develop-ment	Care	Segments total	Other*	Consolida-tion*	Group
Jan. 1–June 30, 2022									
Segment revenue	**1,570.5**	**637.4**	**295.2**	**462.0**	**136.9**	**3,102.0**	**3,225.9**	**-663.1**	**5,664.8**
thereof external revenue	1,570.5	57.6	295.2	365.0	136.9	2,425.2	3,225.9	13.7	5,664.8
thereof internal revenue		579.8		97.0		676.8		-676.8	
Carrying amount of assets sold**			-239.0			-239.0	-2,637.5		
Revaluation from disposal of assets held for sale			35.3			35.3	40.9		
Expenses for maintenance	-215.1				-2.9	-218.0			
Cost of development to sell				-292.0		-292.0			
Cost of development to hold***				-68.2		-68.2		68.2	
Operating expenses****	-243.7	-553.5	-9.2	-16.9	-91.0	-914.3	19.2	548.3	
Ancillary costs							-618.7		
Adjusted EBITDA Total**	**1,111.7**	**83.9**	**82.3**	**84.9**	**43.0**	**1,405.8**	**29.8**	**-46.6**	**1,389.0**
Non-recurring items									-7.5
Period adjustments from assets held for sale									-37.9
Income from investments in other real estate companies									5.0
Net income from fair value adjustments of investment properties									3,115.9
Depreciation and amortization (incl. depreciation on financial assets)									-1,104.9
Net income from investments accounted for using the equity method									-334.6
Income from other investments									-16.7
Interest income									35.8
Interest expenses									-152.5
Other financial result									-4.4
EBT									**2,887.2**
Income taxes									**-1,016.8**
Profit for the period									**1,870.4**

* The revenue for the Rental, Value-add, Recurring Sales, Development and Care segments constitutes income that is regularly reported to the Management Board as the chief operating decision-maker and that reflects Vonovia's sustainable business. The revenue/costs in the "Other" and "Consolidation" columns are not part of the Management Board's segment management.
** Incl. cost of sold real estate inventories in the Recurring Sales segment.
*** Excluding capitalized interest on borrowed capital of € 0.0 million.
**** Prior-year figures adjusted to new adjusted EBITDA definition (excluding results from at-equity investments), adjustments to Adjusted EBITDA Rental: € 4.3 million, Adjusted EBITDA Other: € -0.6 million.

In the 2023 reporting period, the non-recurring items eliminated in the Adjusted EBITDA Total came to € 119.2 million (H1 2022: € 7.5 million). The change is mainly attributable to positive non-recurring items in the previous year, as well as higher expenses for pre-retirement part-time work arrangements and one-off effects linked to the Südewo transaction in the 2023 reporting period.

The following table gives a detailed list of the non-recurring items:

in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023
Transactions*	-3.9	82.9
Personnel matters	2.1	26.6
Business model optimization	7.0	6.2
Research & development	1.5	3.4
Refinancing and equity measures	0.8	0.1
Total non-recurring items	**7.5**	**119.2**

* Including one-time expenses in connection with acquisitions, such as HR measures relating to the integration process and other follow-up costs.

The breakdown of non-Group revenue from contracts with customers (pursuant to IFRS 15.114 et seq./information as in annual financial statements for 2022) and its allocation to the segments referred to above is as follows:

in € million	Rental	Value-add	Recurring Sales	Development	Care	Other	Total
Jan. 1–June 30, 2023							
Revenue from ancillary costs (IFRS 15)						850.7	850.7
Income from the disposal of real estate inventories			4.2	218.3			222.5
Other revenue from contracts with customers	17.5	65.8		0.4	143.8		227.5
Revenue from contracts with customers	**17.5**	**65.8**	**4.2**	**218.7**	**143.8**	**850.7**	**1,300.7**
thereof period-related				97.8			97.8
thereof time-related	17.5	65.8	4.2	120.9	143.8	850.7	1,202.9
Revenue from rental income (IFRS 16)	1,606.4	0.5		2.3	0.1		1,609.3
Revenue from ancillary costs (IFRS 16)*						69.0	69.0
Other revenue	**1,606.4**	**0.5**	**–**	**2.3**	**0.1**	**69.0**	**1,678.3**
Revenue	**1,623.9**	**66.3**	**4.2**	**221.0**	**143.9**	**919.7**	**2,979.0**
Jan. 1–June 30, 2022*							
Revenue from ancillary costs (IFRS 15)						464.2	464.2
Income from the disposal of real estate inventories			17.3	363.2			380.5
Other revenue from contracts with customers	13.3	57.0		0.4	136.8		207.5
Revenue from contracts with customers	**13.3**	**57.0**	**17.3**	**363.6**	**136.8**	**464.2**	**1,052.2**
thereof period-related				234.8			234.8
thereof time-related	13.3	57.0	17.3	128.8	136.8	464.2	817.4
Revenue from rental income (IFRS 16)	1,570.5	0.6		1.8	0.1		1,573.0
Revenue from ancillary costs (IFRS 16)**						134.5	134.5
Other revenue	**1,570.5**	**0.6**	**–**	**1.8**	**0.1**	**134.5**	**1,707.5**
Revenue	**1,583.8**	**57.6**	**17.3**	**365.4**	**136.9**	**598.7**	**2,759.7**

* Adjusted to the new segment structure.
** Includes land tax and buildings insurance.

External income and non-current assets, excluding financial instruments, deferred taxes, post-employment benefits and rights under insurance contracts, are distributed among Vonovia's country of origin and other countries as follows. The revenue and the assets are allocated based on the registered office of the unit providing the service.

	Revenue		Assets	
in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023	Dec. 31, 2022	June 30, 2023
Germany	2,306.8	2,683.4	84,885.3	79,495.3
Austria	269.8	118.4	3,581.6	3,404.5
Sweden	181.4	174.9	7,098.5	6,368.2
France	0.0	0.0	95.7	0.0
Other countries	1.6	2.4	97.2	111.3
Total	**2,759.6**	**2,979.1**	**95,758.3**	**89,379.3**

Section (D): Assets

16 Intangible Assets

Goodwill and Trademark Rights

Groups of Cash-Generating Units

in € million	Value-add segment	Development segment	Group
Goodwill as of Dec. 31, 2022	1,391.7	138.2	1,529.9
Impairment	–	-138.2	-138.2
Goodwill as of Jun3 30, 2023	1,391.7	–	1,391.7
Trademark rights as of Dec. 31, 2022	–	66.6	66.6
Impairment	–	-66.6	-66.6
Trademark rights as of June 30, 2023	–	–	–

The carrying amount of goodwill came to € 1,391.7 million as of June 30, 2023. This means that goodwill has dropped by € 138.2 million compared with December 31, 2022.

The change is due to the impairment identified in the second quarter of 2023 as part of the (ad hoc) impairment test performed. The increased cost of capital in the Development business area and adjusted cash flow planning in the Development business area to reflect the current market situation were classified as triggering events within the meaning of IAS 36. The impairment test conducted as of June 30, 2023, resulted in the goodwill for the Development business area of € 138.2 million being written off in full.

In addition, trademark rights in the Development business area classified as having an indefinite useful life in the amount of € 66.6 million were also written off in full. This led to an impairment of € 204.8 million in the second quarter of 2023 for goodwill and trademark rights.

In accordance with IAS 36.19, first the value in use was calculated based on the Management Board-approved detailed plan with a planning period of five years. This was derived from the five-year plan at Group level approved by the Management Board and the Supervisory Board. The assumptions used to calculate the value in use match the assumptions used for the purposes of the impairment test at the end of 2022.

The main parameters for calculating the value in use are the sustainable rate of increase, the weighted average cost of capital (WACC) and the expected cash flows.

Parameters for WACC Calculation for the Development Segment

	Dec. 31, 2022	June 30, 2023
Risk-free interest rate in %	2.00	2.50
Market risk premium in %	7.00	7.00
Levered beta	0.92	0.90
Country-specific premium in %	0.12	0.19
WACC (before tax) in %	8.13	9.92

Parameters for WACC Calculation for the Value-Add Segment

	Dec. 31, 2022	June 30, 2023
Risk-free interest rate in %	2.00	2.50
Market risk premium in %	7.00	7.00
Levered beta	0.76	0.77
WACC (before tax) in %	6.10	7.35

The impairment loss was recognized in the consolidated income statement under depreciation and amortization.

The value in use for the Development business area amounts to € 3.0 billion.

An increase in the cost of capital would result in the following need for impairment:

	Value-Add	Development
Goodwill and trading rights as of June 30, 2023 in € million	1,391.7	
Headroom in € million	241.1	
Impairment starts with an increase of the WACC in percentage points	0.44	
Full write-off in the event of an increase in the WACC in %	10.24	
Goodwill and trading rights as of Dec. 31, 2022 in € million	1,391.7	204.8
Headroom in € million	830.6	62.0
Impairment starts with an increase of the WACC in percentage points	1.19	0.14
Full write-off in the event of an increase in the WACC in %	10.18	0.67

A 0.25 percentage point drop in the sustainable rate of increase in the Value-add segment does not result in any goodwill impairment.

Only a 0.75 percentage point drop in the sustainable rate of increase would result in a need for impairment of € 79.7 million in the Value-add segment.

17 Investment Properties

in € million	
As of Jan. 1, 2023	**92,300.1**
Additions	123.0
Capitalized modernization costs	293.4
Grants received	-9.1
Transfer to property, plant and equipment	-1.2
Transfer from property, plant and equipment	0.4
Transfer to down payments made	-1.6
Transfer from down payments made	78.3
Transfer from real estate inventories	75.4
Transfer to assets held for sale	-279.1
Other transfers	-0.5
Disposals	-117.4
Net income from fair value adjustments of investment properties	-6,382.9
Impairment of investment properties measured at cost	-81.3
Revaluation of assets held for sale	20.4
Revaluation from currency effects	-400.0
As of June 30, 2023	**85,617.9**
As of Jan. 1, 2022	**94,100.1**
Additions	961.8
Capitalized modernization costs	1,248.9
Grants received	-12.1
Transfer to property, plant and equipment	-31.5
Transfer from property, plant and equipment	29.4
Transfer to down payments made	-417.2
Transfer from down payments made	105.0
Transfer from real estate inventories	143.3
Transfer to real estate inventories	-1,450.1
Transfer to assets held for sale	-416.5
Other transfers	-8.4
Disposals	-153.7
Net income from fair value adjustments of investment properties	-1,269.8
Revaluation of assets held for sale	68.0
Revaluation from currency effects	-597.1
As of Dec. 31, 2022	**92,300.1**

The values as of June 30, 2023, include assets of € 421.8 million (December 31, 2022: € 663.7 million) that are measured at cost, as their fair value cannot be reliably calculated on a continuing basis. Impairment losses of € 81.3 million were recognized on these project developments in the reporting period based on the need for impairment identified as part of the ad hoc goodwill impairment test. These were reported under depreciation, amortization and impairment losses.

Fair Values

Vonovia determines fair value in accordance with the requirements of IAS 40 in conjunction with IFRS 13. We refer to the detailed information set out in the consolidated financial statements for 2022.

Vonovia measures its portfolio in Germany, Sweden and Austria internally on the basis of the discounted cash flow (DCF) method. Under the DCF methodology, the expected future income and costs of a property are forecast over a period of ten years and discounted to the date of valuation as the net present value. Furthermore, the terminal value of the property at the end of the ten-year period is determined using the expected stabilized net operating income and again discounted to the date of valuation as the net present value. In addition, the valuation of the portfolio in Austria is based on the assumption of sales strategies for the recurring sales of apartments for a subportfolio. Attainable revenues are calculated based on sales prices for comparable apartments (market approach) and are reported in the appropriate period in the DCF model. In order to take the sales potential into account, the DCF detailed period is extended to 100 years for the Austrian portfolios and no terminal value is used.

In order to reflect changes in value during the year, Vonovia performs a new valuation on the existing residential real estate portfolio* for the purposes of the half-year financial statements.

The value developments and values for the real estate assets in Germany and Austria were also subjected to a plausibility check performed by the experts CBRE GmbH and Jones Lang LaSalle SE. They confirmed that the portfolio value as of June 30, 2023, is plausible and consistent with the market. The plausibility of the internal valuation of the Swedish portfolio was assessed by an external valuation conducted by Savills Sweden SE. The market value resulting from the external report is consistent with the internal valuation result.

The real estate portfolio of Vonovia is to be found in the items investment properties, property, plant and equipment (owner-occupied properties), real estate inventories, contractual assets and assets held for sale. The fair value of the portfolio comprising residential buildings, commercial properties, garages and parking spaces, project developments and undeveloped land and inheritable building rights granted was € 88,242.8 million as of June 30, 2023 (December 31, 2022: € 94,694.5 million). This corresponds to a net initial yield for the real estate portfolio of 2.7% (December 31, 2022: 2.5%). For Germany, this results in an in-place rent multiplier of 26.9 for the portfolio (December 31, 2022: 29.2) and a fair value per m² of € 2,415 (December 31, 2022: € 2,590 per m²). The in-place rent multiplier for the Austrian portfolio comes to 24.2 (December 31, 2022: 25.8) and a fair value per m² of € 1,684 (December 31, 2022: € 1,742 per m²), for Sweden to 18.5 (December 31, 2022: 20.1) and a fair value per m² of € 2,017 (December 31, 2022: € 2,248 per m²).

The inflation rate applied to the valuation procedure comes to 2.1%. For the Austrian portfolio, a sales strategy with an average selling price of € 2,406 per m² was assumed for 48.4% of the portfolio.

The result from the valuation of investment properties amounted to € -6,382.9 million in i H1 2023 (H1 2022: € 3,115.9 million).

* Comprising developed land, excluding Care and Development.

The material valuation parameters for the investment properties (Level 3) in the real estate portfolio are as follows as of June 30, 2023, on average, broken down by regional markets:

	Valuation results*		
Regional market	Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
June 30, 2023			
Berlin	25,501.5	25,115.0	386.5
Rhine Main Area	6,932.5	6,917.1	15.4
Dresden	5,364.6	5,355.8	8.8
Southern Ruhr Area	5,290.0	5,279.7	10.3
Rhineland	5,244.8	5,237.4	7.4
Hamburg	3,431.5	3,426.7	4.8
Hanover	3,021.6	3,019.0	2.6
Munich	2,999.8	2,888.9	110.8
Kiel	2,875.9	2,870.7	5.2
Stuttgart	2,389.0	2,386.7	2.3
Northern Ruhr Area	2,122.0	2,115.8	6.2
Leipzig	2,010.9	2,009.0	1.9
Bremen	1,492.6	1,490.1	2.4
Westphalia	1,136.8	1,135.7	1.2
Freiburg	748.3	746.9	1.4
Other strategic locations	3,538.7	3,533.2	5.5
Total strategic locations	**74,100.5**	**73,527.7**	**572.8**
Non-strategic locations	441.8	439.2	2.5
Vonovia Germany	**74,542.3**	**73,967.0**	**575.3**
Vonovia Sweden**	6,183.8	6,183.8	0.0
Vonovia Austria**	2,931.0	2,877.6	53.3

* Fair value of the developed land excl. € 4,585.7 million for development, undeveloped land, inheritable building rights granted and other; € 2,178.4 million of this amount relates to investment properties. The investment properties balance sheet item also includes the present value in connection with payments for right-of-use assets in the amount of € 411.1 million.
** The valuation methods used for the portfolio in Austria and Sweden use and provide valuation parameters that are only partially comparable.

Valuation parameters investment properties (Level 3)						
Management costs residential (€/residential unit p. a.)	Maintenance costs total residential (€/m² p. a.)	Market rent residential (€/m² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
298	16.36	8.35	2.3%	0.9%	4.7%	2.6%
322	16.15	10.07	2.2%	1.2%	5.0%	3.0%
287	15.76	7.11	2.1%	2.3%	4.9%	3.2%
317	14.22	7.59	1.9%	2.6%	4.8%	3.2%
319	15.64	9.07	2.1%	1.7%	5.1%	3.2%
308	15.78	9.15	2.0%	1.2%	4.8%	3.0%
307	15.72	8.05	2.0%	1.9%	5.1%	3.4%
309	16.32	12.66	2.3%	0.6%	5.0%	2.9%
310	16.43	8.26	2.0%	1.6%	5.2%	3.5%
323	16.62	9.86	2.2%	1.3%	5.1%	3.2%
318	14.77	6.84	1.6%	3.3%	5.0%	3.8%
304	16.69	7.17	2.0%	2.7%	4.7%	3.0%
315	14.79	7.55	2.1%	2.0%	4.9%	3.1%
314	14.64	7.82	2.0%	2.0%	5.2%	3.6%
320	16.74	9.23	2.0%	0.9%	4.8%	3.0%
315	15.87	8.05	2.0%	2.5%	5.1%	3.5%
307	**15.83**	**8.36**	**2.1%**	**1.7%**	**4.9%**	**3.0%**
335	16.77	7.78	1.9%	2.2%	5.8%	4.1%
308	**15.84**	**8.36**	**2.1%**	**1.7%**	**4.9%**	**3.0%**
356	12.02	9.33	2.1%	1.5%	5.8%	3.8%
n.a.	20.82	6.11	1.7%	2.6%	5.8%	n.a.

Regional market	Valuation results* Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
Dec. 31, 2022			
Berlin	27,793.9	27,424.6	369.3
Rhine Main Area	7,545.4	7,452.2	93.2
Dresden	5,769.2	5,730.4	38.9
Southern Ruhr Area	5,509.3	5,499.1	10.1
Rhineland	5,631.7	5,624.8	6.9
Hamburg	3,653.7	3,648.7	5.0
Hanover	3,211.9	3,209.0	2.9
Munich	3,062.1	3,047.6	14.5
Kiel	3,137.3	3,132.0	5.3
Stuttgart	2,514.2	2,509.5	4.7
Northern Ruhr Area	2,227.0	2,219.7	7.4
Leipzig	2,161.3	2,160.0	1.3
Bremen	1,559.5	1,557.0	2.5
Westphalia	1,235.8	1,234.5	1.3
Freiburg	802.1	800.5	1.6
Other strategic locations	3,750.2	3,740.5	9.7
Total strategic locations	**79,564.5**	**78,990.1**	**574.4**
Non-strategic locations	504.6	496.5	8.1
Vonovia Germany	**80,069.1**	**79,486.6**	**582.5**
Vonovia Sweden**	6,876.3	6,876.3	-
Vonovia Austria**	3,026.5	2,972.0	54.6

* Fair value of the developed land excl. € 4,722.5 million for development, undeveloped land, inheritable building rights granted and other; € 2,502.2 million of this amount relates to investment properties. The investment properties balance sheet item also includes the present value in connection with payments for right-of-use assets in the amount of € 463.0 million.

** The valuation methods used for the portfolio in Austria and Sweden use and provide valuation parameters that are only partially comparable.

Sensitivity Analyses

The sensitivity analyses performed on Vonovia's real estate portfolio show the impact of value drivers dependent upon market developments. Those influenced in particular are the market rents and their development, the amount of recognized administrative and maintenance expenses, cost increases, the vacancy rate and interest rates. The effect of possible fluctuations in these parameters is shown separately for each parameter according to regional market in the following.

Interactions between the parameters are possible but cannot be quantified owing to the complexity of the interrelationships. The vacancy and market rent parameters, for example, can influence each other. If rising demand for housing is not met by adequate supply developments, then this can result in lower vacancy rates and, at the same time, rising market rents. If, however, the rising demand is compensated for by a high vacancy reserve in the location in question, then the market rent level does not necessarily change.

Changes in the demand for housing can also impact the risk associated with the expected payment flows, which is then reflected in adjusted amounts recognized for discounting and capitalized interest rates. The effects do not, however, necessarily have to have a favorable impact on each other, for example, if the changes in the demand for residential real estate are overshadowed by macroeconomic developments.

In addition, factors other than demand can have an impact on these parameters. Examples include changes in the portfolio, in seller and buyer behavior, political decisions and developments on the capital market.

Valuation parameters investment properties (Level 3)						
Management costs residential (€ per residential unit p. a.)	Maintenance costs total residential (€/m² p. a.)	Market rent residential (€/m² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
287	15.92	8.24	2.0%	1.0%	4.1%	2.3%
311	15.74	9.92	1.9%	1.1%	4.4%	2.8%
276	15.29	6.93	1.8%	2.3%	4.3%	2.9%
305	13.74	7.43	1.6%	2.6%	4.2%	3.0%
308	15.21	8.89	1.8%	1.7%	4.5%	3.0%
297	15.45	8.95	1.7%	1.2%	4.2%	2.7%
296	15.27	7.87	1.7%	2.0%	4.4%	3.1%
298	15.63	12.45	2.0%	0.6%	4.4%	2.7%
299	15.92	8.06	1.7%	1.7%	4.5%	3.1%
312	16.03	9.67	1.9%	1.2%	4.6%	3.0%
307	14.35	6.73	1.3%	3.3%	4.4%	3.6%
292	16.26	7.07	1.7%	3.1%	4.1%	2.7%
304	14.38	7.42	1.8%	2.0%	4.3%	2.9%
303	14.31	7.72	1.7%	2.0%	4.5%	3.2%
309	16.58	9.03	1.7%	0.9%	4.2%	2.7%
303	15.44	7.91	1.7%	2.5%	4.5%	3.2%
296	**15.39**	**8.22**	**1.8%**	**1.7%**	**4.3%**	**2.7%**
323	16.11	7.64	1.6%	2.6%	5.0%	3.6%
296	**15.40**	**8.21**	**1.8%**	**1.7%**	**4.3%**	**2.7%**
379	12.83	9.78	2.1%	1.5%	5.6%	3.6%
n.a.	21.34	5.88	1.7%	2.6%	5.5%	n.a.

Due to the special situation in Sweden, where changes in inflation will have a considerable impact on future rent increases, it has been assumed that at least one-third of any change in inflation will spill over into rental growth.

The table below shows the percentage impact on values in the event of a change in the valuation parameters. The absolute impact on values is calculated by multiplying the percentage impact by the fair value of the investment properties.

	Change in value as a % under varying parameters		
	Management costs residential	Maintenance costs residential	Cost increase/inflation
Regional market	-10%/10%	-10%/10%	-0.5%/+0.5% points
June 30, 2023			
Berlin	0.6/-0.6	1.9/-1.9	5.6/-5.6
Rhine Main Area	0.5/-0.5	1.6/-1.6	3.6/-3.8
Dresden	0.8/-0.8	2.4/-2.4	5.5/-5.5
Southern Ruhr Area	0.9/-0.9	2.4/-2.4	5.5/-5.5
Rhineland	0.6/-0.6	1.9/-1.9	4.1/-4.2
Hamburg	0.6/-0.6	1.9/-1.9	4.5/-4.6
Hanover	0.7/-0.7	2.2/-2.2	4.7/-4.8
Munich	0.4/-0.4	1.2/-1.2	3.5/-3.6
Kiel	0.8/-0.8	2.3/-2.3	4.7/-4.8
Stuttgart	0.5/-0.5	1.7/-1.6	3.6/-3.7
Northern Ruhr Area	1.1/-1.1	3.1/-3.1	5.9/-5.9
Leipzig	0.8/-0.8	2.7/-2.7	6.2/-6.2
Bremen	0.8/-0.8	2.3/-2.3	5.9/-5.9
Westphalia	0.8/-0.8	2.3/-2.3	4.9/-5.0
Freiburg	0.6/-0.6	2.0/-2.0	4.4/-4.5
Other strategic locations	0.8/-0.8	2.3/-2.3	4.7/-4.8
Total strategic locations	**0.7/-0.7**	**2.0/-2.0**	**5.0/-5.0**
Non-strategic locations	0.7/-0.7	2.3/-2.3	4.1/-4.2
Vonovia Germany	**0.7/-0.7**	**2.0/-2.0**	**5.0/-5.0**
Vonovia Sweden*	0.7/-0.7	1.6/-1.6	4.7/-5.0
Vonovia Austria*	n.a./n.a.	0.3/-0.4	0.4/-0.5

* The valuation methods used for the portfolio in Austria and Sweden use and provide valuation parameters that are only partially comparable.

Change in value as a % under varying parameters			
Market rent residential	Market rent increase residential	Stabilized vacancy rate residential	Discounting and capitalized interest rates total
-2%/+2%	-0.2%/+0.2% points	-1%/+1% points	-0.25%/+0.25% points
-2.4/2.4	-9.3/11.3	1.4/-1.7	11.2/-9.2
-2.4/2.3	-7.4/8.6	1.1/-1.6	9.1/-7.6
-2.5/2.5	-7.8/9.1	1.8/-1.8	8.9/-7.6
-2.6/2.6	-8.0/9.4	2.0/-1.9	8.8/-7.5
-2.4/2.4	-7.3/8.6	1.7/-1.7	8.7/-7.4
-2.4/2.4	-8.1/9.5	1.2/-1.7	9.7/-8.1
-2.4/2.4	-7.3/8.5	1.8/-1.8	8.4/-7.2
-2.1/2.1	-7.8/9.2	0.8/-1.4	10.2/-8.5
-2.5/2.5	-7.1/8.2	1.8/-1.8	7.9/-6.8
-2.4/2.3	-7.2/8.3	1.5/-1.6	8.6/-7.3
-2.8/2.8	-7.1/8.2	2.2/-2.2	7.2/-6.3
-2.5/2.5	-8.2/9.8	1.9/-1.9	9.4/-8.0
-2.5/2.4	-8.2/9.6	1.9/-1.9	9.1/-7.8
-2.5/2.5	-7.1/8.3	1.8/-1.9	7.9/-6.8
-2.5/2.4	-7.9/9.2	1.2/-1.7	9.3/-7.8
-2.6/2.5	-7.2/8.3	1.8/-1.8	8.0/-6.9
-2.5/2.4	**-8.2/9.7**	**1.5/-1.7**	**9.6/-8.1**
-2.3/2.3	-6.2/7.1	1.7/-1.7	7.2/-6.3
-2.5/2.4	**-8.2/9.7**	**1.5/-1.7**	**9.6/-8.1**
-2.8/2.8	-8.3/9.6	0.6/-1.2	7.8/-6.8
-0.3/0.3	-0.9/1.0	0.8/-0.8	4.0/-3.6

Regional market	Change in value as a % under varying parameters		
	Management costs residential	Maintenance costs residential	Cost increase/inflation
	-10%/10%	-10%/10%	-0.5%/+0.5% points
Dec. 31, 2022			
Berlin	0.7/-0.7	2.2/-2.2	6.5/-6.4
Rhine Main Area	0.6/-0.6	1.7/-1.7	4.1/-4.2
Dresden	0.9/-0.9	2.7/-2.7	6.4/-6.3
Southern Ruhr Area	1.0/-1.0	2.6/-2.6	6.2/-6.2
Rhineland	0.7/-0.7	2.0/-2.0	4.7/-4.8
Hamburg	0.7/-0.7	2.1/-2.1	5.2/-5.3
Hanover	0.8/-0.8	2.4/-2.4	5.4/-5.4
Munich	0.4/-0.4	1.4/-1.4	3.9/-4.0
Kiel	0.9/-0.9	2.5/-2.5	5.5/-5.5
Stuttgart	0.6/-0.6	1.8/-1.8	4.1/-4.2
Northern Ruhr Area	1.2/-1.2	3.4/-3.4	6.6/-6.6
Leipzig	0.9/-0.9	3.0/-3.0	7.4/-7.2
Bremen	0.9/-0.9	2.6/-2.6	6.6/-6.4
Westphalia	0.9/-0.9	2.6/-2.6	5.7/-5.8
Freiburg	0.7/-0.6	2.2/-2.2	5.1/-5.1
Other strategic locations	0.8/-0.8	2.5/-2.5	5.3/-5.3
Total strategic locations	**0.7/-0.8**	**2.3/-2.3**	**5.7/-5.7**
Non-strategic locations	0.8/-0.8	2.4/-2.4	4.7/-4.8
Vonovia Germany	**0.8/-0.8**	**2.3/-2.3**	**5.7/-5.7**
Vonovia Sweden*	0.7/-0.7	1.6/-1.7	4.7/-5.1
Vonovia Austria*	n.a.	0.4/-0.4	0.4/-0.5

* The valuation methods used for the portfolio in Austria and Sweden use and provide valuation parameters that are only partially comparable.

18 Financial Assets

The increase in financial assets is due primarily to the initial recognition of a long-term option to buy back shares in the Südewo portfolio amounting to € 359.0 million (December 31, 2022: € - million). In a sensitivity analysis, the WACC, as the main influencing factor, was changed by +5%/-5%, which would result in a change in equity affecting net income of € -45 million/€ +52 million. The shares were sold in the first half of 2023.

Financial assets also include loan receivables of € 803.3 million (December 31, 2022: € 781.8 million) , taking into account the expected credit loss, from the QUARTERBACK Immobilien Group granted in line with standard market conditions. € 490.4 million (December 31, 2022: € 672.1 million) of these loans are classified as current and € 312.9 million (December 31, 2022: € 109.7 million) as non-current. The change is due to loan repayments and, on the other hand, new loans taken out with a maturity of more than twelve months.

Change in value as a % under varying parameters			
Market rent residential	Market rent increase residential	Stabilized vacancy rate residential	Discounting and capitalized interest rates total
-2%/+2%	-0.2%/+0.2% points	-1%/+1% points	-0.25%/+0.25% points
-2.6/2.5	-10.3/12.7	1.6/-1.8	12.5/-10.1
-2.4/2.4	-8.0/9.5	1.0/-1.6	10.0/-8.3
-2.6/2.6	-8.6/10.2	1.9/-2.0	9.9/-8.3
-2.6/2.6	-8.6/10.2	2.1/-2.1	9.5/-8.0
-2.5/2.5	-8.1/9.5	1.7/-1.8	9.6/-8.1
-2.5/2.4	-8.7/10.6	1.3/-1.8	10.7/-8.8
-2.5/2.5	-8.0/9.4	1.9/-1.9	9.2/-7.8
-2.2/2.2	-8.4/10.1	0.8/-1.5	11.1/-9.1
-2.6/2.5	-7.9/9.3	1.9/-1.9	8.9/-7.6
-2.4/2.4	-7.8/9.1	1.5/-1.7	9.3/-7.9
-2.8/2.8	-7.7/8.9	2.3/-2.3	7.8/-6.7
-2.6/2.7	-9.1/11.1	2.0/-2.0	10.6/-8.8
-2.5/2.5	-8.7/10.4	2.0/-2.0	9.8/-8.2
-2.5/2.5	-7.9/9.3	1.9/-2.0	8.8/-7.5
-2.5/2.5	-8.6/10.3	1.2/-1.8	10.3/-8.5
-2.6/2.6	-7.8/9.1	1.9/-1.9	8.7/-7.5
-2.5/2.5	**-9.0/10.8**	**1.6/-1.9**	**10.7/-8.8**
-2.3/2.3	-6.7/7.8	1.7/-1.8	8.0/-6.9
-2.5/2.5	**-8.9/10.8**	**1.6/-1.9**	**10.6/-8.8**
-2.9/2.8	-8.8/10.2	0.6/-1.2	8.3/-7.1
-0.4/0.4	-1.0/1.1	0.9/-0.9	4.4/-4.0

19 Long-term Financial Assets Accounted for Using the Equity Method

As of the reporting date Vonovia held interests in 24 joint ventures and eight associates (December 31, 2022: 26 joint ventures and eight associates).

Vonovia holds 40% of the non-listed QUARTERBACK Immobilien AG with registered office in Leipzig, which was classed as an associate as of June 30, 2022.

Vonovia also holds interests in 11 non-listed financial investments of QUARTERBACK Immobilien AG, with equity interests of between 44% and 50% (QUARTERBACK property companies), that were classified as joint ventures (previous year: 11).

The 40% stake in the non-listed QUARTERBACK Immobilien AG and QBI's eleven non-listed financial investments in which Vonovia holds a stake of between 44% and 50% in each case was adjusted on the basis of the financial information as of March 31, 2023, that was available on the preparation cut-off date.

in € million	Dec. 31, 2022 QUARTER-BACK Immobilien AG	June 30, 2023 QUARTER-BACK Immobilien AG	Dec. 31, 2022 QUARTER-BACK-Objektge-sellschaften	June 30, 2023 QUARTERBACK-Objektge-sellschaften
Non-current assets	764.0	770.0	229.5	231.9
Current assets				
Cash and cash equivalents	104.9	103.1	21.1	18.0
Other current assets	1,510.3	1,511.3	589.3	558.5
Total non-current assets	1,615.2	1,614.4	610.4	576.5
Total non-current liabilities	841.6	934.6	86.6	51.8
Total current liabilities	1,186.2	1,106.3	510.3	524.0
Non-controlling interests	42.5	43.1	12.0	11.8
Equity (100%)	**308.9**	**300.4**	**231.0**	**220.7**
Group share in %	40%	40%	44% to 50%	44% to 50%
Group share of net assets in EUR	123.6	120.2	106.6	103.2
Group adjustments	-49.5	-48.1	-5.4	-6.3
Carrying amount of share in joint venture	**74.1**	**68.5**	**101.2**	**96.9**
Revenues	311.1	93.9	59.0	21.6
Change in inventories	302.2	9.1	17.7	0.3
Interest income	20.6	1.7	8.4	2.6
Depreciation and amortization	-4.3	-1.3	-0.2	-0.1
Interest expenses	-78.2	-22.6	-23.2	-7.8
Income taxes	-18.1	2.0	-0.6	-0.2
Total gain and comprehensive income for the fiscal year (100%)	**7.8**	**-7.9**	**-3.1**	**-7.7**

The at-equity adjustment of the investments in the QUARTERBACK Group results in a negative result of € 9.8 million as of June 30, 2023 (H1 2022: € 4.9 million).

In addition to these investments, Vonovia also holds interests in 20 (December 31, 2022: 21) other entities that are accounted for using the equity method and are currently of minor importance; quoted market prices are not available.

The following table shows, in aggregated form, the carrying amount and the share of profit and other comprehensive income of these companies.

in € million	Dec. 31, 2022	June 30, 2023
Carrying amount of shares in companies accounted for using the equity method	64.8	57.7
Group share of net income from companies not accounted for using the equity method	10% to 50%	10% to 50%
Pro rata total comprehensive income	**-6.6**	**-2.4**

The interests were adjusted for these entities provided that corresponding financial information was available.

With regard to the other 20 entities, Vonovia has no significant financial obligations or guarantees with respect to joint ventures and associates.

Section (E): Capital Structure

20 Total Equity

Development of the Subscribed Capital

in €	
As of Jan. 1, 2023	795,849,997.00
Capital increase against non-cash contributions on June 13, 2023 (scrip dividend)	18,795,001.00
As of June 30, 2023	**814,644,998.00**

Development of the Capital Reserves

in €	
As of Jan. 1, 2023	5,151,544,376.12
Premium from capital increase for scrip dividend on June 13, 2023	284,744,265.15
Transaction costs on the issue of new shares (after allowing for deferred taxes)	-100,209.74
Other changes not affecting net income	-2,525,035.72
As of June 30, 2023	**5,433,663,395.81**

Dividend

The Annual General Meeting held on May 17, 2023, resolved to pay a dividend for the 2022 fiscal year in the amount of € 0.85 per share, or € 676,472,497.45 in total.

As in previous years, shareholders were offered the option of choosing between being paid the dividend in cash or being granted new shares. During the subscription period, shareholders holding a total of 44.87% of the shares carrying dividend rights opted for the scrip dividend instead of the cash dividend. As a result, 18,795,001 new shares were issued using the company's authorized capital pursuant to Section 5b of the Articles of Association ("2018 authorized capital") at a subscription price of € 16.15, i.e., a total amount of € 303,539,266.15. The total amount of the dividend distributed in cash therefore came to € 372,933,231.30.

Authorized Capital

After being used in connection with the capital increase in 2023, the 2022 authorized capital fell by € 18,795,001.00 from € 233,000,000.00 to € 214,204,999.00 as of June 30, 2023. Shareholder subscription rights for the 2021 authorized capital can be excluded.

Non-Controlling Interests and Retained Earnings

On May 31, 2023, Vonovia sold a direct equity holding of 34.5%, or approximately 27.6%, in a selected portfolio to Apollo Capital Management L.P. for € 1.0 billion (Südewo transaction). This resulted in the addition of non-controlling interests of € 760.4 million. The corresponding difference increased the company's retained earnings by € 239.6 million.

A call option that Vonovia can exercise to buy the shares back was agreed as part of the transaction. The valuation of this option resulted in a market value of € 359.0 million. As this option was agreed as part of the transaction, it was also recognized outside profit or loss in retained earnings.

21 Non-derivative Financial Liabilities

in € million	Dec. 31, 2022		June 30, 2023	
	Non-current	Current	Non-current	Current
Non-derivative financial liabilities				
Liabilities to banks	17,086.4	1,021.4	13,090.3	1,200.5
Liabilities to other creditors	24,183.3	2,558.4	27,304.8	2,659.9
Deferred interest from non-derivative financial liabilities	–	210.2	–	181.0
	41,269.7	**3,790.0**	**40,395.1**	**4,041.4**

The U.S. dollar bond issued in 2013 is translated at the exchange rate at the end of the reporting period in line with applicable IFRS provisions. Allowing for the hedging rate prescribed through the interest hedging transaction entered into, this financial liability would be € 45.6 million (December 31, 2022: € 50.0 million) lower than the recognized value.

The nominal obligations of the liabilities to banks and the liabilities to other creditors developed as follows:

in € million	Dec. 31, 2022	June 30, 2023
Bond (USD)*	185.0	185.0
Bond (SEK)*	121.2	121.2
Bond (EMTN)*	21,155.3	20,698.3
Bond (EMTN Green Bond)*	2,200.0	2,200.0
Bond (EMTN Social Bond)*	2,400.0	2,400.0
Bond (Deutsche Wohnen)*	1,760.7	1,760.7
Registered bonds*	600.0	600.0
Bearer bonds*	1,260.2	1,260.2
Promissory note loan*	1,165.0	1,045.0
Mortgages**	13,911.8	13,924.8
	44,759.2	**44,195.2**

* Under the conditions of existing loan agreements, Vonovia is obliged to fulfill certain financial covenants, which it fulfilled.
** For a portion of the mortgages, Vonovia is obliged to fulfill certain financial covenants, which it fulfilled.

Of the nominal obligations to creditors, € 12,276.1 million (December 31, 2022: € 12,287.4 million) are secured by land charges and other collateral (account pledge agreements, assignments, pledges of company shares and guarantees of Vonovia SE or other Group companies). In the event that payment obligations are not fulfilled, the securities provided are used to satisfy the claims of the banks.

Repayment of Bonds Under the European Medium-Term Notes Program (EMTN)

In January 2023, Vonovia implemented an open market repurchase to buy back bonds maturing in 2028, 2029 and 2033. € 53.6 million was bought back early within this context. A bond in the amount of € 403.4 million was repaid as planned in April 2023.

Repayment of Secured Financing of Deutsche Wohnen

Deutsche Wohnen repaid secured financing in the amount of € 281.8 million as scheduled in March 2023.

Repayment of Secured Financing of Vonovia

June 2023 saw Vonovia repay a secured financing arrangement in the amount of € 75.9 million on the final maturity date.

Repayment of Promissory Note Loans

Vonovia repaid promissory note loans of € 120.0 million as scheduled in March 2023.

Repayment of Commercial Paper

Vonovia repaid a commercial paper with a volume of € 75.0 million as planned in June 2023.

Secured Financing

On March 16, 2023, Vonovia took out secured financing with Berlin Hyp in the amount of € 550.0 million with a maturity of ten years. The financing was disbursed in April 2023.

Unsecured Financing

On April 19, 2023, Vonovia took out unsecured financing with Caixabank in the amount of € 150.0 million with a maturity of five years. The financing was disbursed in April 2023.

22 Leases

The following table shows the development of right-of-use assets arising from leases within the meaning of IFRS 16 as of June 30, 2023, compared with December 31, 2022.

Development of Right-of-use Assets

in € million	Dec. 31, 2022	June 30, 2023
Right-of-use assets		
Leasehold contracts	2,016.8	1,824.3
Interim rental agreements	3.0	3.2
Right-of-use assets within investment properties	**2,019.8**	**1,827.5**
Leasing of land for the construction of owner-occupied commercial properties	30.9	30.7
Lease agreements for commercial premises	41.7	51.2
Contracting	91.8	84.2
Vehicle leases	4.7	5.2
License agreements	0.5	0.6
Leases of IT equipment	1.5	1.3
Metering technology	22.6	20.8
Right-of-use assets within property, plant and equipment	**193.7**	**194.0**
	2,213.5	**2,021.5**

The following table shows the development of current and non-current liabilities arising from leases within the meaning of IFRS 16 as of June 30, 2023, compared with December 31, 2022.

Development of Lease Liabilities

	Dec. 31, 2022		June 30, 2023	
in € million	Non-current	Current	Non-current	Current
Lease liabilities				
Leasehold contracts (IAS 40)	470.1	12.2	464.9	11.9
Interim rental agreements	1.7	1.4	2.1	1.2
Leasing of land for the construction of owner-occupied commercial properties	31.9	0.1	31.3	0.1
Lease agreements for commercial premises	32.0	10.3	41.1	11.6
Contracting	81.9	11.4	73.7	12.4
Vehicle leases	2.5	2.2	2.8	2.4
License agreements	0.5	-	0.6	0.0
Leases of IT equipment	0.8	0.7	0.8	0.6
Metering technology	19.6	3.2	17.9	3.2
	641.0	**41.5**	**635.2**	**43.4**

Section (F): Corporate Governance Disclosures

23 Related Party Transactions

Vonovia had business relationships with unconsolidated investees and subsidiaries in the first half of 2023. These transactions resulted from the normal exchange of deliveries and services and are shown in the table below:

	Provided services		Purchased services		Receivables		Liabilities		Advanced payments	
in € million	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023	Jan. 1– June 30, 2022	Jan. 1– June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023
Associated companies	0.0	22.4	31.7	7.8	646.5	650.6	0.1	5.1	290.1	343.0
Joint ventures	3.4	0.3	108.4	54.9	173.1	185.0	6.3	0.1	17.3	17.4
Other non-consolidated subsidiaries	0.0	-	-	-	1.8	0.2	-	-	-	-
	3.4	**22.7**	**140.1**	**62.7**	**821.4**	**835.8**	**6.4**	**5.2**	**307.4**	**360.4**

With regard to the Management Board contracts of employment and the IFRS 2 program that they include, we refer to the IFRS consolidated financial statements as of December 31, 2022.

Section (G): Additional Financial Management Disclosures

24 Additional Financial Instrument Disclosures

Measurement categories and classes:

in € million	Carrying amounts June 30, 2023
Assets	
Cash and cash equivalents	
Cash on hand and deposits at banking institutions	1,575.0
Money market funds	101.6
Trade receivables	
Receivables from the sale of properties	88.1
Receivables from property letting	62.9
Other receivables from trading	44.0
Receivables from the sale of real estate inventories	198.1
Financial assets	
Investments valued at equity	223.2
Finance lease receivables	16.8
Other current financial receivables from financial transactions*	142.1
Loans to other investments	361.5
Other non-current loans	10.9
Other non-current loans to associates and joint ventures	517.5
Non-current securities	5.6
Other investments	327.1
Derivative financial assets	
Cash flow hedges – no classification in accordance with IFRS 9	79.6
Call option on equity instruments	359.0
Stand-alone interest rate swaps and interest rate caps	91.6
Liabilities	
Trade payables	457.6
Non-derivative financial liabilities	44,436.5
Derivatives and put options	
Purchase price liabilities from put options/rights to reimbursement	335.5
Stand-alone interest rate swaps and interest rate caps	–
Cash flow hedges	1.6
Lease liabilities	678.5
Liabilities from tenant financing	157.3
Liabilities to non-controlling interests	234.6

* This includes time deposits and short-term investments in highly liquid money market funds with an original maturity of more than three months.

	Amounts recognized in balance sheet in accordance with IFRS 9						
	Amortized cost	Fair value affecting net income	Fair value recognized in equity with reclassification	Fair value recognized in equity without reclassification	Amounts recognized in balance sheet in acc. with IAS 28/IFRS 16	Fair value June30, 2023	Fair value hierarchy level
	1,575.0					1,575.0	n.a.
	101.6					101.6	n.a.
	88.1					88.1	n.a.
	62.9					62.9	n.a.
	44.0					44.0	n.a.
	198.1					198.1	n.a.
					223.2		n.a.
					16.8		n.a.
	142.1					142.1	2
	361.5					361.6	2
	10.9					10.9	2
	517.5					517.5	2
				5.6		5.6	1
				327.1		327.1	2
		-20.9	100.5			79.6	n.a.
		359.0				359.0	3
		91.6				91.6	2
	457.6					457.6	n.a.
	44,436.5					37,630.4	2
	335.5					217.5	3
							2
		1.6				1.6	2
					678.5		n.a.
	157.3					157.3	n.a.
	234.6					234.6	n.a.

Measurement categories and classes:

in € million	Carrying amounts Dec. 31, 2022
Assets	
Cash and cash equivalents	
Cash on hand and deposits at banking institutions	1,101.8
Money market funds	200.6
Trade receivables	
Receivables from the sale of properties	47.2
Receivables from property letting	44.9
Other receivables from trading	41.3
Receivables from the sale of real estate inventories	196.8
Financial assets	
Investments valued at equity	240.1
Finance lease receivables	23.7
Loans to other investments	33.1
Other non-current loans	11.5
Other non-current loans to associates and joint ventures	825.9
Non-current securities	5.5
Other investments	398.6
Derivative financial assets	
Cash flow hedges – no classification in accordance with IFRS 9	115.1
Stand-alone interest rate swaps and interest rate caps	99.8
Liabilities	
Trade payables	568.5
Non-derivative financial liabilities	45,059.7
Derivatives and put options	
Purchase price liabilities from put options/rights to reimbursement	270.9
Cash flow hedges	1.3
Lease liabilities	682.5
Liabilities from tenant financing	155.1
Liabilities to non-controlling interests	235.8

The section below provides information on the financial assets and financial liabilities not covered by IFRS 9:

> Employee benefits in accordance with IAS 19: gross presentation of right to reimbursement arising from transferred pension obligations in the amount of € 2.5 million (December 31, 2022: € 2.6 million).

> Amount by which the fair value of plan assets exceeds the corresponding obligation of € 1.3 million (December 31, 2022: € 1.6 million).

> Provisions for pensions and similar obligations: € 518.7 million (December 31, 2022: € 512.5 million).

	Amounts recognized in balance sheet in accordance with IFRS 9						
	Amortized cost	Fair value affecting net income	Fair value recognized in equity with reclassification	Fair value recognized in equity without reclassification	Amounts recognized in balance sheet in acc. with IAS 28/IFRS 16	Fair value Dec. 31, 2022	Fair value hierarchy level
	1,101.8					1,101.8	n.a.
	200.6					200.6	n.a.
	47.2					47.2	n.a.
	44.9					44.9	n.a.
	41.3					41.3	n.a.
	196.8					196.8	n.a.
					240.1		n.a.
					23.7		n.a.
	33.1					33.2	2
	121.2					121.2	2
	716.2					716.2	2
				5.5		5.5	1
				398.6		398.6	2
		-10.1	125.2			115.1	2
		99.8				99.8	2
	568.5					568.5	n.a.
	45,059.7					37,783.4	2
	270.9					189.6	3
		1.3				1.3	2
					682.5		n.a.
	155.1					155.1	n.a.
	235.8					235.8	n.a.

The following table shows the assets and liabilities that are recognized in the balance sheet at fair value and their classification according to the fair value hierarchy:

in € million	June 30, 2023	Level 1	Level 2	Level 3
Assets				
Investment properties	85,617.9			85,617.9
Financial assets				
Non-current securities	5.6	5.6		
Other investments	327.1		327.1	
Assets held for sale				
Investment properties (contract closed)	358.0		358.0	
Derivative financial assets				
Cash flow hedges	79.6		79.6	
Call option on equity instruments	359.0			359.0
Stand-alone interest rate swaps and caps	91.6		91.6	
Liabilities				
Derivative financial liabilities				
Cash flow hedges	1.6		1.6	
Stand-alone interest rate swaps and caps	–		–	

in € million	Dec. 31, 2022	Level 1	Level 2	Level 3
Assets				
Investment properties	92,300.1			92,300.1
Financial assets				
Non-current securities	5.5	5.5		
Other investments	398.6		398.6	
Assets held for sale				
Investment properties (contract closed)	70.8		70.8	
Derivative financial assets				
Cash flow hedges	115.1		115.1	
Stand-alone interest rate swaps and caps	99.8		99.8	
Liabilities				
Derivative financial liabilities				
Cash flow hedges	1.3		1.3	
Stand-alone interest rate swaps and caps	–		–	

In general, Vonovia measures its investment properties on the basis of the discounted cash flow (DCF) methodology (Level 3). The material valuation parameters and valuation results can be found in chapter [D28] Investment Properties of the consolidated financial statements as of December 31, 2022.

The investment properties classified as assets held for sale are recognized at the time of their transfer to assets held for sale at their new fair value, the agreed purchase price (Level 2).

No financial instruments were reclassified to different hierarchy levels as against the comparative period.

Securities are generally measured using the quoted prices in active markets (Level 1).

For the measurement of financial instruments, cash flows are initially calculated and then discounted. In addition to the tenor-specific EURIBOR/STIBOR rates (3M; 6M), the respective credit risk is taken as a basis for discounting. Depending on the expected cash flows, either Vonovia's own credit risk or the counterparty risk is taken into account in the calculation.

Due to the current interest rate environment (and the return to more positive market values as a result), counterparty risk premiums were relevant for the interest rate swaps in the consolidated financial statements alongside Vonovia's own credit risk. As with Vonovia's own risk, they are derived from rates observable on the capital markets and ranged from 0 to 179 basis points, depending on the residual maturities. Vonovia's own risk premiums were trading at between 78 and 278 basis points on the same cut-off date, depending on the maturities. Regarding the positive market values of the cross currency swaps, a counterparty risk of only 2 basis points was taken into account due to the short residual term.

As part of the valuation of the cross currency swaps, the USD cash flows are converted into EUR using the EUR/USD FX forward curve, after which all EUR cash flows are discounted using the 6M EURIBOR curve (Level 2).

The fair values of the cash and cash equivalents, trade receivables and other financial receivables approximate their carrying amounts at the reporting date owing to their mainly short maturities. The amount of the estimated impairment loss on cash and cash equivalents was calculated based on the losses expected over a period of twelve months. It was determined that the cash and cash equivalents have a low risk of default due to the external ratings and short residual maturities and that there is no need for any material impairment of cash and cash equivalents.

Risk in the area of rent receivables was examined through an analysis of the reduced general creditworthiness (as a special forward-looking parameter of impairment losses for financial assets as defined by IFRS 9). As Vonovia receives rent payments mostly in advance, only deferred rents and similar receivables are affected. Since these receivables are in any case very quickly subject to a specific valuation allowance, an additional need for impairment loss is currently not foreseeable. The further development of the receivables is continuously monitored.

In the area of receivables from the sale of properties, the credit risk is compensated for by Vonovia retaining ownership of the property until the purchase price is paid.

Contingent liabilities exist at Vonovia for cases in which Vonovia SE and its subsidiaries give guarantees to various contractual counterparts. These have not changed to any significant extent since the consolidated financial statements as of December 31, 2022.

Vonovia is involved in a number of legal disputes resulting from normal business activities. In particular, these involve tenancy, construction and sales law disputes and, in individual cases, company law disputes (mainly following squeeze-out processes). None of the legal disputes, taken in isolation, will have any material effects on the net assets, financial position or results of operations of Vonovia.

Bochum, July 26, 2023

Rolf Buch (CEO) (CRO)	Arnd Fittkau
Philip Grosse (CFO) (CDO)	Daniel Riedl

Review Report

To Vonovia SE, Bochum

We have reviewed the condensed consolidated interim financial statements - comprising the statement of consolidated financial position, consolidated statement of comprehensive income, statement of consolidated cash flows, statement of consolidated changes in equity and selected explanatory notes - and the interim group management report of Vonovia SE, Bochum, for the period from 1. January to 30. June 2023 which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors the general partners. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, August 2, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Preiß	Martin Flür
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Responsibility Statement

"To the best of our knowledge and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations in compliance with generally accepted accounting practice, and the combined Group management report includes a fair view of the business development including the results and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year."

Bochum, July 26, 2023

Rolf Buch (CEO)	Arnd Fittkau (CRO)	Philip Grosse (CFO)	Daniel Riedl (CDO)

Portfolio Information

Vonovia manages its own real estate portfolio with a market value of € 88.2 billion as of June 30, 2023. The vast majority of our apartments are located in regions with positive economic and demographic development prospects.

Portfolio Structure

June 30, 2023	Fair value* (in € million)	Fair value* (in €/m²)	Residential units	Vacancy (in %)	In-place rent (in €/m²)**
Strategic	62,829.0	2,389	421,631	1.8	7.44
Urban Quarters	51,406.3	2,452	339,943	1.7	7.42
Urban Clusters	11,422.6	2,141	81,688	2.3	7.49
Recurring Sales	4,754.8	2,415	28,125	2.8	7.42
MFH Sales	5,384.6	3,481	23,218	1.5	9.38
Non Core	1,573.9	1,486	13,988	4.0	6.58
Vonovia Germany	**74,542.4**	**2,415**	**486,962**	**1.9**	**7.51**
Vonovia Sweden	6,183.8	2,017	39,618	3.7	9.50
Vonovia Austria	2,931.0	1,684	21,500	4.7	5.37
Vonovia total	**83,657.1**	**2,345**	**548,080**	**2.2**	**7.58**

In order to boost transparency in portfolio presentation, we also break our portfolio down into 15 regional markets. These markets are core towns/cities and their surroundings, mainly urban areas. Our decision to focus on the regional markets that are particularly relevant to Vonovia is our way of looking ahead to the future and provides an overview of our strategic core portfolio in Germany.

Breakdown of Strategic Housing Stock by Regional Market

June 30, 2023	Fair value* (in € million)	Fair value* (in €/m²)	Residential units	Vacancy (in %)	In-place rent (in €/m²)**
Regional market					
Berlin	25,501.5	2,868	143,916	1.1	7.43
Rhine Main Area	6,932.5	2,924	36,594	2.6	9.25
Dresden	5,364.6	1,949	45,024	2.7	6.76
Southern Ruhr Area	5,290.0	1,960	43,027	2.5	6.99
Rhineland	5,244.8	2,450	31,718	1.9	8.10
Hamburg	3,431.5	2,654	20,122	1.0	7.97
Hanover	3,021.6	2,095	22,091	2.4	7.35
Munich	2,999.8	4,152	10,737	1.6	9.56
Kiel	2,875.9	1,919	25,298	1.8	7.20
Stuttgart	2,389.0	2,798	13,319	1.7	8.78
Northern Ruhr Area	2,122.0	1,393	24,463	2.6	6.38
Leipzig	2,010.9	1,989	14,273	3.2	6.54
Bremen	1,492.6	2,040	11,732	1.7	6.61
Westphalia	1,136.8	1,822	9,439	2.0	7.02
Freiburg	748.3	2,696	4,035	1.5	8.35
Other Strategic Locations	3,538.7	1,985	27,584	3.0	7.40
Total strategic locations Germany	**74,100.5**	**2,420**	**483,372**	**1.9**	**7.52**

* Fair value of the developed land excluding € 4,585.7 million, of which € 419.0 million for undeveloped land and inheritable building rights granted, € 403.0 million for assets under construction, € 2,229.1 million for development, € 1,062.8 million for nursing portfolio and € 471.8 million for other.
** Based on the country-specific definition.

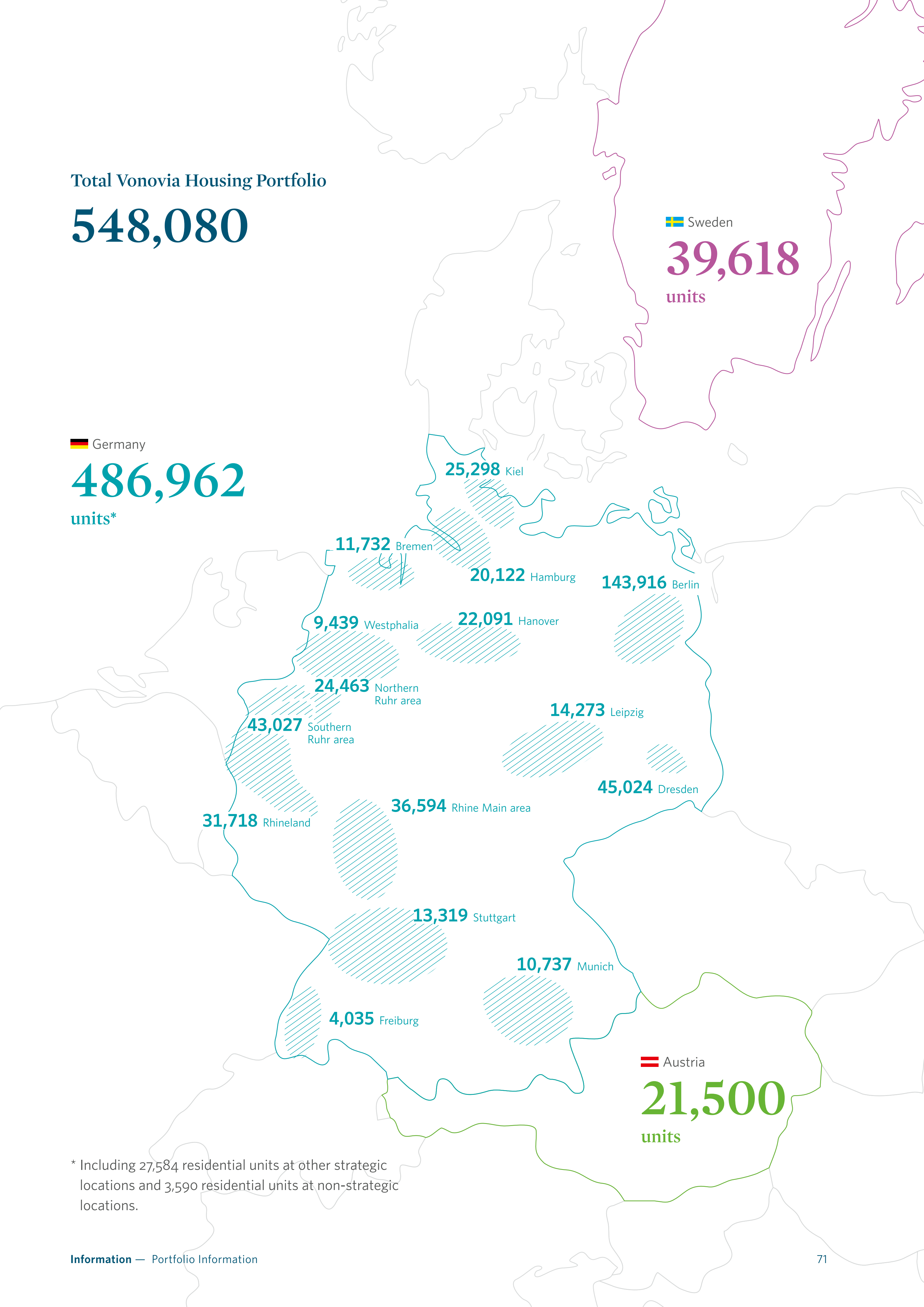
Total Vonovia Housing Portfolio

548,080

Sweden
39,618
units

Germany
486,962
units*

Austria
21,500
units



* Including 27,584 residential units at other strategic locations and 3,590 residential units at non-strategic locations.

Financial Calendar

August 4, 2023
Publication of the interim financial report for the first half of 2023

November 3, 2023
Publication of the interim statement for the first nine months of 2023

For information on all of the reporting dates that are already set, please also refer to our **financial calendar**.

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Note
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Disclaimer
This interim financial report contains forward-looking statements. These statements are based on the current experiences, assumptions and forecasts of the Management Board as well as information currently available to the Management Board. The forward-looking statements are not guarantees of the future developments and results mentioned therein. The future developments and results depend on a large number of factors. They involve certain risks and uncertainties and are based on assumptions that may prove to be inaccurate. These risk factors include but are not limited to those discussed in the risk report of the 2022 Annual Report. We do not assume any obligation to update the forward-looking statements contained in this interim report. This interim report does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities of Vonovia SE.

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