Interim Group Management Report – Business Development in the First Half-year of 2024

Overview

> Ongoing positive rent trend in the core Rental business, with high customer satisfaction levels and virtually full occupancy.
> Higher real estate transaction volumes and bottoming out of real estate values in the 2nd quarter.
> Successful sale of Care business portfolios.

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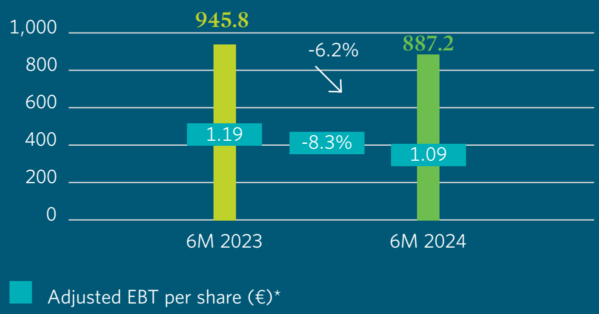
Sustained Earnings

Adjusted EBT*

in € million

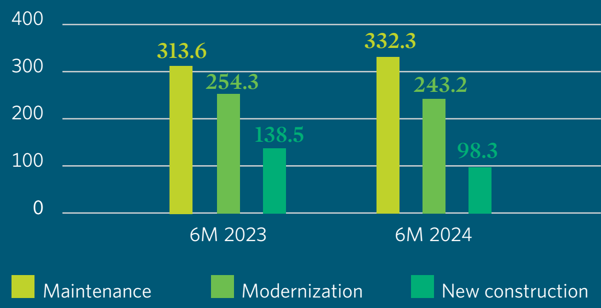


* Continuing operations.

Maintenance, Modernization and New Construction

Capital Expenditure*

in € million

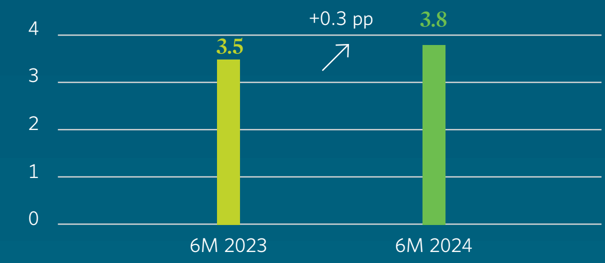


* Continuing operations.

Organic Rent Growth

Organic Rent Increase

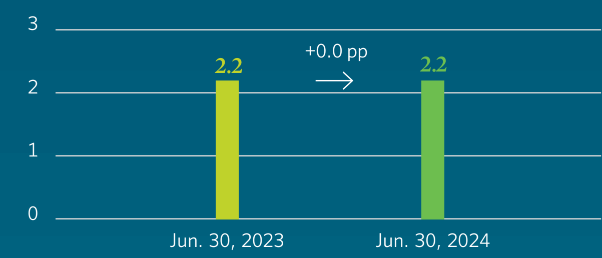
in %



Vacancy

Vacancy Rate

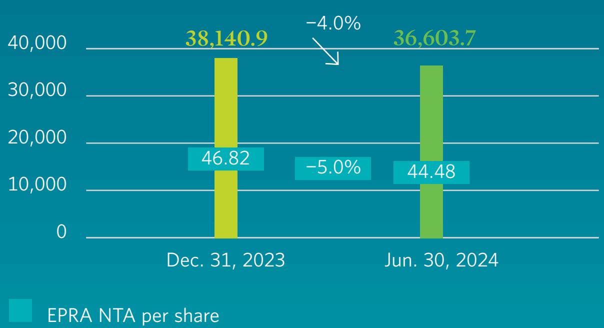
in %



Net Assets

EPRA NTA

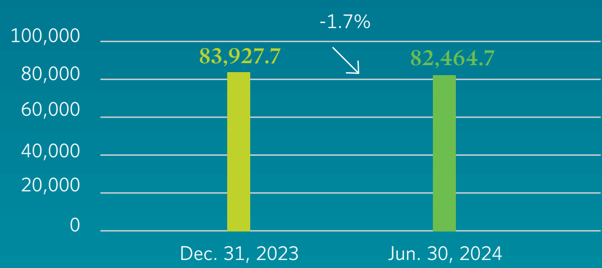
in € million



Fair Value of the Real Estate Portfolio

Fair Value

in € million



Vonovia SE on the Capital Market

Shares in Vonovia

The assessment of interest rate trends remained the dominant topic on the stock markets in the first half of 2024. To date, the expectation of imminent interest-rate cuts in the USA and Europe that was prevalent in the fourth quarter of 2023 has not been borne out. While the ECB met expectations by cutting its key rate by 25 basis points on June 6, 2024, market expectations regarding the timing and scope of further rate cuts has been pushed back further. In addition to ongoing geopolitical risks, interest rate trends are also likely to play a key role on the capital markets in the second half of the year.

In this environment, while the German DAX 40 stock index posted positive performance of 8.9%, the European real estate sector was on a downward trajectory in the first six months of the year due to its strong negative correlation with interest rates and government bonds, closing the first half of the year having lost 5.2% on the closing price for 2023.

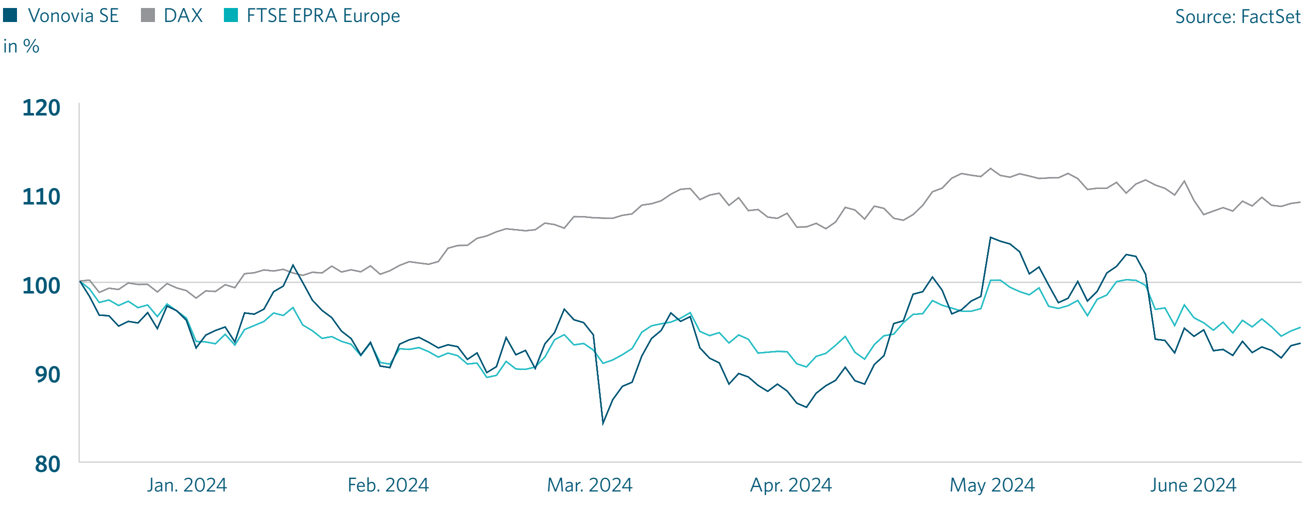
At the end of the first six months of 2024, shares in Vonovia were trading at € 26.55 and were thus down 7.0% on the closing price for 2023. In our view, the interest rate situation is once again the key factor here.

As a result, we are still observing an ever-wider gap between capital market expectations on the one hand, and what remains an attractive market situation for residential real estate on the other. The residential property markets in which we operate are characterized by a high level of excess demand, which is increasingly having a positive impact on rental growth.

As a result, we remain confident that the fundamental conditions in our markets will ensure positive development in the long run. Besides the favorable relationship (from an owner's point of view) between supply and demand in urban regions, the relevant factors here include, above all, structural momentum on the revenue side as well as support from the key megatrends.

The company's market capitalization amounted to around € 21.8 billion as of June 30, 2024.

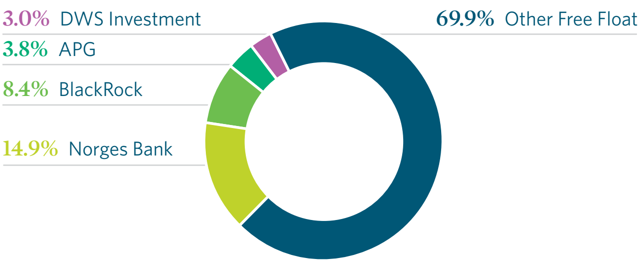
Share Price Development



Shareholder Structure

The chart below shows the company's shareholdings based on the data it collects itself and/or based on the voting rights pursuant to Sections 33 and 34 of the German Securities Trading Act (WpHG) as notified by the shareholders in relation to the current share capital.

Major Shareholders (as of June 30, 2024)



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 85.1% of Vonovia's shares were in free float on June 30, 2024. 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 around 190,000 private shareholders, representing around 9.5% of the total capital.

Annual General Meeting

The Annual General Meeting of Vonovia SE was held as a virtual event on May 8, 2024. A total of 68.67% of the company's share capital was represented.

The shareholders approved all of the proposed resolutions, generally with a large majority. The only proposed resolution not to be approved by a majority was the resolution to approve individual adjustments to the remuneration system for members of the Management Board. As a result, this resolution will be added to the agenda of the next Annual General Meeting.

Among other proposals, the Annual General Meeting also approved the dividend proposal of € 0.90 made by the Supervisory Board and the Management Board, which corresponds to a dividend yield of 3.2% based on the closing price for 2023 of € 28.54. Shareholders were free to choose between a cash dividend and a scrip dividend. 30.93% opted for a dividend in the form of shares.

Investor Relations Activities

Vonovia SE is committed to transparent, ongoing dialogue with its shareholders and potential investors. We continued with our roadshows and meetings in the first half of the 2024 fiscal year, in the form of virtual and face-to-face events. We took part in a total of 10 investor conferences and organized 19 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. Interest rates, capital structure and growth-related topics dominated conversation in the first six months of 2024.

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.

Analyst Assessments

As of June 30, 2024, 25 national and international analysts were publishing research studies on Vonovia. The average target share price was € 32.56. Of these analysts, 72% issued a "buy" recommendation, with 12% issuing a "hold" recommendation and 16% a "sell" recommendation.

Share Information (as of June 30, 2024)

First day of trading	July 11, 2013
Subscription price	€ 16.50 | € 14.71*
Total number of shares	822,852,925
Share capital	€ 822,852,925
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, 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.

Economic Development in the First Half-year of 2024

Key Events During the Reporting Period

The core Rental business was characterized by a high level of demand for rental apartments and a positive rent trend in the first half of 2024. With a vacancy rate of 2.2% at the end of the first half of 2024 (end of the first half of 2023: 2.2%), Vonovia's residential real estate portfolio was virtually fully occupied.

The second quarter of 2024 saw higher real estate transaction volumes and a bottoming out of real estate values. The slight cut in the ECB key rate in June 2024 is likely to favor future transactions, particularly in the Recurring Sales and Development segments.

The Customer Satisfaction Index (CSI) was 7.1 percentage points above the value seen in the previous year in the second quarter of 2024. On average, the level of customer satisfaction in 2024 to date has increased by 3.5 percentage points as against the year 2023 as a whole.

On January 18, 2024, Vonovia issued a bond in pound sterling for the first time. This unsecured bond has a 5.5% coupon (4.55% after currency hedging) and a twelve-year term. It has a volume of GBP 400 million (approx. € 465.1 million).

Vonovia successfully placed a further unsecured bond in Switzerland with a volume of CHF 150 million (approx. € 159.3 million) on February 14, 2024. This bond has a term expiring in 2029 and a 2.565% coupon (4.16% after currency hedging).

With these two bonds, Vonovia has opened up additional financial markets and access to potential debt investors, while at the same time exploiting arbitrage advantages.

On April 10, 2024 Vonovia issued an unsecured social bond with a 4.25% coupon rate and a ten-year term. It had a volume of € 850 million. This bond's terms are consistent with the Sustainable Finance Framework, which the company defined in February 2022.

In addition, on April 8, 2024, Vonovia repaid a two-year social bond with a volume of SEK 500 million (approx. € 50 million) in Sweden.

A bond in the amount of € 336.1 million was repaid as scheduled on the same day.

With regards to Vonovia's efforts to sell off its Care segment, sales contracts for six properties were concluded successfully. The sale of its discontinued operations is still expected to be completed by December 31, 2024.

A notarized sales contract for a portfolio in Berlin was successfully concluded on April 23, 2024. The transaction executed with two state-owned Berlin housing construction companies will see around 4,500 residential units with a value of around € 700.0 million being sold as part of a share deal. The transaction is expected to be closed on December 31, 2024.

In addition, Vonovia successfully concluded a notarized sales contract for around 1,970 residential units and six commercial units on July 26, 2024. The purchase price of around € 300.0 million is slightly higher than the carrying amounts of the properties sold recognized at the time of the negotiations.

The Annual General Meeting held on May 8, 2024 resolved to pay a dividend for the 2023 fiscal year in the amount of € 0.90 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 30.93% of the shares carrying dividend rights opted for the scrip dividend instead of the cash dividend. As a result, 8,207,927 new shares were issued using the company's authorized capital for a total of € 226,785,023.01. The total amount of the dividend distributed in cash therefore came to € 506,395,475.19.

From the 2024 fiscal year onwards, a modified management system has been introduced. This uses the Adjusted EBT indicator and is thus more clearly focused on profitability and internal financing. In the future, this performance indicator will also serve as the key parameter for Vonovia's dividend policy. The Adjusted EBT will be used as a basis for a reconciliation to the operating free cash flow (OFCF) as the leading indicator of internal financing. This operating free cash flow is a measure of the Group's operational capacity to generate cash surpluses and, as a result, of its internal financing power.

On March 28, 2024, the rating agency Fitch awarded Vonovia an investment grade rating for the first time: BBB+ with a stable outlook. As positive factors, its analysis emphasizes the stability of the regulated rental housing market in Germany, the strong level of demand for residential units and Vonovia's very high level occupancy rate (98%).

Development of the Economic Environment

After a prolonged phase of stagnation, the European Commission reported a comeback for the EU economy at the beginning of the year. At 0.3%, economic growth lagged behind its estimated potential in the first quarter of 2024, but nevertheless surpassed expectations. The conditions are still looking good for a gradual acceleration in economic activity both this and next year. According to the Federal Statistical Office (Destatis), the German economy started 2024 with slight GDP growth (GDP in first quarter of 2024 +0.2% compared with the previous quarter) after still reporting negative growth at the end of 2023. Exports and investment delivered positive impetus for economic output, but private consumer spending failed to mount a recovery. According to the Kiel Institute for the World Economy (IfW Kiel), the economic recovery is making only sluggish progress. Despite the upward trajectory, the business and consumer sentiment remain lackluster. According to Statistics Sweden (SCB), GDP there rose by 0.7% during the same period. The upswing can be attributed primarily to changes in inventories. The Austrian statistical office, Statistik Austria, is reporting predicted GDP growth in Austria of 0.2% in a quarter-on-quarter comparison, with private consumption propping up the economy. For 2024, GDP growth of 0.2% is forecast for Germany (IfW Kiel), 1.0% for Sweden (National Institute of Economic Research, NIER) and 0.0% for Austria (Institute of Economic Research, WIFO).

The labor market is unable to escape the combination of a sluggish economic recovery in Germany, for example, and restrained consumption. Consequently, the German Federal Employment Agency reported yet another increase in unemployment and underemployment in Germany in June 2024. The reported demand for new employees also slowed further. The unemployment rate based on the total civilian labor force rose by 0.3 percentage points year-on-year in June 2024 to 5.8%. According to Statistics Sweden, the unemployment rate in Sweden rose by 0.8 percentage points as against May 2023 to 8.7% in May 2024 (not seasonally adjusted). According to national calculations by the Austrian Public Employment Service (AMS), the unemployment rate in Austria in June 2024 was 6.2% and thus 0.5 percentage points higher than in the previous year. Based on respective national definitions, the average unemployment rate expected in 2024 is 5.9% for Germany (IfW Kiel), 8.4% in Sweden (NIER) and 6.9% in Austria (WIFO).

Measured based on the consumer price index (CPI), inflation in Germany came in at 2.2% year-on-year in June 2024, according to Destatis. This signals a drop in the inflation rate compared with the beginning of the year. DB Research reports that inflation has hit the current cyclical low point. Base effects were the main factor responsible for the drop in inflation in the first half of 2024. Core inflation, however, is still sitting at around the 3% mark year-on-year in both Germany and the eurozone, above the 2% target. In Sweden and Austria, year-on-year inflation rates came to 2.6% (SCB) and an estimated 3.0% (Statistics Austria) in June 2024, and were also down on the rates witnessed at the beginning of the year. Based on respective national definitions, a CPI increase of 2.2% is expected for Germany (IfW Kiel), 2.8% for Sweden (NIER) and 3.4% for Austria (WIFO) for 2024 on average.

In a quest to make a timely return to its 2% medium-term inflation target, the European Central Bank (ECB) raised key rates in several steps in 2023 to 4.50%. June 2024 saw the ECB begin to loosen the monetary reins somewhat, when it lowered its key interest rate by 25 basis points to the current level of 4.25%. According to IfW Kiel, further interest rate moves could follow as the year progresses. High inflation also prompted the Swedish Riksbank to take further steps to lift its policy rate to 4.00% in the course of 2023. After the inflation rate started to move closer to the inflation target again, the policy rate was lowered for the first time in May 2024 by 25 basis points to 3.75%. Further interest rate cuts could well follow in the second half of the year. In this overall environment, interest rates for construction in Germany, Sweden and Austria remained considerably higher at the start of 2024 than before the interest rate turnaround of 2022.

The real estate market is painting a mixed picture: On the residential property market, price expectations on both the seller and buyer side are slowly converging, and prices are on the rise again in some places. The real estate investment market initially remained subdued, with transaction volumes in the residential segment rising of late in some cases. The situation for project developers remains a challenging one. At the same time, according to Savills, the underlying conditions on the rental housing market in Germany are very good from the perspective of owners and investors alike. In many locations, there is a considerable need to catch up, and need for additional apartments, in the residential construction sector, and the demand for housing looks set to continue to rise. A further drop in vacancy rates and an increase in market rents is expected. Quoted rents continued to increase across Germany; empirica reports that they were 5.6% higher on average over all years of construction in the second quarter of 2024 (new construction 5.8%) than in the same quarter of the previous year. According to DB Research, new contract rents are expected to grow by around 5% in the current year, and rents for existing contracts by around 2.2%. According to "Hem & Hyra," the member magazine published by the Swedish tenants' association ("Hyresgästföreningen"), almost all rents for 2024 had been negotiated as of May. The average rent increase until that point was a good 5%. 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% higher in May 2024 than in the comparable previous-year month.

Since house prices peaked in 2022, they have cooled down considerably in Germany, Sweden and Austria. The price drop in Germany had come to a virtual standstill by the end of the first six months of the year. The empirica price index for condominiums (all years of construction) was 3.6% lower in the second quarter of 2024 compared to the same period of the previous year. In a quarter-on-quarter comparison, however, the decline only came in at 0.4%. Other market observers are reporting that prices for existing apartments (Immowelt) and condominiums (Europace) are already up slightly on the prior-year levels on average at the midpoint of the year. In the new construction segment, the empirica price index for condominiums was up by 1.9% year-on-year in the second quarter of 2024. According to specialists from Helaba, prices are likely to stabilize in 2024, whereas Immowelt experts predict that prices will rise over the remainder of the year. According to Svensk Mäklarstatistik, prices for tenant-owned apartments (Bostadsrätter) in Sweden were already 2.4% higher in June 2024 compared with the same month of the previous year. Prices have clearly bounced back since the beginning of the year after still being on a slight downward trajectory at the end of 2023. Experts from Swedbank expect house prices to have bottomed out and predict that they will rise slightly, by 2% to 3%, this year. 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 another decrease in Austria in the first quarter of 2024, namely by 2.6% compared with the previous year and by 0.6% as against the previous quarter. This year's trend is not, however, a uniform one. Compared to the previous quarter, prices in Vienna continued to drop in the first three months of 2024, but they rose on average in the rest of Austria (excluding Vienna). According to the RE/MAX report released at the start of the year, the price trend for residential property in Austria was headed on a downward trajectory to begin with in 2024.

The size of the population in Germany, Sweden and Austria rose again in 2023 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. Residential construction is in a difficult phase in all three countries due to the combination of higher interest rates, less favorable financing conditions and increased construction costs. In the current circumstances, new construction developments are barely viable in commercial terms. According to Destatis, 294,400 apartments were completed in Germany in 2023, a figure that was down by 0.3% as against the previous year. An updated estimate released by DB Research suggests that the figure could drop back to 260,000 in 2024. The German federal government had set itself the goal of building 400,000 new apartments per year in Germany. According to JLL, the declining volume of new construction will further increase the excess demand on the rental apartment markets in particular. Boverket estimates that 67,300 apartments will have to be built per year in Sweden by 2030. While just shy of 69,000 apartments were completed last year, the pace of completions will slow significantly in 2024. Construction only started on 32,000 apartments in 2023, and this figure is expected to fall to 27,000 in the current year. Residential construction activity in Austria had addressed the marked increase in the demand for homes in recent years. Following a drastic decline in building permits issued, the number of residential buildings completed slowed significantly in 2023, according to Bank Austria. Much lower completion figures are expected for 2024, too. As the demand for housing continues to grow, CBRE expects to see a bottleneck in large metropolitan areas in the medium term.

In terms of transaction volume, the German residential investment market was still subdued overall in the first half of 2024. CBRE put the volume at € 2.8 billion, 10% lower than in the same period of the previous year. It attributes the decline to the general drop in the capital values realized and the quality of properties traded. Meanwhile, the second quarter brought a marked revival compared with the first quarter of 2024. The biggest net buyer was the public sector, followed by asset and fund managers. CBRE reports that the lion's share of transaction activity was in Berlin. Average prime yields for the country's top 7 cities remained stable at 3.4% in the second quarter. As far as 2024 as a whole is concerned, CBRE expects a transaction volume of at least € 5 billion. The volume is being increasingly determined by sales through funds and listed residential real estate companies due to a need for refinancing. According to Colliers, properties worth € 4.7 billion were traded across all segments on the Swedish transaction market in the first half of 2024, representing a year-on-year increase of approx. 16%. In terms of transaction volume, residential properties were the third-largest asset class after logistics properties and offices with a share of 23%. According to CBRE Austria, the Austrian real estate investment market saw a transaction volume in the first half of 2024 of approximately € 1 billion, down only slightly on the first half of 2023 (€ 1.08 billion). The share of the residential segment stood at around 30%. An EHL analysis reveals that residential properties in Vienna remain particularly sought-after.

Housing policy developments in Germany in the first half of 2024 included more changes to the German Buildings Energy Act (GEG) and to the Federal Funding for Efficient Buildings (BEG). On January 1, 2024, for example, a GEG amendment came into force aimed at increasing the proportion of renewable energies in heating systems and at reducing emissions. At the same time, a new directive on the Federal Funding for Efficient Buildings (BEG) came into force to support the replacement of old fossil-fuel heating systems with environmentally-friendly systems by subsidizing the associated investment costs. After the "Climate-friendly new construction" promotional program had been closed to applicants at the end of 2023, the German state-owned development bank KfW started accepting applications for subsidized loans again in February 2024. At the beginning of July 2024, part of the funds were also released for the planned promotional program "Climate-friendly new construction in the low-price segment", a move that is designed to create incentives for the construction of apartments in the lower and middle price segments. In March of this year, declining balance depreciation was also adopted for newly constructed apartments in the context of the German Growth Opportunities Act (Wachstumschancengesetz). This applies for a limited period to newly constructed residential buildings and apartments, or those acquired in the year of completion provided that construction work starts between October 1, 2023, and September 30, 2029. The KfW "Jung kauft alt" (Young buys old) promotional program will come into force in the summer of 2024, the aim being to promote the purchase of old buildings in need of renovation. In April 2024, the government coalition partners agreed to extend the rent cap by a period of three years. They explain that they currently still need to consult on the corresponding draft legislation. The German government is implementing the introduction of a new non-profit housing structure with the Cabinet decision on the 2024 Annual Tax Act in June of this year. Companies that make a commitment to affordable rents in the long run will benefit from tax incentives. An agreement reached in December on the reform of the EU Buildings Directive provides for, among other things, the reduction of energy consumption in residential buildings. The EU is waiving the obligation to refurbish poorly insulated private residential buildings. The new version of the Directive came into force at the end of May 2024. The introduction of new building regulations planned in Sweden for the turn of the year 2024/2025 has been postponed to July 1, 2025. In Austria, a rent cap has applied since 2024 that limits the increase in indicative rents, category-based rents and rents for non-profit apartments. This does not include unrestricted rental agreements. A residential construction package adopted in Austria in the spring in a quest to revive the construction industry is to provide more favorable conditions for residential construction loans, among other measures.

Results of Operations

Overview

Overall, Vonovia's business development was consistent with expectations in the first half of 2024.

Core business in the Rental segment was characterized by high demand for rental apartments and positive rental price development. The Value-add segment posted a moderate increase in earnings. The general conditions for the other segments continued to improve in the second quarter due to higher transaction volumes and signs that property values were bottoming out.

Any analysis of the figures reported has to consider the fact that the prior-year figures are reported based on the current segmentation to facilitate a comparison.

The sale of the Care business activities was initiated by the Management Board of Deutsche Wohnen and this segment is still expected to be sold before December 2024. Accordingly, the majority of the Care segment is presented as a discontinued operation. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 11.5 million in segment revenue in the first half of 2024 (first half of 2023: € 12.2 million).

The following key figures provide an overview of Vonovia's results of operations and other value drivers in the reporting period.

in € million	H1 2023*	H1 2024	Change in %	12M 2023
Adjusted EBITDA Total (continuing operations)*	1,299.8	1,266.5	-2.6	2,583.8
Adjusted EBITDA Rental	1,209.0	1,191.6	-1.4	2,401.7
Adjusted EBITDA Value-add	44.1	56.8	28.8	105.5
Adjusted EBITDA Recurring Sales	37.0	22.2	-40.0	63.4
Adjusted EBITDA Development*	9.7	-4.1	–	13.2
Adjusted EBITDA from discontinued operations	24.2	25.1	3.7	53.9
Adjusted EBT (continuing operations)	945.8	887.2	-6.2	1,866.2
Operating Free Cash-Flow	764.5	800.3	4.7	1,414.8
Monthly in-place rent in €/m²	7.58	7.86	3.7	7.74
Average area of own apartments in the reporting period (in thou. m²)	34,379	34,118	-0.8	34,349
Average number of own units (number of units)	548,332	544,266	-0.7	547,905
Vacancy rate (in %)	2.2	2.2	–	2.0
Maintenance expenses and capitalized maintenance (€/m²)*	9.12	9.74	6.8	21.03
thereof expenses for maintenance (€/m²)	6.02	6.60	9.6	12.41
thereof capitalized maintenance (€/m²)*	3.10	3.14	1.3	8.62
Number of units bought	63	–	-100.0	63
Number of units sold	1,282	3,869	>100	3,838
thereof Recurring Sales	628	921	46.7	1,590
thereof Non Core/other	654	2,948	>100	2,248
Number of new apartments completed	1,193	1,655	38.7	2,425
thereof own apartments	962	637	-33.8	1,309
thereof apartments for sale	231	1,018	>100	1,116
Carbon intensity achieved in Germany (in kg CO_2e/m^2)	32.6	31.5	-3.4	31.7
Number of employees (as of June 30/Dec. 31)*	11,891	12,087	1.6	11,977

* Previous year's values (2023) adjusted to current key figure and segment definition.

In details, Adjusted EBT developed as follows in the reporting period:

Adjusted EBT

in € million	H1 2023*	H1 2024	Change in %	12M 2023
Revenue in the Rental segment	1,618.6	1,650.4	2.0	3,253.4
Expenses for maintenance	-206.9	-225.3	8.9	-426.2
Operating expenses in the Rental segment	-202.7	-233.5	15.2	-425.5
Adjusted EBITDA Rental	**1,209.0**	**1,191.6**	**-1.4**	**2,401.7**
Revenue in the Value-add segment	619.8	635.3	2.5	1,224.7
thereof external revenue	66.4	59.9	-9.8	130.9
thereof internal revenue	553.4	575.4	4.0	1,093.8
Operating expenses in the Value-add segment	-575.7	-578.5	0.5	-1,119.2
Adjusted EBITDA Value-add	**44.1**	**56.8**	**28.8**	**105.5**
Revenue in the Recurring Sales segment	141.4	163.9	15.9	319.3
Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment	-97.1	-132.0	35.9	-239.4
Adjusted result Recurring Sales	**44.3**	**31.9**	**-28.0**	**79.9**
Selling costs in the Recurring Sales segment	-7.3	-9.7	32.9	-16.5
Adjusted EBITDA Recurring Sales	**37.0**	**22.2**	**-40.0**	**63.4**
Revenue from disposal of Development to sell properties	218.3	70.1	-67.9	348.6
Cost of Development to sell	-195.7	-59.6	-69.5	-300.9
Gross profit Development to sell	**22.6**	**10.5**	**-53.5**	**47.7**
Rental revenue Development	2.3	3.1	34.8	5.1
Operating expenses in the Development segment	-15.2	-17.7	16.4	-39.6
Adjusted EBITDA Development*	**9.7**	**-4.1**	**-**	**13.2**
Adjusted EBITDA Total (continuing operations)*	**1,299.8**	**1,266.5**	**-2.6**	**2,583.8**
Adjusted net financial result	-304.2	-320.5	5.4	-625.1
Intragroup profit/losses	5.1	-2.9	-	17.7
Straight-line depreciation**	-54.9	-55.9	1.8	-110.2
Adjusted EBT (continuing operations)	**945.8**	**887.2**	**-6.2**	**1,866.2**
Adjusted EBT (continuing operations) per share in €* **	**1.19**	**1.09**	**-8.3**	**2.31**
Minorities	63.3	82.9	31.0	136.0
Adjusted EBT (continuing operations) after minorities	882.5	804.3	-8.9	1,730.2
Adjusted EBT (continuing operations) after minorities per share in €***	1.11	0.99	-10.9	2.12

* Previous year's values (2023) adjusted to current key figure and segment definition.
** Depreciation on concessions/property rights/licenses, self-developed software, self-used real estate, technical equipment and machinery, as well as other equipment/operating and business equipment.
*** Based on the weighted average number of shares carrying dividend rights.

As of June 30, 2024, Vonovia had a workforce of 12,087 employees (June 30, 2023: 11,891) in its continuing operations.

As of the end of the first half of 2024, Vonovia managed a portfolio comprising 542,881 of its own residential units (end of the first half of 2023: 548,080), 163,552 garages and parking spaces (end of the first half of 2023: 165,085) and 8,507 commercial units (end of the first half of 2023: 8,779). Vonovia also managed 71,697 residential units (end of the first half of 2023: 70,436) on behalf of third parties.

Details on Results of Operations by Segment

Rental Segment

At the end of June 2024, the portfolio in the Rental segment had a vacancy rate of 2.2% (end of June 2023: 2.2%), meaning that it was once again virtually fully occupied.

The segment revenue in the Rental segment increased by 2.0% (6M 2023: 2.3%) from € 1,618.6 million in the first six months of 2023 to € 1,650.4 million in the first six months of 2024. Of the Rental segment revenue, in the 2024 reporting period rental income in Germany accounted for € 1,410.0 million (6M 2023: € 1,388.7 million), rental income in Sweden for € 179.9 million (6M 2023: € 171.4 million) and rental income in Austria for € 60.5 million (6M 2023: € 58.5 million). **Organic rent growth** (twelve-month rolling) totaled 3.8% (3.5% as of June 30, 2023). The current rent increase due to market-related factors came to 2.2% (1.5% as of June 30, 2023), while the increase from property value improvements translated into a further 1.3% (1.2% as of June 30, 2023). All in all, this produces a **like-for-like rent increase** of 3.5% (2.7% as of June 30, 2023). New construction and vertical expansion measures also contributed 0.3% (0.8% as of June 30, 2023) to organic rent growth.

The average monthly in-place rent within the Rental segment at the end of June 2024 came to € 7.86 per m² compared to € 7.58 per m² at the end of June 2023. The monthly in-place rent in the German portfolio at the end of June 2024 came to € 7.73 per m² (June 30, 2023: € 7.51 per m²), with a figure of € 10.51 per m² (June 30, 2023: € 9.50 per m²) for the Swedish portfolio and € 5.66 per m² for the Austrian portfolio (June 30, 2023: € 5.37 per m²). The rental income from the portfolio in Sweden reflects all-inclusive rents, meaning that the amounts contain operating, heating and water supply costs. Moreover, the rental income from the Austrian real estate portfolio includes maintenance and improvement contributions (EVB).

We have adapted our modernization, new construction and maintenance strategy to reflect the current overall financial conditions in the 2024 fiscal year. The overview below provides details on maintenance, modernization and new construction.

Maintenance, Modernization and New Construction

in € million	H1 2023*	H1 2024	Change in %	12M 2023*
Expenses for maintenance	206.9	225.3	8.9	426.2
Capitalized maintenance	106.7	107.0	0.3	296.3
Maintenance measures	313.6	332.3	6.0	722.5
Modernization & portfolio investments	254.3	243.2	-4.4	513.3
New construction (to hold)	138.5	98.3	-29.0	291.2
Modernization, portfolio investments and new construction	392.8	341.5	-13.1	804.5
Total sum of maintenance, modernization, portfolio investments and new construction	**706.4**	**673.8**	**-4.6**	**1,527.0**

* Previous year's values (2023) adjusted to current key figure and segment definition.

Operating expenses in the Rental segment in the first half of 2024 were up by 15.2% on the figures for the first half of 2023, from € 202.7 million to € 233.5 million.

All in all, the **Adjusted EBITDA Rental** came to € 1,191.6 million in the first six months of 2024, down slightly on the prior-year value of € 1,209.0 million.

Value-add Segment

Developments in the **Value-add segment** remained dominated by the current overall conditions for our own craftsmen's organization. The general price increases for construction services and materials, as well as productivity losses due to smaller-scale investments, continued to impact economic development. The volume of modernization and portfolio investments in the first half of 2024 almost matched that seen in the first six months of 2023.

All in all, revenue from the Value-add segment came to € 635.3 million in the 2024 reporting period, up by 2.5% on the value of € 619.8 million seen in the first six months of 2023. External revenue from our Value-add activities with our end customers in the first six months of 2024 declined by 9.8% compared with the first six months of 2023, from € 66.4 million to € 59.9 million. This can be attributed primarily to price adjustments in energy distribution compared to the previous year, which were passed on to our tenants accordingly. Group revenue rose by 4.0% in the first six months of 2024 from € 553.4 million in the first six months of 2023 to € 575.4 million.

Operating expenses in the Value-add segment in the first six months of 2024 were up slightly on the figures for the first six months of 2023, from € 575.7 million to € 578.5 million.

Adjusted EBITDA Value-add came to € 56.8 million in the first six months of 2024, up by 28.8% on the figure of € 44.1 million reported for the first six months of 2023.

Recurring Sales Segment

In the Recurring Sales segment, income from the disposal of properties in the first six months of 2024 came to € 163.9 million, which was 15.9% higher than the prior-year value of € 141.4 million in the first six months of 2023. 921 residential units were sold (6M 2023: 628), of which 722 were located in Germany (6M 2023: 412) and 199 in Austria (6M 2023: 216). Of this amount, income from sales in Germany accounted for € 122.6 million (6M 2023: € 82.7 million) and income from sales in Austria for € 41.3 million (6M 2023: € 58.7 million).

The fair value step-up came in at 24.2% in the first six months of 2024, down on the comparative value of 45.6% for the first six months of 2023. This is due to lower step-ups for sales in Germany and Austria.

Selling costs in the Recurring Sales segment came in at € 9.7 million in the first half of 2024, up by 32.9% on the value of € 7.3 million seen in the first half of 2023.

Adjusted EBITDA Recurring Sales came in at € 22.2 million in the first six months of 2024, down considerably on the value of € 37.0 million seen in the first six months of 2023.

Moreover, in the first six months of 2024, 2,948 residential units from the Non Core/Other portfolio (6M 2023: 654) were sold as part of our portfolio adjustment measures, with proceeds totaling € 352.7 million (6M 2023: € 101.0 million). At 0.0%, the fair value step-up for Non Core/Other disposals in the 2024 reporting period was significantly lower than the figure for the first six months of 2023 (9.2%).

Development Segment

Economic development in the **Development segment** continued to be impacted primarily by the increased construction costs and interest rates in the reporting period.

In the "Development to sell" area, a total of 1,018 units were completed in the 2024 reporting period (6M 2023: 231 units), all 1,018 of them in Germany (6M 2023: 104). No units were completed in Austria in the reporting period (6M 2023: 127 units). Proceeds from the sale of development properties to sell amounted to € 70.1 million (6M 2023: € 218.3 million) in the first six months of 2024. Of this amount, € 53.8 million was attributable to project development in Germany (6M 2023: € 189.6 million) and € 16.4 million to project development in Austria (6M 2023: € 28.7 million). The resulting gross profit for Development to sell came to € 10.5 million in the first six months of 2024, with a margin of 15.0% (6M 2023: € 22.6 million, margin of 10.4%).

Development operating expenses came to € 17.7 million in the first six months of 2024, 16.4% above the comparative value of € 15.2 million seen in the first six months of 2023.

Adjusted **EBITDA in the Development segment** amounted to € -4.1 million in the 2024 reporting period (6M 2023: € 9.7 million).

In the "Development to hold" area, a total of 637 units were completed in the first six months of 2024 (6M 2023: 962 units), of which 635 were in Germany (6M 2023: 502 units), none were in Austria (6M 2023: 296 units) and two were in Sweden (6M 2023: 164 units).

Adjusted EBT

The **Adjusted EBITDA Total for continuing operations** amounted to € 1,266.5 million in the first six months of 2024 and was thus 2.6% lower than the prior-year value of € 1,299.8 million in the first six months of 2023.

In the 2024 reporting period, the non-recurring items eliminated in the Adjusted EBT came to € 45.4 million (6M 2023: € 119.2 million). The following table gives a detailed list of the non-recurring items:

Non-recurring Items

in € million	H1 2023	H1 2024	Change in %	12M 2023
Transactions*	82.9	12.9	-84.4	70.0
Personnel matters	26.6	14.7	-44.7	35.1
Business model optimization	6.2	14.4	>100	34.9
Research & development	3.4	2.9	-14.7	6.8
Refinancing and equity measures	0.1	0.5	>100	1.1
Total non-recurring items	**119.2**	**45.4**	**-61.9**	**147.9**

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

Reconciliations

The **adjusted net financial result** changed from € -304.2 million in the first six months of 2023 to € -320.5 million in the first six months of 2024.

Reconciliation of Adjusted Net Financial Result

in € million	H1 2023	H1 2024	Change in %	12M 2023
Income from non-current securities and non-current loans	23.6	34.7	47.0	60.6
Interest received and similar income	9.0	22.6	>100	22.9
Interest expense from non-derivative financial liabilities	-362.4	-410.1	13.2	-765.1
Swaps (current interest expense for the period)	20.3	27.0	33.0	49.3
Capitalization of interest on borrowed capital Development	–	0.1	–	0.6
Income from investments	5.3	5.2	-1.9	6.6
Adjusted net financial result	**-304.2**	**-320.5**	**5.4**	**-625.1**
Accrued interest	-51.1	-82.1	60.7	-25.6
Net cash interest*	**-355.3**	**-402.6**	**13.3**	**-650.7**

* Previous year's values (2023) as reported.

Interim profits came to € 2.9 million in the first six months of 2024 (6M 2023: interim losses of € -5.1 million). Depreciation and amortization rose from € 54.9 million in the first six months of 2023 to € 55.9 million in the first six months of 2024.

Overall, **Adjusted EBT for continuing operations** came to € 887.2 million in the first six months of 2024, compared to € 945.8 million in the first six months of 2023.

In the first six months of 2024 **profit for the period** came to € -529.2 million (6M 2023: € -4,130.4 million).

The reconciliation of the profit for the period to Adjusted EBT (continuing operations) is as follows:

Reconciliation of Profit for the Period/Adjusted EBT/Adjusted EBITDA

	H1 2023*	H1 2024	Change in %	12M 2023
Profit for the period	**-4,130.4**	**-529.2**	**-87.2**	**-6,756.2**
Profit from discontinued operations	-3.1	21.0	–	148.1
Profit from continuing operations	**-4,133.5**	**-508.2**	**-87.7**	**-6,608.1**
Income taxes	-1,736.3	-80.1	-95.4	-2,577.1
Earnings before tax (EBT)	-5,869.8	-588.3	-90.0	-9,185.2
Non-recurring items	119.2	45.4	-61.9	147.9
Net income from fair value adjustments of investment properties	6,382.2	1,432.0	-77.6	10,651.2
Impairment/value adjustments	294.4	16.8	-94.3	334.2
Valuation effects and special effects in the financial result	7.5	-28.8	–	-176.1
Net income from investments accounted for using the equity method	12.3	18.5	50.4	75.7
Earnings contribution from Non Core/Other sales	2.4	10.8	>100	12.2
Period adjustments from assets held for sale	-2.4	-19.2	>100	6.3
Adjusted EBT (continuing operations)	**945.8**	**887.2**	**-6.2**	**1,866.2**
Straight-line depreciation	54.9	55.9	1.8	110.2
Adjusted net financial result	304.2	320.5	5.4	625.1
Intragroup profit/losses	-5.1	2.9	–	-17.7
Adjusted EBITDA Total (continuing operations)	**1,299.8**	**1,266.5**	**-2.6**	**2,583.8**

* Previous year's values (2023) adjusted to current key figure and segment definition.

The reconciliation of Adjusted EBT (continuing operations) to operating free cash flow is as follows:

Reconciliation of Adjusted EBT/Operating Free Cash-Flow

in € million	H1 2023	H1 2024	Change in %	12M 2023
Adjusted EBT (continuing operations)	**945.8**	**887.2**	**-6.2**	**1,866.2**
Straight-line depreciation	54.9	55.9	1.8	110.2
Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)	-153.0	3.8	–	-340.2
Carrying amount of recurring sales assets sold	97.1	132.0	35.9	239.4
Capitalized maintenance	-106.7	-107.0	0.3	-296.3
Dividends and payouts to non-controlling shareholders (minorities)	-15.1	-114.5	>100	-40.5
Income tax payments according to cash flow statement (w/o taxes on Non Core sales)	-58.5	-57.1	-2.3	-124.0
Operating Free Cash-Flow	**764.5**	**800.3**	**4.7**	**1,414.8**

Assets

Consolidated Balance Sheet Structure

	Dec. 31, 2023		June 30, 2024	
	in € million	in %	in € million	in %
Non-current assets	85,121.4	92.5	82,581.2	91.2
Current assets	6,874.5	7.5	8,002.1	8.8
Total assets	**91,995.9**	**100.0**	**90,583.3**	**100.0**
Equity	29,944.6	32.5	28,751.5	31.7
Non-current liabilities	56,912.4	61.9	55,572.2	61.4
Current liabilities	5,138.9	5.6	6,259.6	6.9
Total equity and liabilities	**91,995.9**	**100.0**	**90,583.3**	**100.0**

The Group's **total assets** declined by € 1,412.6 million, from € 91,995.9 million as of December 31, 2023 to € 90,583.3 million.

The key trend in the non-current assets item is the € 2,489.1 million decrease in investment properties, which was due in particular to the reclassification of a portfolio of around 4,500 residential units in Berlin to current assets, assets held for sale, and to the negative result from fair value adjustments in the amount of € -1,432.0 million. Capitalized modernization costs and additions, in particular, had the opposite effect.

The transactions with Apollo Capital Management L.P. relating to the disposal of shares in the Südewo portfolio of residential properties in Baden-Württemberg and a portfolio in northern Germany in the 2023 fiscal year gave rise to call options on these shares. These were recognized directly in equity as an asset in the 2023 fiscal year. These options were remeasured on June 30, 2024, resulting in a valuation of € 901.0 million. The adjustment was recognized in the income statement, with income of € 63.0 million.

Within current assets, the reclassification to assets held for sale referred to above, in particular, resulted in this item increasing by € 1,010.3 million. Other changes in current assets were associated with the drop in trade receivables (€ -135.5 million), as well as with the increase in real estate inventories (€ 130.7 million) and cash and cash equivalents (€ 126.6 million).

The goodwill amount remains unchanged by comparison with December 31, 2023. On June 30, 2024, goodwill comprised 1.5% of total assets.

As of June 30, 2024, the **gross asset value (GAV)** of Vonovia's property assets came to € 83,072.1 million. This corresponds to 91.7 % of total assets, compared to € 84,545.1 million or 91.9 % at the end of 2023.

Total equity fell by € 1,193.1 million from € 29,944.6 million to € 28,751.5 million, due in particular to the profit for the period of € -529.2 million and the dividend distribution. The other comprehensive income of € -43.2 million was influenced to a significant degree by currency effects amounting to € -103.8 million.

The **equity ratio** stood at 31.7 % as of June 30, 2024, compared with 32.5 % at the end of 2023.

Liabilities decreased by € 219.5 million, from € 62,051.3 million to € 61,831.8 million. The total of non-current non-derivative financial liabilities fell by € 919.1 million, from € 39,636.5 million to € 38,717.4 million. Current non-derivative financial liabilities increased by € 874.4 million, from € 3,260.6 million to € 4,135.0 million.

Deferred tax liabilities fell by € 385.3 million from € 15,713.2 million to € 15,327.9 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 2024, the EPRA NTA came to € 36,603.7 million, down by 4.0% on the value of € 38,140.9 million seen at the end of 2023. EPRA NTA per share decreased from € 46.82 at the end of 2023 to € 44.48 at the end of the first half of 2024.

EPRA Net Tangible Assets (EPRA NTA)

in € million	Dec. 31, 2023	June 30, 2024	Change in %
Total equity attributable to Vonovia shareholders	**25,682.7**	**24,595.2**	**-4.2**
Deferred tax in relation to fair value gains of investment properties*	13,895.3	13,474.0	-3.0
Fair value of financial instruments	-13.4	-42.2	>100
Goodwill	-1,391.7	-1,391.7	-
Intangible assets	-32.0	-31.6	-1.3
EPRA NTA	**38,140.9**	**36,603.7**	**-4.0**
EPRA NTA per share in €**	**46.82**	**44.48**	**-5.0**

* Proportion of hold portfolio.
** 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.

This revaluation led to a result from the valuation of € -1,432.0 million for the first six months of the year (H1 2023: € 6,382.2 million). In addition, buildings under construction (new construction/Development to hold) were completed during the three-month period. A fair value measurement is performed for the first time when the properties are completed. This resulted in a valuation effect of € 2.6 million (H1 2023: € 13.7 million) for the period from January 1 to June 30, 2024, 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 2023.

Financial Position

Cash Flow

The Group cash flow is as follows:

Key Data from the Statement of Cash Flows

in € million	6M 2023	6M 2024
Cash flow from operating activities	911.4	1,127.8
Cash flow from investing activities	-346.2	114.4
Cash flow from financing activities	-186.3	-1,107.8
Influence of changes in foreign exchange rates	-4.7	-2.7
Net changes in cash and cash equivalents	**374.2**	**131.7**
Cash and cash equivalents at the beginning of the period (excl. discontinued operations)	1,302.4	1,374.4
Cash and cash equivalents at the beginning of the period from discontinued operations	–	44.4
Cash and cash equivalents at the beginning of the period (incl. discontinued operations)	**1,302.4**	**1,418.8**
Cash and cash equivalents at the end of the period (incl. discontinued operations)	**1,676.6**	**1,550.5**
Less cash and cash equivalents from discontinued operations	–	-49.5
Cash and cash equivalents at the end of the period	**1,676.6**	**1,501.0**

The cash flow from **operating activities** came to € 1,127.8 million for the first six months of 2024, compared with € 911.4 million for the first six months of 2023.

The cash flow from **investing activities** shows net proceeds of € 114.4 million for the first six months of 2024. Payments for the acquisition of investment properties came to € 427.0 million in the first six months of 2024 (6M 2023: € 445.1 million). On the other hand, income from portfolio sales in the amount of € 624.2 million was collected (6M 2023: € 201.4 million).

The cash flow from **financing activities** of € -1,107.8 million (6M 2023: € -186.3 million) includes payments for regular and unscheduled repayments on financial liabilities in the amount of € 1,708.2 million (6M 2023: € 1,547.6 million) and, on the other hand, proceeds from issuing financial liabilities in the amount of € 1,723.4 million (6M 2023: € 1,071.3 million). Payouts for transaction and financing costs amounted to € 34.3 million (6M 2023: € 5.6 million). Interest paid in the first six months of 2024 amounted to € 430.5 million (6M 2023: € 378.4 million). The payouts to shareholders of Vonovia SE came to € 506.4 million (6M 2023: € 372.9 million).

Net changes in **cash and cash equivalents** came to € 131.7 million.

Financing

In its announcement of July 3, 2024, the agency Standard & Poor's indicated that Vonovia's rating remains unchanged at BBB+ with a stable outlook for its long-term issuer credit rating and A-2 for its short-term issuer credit rating, while Vonovia's issued and unsecured bonds are rated BBB+.

In its announcement of February 1, 2024, the rating agency Moody's confirmed Vonovia's rating of Baa1 with a stable outlook.

The rating agency Scope has, in its announcement of July 2, 2024, awarded Vonovia an A- investment grade rating with negative outlook.

On March 28, 2024, the rating agency Fitch awarded Vonovia a rating for the first time: BBB+ with a stable outlook.

Vonovia SE has launched an **EMTN** (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 effort, using bond issues. The prospectus for the € 40 billion program, which was published on April 2, 2024, must be updated annually and requires approval from the financial supervisory authority of the Grand Duchy of Luxembourg (CSSF).

As of the reporting date of June 30, 2024, Vonovia had placed a total bond volume of € 23.6 billion, € 22.9 billion of which relates to the EMTN program. Deutsche Wohnen bonds worth a further € 1.8 billion were also assumed.

A bond in the amount of € 328.6 million was repaid as scheduled on January 15, 2024.

On January 18, 2024, Vonovia issued an unsecured GBP 400.0 million (approx. € 465.1 million) bond with a twelve-year term and a 5.5% coupon (4.55% after currency hedging).

On February 14, 2024, Vonovia issued another unsecured bond with a volume of CHF 150.0 million (approx. € 159.3 million), a five-year term and a 2.565% coupon (4.16% after currency hedging).

In January and February 2024, several drawdowns were made under the Commercial Paper Program, with a total volume of € 500.0 million.

On March 28, 2024, an amount of € 150.0 million was disbursed under a secured financing agreement concluded with Ergo in December 2023.

With a total volume of € 138.7 million, two secured bullet loans were repaid on March 31, 2024.

On April 8, 2024, a € 336.1 million bond was repaid as scheduled.

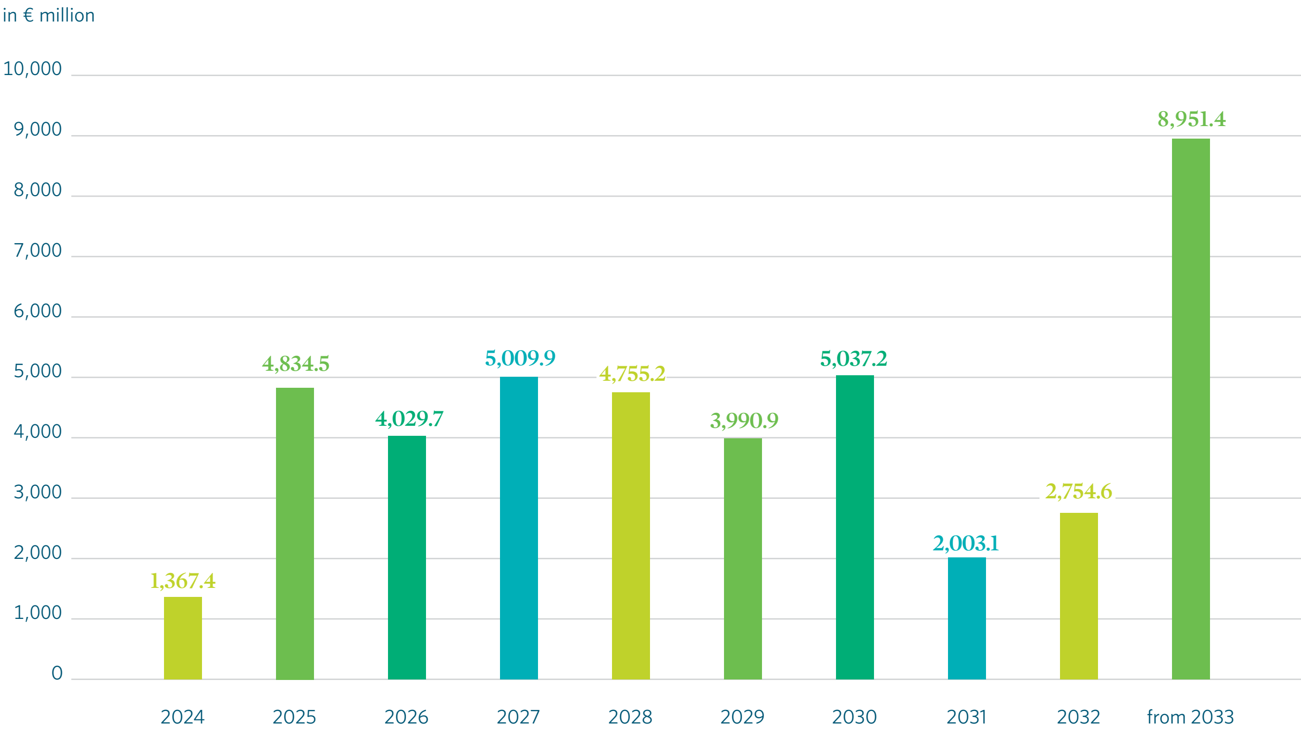
A further bond, denominated in Swedish krona and with a volume of SEK 500.0 million (around € 48.4 million), was repaid as scheduled on April 8, 2024.

On April 10, 2024, Vonovia issued a € 850.0 million unsecured social bond with a 4.25% coupon and a ten-year term.

Vonovia placed a bond with a volume of SEK 750.0 million (approx. € 66.9 million) with a two-year term as part of a private placement on June 19, 2024. The bond is a floating-rate bond (3M STIBOR plus 1.30% margin; 4.51% after interest and currency hedging) and is structured as a social bond.

The **debt maturity profile** of Vonovia's financing was as follows as of June 30, 2024:

Debt Maturity Profile on June 30, 2024 (face values)



The maturity profile also includes regular repayments.

The LTV (loan to value) is as follows as of the reporting date:

in € million	Dec. 31, 2023	June 30, 2024	Change in %
Non-derivative financial liabilities	42,933.0	42,852.4	-0.2
Foreign exchange rate effects	–	-4.0	–
Cash and cash equivalents*	-1,737.1	-1,872.7	7.8
Net debt	**41,195.9**	**40,975.7**	**-0.5**
Sales receivables	-895.2	-633.9	-29.2
Adjusted net debt	**40,300.7**	**40,341.8**	**0.1**
Fair value of the real estate portfolio	**83,927.7**	**82,464.7**	**-1.7**
Loans to companies holding immovable property and land	814.3	823.2	1.1
Shares in other real estate companies	479.5	478.3	-0.3
Adjusted fair value of the real estate portfolio	**85,221.5**	**83,766.2**	**-1.7**
LTV	**47.3%**	**48.2%**	**0.9 pp**
Net debt	40,300.7	40,341.8	0.1
Adjusted EBITDA total**	2,583.8	2,512.0	-2.8
Net debt/EBITDA multiple	**15.6x**	**16.1x**	**0.5x**

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

Vonovia has undertaken to comply with the following standard market covenants (calculation based on the definitions in the financing documentation) in the context of its issuance of unsecured bonds and financing as well as its structured secured financing.

in € million	Threshold	Dec. 31, 2023	June 30, 2024	Change in %
Total financial debt/		42,933.0	42,852.4	-0.2
Total assets		91,995.9	90,583.3	-1.5
LTV	**< 60.0%**	**46.7%**	**47.3%**	**0.6 pp**
Secured debt/		12,930.1	12,618.3	-2.4
Total assets		91,995.9	90,583.3	-1.5
Secured LTV	**< 45.0%**	**14.1%**	**13.9%**	**-0.2 pp**
LTM Adjusted EBITDA/		2,583.8	2,512.0	-2.8
LTM Net Cash Interest		650.7	692.9	6.5
ICR	**> 1.8x**	**4.0x**	**3.6x**	**-0.4x**
Unencumbered assets/		47,296.5	47,392.9	0.2
Unsecured debt		30,002.9	30,234.1	0.8
Unencumbered assets	**> 125.0%**	**157.6%**	**156.8%**	**-0.8 pp**

Non-fulfillment of the agreed financial covenants may have a negative effect on Vonovia's liquidity status. The financial covenants have been fulfilled as of the reporting date.

Opportunities and Risks

In addition to the opportunities and risks set out in the 2023 Annual Report, there were essentially no changes in the assessment of the overall risk position at the end of the first half of 2024.

The **value thresholds for risks with an impact on profit** were adjusted accordingly in line with the switch in the management system from Group FFO to Adjusted EBT:

> in **category 1, low amount of loss,** from € 5-40 million to € 5-50 million,
> in **category 2, noticeable amount of loss,** from € 40-150 million to € 50-180 million,
> in **category 3, material amount of loss,** from € 150-375 million to € 180-450 million,
> in **category 4, high amount of loss,** from € 375-750 million to € 450-900 million, and
> in **category 5, very high amount of loss,** from >€ 750 million to >€ 900 million.

The number of overall risks was unchanged as against the end of 2023 at 118 at the end of the first six months of 2024.

There are currently no indications of any (red) 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.

The number of amber risks came to 10 at the end of the first half of 2024, as at the end of 2023. These were assessed as follows:

"Future market development leads to a drop in property values" with an unchanged potential amount of loss affecting the balance sheet of € 2,400-6,000 million and an expected probability of occurrence of 5-39%.

"Value of stated goodwill" with an unchanged potential amount of loss affecting the balance sheet of € 600-2,400 million and an expected probability of occurrence of 40–59%.

"Unfavorable interest rate developments" with a potential amount of loss with an impact on profit and loss of € 450-900 million (previously € 375-750 million) and an expected probability of occurrence of 5-39%.

"Deteriorating residential property market situation" with a potential amount of loss with an impact on profit and loss of € 450-900 million (previously € 375-750 million) and an expected probability of occurrence of 5-39%.

"Amendment to the Hazardous Substances Ordinance" with an unchanged substantial potential amount of loss and an expected probability of occurrence of 60-95%.

"Development sale risk" with a potential amount of loss with an impact on profit and loss of € 180-450 million (previously € 150-375 million) and an expected probability of occurrence of 40-59%.

The assessment of the potential amount of loss with an impact on profit and loss associated with the risk **"higher refinancing costs due to changes in risk profile"** was reduced from € 375-750 million at the end of 2023 to € 180-450 million (previously € 150-375 million) at the end of the first half of 2024, with an unchanged expected probability of occurrence of 5-39%.

"Material impact of legal disputes (excl. taxes)" with a potential amount of loss with an impact on profit and loss of € 180-450 million (previously € 150-375 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 with an impact on profit and loss of >€ 900 million (previously >€ 750 million) and an expected probability of occurrence of <5%.

"Amendments to the German Real Estate Transfer Tax Act (Grunderwerbsteuergesetz) due to share deals" with a potential amount of loss with an impact on profit and loss of >€ 900 million (previously >€ 750 million) and an expected probability of occurrence of <5%.

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 2024 fiscal year is based on determined and updated corporate planning for the Vonovia Group as a whole, and considers current business developments as well as possible opportunities and risks. 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 of the 2023 Annual Report entitled → **Development of the Economy and the Industry** and → **Fundamental Information About the Group.** Beyond this, the Group's further development remains exposed to general opportunities and risks (see → **Opportunities and Risks**).

We expect the price increases on the construction and commodity markets, in particular, to continue to have a moderate 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, which will affect our construction projects as well. Unchanged high interest rates and inflation continue to create increased volatility on the equity and debt capital markets. 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.

The EBITDA contribution for our core **Rental** business is expected to more or less match the previous year's level. In a year-on-year comparison, organic rent increases and associated higher rental income will be offset by higher rent losses stemming from sales resulting in a smaller portfolio. As far as the **Value-add** segment is concerned, we expect to see a pronounced increase in Adjusted EBITDA in 2024, mainly as a result of us ramping our investment activity back up. We also predict a marked increase in the EBITDA contribution provided by our **Development** segment thanks to an increased level of demand for new condominiums. Depending on how demand for existing apartments develops going forward, we expect Adjusted EBITDA in the **Recurring Sales** segment to roughly match the previous year's level. At Group level, for 2024 we therefore expect to see an **Adjusted EBITDA Total** that is roughly on a par with the previous year overall.

The rise in interest rates over the last two years is resulting in a marked increase in borrowing costs and the associated adjusted net financial result. Based on stable depreciation and amortization, we therefore expect **Adjusted EBT** to be slightly below the previous year's level.

Due in particular to heavier investment in our existing portfolio, we expect our investment activity to increase in 2024. In addition, we expect the value of our company to increase further and, as a result, predict a slight increase in **EPRA NTA per share**, before taking into consideration any further market-related changes in property values.

The values for the individual weighted targets for the 2024 fiscal year produce a standardized forecast of 100% for the **Sustainability Performance Index**.

The following table, which presents material and selected key figures, provides an overview of our forecast for 2024.

	Actual 2023	Forecast for 2024	Forecast for 2024 in the 2024 Q1 Report	Forecast for 2024 in the 2024 H1 Report
Adjusted EBITDA total	**€2,538.8 million**	**€ 2.55–2.65 billion**	**€ 2.55–2.65 billion**	**Upper end of € 2.55–2.65 billion**
Adjusted EBT	**€ 1,866.2 million**	**€ 1.70–1.80 billion**	**€ 1.70–1.80 billion**	**Upper end of € 1.70–1.80 billion**
EPRA NTA per share*	**€ 46.82**	**suspended**	**suspended**	**suspended**
Sustainability Performance Index (SPI)	**111%**	**100%**	**100%**	**100%**
Rental income	€ 3,253.4 million	~€ 3.3 billion	~€ 3.3 billion	~€ 3.3 billion
Organic rent growth	3.8%	3.4–3.6%	3.8–4.1%	Upper end of 3.8–4.1%
Additional rent increase claim**	1.8%	>2%	~2%	~2%

* Based on the shares carrying dividend rights on the reporting date.

** For Germany: additional rent increase claim regarding the apartment in relation to the local comparable rent (OVM) that is guaranteed by law but can only be implemented once the three-year period for maximum rent growth (“Kappungsgrenze”) has lapsed. The percentage value refers to the cumulative rent increase claim at the respective point in time and -for that period- cannot be added to the organic rent growth as the implementation occurs in subsequent years.

Bochum, July 26, 2024

The Management Board