

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 company operates in the real estate sector.

The interim consolidated financial statements as of June 30, 2024, 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. Changes due to the revised presentation of the Care segment as a discontinued operation are set out in [A4] Adjustment to Prior-year Figures.

In accordance with IAS 34, the scope of Vonovia's interim consolidated financial statements as of June 30, 2024, is condensed compared with the consolidated financial statements as of December 31, 2023.

2 Currency Translation

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

Basis: € 1	Closing rate		Average for period	
	Dec. 31, 2023	Jun. 30, 2024	Jan. 1–Jun. 30, 2023	Jan. 1–Jun. 30, 2024
SEK — Swedish krona	11.10	11.36	11.33	11.39
GBP — Great British pound*	-	0.85	-	0.85
CHF — Swiss franc**	-	0.96	-	0.96
USD — US dollar***	1.11	-	1.08	-

* Currency exchange rates for the Great British pound starting for the first time from 2024 due to the bond issues in GBP in 2024.

** Currency exchange rates for the Swiss franc starting for the first time from 2024 due to the bond issue in CHF in 2024.

*** Currency exchange rates for the US dollar until 2023 due to the repayment of the USD bonds.

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 2023 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.

The new standards and interpretations applicable since January 1, 2024 have not had any material effects on Vonovia's consolidated financial statements.

For detailed information on the effects in the 2023 fiscal year, please refer to note (A) Principles of the Consolidated Financial Statements in Vonovia's published 2023 Annual Report.

4 Adjustment to Prior-year Figures

Disclosure of the Care Segment

As part of a strategic review of the Care segment, the management decided to discontinue these business activities and sell off this segment in the 2023 fiscal year. Endeavors to sell the Care segment have begun and it is expected to have been sold before December 2024.

The criteria for presentation as a disposal group held for sale are met. At the same time, the criteria for definition as a discontinued operation are also met. Accordingly, the majority of the segment is presented separately in the balance sheet as a disposal group held for sale/discontinued operation, and the results from the discontinued operation are shown separately in the income statement. Pursuant to IFRS 5, retrospective adjustments were made to presentation in the income statement; IFRS 5 does not provide for the restatement of the prior-year figures in the balance sheet.

The share of revenue from nursing care properties that are not part of the disposal group was reclassified from "Other revenue from property management" to "Revenue from property letting," since these properties will make a longer-term contribution to revenue in the Rental segment by being let to third parties. The other adjustments represent the profit share attributable to the disposal group to be hived off.

Intra-Group transactions were eliminated from the consolidated financial results in full. The eliminations were allocated to continuing operations and discontinued operations so as to take account of the decision not to continue these transactions after the disposal, as the Management Board considers this type of presentation to be useful.

For this purpose, Vonovia has eliminated the revenue, and the associated expenses, resulting from transactions with continuing operations generated prior to the reclassification in the result from continuing operations, since no services will be exchanged between the continuing operations and the discontinued operation after the sale.

Income Statement

The table below illustrates the changes as against the prior-year presentation in the income statement:

in € million	Jan. 1-Jun. 30, 2023	Adjustment	Jan. 1-Jun. 30, 2023 (adjusted)	Apr. 1-Jun. 30, 2023	Adjustment	Apr. 1-Jun. 30, 2023 (adjusted)
Revenue from property letting	2,529.0	11.9	2,540.9	1,270.0	5.8	1,275.8
Other revenue from property management	227.6	-143.9	83.7	109.2	-73.3	35.9
Revenue from property management	2,756.6	-132.0	2,624.6	1,379.2	-67.5	1,311.7
Income from disposal of properties	238.1		238.1	125.8		125.8
Carrying amount of properties sold	-204.1		-204.1	-112.0		-112.0
Revaluation of assets held for sale	20.4		20.4	13.2		13.2
Profit from the disposal of properties	54.4	-	54.4	27.0	-	27.0
Revenue from disposal of real estate inventories	222.5		222.5	188.8		188.8
Cost of sold real estate inventories	-199.0		-199.0	-171.3		-171.3
Profit from disposal of real estate inventories	23.5	-	23.5	17.5	-	17.5
Net income from fair value adjustments of investment properties	-6,382.9	0.7	-6,382.2	-2,770.7	0.7	-2,770.0
Capitalized internal expenses	225.7		225.7	110.3		110.3
Cost of materials	-1,262.9	27.8	-1,235.1	-602.7	14.8	-587.9
Personnel expenses	-465.5	80.7	-384.8	-227.5	40.1	-187.4
Depreciation and amortization	-349.8	22.0	-327.8	-319.9	19.0	-300.9
Other operating income	106.3	-11.5	94.8	55.2	-3.2	52.0
Impairment losses on financial assets	-6.5	0.0	-6.5	-3.6		-3.6
Net income from the derecognition of financial assets measured at amortized cost	0.6	-0.1	0.5	-0.6		-0.6
Other operating expenses	-258.1	10.7	-247.4	-176.5	4.7	-171.8
Net income from investments accounted for using the equity method	-12.3		-12.3	-12.2		-12.2
Interest income	49.9		49.9	16.6	-0.1	16.5
Interest expenses	-383.2	0.6	-382.6	-187.3	0.3	-187.0
Other financial result	35.5		35.5	10.5		10.5
Earnings before tax	-5,868.7	-1.1	-5,869.8	-2,684.7	8.8	-2,675.9
Income taxes	1,738.3	-2.0	1,736.3	642.4	-4.2	638.2
Profit for the period from continuing operations	-4,130.4	-3.1	-4,133.5	-2,042.3	4.6	-2,037.7
Profit for the period from discontinued operations		3.1	3.1		-4.6	-4.6
Profit for the period	-4,130.4		-4,130.4	-2,042.3		-2,042.3
Attributable to:						
Vonovia's shareholders	-3,918.0		-3,918.0	-1,955.9		-1,955.9
Non-controlling interests	-212.4		-212.4	-86.4		-86.4
Earnings per share (diluted) in €	-4.81		-4.81	-2.34		-2.34
Earnings per share (basic) in €	-4.81		-4.81	-2.34		-2.34

Segment Report

As part of a strategic review of the Care segment at the end of the 2023 fiscal year, the management decided to discontinue these business activities and sell off this segment. Endeavors to sell the Care segment have now begun and it is expected to have been sold before December 2024. A small

part of the segment, with a fiscal year volume of € 24.0 million in segment revenue, was transferred to the Rental segment in 2023. Specifically, this relates to rental income for 25 properties operated by third parties. The previous year's figures were adjusted accordingly:

in € million	Rental	Value-add	Recurring Sales	Development	Care	Segments total	Other*	Consolidation*	Group
Jan. 1-Jun. 30, 2023 Changes									
Segment revenue	12.2			-193.6	-143.9	-325.3	-0.3	193.6	-132.0
thereof external revenue	12.2			-	-143.9	-131.7	-0.4		-132.0
thereof internal revenue				-193.6		-193.6		193.6	
Carrying amount of assets sold							-		
Revaluation from disposal of assets held for sale									
Expenses for maintenance	0.1				2.6	2.7			
Cost of development to sell									
Cost of development to hold				179.4		179.4		-179.4	
Operating expenses	-1.5			0.1	106.1	104.7	-15.0	-	
Ancillary costs							15.1		
Adjusted EBITDA Total	10.8			-14.1	-35.2	-38.5	-0.3	14.2	-24.6
Non-recurring items									-
Period adjustments from assets held for sale									-
Income from investments/ amortization in other real estate companies/other									-
Net income from fair value adjustments of investment properties									0.7
Depreciation and amortization (reduced by reversals in previous years)									22.2
Net income from investments accounted for using the equity method									-
Income from other investments									-
Interest income									-
Interest expenses									0.6
Other financial result									-
EBT									-1.1
Income taxes									-2.0
Profit from continuing operations									-3.1
Profit from discontinued operations									3.1
Profit for the period									-

* The revenue for the Rental, Value-add, Recurring Sales and Development 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.

5 Subsequent Events

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.

Section (B): Profit for the Period

6 Revenue from Property Management

in € million	Jan. 1-Jun. 30, 2023 (adjusted)	Jan. 1-Jun. 30, 2024
Rental income	1,621.5	1,653.8
Ancillary costs	919.4	795.1
Revenue from property letting	2,540.9	2,448.9
Other revenue from property management	83.7	73.0
	2,624.6	2,521.9

7 Profit on the Disposal of Properties

in € million	Jan. 1-Jun. 30, 2023	Jan. 1-Jun. 30, 2024
Income from the disposal of properties	146.4	105.4
Carrying amount of properties sold	-113.4	-82.0
Profit from the disposal of investment properties	33.0	23.4
Income from the sale of assets held for sale	91.7	411.2
Retirement carrying amount of assets held for sale	-90.7	-411.2
Change in value from properties sold	20.4	27.8
Profit from the disposal of assets held for sale	21.4	27.8
	54.4	51.2

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 € 27.8 million as of June 30, 2024 (H1 2023: € 20.4 million).

8 Profit on Disposal of Real Estate Inventories

Revenue from the disposal of real estate inventories amounting to € 70.1 million (H1 2023: € 222.5 million) comprises € 47.4 million (H1 2023: € 120.5 million) in period-related revenue together with € 22.7 million (H1 2023: € 102.0 million) in time-related revenue from the disposal of real estate inventories. As of the reporting date, contract assets of € 63.5 million (December 31, 2023: € 70.1 million) are recognized within miscellaneous other assets in connection with revenue recognized over time. As of the reporting date, this amount includes advance payments received of € 60.5 million (December 31, 2023: € 76.4 million).

9 Net Income from Fair Value Adjustment of Investment Properties

The measurement of the investment properties led to a valuation loss as of June 30, 2024 of € -1,432.0 million (H1 2023: € -6,382.2 million) (see explanatory information in chapter [D18] Investment Properties). This includes € -12.9 million (H1 2023: € -52.1 million) for the measurement of right-of-use assets (IFRS 16).

Buildings under construction (new construction/development to hold) were completed during the reporting period and 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 € 2.6 million as of June 30, 2024 (H1 2023: € 13.7 million).

The recognition and valuation of investment properties are explained in detail in the consolidated financial statements for 2023.

10 Cost of Materials

in € million	Jan. 1-Jun. 30, 2023 (adjusted)	Jan. 1-Jun. 30, 2024
Expenses for ancillary costs	894.0	761.2
Expenses for maintenance and modernization	253.0	281.5
Other cost of purchased goods and services	88.1	92.3
	1,235.1	1,135.0

11 Other Operating Income

Other operating income includes the reversal of impairments in the amount of € 10.1 million (H1 2023: € 0.2 million), largely associated with Development to hold projects on which impairment losses were recognized last year. The item includes the reversal of impairments on Development to sell properties in the amount of € 3.9 million (H1 2023: -).

12 Other Operating Expenses

Other operating expenses include impairment losses on Development to sell properties in the amount of € 7.7 million (H1 2023: -).

13 Interest Income

in € million	Jan. 1-Jun. 30, 2023 (adjusted)	Jan. 1-Jun. 30, 2024
Income from non-current securities and non-current loans	23.6	34.7
Interest income from partial redemptions and repurchases of bonds	15.3	-
Interest received and similar income	9.0	22.6
Other interest and similar income	2.0	10.2
	49.9	67.5

The income from non-current securities and non-current loans relates primarily to income from loans extended to the QUARTERBACK Immobilien Group.

The change in interest received and similar income is due to the increase in interest on credit balances paid by (savings) banks.

14 Interest Expenses

in € million	Jan. 1-Jun. 30, 2023 (adjusted)	Jan. 1-Jun. 30, 2024
Interest expense from non-derivative financial liabilities	362.4	410.1
Swaps (current interest expense for the period)	-20.3	-27.0
Effects from the valuation of non-derivative financial instruments	-4.3	-4.9
Effects from the valuation of swaps	21.2	21.7
Capitalization of interest on borrowed capital re. Development	-	-0.1
Prepayment penalties and commitment interest	4.5	5.0
Interest accretion to provisions	9.4	8.3
Interest from leases	9.9	10.2
Other financial expenses	-0.2	1.2
	382.6	424.5

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

15 Other Financial Result

in € million	Jan. 1-Jun. 30, 2023	Jan. 1-Jun. 30, 2024
Income from other investments	19.7	24.5
Transaction costs	-0.5	-0.4
Purchase price liabilities from put options/rights to reimbursement	18.7	-2.0
Result from derivative valuation in connection with equity instruments	-	63.0
Result from currency translation	-	-0.3
Miscellaneous other financial result	-2.4	-0.1
	35.5	84.7

Net income from the valuation of derivatives in connection with equity instruments resulted from the subsequent measurement of the long-term call options that Vonovia received as part of the sale of two minority stakes in the Südwedo portfolio and the northern Germany portfolio.

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 € 19.4 million (H1 2023: € 14.5 million) for the previous fiscal year in each case.

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

16 Segment Reporting

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

in € million	Rental	Value-add	Recurring Sales	Development	Segments total	Other*	Consolidation*	Group
Jan. 1–Jun. 30, 2024								
Segment revenue (continuing operations)	1,650.4	635.3	163.9	73.2	2,522.8	1,147.8	-562.0	3,108.6
thereof external revenue	1,650.4	59.9	163.9	73.2	1,947.4	1,147.8	13.4	3,108.6
thereof internal revenue		575.4			575.4		-575.4	
Carrying amount of assets sold			-141.3		-141.3	-351.9		
Revaluation from disposal of assets held for sale			9.3		9.3	-0.7		
Expenses for maintenance	-225.3				-225.3			
Cost of Development to sell				-59.6	-59.6			
Operating expenses	-233.5	-578.5	-9.7	-17.7	-839.4	-44.8	559.1	
Ancillary costs						-761.2		
Adjusted EBITDA total (continuing operations)	1,191.6	56.8	22.2	-4.1	1,266.5	-10.8	-2.9	1,252.8
Non-recurring items								-45.4
Period adjustments from assets held for sale								19.2
Income from investments/ amortization in other real estate companies/other								5.2
Net income from fair value adjustments of investment properties								-1,432.0
Depreciation and amortization (reduced by reversals in previous years)								-72.8
Net income from investments accounted for using the equity method								-18.5
Income from other investments								-24.5
Interest income								67.5
Interest expenses								-424.5
Other financial result								84.7
Earnings before tax (EBT)								-588.3
Income taxes								80.1
Profit from continuing operations								-508.2
Profit from discontinued operations								-21.0
Profit for the period								-529.2

* The revenue for the Rental, Value-add, Recurring Sales and Development 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.

in € million	Rental	Value-add	Recurring Sales	Development	Segments total	Other*	Consolidation*	Group
Jan. 1-Jun. 30, 2023 (adjusted)								
Segment revenue (continuing operations)**	1,618.6	619.8	141.4	220.6	2,600.4	1,020.4	-535.5	3,085.3
thereof external revenue	1,618.6	66.4	141.4	220.6	2,047.0	1,020.4	17.9	3,085.3
thereof internal revenue		553.4			553.4		-553.4	
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	-206.9				-206.9			
Cost of Development to sell				-195.7	-195.7			
Operating expenses	-202.7	-575.7	-7.3	-15.2	-800.9	-36.4	540.6	
Ancillary costs						-894.0		
Adjusted EBITDA total (continuing operations)**	1,209.0	44.1	37.0	9.7	1,299.8	-2.4	5.1	1,302.5
Non-recurring items								-119.2
Period adjustments from assets held for sale								2.4
Income from investments/ amortization in other real estate companies/other								5.2
Net income from fair value adjustments of investment properties								-6,382.2
Depreciation and amortization (reduced by reversals in previous years)								-349.3
Net income from investments accounted for using the equity method								-12.3
Income from other investments								-19.7
Interest income								49.9
Interest expenses								-382.6
Other financial result								35.5
Earnings before tax (EBT)								-5,869.8
Income taxes								1,736.3
Profit from continuing operations								-4,133.5
Profit from discontinued operations								3.1
Profit for the period								-4,130.4

* The revenue for the Rental, Value-add, Recurring Sales and Development 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.

** Previous year's values (2023) adjusted to current key figure and segment definition -> [A4] Adjustment to Prior-year Figures.

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

In the first half of 2024, the non-recurring items eliminated in the Adjusted EBITDA Total came to € 45.4 million compared to € 119.2 million in the first half of 2023.

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

in € million	Jan. 1- Jun. 30, 2023	Jan. 1- Jun. 30, 2024
Transactions*	82.9	12.9
Personnel matters	26.6	14.7
Business model optimization	6.2	14.4
Research & development	3.4	2.9
Refinancing and equity measures	0.1	0.5
Total non-recurring items	119.2	45.4

* 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 (pursuant to IFRS 15.114 et seq.) and its allocation to the segments referred to above is as follows:

in € million	Rental	Value-add	Recurring Sales	Development	Other	Total
Jan. 1-Jun. 30, 2024						
Revenue from ancillary costs (IFRS 15)					705.6	705.6
Income from the disposal of real estate inventories				70.1		70.1
Other revenue from contracts with customers	13.2	59.8				73.0
Revenue from contracts with customers	13.2	59.8	-	70.1	705.6	848.7
thereof period-related				47.4		47.4
thereof time-related	13.2	59.8	-	22.7	705.6	801.3
Revenue from rental income (IFRS 16)	1,650.4	0.3		3.1		1,653.8
Revenue from ancillary costs (IFRS 16)**					89.5	89.5
Other revenue	1,650.4	0.3	-	3.1	89.5	1,743.3
Revenue	1,663.6	60.1	-	73.2	795.1	2,592.0
Jan. 1-Jun. 30, 2023 (adjusted)*						
Revenue from ancillary costs (IFRS 15)					850.5	850.5
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		83.7
Revenue from contracts with customers	17.5	65.8	4.2	218.7	850.5	1,156.7
thereof period-related				120.5		120.5
thereof time-related	17.5	65.8	4.2	98.2	850.5	1,036.2
Revenue from rental income (IFRS 16)	1,618.6	0.6		2.3		1,621.5
Revenue from ancillary costs (IFRS 16)**					69.0	69.0
Other revenue	1,618.6	0.6	-	2.3	69.0	1,690.5
Revenue	1,636.1	66.4	4.2	221.0	919.5	2,847.2

* According to current definition.

** 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.

in € million	Revenue		Assets	
	Jan. 1- Jun. 30, 2023*	Jan. 1- Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2024
Germany	2,551.5	2,299.3	73,702.5	71,309.5
Austria	118.4	109.1	3,148.9	3,089.4
Sweden	174.9	183.6	6,569.3	6,419.6
Other countries	2.4	-	-	-
Total	2,847.2	2,592.0	83,420.7	80,818.5

* Previous year's values (2023) adjusted to current key figure and segment definition -> [A4] Adjustment to Prior-year Figures.

Section (D): Assets

17 Goodwill

Goodwill

No triggering event within the meaning of IAS 36 was applicable as of June 30, 2024, and therefore nor was there a need for an impairment test. The headroom for the Value-add segment has improved by comparison with December 31, 2023, but still entails risk.

18 Investment Properties

in € million

As of Jan. 1, 2024	81,120.3
Additions	99.8
Capitalized modernization costs	319.4
Grants received	-3.8
Transfer from property, plant and equipment	6.4
Transfer from down payments made	149.3
Transfer to real estate inventories	-4.2
Transfer to assets held for sale	-1,420.1
Disposals	-84.4
Net income from fair value adjustments of investment properties	-1,432.0
Impairment of investment properties measured at cost	-2.9
Reversal of impairments of investment properties measured at cost	5.9
Revaluation of assets held for sale	27.8
Revaluation from currency effects	-150.3
As of Jun. 30, 2024	78,631.2
As of Jan. 1, 2023	92,300.1
Additions	228.7
Capitalized modernization costs	820.5
Grants received	-66.0
Transfer to property, plant and equipment	-45.9
Transfer from property, plant and equipment	48.5
Transfer to down payments made	-1.6
Transfer from down payments made	161.9
Transfer from real estate inventories	649.8
Transfer to real estate inventories	-384.5
Transfer from assets held for sale	0.9
Transfer to assets held for sale	-740.4
Transfer to discontinued operations	-619.4
Other transfers	-14.2
Disposals	-319.5
Net income from fair value adjustments of investment properties	-10,844.2
Impairment of investment properties measured at cost	-68.4
Revaluation of assets held for sale	18.4
Revaluation from currency effects	-4.4
As of Dec. 31, 2023	81,120.3

The values as of June 30, 2024, include assets of € 354.4 million (December 31, 2023: € 304.1 million) that are measured at cost, as their fair value cannot be reliably calculated on a continuing basis. In the reporting period, a need for impairment in the amount of € 2.9 million was identified on these project developments, and impairment losses of € 5.9 million were reversed. The impairment losses were reported under depreciation and amortization losses, with the reversal of impairment losses being disclosed under Other operating income.

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 2023.

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 cash inflows and outflows associated with 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 at the time of the half-year financial statements.

The value developments and values for the real estate assets in Germany, Sweden and Austria were also subjected to a plausibility check performed by the experts CBRE GmbH and Savills Sweden SE. They confirmed that the portfolio value as of June 30, 2024, is plausible and consistent with the market.

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, along with any inheritable

building rights granted, was € 82,464.7 million as of June 30, 2024 (Dec. 31, 2023: € 83,927.7 million). This corresponds to a net initial yield for the real estate portfolio of 2.9% (December 31, 2023: 2.8%). For Germany, this results in an in-place rent multiplier of 24.6 for the portfolio (December 31, 2023: 25.1) and a fair value per m² of € 2,269 (December 31, 2023: € 2,297 per m²). The in-place rent multiplier for the Swedish portfolio comes to 17.1 (December 31, 2023: 17.9) and a fair value per m² of € 2,041 (December 31, 2023: € 2,088 per m²), for Austria to 21.5 (December 31, 2023: 22.5) and a fair value per m² of € 1,590 (December 31, 2023: € 1,612 per m²).

The inflation rate applied to the valuation procedure comes to 2.0% (H1 2023: 2.1%). For the Austrian portfolio, a sales strategy with an average selling price of € 2,406 per m² (H1 2023: € 2,406) was assumed for 48.6% (H1 2023: 48.4%) of the portfolio.

Net income from the valuation of investment properties amounted to € -1,432.0 million in the first half of 2024 (H1 2023: € -6,382.9 million).

The material valuation parameters for the investment properties (Level 3) in the residential real estate portfolio are as follows as of June 30, 2024, on average, broken down by regional markets:

Regional market	Valuation results*		
	Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
Jun. 30, 2024			
Berlin	23,388.8	22,685.6	703.3
Rhine Main Area	6,475.7	6,163.6	312.1
Southern Ruhr Area	5,076.8	5,065.6	11.1
Rhineland	4,975.5	4,963.6	12.0
Dresden	4,860.4	4,789.1	71.3
Hamburg	3,179.3	3,140.1	39.2
Hanover	2,766.4	2,764.0	2.4
Kiel	2,744.2	2,734.7	9.5
Munich	2,693.3	2,654.1	39.2
Stuttgart	2,226.8	2,223.3	3.5
Northern Ruhr Area	2,018.6	2,012.1	6.5
Leipzig	1,920.8	1,914.2	6.6
Bremen	1,402.8	1,398.4	4.4
Westphalia	1,090.7	1,088.8	1.9
Freiburg	718.0	716.9	1.2
Other strategic locations	3,327.3	3,259.1	68.2
Total strategic locations	68,865.6	67,573.2	1,292.4
Non-strategic locations	376.8	299.9	76.9
Vonovia Germany	69,242.4	67,873.1	1,369.3
Vonovia Sweden**	6,259.4	6,259.4	0.0
Vonovia Austria**	2,710.0	2,665.8	44.2

* Fair value of the developed land excl. € 4,252.9 million for Development and Care portfolio, undeveloped land, inheritable building rights granted and other; € 1,387.0 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 € 445.9 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 (€/m ² p. a.)	Market rent residential (€/m ² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
	316	17.04	8.79	2.3%	0.5%	4.9%	2.9%
	341	16.69	10.28	2.2%	1.1%	5.2%	3.2%
	336	14.84	7.92	1.8%	2.4%	4.9%	3.4%
	338	16.30	9.25	2.0%	1.6%	5.2%	3.4%
	303	16.26	7.25	2.0%	2.1%	5.1%	3.4%
	326	16.37	9.41	2.1%	1.1%	5.1%	3.2%
	326	16.23	8.26	2.0%	1.8%	5.3%	3.6%
	328	17.10	8.64	2.0%	1.5%	5.5%	3.8%
	327	16.86	13.32	2.3%	0.5%	5.2%	3.2%
	342	17.15	10.12	2.1%	1.2%	5.3%	3.4%
	337	15.36	7.04	1.5%	3.0%	5.2%	4.0%
	321	17.13	7.31	2.0%	2.2%	5.0%	3.3%
	333	15.32	7.79	2.0%	1.8%	5.1%	3.4%
	332	15.17	8.10	1.9%	1.8%	5.4%	3.7%
	340	17.16	9.51	2.0%	0.8%	4.9%	3.1%
	333	16.42	8.23	2.0%	2.4%	5.3%	3.6%
	326	16.43	8.66	2.1%	1.5%	5.1%	3.2%
	358	17.47	8.54	1.9%	2.2%	6.1%	4.2%
	326	16.43	8.66	2.1%	1.5%	5.1%	3.2%
	378	13.06	10.42	2.1%	2.0%	6.2%	4.1%
	n.a.	20.83	6.33	1.7%	2.5%	6.2%	n.a.

Regional market	Valuation results*		
	Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
Dec. 31, 2023			
Berlin	23,881.0	23,782.6	98.4
Rhine Main Area	6,610.7	6,587.0	23.7
Southern Ruhr Area	5,168.6	5,157.5	11.1
Rhineland	5,045.8	5,022.0	23.9
Dresden	5,031.5	4,902.7	128.9
Hamburg	3,229.2	3,221.0	8.2
Hanover	2,886.6	2,868.0	18.6
Kiel	2,774.6	2,759.5	15.1
Munich	2,743.7	2,736.8	6.9
Stuttgart	2,249.5	2,243.1	6.5
Northern Ruhr Area	2,044.6	2,038.7	6.0
Leipzig	1,890.6	1,863.4	27.2
Bremen	1,439.3	1,435.6	3.6
Westphalia	1,091.3	1,086.3	4.9
Freiburg	727.1	717.2	9.9
Other strategic locations	3,394.9	3,387.1	7.8
Total strategic locations	70,209.1	69,808.4	400.6
Non-strategic locations	409.0	390.8	18.2
Vonovia Germany	70,618.1	70,199.3	418.9
Vonovia Sweden**	6,402.5	6,402.5	0.0
Vonovia Austria**	2,771.6	2,724.3	47.2

* Fair value of the developed land excl. € 4,135.4 million for development, undeveloped land, inheritable building rights granted and other; € 1,343.1 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 € 451.1 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 (€ per residential unit p. a.)	Maintenance costs total residential (€/m ² p. a.)	Market rent residential (€/m ² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
	307	16.67	8.62	2.3%	0.9%	4.9%	2.8%
	331	16.30	10.17	2.2%	1.2%	5.1%	3.2%
	326	14.39	7.79	1.8%	2.6%	4.8%	3.3%
	328	15.86	9.16	2.1%	1.7%	5.2%	3.4%
	295	15.97	7.20	2.1%	2.2%	5.1%	3.3%
	317	15.97	9.24	2.1%	1.2%	5.0%	3.2%
	316	15.85	8.11	2.0%	2.0%	5.2%	3.5%
	319	16.65	8.47	2.0%	1.6%	5.4%	3.7%
	318	16.44	13.07	2.3%	0.6%	5.2%	3.1%
	333	16.86	9.98	2.2%	1.3%	5.3%	3.4%
	328	14.95	6.93	1.6%	3.2%	5.1%	3.9%
	312	16.87	7.29	2.0%	2.7%	4.9%	3.2%
	325	14.99	7.61	2.0%	2.0%	4.9%	3.2%
	324	14.81	7.99	2.0%	2.0%	5.4%	3.7%
	331	16.73	9.42	2.0%	0.9%	4.9%	3.1%
	324	16.02	8.16	2.0%	2.5%	5.3%	3.6%
	316	16.05	8.53	2.1%	1.7%	5.0%	3.2%
	341	16.96	7.99	1.9%	2.2%	6.0%	4.2%
	317	16.06	8.53	2.1%	1.7%	5.1%	3.2%
	373	14.03	10.23	2.2%	1.6%	6.1%	4.0%
	n.a.	21.04	6.32	1.7%	2.5%	6.1%	n.a.

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 inter-

relationships. 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,

	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
Jun. 30, 2024			
Berlin	0.6/-0.6	1.9/-1.9	5.1/-5.2
Rhine Main Area	0.5/-0.5	1.6/-1.6	3.6/-3.7
Southern Ruhr Area	0.9/-0.9	2.4/-2.4	5.4/-5.5
Rhineland	0.6/-0.6	1.9/-1.9	4.1/-4.2
Dresden	0.8/-0.8	2.5/-2.5	5.4/-5.5
Hamburg	0.6/-0.6	1.9/-1.9	4.2/-4.3
Hanover	0.8/-0.8	2.2/-2.2	4.6/-4.7
Kiel	0.8/-0.8	2.2/-2.3	4.4/-4.5
Munich	0.4/-0.4	1.2/-1.2	3.2/-3.3
Stuttgart	0.6/-0.6	1.7/-1.7	3.6/-3.7
Northern Ruhr Area	1.2/-1.2	3.1/-3.1	5.8/-5.8
Leipzig	0.8/-0.8	2.7/-2.7	5.9/-6.0
Bremen	0.8/-0.8	2.3/-2.3	5.4/-5.4
Westphalia	0.8/-0.8	2.3/-2.3	4.7/-4.8
Freiburg	0.6/-0.6	2.0/-2.0	4.3/-4.4
Other strategic locations	0.8/-0.8	2.3/-2.3	4.6/-4.7
Total strategic locations	0.7/-0.7	2.0/-2.0	4.7/-4.8
Non-strategic locations	0.7/-0.7	2.0/-2.0	3.8/-3.9
Vonovia Germany	0.7/-0.7	2.0/-2.0	4.7/-4.8
Vonovia Sweden*	0.6/-0.6	1.6/-1.6	4.3/-4.6
Vonovia Austria*	n.a./n.a.	0.4/-0.4	0.3/-0.4

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

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.

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

	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	-8.5/10.1	0.8/-1.8	10.0/-8.4
	-2.4/2.4	-7.0/8.2	1.1/-1.6	8.5/-7.2
	-2.6/2.6	-7.7/8.9	2.0/-2.0	8.3/-7.1
	-2.4/2.4	-7.1/8.2	1.6/-1.7	8.3/-7.1
	-2.6/2.6	-7.5/8.7	1.9/-1.9	8.4/-7.2
	-2.4/2.3	-7.5/8.7	1.3/-1.7	8.8/-7.5
	-2.5/2.5	-7.1/8.1	1.9/-1.9	7.9/-6.8
	-2.5/2.5	-6.7/7.7	1.9/-1.9	7.3/-6.4
	-2.1/2.1	-7.3/8.4	0.7/-1.5	9.3/-7.9
	-2.4/2.4	-6.8/7.8	1.5/-1.6	8.1/-6.9
	-2.8/2.7	-6.9/7.8	2.3/-2.3	6.8/-6.0
	-2.6/2.5	-7.9/9.2	1.9/-2.0	8.7/-7.5
	-2.4/2.4	-7.5/8.9	1.9/-1.9	8.4/-7.2
	-2.5/2.5	-6.8/7.8	1.8/-1.9	7.4/-6.4
	-2.5/2.5	-7.6/9.0	1.1/-1.7	8.9/-7.5
	-2.6/2.5	-7.0/7.9	1.8/-1.9	7.6/-6.6
	-2.5/2.4	-7.7/8.9	1.3/-1.8	8.8/-7.5
	-2.2/2.3	-5.9/6.9	1.4/-1.6	7.1/-6.2
	-2.5/2.4	-7.6/8.9	1.3/-1.8	8.8/-7.5
	-2.7/2.7	-7.4/8.5	0.6/-1.1	7.0/-6.2
	-0.4/0.4	-0.9/1.0	0.9/-0.9	3.9/-3.6

	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
Dec. 31, 2023			
Berlin	0.6/-0.6	1.9/-1.9	5.2/-5.3
Rhine Main Area	0.5/-0.5	1.6/-1.6	3.6/-3.7
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
Dresden	0.8/-0.8	2.4/-2.4	5.4/-5.4
Hamburg	0.6/-0.6	1.8/-1.8	4.2/-4.3
Hanover	0.7/-0.7	2.2/-2.2	4.7/-4.8
Kiel	0.8/-0.8	2.2/-2.3	4.5/-4.6
Munich	0.4/-0.4	1.2/-1.2	3.2/-3.4
Stuttgart	0.6/-0.5	1.7/-1.7	3.5/-3.7
Northern Ruhr Area	1.2/-1.1	3.1/-3.1	5.9/-5.9
Leipzig	0.8/-0.8	2.7/-2.7	6.0/-6.0
Bremen	0.9/-0.9	2.4/-2.4	5.8/-5.8
Westphalia	0.8/-0.8	2.3/-2.3	4.8/-4.8
Freiburg	0.6/-0.6	1.9/-1.9	4.2/-4.3
Other strategic locations	0.8/-0.8	2.3/-2.3	4.6/-4.7
Total strategic locations	0.7/-0.7	2.0/-2.0	4.8/-4.9
Non-strategic locations	0.7/-0.7	2.2/-2.2	3.9/-4.0
Vonovia Germany	0.7/-0.7	2.0/-2.0	4.8/-4.9
Vonovia Sweden*	0.6/-0.6	1.7/-1.7	4.5/-4.8
Vonovia Austria*	n.a./n.a.	0.4/-0.4	0.3/-0.4

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

19 Financial Assets

Financial assets include loan receivables, after taking into account the expected credit loss, in the amount of € 823.2 million (December 31, 2023: € 814.3 million), from the QUARTERBACK Immobilien Group granted in line with standard market conditions. € 681.1 million (December 31, 2023: € 664.8 million) of these loans are classified as current and € 142.1 million (December 31, 2023: € 149.5 million) as non-current.

Due to the subsequent measurement of the long-term call options that Vonovia received as part of the sale of two minority stakes in the Südewo portfolio and the northern Germany portfolio, the balance sheet value increased by € 63.0 million to € 901.0 million (December 31, 2023: € 838.0 million) in the first half of the year. In a sensitivity analysis, the WACC, as the main influencing factor, was changed by +0.5%/-0.5% for the call options, which would result in a change in equity affecting net income of € -106.0 million/ € +126.0 million.

Other investments include among others € 179.3 million (December 31, 2023: € 165.9 million) in shares in the Vesteda Residential Fund FGR, Amsterdam.

20 Financial Assets Accounted for Using the Equity Method

As of the reporting date, Vonovia held interests in 17 joint ventures and 12 associates (December 31, 2023: 17 joint ventures and eleven associates).

The change as of June 30, 2024 is due to the reclassification of the shares in Gropyus AG to financial assets accounted for using the equity method. This is first of all because the shares have increased from 18.9% to 20.5% and, second, because Daniel Riedl was elected Chairman of the Supervisory Board of Gropyus AG at the Supervisory Board meeting held on April 26, 2024. The shares were remeasured pursuant to IFRS 9 prior to the reclassification. The change in fair value was reported without affecting net income. The investment was then recognized at its carrying amount of € 82.7 million as a financial asset recognized using the equity method.

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	-8.7/10.4	1.5/-1.8	10.3/-8.6
	-2.4/2.3	-7.1/8.2	1.2/-1.6	8.6/-7.3
	-2.6/2.6	-7.8/9.1	2.0/-2.0	8.5/-7.3
	-2.4/2.4	-7.2/8.3	1.7/-1.7	8.4/-7.2
	-2.6/2.5	-7.5/8.7	1.9/-1.9	8.5/-7.3
	-2.4/2.3	-7.5/8.8	1.3/-1.7	9.0/-7.6
	-2.5/2.5	-7.2/8.4	1.9/-1.9	8.1/-7.0
	-2.5/2.5	-6.9/7.8	1.9/-1.9	7.5/-6.5
	-2.1/2.1	-7.3/8.5	0.8/-1.5	9.5/-8.0
	-2.4/2.4	-6.8/7.9	1.5/-1.6	8.1/-7.0
	-2.8/2.8	-7.0/8.0	2.3/-2.3	7.0/-6.1
	-2.5/2.5	-7.9/9.2	2.0/-2.0	8.8/-7.5
	-2.5/2.5	-8.0/9.4	1.9/-2.0	8.8/-7.6
	-2.4/2.4	-6.9/7.9	1.8/-1.9	7.4/-6.5
	-2.5/2.4	-7.6/8.9	1.2/-1.7	8.9/-7.5
	-2.6/2.5	-7.0/8.0	1.8/-1.9	7.7/-6.7
	-2.4/2.4	-7.8/9.1	1.6/-1.8	9.0/-7.6
	-2.3/2.3	-6.0/6.8	1.7/-1.7	6.9/-6.1
	-2.4/2.4	-7.8/9.1	1.6/-1.8	9.0/-7.6
	-2.8/2.8	-7.8/8.9	0.6/-1.1	7.1/-6.2
	-0.5/0.4	-0.9/1.0	0.9/-1.0	4.0/-3.7

As the reclassification date fell so close to the reporting date, the figures that were available on the basis of the German Commercial Code (HGB), as presented in the table below, were taken as a basis. For the same reason, the allocation of the total consideration is provisional as of June 30, 2024.

in € million	Jun. 30, 2024 Gropypus AG
Non-current assets	251.1
Current assets	
Cash and cash equivalents	14.6
Other current assets	36.7
Total current assets	51.3
Non-current liabilities	128.5
Current liabilities	43.7
Equity (100%)	130.2
Group share in %	20.5%
Group share of net assets	26.7
Group adjustments	56.0
Carrying amount of share in joint venture	82.7

Vonovia also holds 40% of the non-listed QUARTERBACK Immobilien AG with registered office in Leipzig, which was classed as an associate as of June 30, 2024. QUARTERBACK Immobilien AG is a project developer with operations throughout Germany focusing on the central German region. The investment strengthens Vonovia's development business.

Vonovia also holds interests in eleven (December 31, 2023: eleven) 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.

The 40% interest in the non-listed QUARTERBACK Immobilien AG and QUARTERBACK Immobilien AG's eleven non-listed financial investments was adjusted on the basis of the financial information as of March 31, 2024, that was available on the preparation cut-off date.

in € million	Dec. 31, 2023 QUARTERBACK Immobilien AG	Jun. 30, 2024 QUARTERBACK Immobilien AG	Dec. 31, 2023 QUARTERBACK- Objektge- sellschaften	Jun. 30, 2024 QUARTERBACK- Objektge- sellschaften
Non-current assets	752.3	746.3	235.0	237.4
Current assets				
Cash and cash equivalents	90.1	67.7	16.1	12.6
Other current assets	1,494.5	1,518.0	480.3	487.6
Total current assets	1,584.6	1,585.7	496.4	500.2
Non-current liabilities	595.7	655.5	139.1	200.7
Current liabilities	1,537.1	1,494.3	409.0	357.5
Non-controlling interests	39.5	38.7	10.9	11.0
Equity (100%)	164.6	143.5	172.3	168.4
Group share in %	40%	40%	44% to 50%	44% to 50%
Group share of net assets	65.8	57.4	79.9	78.0
Group adjustments	-51.3	-51.5	7.7	-0.2
Carrying amount of share in joint venture	14.5	5.9	87.6	77.8
Revenues	427.5	110.2	101.6	15.9
Change in inventories	94.5	18.4	6.9	10.5
Interest income	6.0	1.5	7.8	1.6
Depreciation and amortization	-6.1	-1.3	-0.2	0.0
Interest expenses	-101.6	-27.6	-28.6	-8.1
Income taxes	37.9	-3.8	6.6	-0.2
Total gain and comprehensive income for the fiscal year (100%)	-147.4	-20.9	-58.6	-3.8

The at-equity adjustment of the investments in the QUARTERBACK Group results in a negative result of € -18.4 million as of June 30, 2024 (H1 2023: € -9.8 million).

In addition to these investments, Vonovia also holds interests in 16 (December 31, 2023: 16) other entities that are accounted for using the equity method and are currently of minor importance; quoted market prices are not available.

The interests were adjusted for these entities provided that corresponding financial information was 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, 2023	Jun. 30, 2024
Carrying amount of shares in companies accounted for using the equity method	55.8	137.9
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	-2.5	-0.1

With regard to the other 16 entities, Vonovia has no significant financial obligations or guarantees with respect to joint ventures and associates.

21 Assets and Liabilities Held for Sale and Assets and Liabilities of Discontinued Operations

Assets and Liabilities Held for Sale

As part of Vonovia's efforts to sell off a portfolio in Berlin, a notarized sales contract was successfully concluded on April 23, 2024. Two companies with around 4,500 residential units and a real estate value of approx. € 700.0 million will be disposed of within the scope of this transaction. The transaction is expected to be closed on December 31, 2024. The assets and liabilities of the two affected property-holding companies (share deal) are therefore recognized as a disposal group in the balance sheet as of June 30, 2024. The assets are almost exclusively composed of investment properties. Liabilities mainly comprise deferred tax liabilities.

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 assets are therefore recognized as assets held for sale, with the expected purchase price, in the balance sheet as of June 30, 2024.

The sale in the first half of 2024 of real estate portfolios from the Rental segment which, as of December 31, 2023, had been classified as assets and liabilities held for sale had the opposite effect.

Impairment Losses on the Disposal Group

The management currently expects the purchase price to match the balance of IFRS 5 assets and liabilities less costs to sell.

As a result, the valuation of the disposal group at the lower of carrying amount and fair value less costs to sell has not produced any valuation effects.

Assets and Liabilities Held for Sale of the Discontinued Operation

As of June 30, 2024, the assets and liabilities of the discontinued Care segment were as follows:

in € million	Dec. 31, 2023	Jun. 30, 2024
Intangible assets	22.6	9.2
Property, plant and equipment	28.9	29.0
Investment properties	619.4	532.2
Other assets	40.3	28.3
Total non-current assets of discontinued operations	711.2	598.7
Inventories	0.9	0.9
Trade receivables	9.0	24.6
Other assets	2.0	3.7
Income tax receivables	2.6	0.1
Cash and cash equivalents	44.4	49.5
Total current assets of discontinued operations	58.9	78.8
Total assets of discontinued operations	770.1	677.5

The drop in non-current assets and liabilities of the discontinued operations is due to the sale of Care properties in the first half of 2024 with a carrying amount of € 90.8 million.

in € million	Dec. 31, 2023	Jun. 30, 2024
Provisions	30.7	32.6
Non-derivative financial liabilities	35.6	-
Lease liabilities	3.6	3.0
Other liabilities		0.1
Deferred tax liabilities	23.2	3.9
Total non-current liabilities of discontinued operations	93.1	39.6
Provisions	1.0	12.7
Trade payables	11.2	4.4
Non-derivative financial liabilities	0.8	-
Lease liabilities	1.0	1.0
Current income taxes	11.4	0.3
Other liabilities	23.5	17.3
Total current liabilities of discontinued operations	48.9	35.7
Total liabilities of discontinued operations	142.0	75.3

The earnings contribution from discontinued operations is comprised as follows.

in € million	Jan. 1-Jun. 30, 2023	Jan. 1-Jun. 30, 2024	Apr. 1-Jun. 30, 2023	Apr. 1-Jun. 30, 2024
Revenue from property letting				
Other revenue from property management	132.0	145.6	67.5	73.8
Revenue from property management	132.0	145.6	67.5	73.8
Income from disposal of properties	-	87.7	-	87.7
Carrying amount of properties sold	-	-90.8	-	-90.8
Profit from the disposal of properties	-	-3.1	-	-3.1
Net income from fair value adjustments of investment properties	-0.7	-22.2	-0.7	-22.2
Cost of materials	-27.8	-26.4	-14.8	-11.9
Personnel expenses	-80.7	-90.5	-40.0	-47.0
Depreciation and amortization	-22.0	-9.6	-19.0	-9.6
Other operating income	11.5	8.9	3.3	3.7
Net income from the derecognition of financial assets measured at amortized cost	0.1	0.1	0.0	-
Other operating expenses	-10.7	-9.4	-4.7	-4.9
Interest expenses	-0.6	-0.7	-0.4	0.1
Earnings before tax	1.1	-7.3	-8.8	-21.1
Income taxes	2.0	-0.4	4.2	1.3
Profit for the period from discontinued operations (before valuation of discontinued operations)	3.1	-7.7	-4.6	-19.8
Valuation result from discontinued operations	-	-13.4	-	-13.4
Profit for the period from discontinued operations	3.1	-21.1	-4.6	-33.2

Cumulative Income or Expenses Included in Other Comprehensive Income

Taking into account deferred tax effects, the cumulative result from the measurement of actuarial gains and losses in connection with the disposal group in the amount of € 10.0 million is included in other comprehensive income. € 2.4 million of the gains and losses are attributable to Vonovia's shareholders and € 0.4 million to non-controlling shareholders.

Earnings per Share

Earnings per share attributable to the profit for the period for the discontinued operations amount to € -0.02 as of June 30, 2024 (first half of 2023: € 0.00). Due to the small amount of cumulative income and expenses included in other comprehensive income, this also matches the earnings per share of total comprehensive income.

Cash Flows from the Discontinued Operation

Key Data from the Statement of Cash Flows

in € million	Jan. 1-Jun. 30, 2023	Jan. 1-Jun. 30, 2024
Cash flow from operating activities	27.4	27.5
Cash flow from investing activities	-15.6	48.2
Cash flow from financing activities	-11.7	-70.6
Net changes in cash and cash equivalents of discontinued operations	0.1	5.1
Cash and cash equivalents at the beginning of the period	41.6	44.4
Cash and cash equivalents at the end of the period of discontinued operations	41.7	49.5

Impairment Losses on the Discontinued Operations

The valuation of the disposal group at the lower of carrying amount and fair value less costs to sell produced impairment losses of € 13.4 million. The impairment losses relate to the impairment of the customer base in the amount of € 13.4 million within the disposal group.

Section (E): Capital Structure

22 Total Equity

Development of the Subscribed Capital

in €	
As of Jan. 1, 2024	814,644,998.00
Capital increase against non-cash contributions on Jun. 5, 2024 (scrip dividend)	8,207,927.00
As of Jun. 30, 2024	822,852,925.00

Development of the Capital Reserves

in €	
As of Jan. 1, 2024	2,681,238,631.83
Premium from capital increase for scrip dividend on Jun. 5, 2024	218,577,096.01
Transaction costs on the issue of new shares (after allowing for deferred taxes)	-224,301.00
Other changes not affecting net income	-2,141,606.06
As of Jun. 30, 2024	2,897,449,820.78

Dividend

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, € 733,180,498.20 million 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 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 pursuant to Section 5b of the Articles of Association ("2022 authorized capital") at a subscription price of € 27.63, i.e., a total amount of € 226,785,023.01. The total amount of the dividend distributed in cash therefore came to € 506,395,475.19.

Authorized Capital

After being used in connection with the capital increase in the amount of € 8,207,927.00, the 2022 authorized capital fell from € 214,204,999.00 to € 205,997,072.00 as of June 30, 2024. Shareholder subscription rights for the 2022 authorized capital can be excluded.

Retained Earnings and Non-controlling Interests

The neutral effects in retained earnings and non-controlling interests are largely due to transactions with the co-investor Apollo Capital Management L.P. An amount of € 108.1 million was distributed to the non-controlling interests in the first six months of the year. As a result, the ratio of equity to retained earnings and non-controlling interests was adjusted by € 63.4 million.

23 Non-Derivative Financial Liabilities

in € million	Dec. 31, 2023		Jun. 30, 2024	
	non-current	current	non-current	current
Non-derivative financial liabilities				
Liabilities to banks	14,283.2	632.4	13,198.9	1,261.3
Liabilities to other creditors	25,353.3	2,397.7	25,518.5	2,679.4
Deferred interest from non-derivative financial liabilities	-	230.5	-	194.3
	39,636.5	3,260.6	38,717.4	4,135.0

The CHF bond issued in 2024 and the GBP bond were 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, these financial liabilities would be € 4.0 million (December 31, 2023: € - million) lower overall 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, 2023	Jun. 30, 2024
Bond (CHF)*	-	159.3
Bond (GBP)*	-	465.1
Bond (SEK)*	121.2	139.7
Bond (EMTN)*	18,464.0	17,799.3
Bond (EMTN Green Bond)*	2,136.9	2,136.9
Bond (EMTN Social Bond)*	2,075.7	2,925.7
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*	1,045.0	1,045.0
Commercial paper*	500.0	-
Mortgages**	14,755.4	14,442.0
	42,719.1	42,733.9

* 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, € 12,523.9 million (December 31, 2023: € 12,682.1 million) is 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)

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

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

Repayment of Bonds in Foreign Currencies

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.

Repayment of Commercial Paper

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

As of June 30, 2024, Vonovia SE's Commercial Paper Program did not have any outstanding issues.

Repayment of Secured Financing

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

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

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

Foreign Currency Bonds

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).

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.

Secured Financing

On March 28, 2024, a € 150.0 million secured financing agreement with Ergo was disbursed. This agreement was signed in December 2023.

24 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, 2024, compared with December 31, 2023.

Development of Right-of-use Assets

in € million	Dec. 31, 2023	Jun. 30, 2024
Right-of-use assets		
Leasehold contracts	1,798.0	1,771.0
Interim rental agreements	0.5	0.4
Right-of-use assets within investment properties	1,798.5	1,771.4
Leasing of land for the construction of owner-occupied commercial properties	32.2	32.0
Lease agreements for commercial premises	48.3	57.1
Contracting	78.0	72.2
Vehicle leases	4.9	5.5
Leases of IT equipment	1.0	1.0
Metering technology	22.1	19.6
Right-of-use assets within property, plant and equipment	186.5	187.4
	1,985.0	1,958.8

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, 2024, compared with December 31, 2023.

Development of Lease Liabilities

in € million	Dec. 31, 2023		Jun. 30, 2024	
	Non-current	Current	Non-current	Current
Lease liabilities				
Leasehold contracts (IAS 40)	469.3	12.2	471.7	12.5
Interim rental agreements	-	0.5	0.0	0.3
Leasing of land for the construction of owner-occupied commercial properties	33.4	0.2	32.8	0.2
Lease agreements for commercial premises	38.5	11.7	46.5	12.6
Contracting	67.2	11.8	61.8	11.4
Vehicle leases	2.6	2.3	2.9	2.7
Leases of IT equipment	0.5	0.5	0.6	0.4
Metering technology	17.8	4.7	15.6	4.6
	629.3	43.9	631.9	44.7

Section (F): Corporate Governance Disclosures

25 Related Party Transactions

Vonovia had business relationships with unconsolidated investees and subsidiaries as of June 30, 2024. These transactions resulted from the normal exchange of deliveries and services and are shown in the table below:

in € million	Provided services		Purchased services		Receivables		Liabilities		Advance payments	
	Jan. 1- Jun. 30, 2023	Jan. 1- Jun. 30, 2024	Jan. 1- Jun. 30, 2023	Jan. 1- Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2024
Subsidiaries (not consolidated)	-	0.0	-	0.1	-	0.0	0.0	0.0	-	-
Associates	27.8	26.3	7.8	1.1	666.2	719.1	2.8	3.6	422.2	332.2
Joint ventures	0.3	7.6	54.9	44.6	171.1	169.1	0.2	0.3	22.3	29.5
Other non-consolidated subsidiaries	-	-	-	-	0.3	-	-	0.4	57.4	-
	28.1	33.9	62.7	45.8	837.6	888.2	3.0	4.3	501.9	361.7

Gropyus AG is included as an associate for the first time as of June 30, 2024 (see chapter [D20] Financial Assets Accounted for Using the Equity Method). There were loan receivables of € 23.0 million from Gropyus AG as of June 30, 2024.

With regard to the Management Board contracts of employment and the IFRS 2 program that they include, please refer to the IFRS consolidated financial statements as of December 31, 2023.

Section (G): Additional Financial Management Disclosures

26 Additional Financial Instrument Disclosures

Measurement categories and classes:

in € million Carrying amounts
Jun. 30, 2024

Assets

Cash and cash equivalents	
Cash on hand and deposits at banking institutions	1,501.0
Trade receivables	457.7
Financial assets	
Finance lease receivables	14.7
Other current financial receivables from financial transactions*	322.2
Loans to other investments	198.6
Other non-current loans	6.2
Other non-current loans to associates and joint ventures	740.2
Non-current securities	6.0
Other investments	261.1
Derivative financial assets	
Cash flow hedges – no classification in accordance with IFRS 9	10.0
Call option on equity instruments	901.0
Stand-alone interest rate swaps and interest rate caps	64.2

Liabilities

Trade payables	440.7
Bonds	25,249.0
Other non-derivative financial liabilities	17,603.4
Derivatives and put options	
Purchase price liabilities from put options/rights to reimbursement	318.3
Stand-alone interest rate swaps and interest rate caps	8.7
Cash flow hedges – no classification in accordance with IFRS 9	19.4
Lease liabilities	676.6
Liabilities from tenant financing	154.4
Liabilities to non-controlling interests	194.9

* 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 without reclassification	Hedge accounting - no classification in accordance with IFRS 9	Amounts recognized in balance sheet in acc. with IFRS 16	Fair value Jun. 30, 2024	Fair value hierarchy level
1,501.0					1,501.0	n.a.
457.7					457.7	n.a.
				14.7		n.a.
322.2					322.2	2
198.6					202.2	2
6.2					6.2	2
740.2					740.2	2
		6.0			6.0	1
		261.1			261.1	2
	-1.2		11.2		10.0	2
	901.0				901.0	3
	64.2				64.2	2
440.7					440.7	n.a.
25,249.0					22,276.4	1
17,603.4					15,780.3	2
318.3					227.0	3
	8.7				8.7	2
	8.5		10.9		19.4	2
				676.6		n.a.
154.4					154.4	n.a.
194.9					194.9	n.a.

Measurement categories and classes:

in € million

Carrying amounts
Dec. 31, 2023**Assets**

Cash and cash equivalents	
Cash on hand and deposits at banking institutions	1,374.4
Trade receivables	593.2
Financial assets	
Finance lease receivables	15.7
Other current financial receivables from financial transactions*	318.1
Loans to other investments	187.6
Other non-current loans	21.6
Other non-current loans to associates and joint ventures	682.9
Non-current securities	5.9
Other investments	321.7
Derivative financial assets	
Cash flow hedges - no classification in accordance with IFRS 9	8.9
Call option on equity instruments	838.0
Stand-alone interest rate swaps and interest rate caps	63.8

Liabilities

Trade payables	493.4
Bonds	24,428.7
Other non-derivative financial liabilities	18,468.4
Derivatives and put options	
Purchase price liabilities from put options/rights to reimbursement	316.2
Stand-alone interest rate swaps and interest rate caps	10.6
Cash flow hedges - no classification in accordance with IFRS 9	48.7
Lease liabilities	673.2
Liabilities from tenant financing	154.1
Liabilities to non-controlling interests	198.4

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

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 € 2.3 million (December 31, 2023: € 2.5 million).
- > Amount by which the fair value of plan assets exceeds the corresponding obligation of € 1.2 million (December 31, 2023: € 1.5 million).
- > Provisions for pensions and similar obligations: € 480.0 million (December 31, 2023: € 512.4 million).

**Amounts recognized in balance sheet
in accordance with IFRS 9**

Amortized cost	Fair value affecting net income	Fair value recognized in equity without reclassification	Hedge accounting - no classification in accordance with IFRS 9	Amounts recognized in balance sheet in acc. with IFRS 16	Fair value Dec. 31, 2023	Fair value hierarchy level
1,374.4					1,374.4	n.a.
593.2					593.2	n.a.
				15.7		n.a.
318.1					318.1	2
187.6					191.5	2
21.6					21.6	2
682.9					682.9	2
		5.9			5.9	1
		321.7			321.7	2
	-2.8		11.7		8.9	2
	838.0				838.0	3
	63.8				63.8	2
493.4					493.4	n.a.
24,428.7					21,386.5	1
18,468.4					17,087.8	2
316.2					220.9	3
	10.6				10.6	2
	0.1		48.6		48.7	2
				673.2		n.a.
154.1					154.1	n.a.
198.4					198.4	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	Jun. 30, 2024	Level 1	Level 2	Level 3
Assets				
Investment properties	78,631.2			78,631.2
Financial assets				
Non-current securities	6.0	6.0		
Other investments	261.1		261.1	
Assets held for sale				
Investment properties	1,323.4		1,323.4	
Derivative financial assets				
Cash flow hedges	10.0		10.0	
Call option on equity instruments	901.0			901.0
Stand-alone interest rate swaps and caps	64.2		64.2	
Liabilities				
Derivative financial liabilities				
Cash flow hedges	19.4		19.4	
Stand-alone interest rate swaps and caps	8.7		8.7	

in € million	Dec. 31, 2023	Level 1	Level 2	Level 3
Assets				
Investment properties	81,120.3			81,120.3
Financial assets				
Non-current securities	5.9	5.9		
Other investments	321.7		321.7	
Assets held for sale				
Investment properties	313.1		313.1	
Derivative financial assets				
Cash flow hedges	8.9		8.9	
Call option on equity instruments	838.0			838.0
Stand-alone interest rate swaps and caps	63.8		63.8	
Liabilities				
Derivative financial liabilities				
Cash flow hedges	48.7		48.7	
Stand-alone interest rate swaps and caps	10.6		10.6	

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, 2023.

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 vis-à-vis the comparative period.

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

For the measurement of derivative financial instruments, cash flows are first 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 15 to 205 basis points, depending on the residual maturities. Vonovia's own risk premiums were trading at between 60 and 190 basis points on the same cut-off date, depending on the maturities. Risk premiums of 155 basis points (GBP bonds), 65 basis points (SEK bond) and 100 basis points (CHF bond) are applied to the market values of the cross currency swaps.

As part of the valuation of the current cross currency swaps, the currency cash flows are converted into EUR using the EUR/GBP, EUR/SEK or EUR/CHF FX forward curve, after which all EUR cash flows are discounted using the EUR ESTR 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.

The maximum default risk on the receivables from the sale of properties is limited to the margin and the transaction unwinding costs as the title to the properties remains with Vonovia as security until receipt of payment.

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 dated December 31, 2023.

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). Furthermore, there are legal disputes with a social insurance provider. The expected loss in this regard has been estimated as € 150.0 - € 375.0 million, with an unchanged probability of occurrence of 5-39%. 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, 2024



Rolf Buch
(CEO)



Arnd Fittkau
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Philip Grosse
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Daniel Riedl
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Ruth Werhahn
(CHRO)