

Business Development in the First Nine Months of 2024

Overview

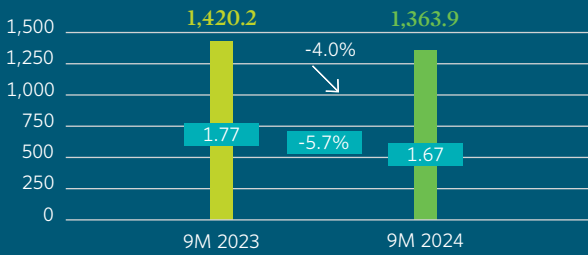
- > Real estate values appear to be bottoming out.
- > Ongoing positive rent trend in the core Rental business, with high customer satisfaction levels and virtually full occupancy.
- > Higher real estate transaction volumes in the third quarter.

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20	Business Outlook

Sustained Earnings

Adjusted EBT*

in € million



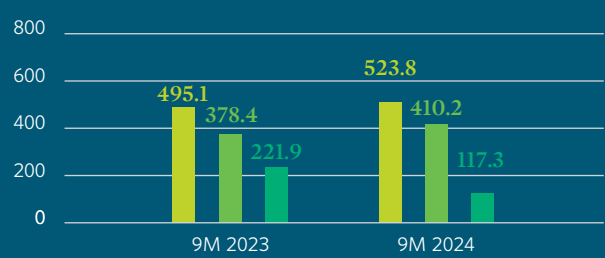
Adjusted EBT per share (€)*

* Continuing operations.

Maintenance, Modernization and New Construction

Capital Expenditure*

in € million

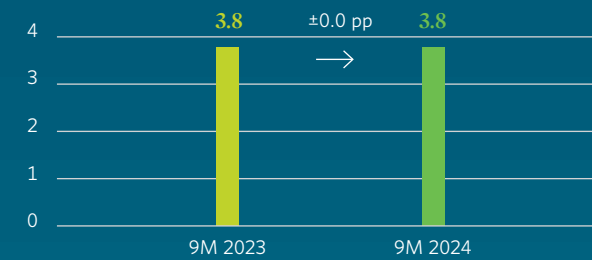


Maintenance Modernization New construction

Organic Rent Growth

Organic Rent Increase

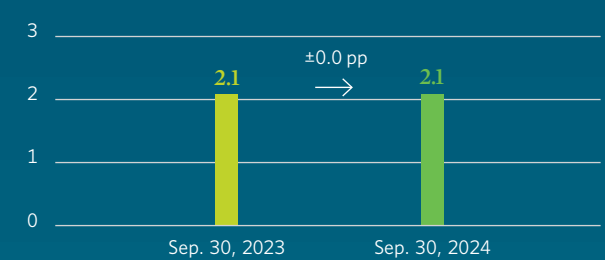
in %



Vacancy

Vacancy Rate

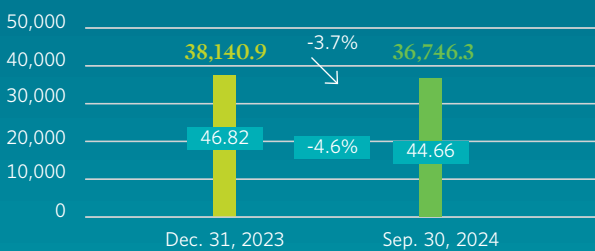
in %



Net Assets

EPRA NTA

in € million

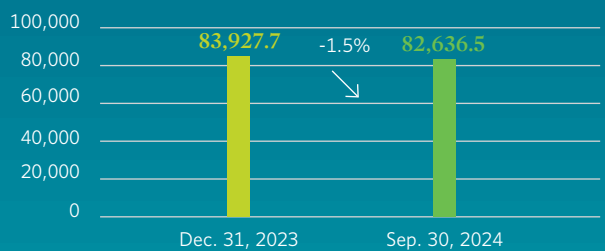


EPRA NTA per share

Fair Value of the Real Estate Portfolio

Fair Value

in € million



Vonovia SE on the Capital Market

Shares in Vonovia

The assessment of macroeconomic development in general and interest rates in particular was the dominant factor driving the stock markets in the first nine months of the year. In particular, the first moves by the US Federal Reserve and the European Central Bank to cut key rates provided a boost to share prices. Further rate cuts are generally expected by the market, fueling an overall positive mood on the stock markets.

In this environment, the DAX climbed by 15.4% in an upward trend that was largely stable. Following a number of temporary setbacks, shares in Vonovia rose by 14.7% in the same period and by the end of the third quarter, they were trading at € 32.73, close to their 52-week high. The EPRA Europe benchmark index, which lists Europe's 104 biggest real estate stocks, reported an increase of 6.1%.

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.

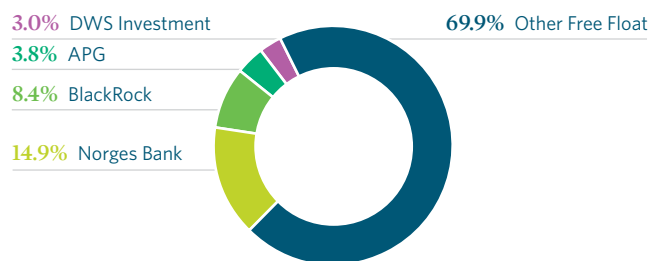
As a result, we remain confident that the fundamental conditions in our markets will ensure positive development in the long run. Besides the favorable relationship (from an owner's point of view) between supply and demand in urban regions, the relevant factors here include, above all, structural momentum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

Vonovia's market capitalization amounted to around € 26.9 billion as of September 30, 2024.

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 September 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 September 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.

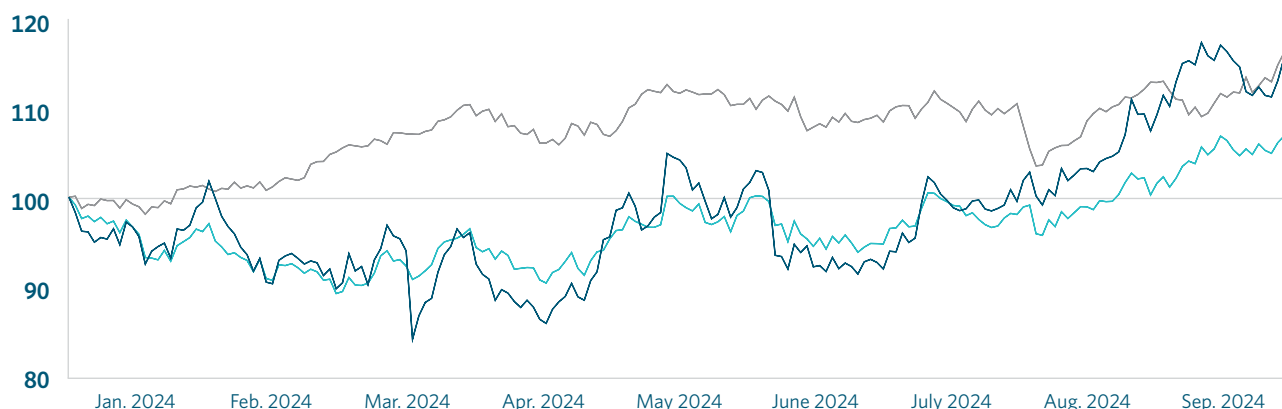
In line with Vonovia's long-term strategic focus, we believe that the majority of its investors also have a long-term focus. The company's investors include pension funds, sovereign wealth funds and international asset managers in particular. There are also around 188,000 private shareholders, representing around 9% of the total capital.

Share Price Development

■ Vonovia SE ■ DAX ■ FTSE EPRA Europe

Source: FactSet

in %



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 nine months of the 2024 fiscal year, in the form of virtual and face-to-face events. We took part in a total of 18 investor conferences and organized 26 roadshow days in the first nine months of 2024.

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 nine months of 2024.

We will continue to communicate openly with the capital market. Various roadshows, 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 September 30, 2024, 25 national and international analysts were publishing research studies on Vonovia. The average target share price was € 35.01. Of these analysts, 76% issued a “buy” recommendation, with 8% issuing a “hold” recommendation and 16% a “sell” recommendation.

Share Information (as of September 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, E URO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe and GPR 250 World

* TERP-adjusted.

Economic Development in the First Nine Months 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 nine months of 2024. With a vacancy rate of 2.1% at the end of the first quarter of 2024 (end of the third quarter of 2023: 2.1%), Vonovia's residential real estate portfolio was virtually fully occupied.

The second and third quarters of 2024 saw higher real estate transaction volumes and a bottoming out of real estate values. The ECB key rate cuts favored transactions, particularly in the Recurring Sales and Development segments.

The Customer Satisfaction Index (CSI) was 3.4 percentage points above the value seen in the previous year in the third quarter of 2024. On average, the level of customer satisfaction in 2024 to date has increased by 2.8 percentage points as against the year 2023 as a whole.

On September 18, 2024, Vonovia SE and Deutsche Wohnen SE initiated a process to conclude a control and profit and loss transfer agreement between the two companies. This process will involve Vonovia making an offer to external shareholders of Deutsche Wohnen SE to acquire their shares in return for compensation in the form of newly issued shares in Vonovia SE, or to grant the remaining shareholders of Deutsche Wohnen SE an annual compensation payment for the term of the agreement. The necessary approval is to be obtained at extraordinary general meetings organized by the companies in January 2025.

On September 30, Vonovia and Apollo agreed to establish a company that is to hold 20% of the shares in Deutsche Wohnen SE. In addition to Vonovia, with a 49% stake, long-term investors advised by Apollo hold a total stake of 51% in this company. Vonovia's cash inflow from this transaction will amount to just over € 1 billion.

In September 2024, Vonovia also concluded purchase agreements to acquire land to build on from the QUARTERBACK Immobilien Group. The land it owns leaves Vonovia well positioned for future development projects that will help to alleviate the shortage of housing. In the same context, selective purchase agreements were also concluded to acquire property management units from QUARTERBACK Immobilien AG via Deutsche Wohnen. This transaction has a total volume of around € 500.0 million. These transactions are scheduled to have been closed by December 31, 2024.

Further transactions in order to acquire land to build on are planned up to the end of 2024. Additional purchase contracts with a volume of around € 275.0 million have already been signed in this respect following the September 30, 2024, reporting date.

The loan receivables from the QUARTERBACK Immobilien Group included in the financial assets have been offset against the outstanding purchase price components within the scope of these transactions.

Vonovia assumes that the outstanding receivables following the closing of the transactions will not be recoverable and has therefore recognized a corresponding impairment loss in the third quarter of 2024 of € 153.2 million on these receivables and of € 26.2 million on the interest receivables included.

The impairment loss recognized in interest receivables relates to the interest income already collected in the first six months of 2024, but not yet paid. The impairment loss recognized for this interest income is shown netted against the interest income.

The additional impairment loss recognized for loan receivables is shown in the line item "Impairment losses on financial assets" in the consolidated income statement.

In August 2024, Vonovia sold eleven development projects for € 488.0 million to a fund launched by HIH Invest. Further Quarterback Immobilien AG project developments were also sold to the fund for € 142.0 million. Vonovia has an equity share in the fund. These contracts have not yet been closed.

After the third quarter of 2024, Vonovia successfully sold ten additional development projects for around € 516 million to a fund launched by HIH Invest on October 14 and 15, 2024.

In the context of ongoing legal disputes with a social insurance provider, the German Federal Labor Court (Bundesarbeitsgericht) supported the legal view taken by the social insurance provider on October 23, 2024. This resulted in the probability of occurrence being reassessed. As a result, provisions of € 69.0 million were set up in the third quarter of 2024 for a back-payment of contributions to the social insurance provider. Further provisions of around € 71.0 million were set up for direct payments to employees.

In the context of the endeavors to sell the Care segment, contracts were concluded after the end of the third quarter of 2024 for the sale of a total of 27 nursing care properties and the sale of the Katharinenhof nursing care business on October 2, 2024.

In the first six months of 2024, 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 million is slightly higher than the carrying amounts of the properties sold recognized at the time of the negotiations.

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 million being sold as part of a share deal. The transaction is expected to be closed on December 31, 2024.

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 € 48.5 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.

On August 6, 2024, Vonovia took out secured financing with Hamburg Commercial Bank in the amount of € 135.0 million with a maturity of seven years. The amount was disbursed on August 28, 2024.

On August 26, 2024, Vonovia issued a CHF 235.0 million (€ 247.8 million) bond with a seven-year term. The coupon is 2.000% p.a. (or 3.897% p.a. after currency hedging).

On September 9, 2024, Vonovia took out a loan in the amount of € 110 million with a ten-year term with Münchener Hypothekenbank. The loan was disbursed on September 12, 2024.

A bond in the amount of € 278.3 million was repaid as scheduled on September 16, 2024.

On September 26, 2024, Vonovia issued an SEK 500.0 million (€ 44.3 million) bond with a four-year term. The bond is a floating-rate bond (3M STIBOR plus 142 basis points).

Following the end of the third quarter of 2024, a € 150.0 million tranche was disbursed on October 15, 2024, under a loan agreement with the European Investment Bank that Vonovia had taken out in 2022.

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%).

Results of Operations

Overview

All in all, Vonovia's performance was in line with expectations in the first nine months 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 marked increase in earnings, which was mainly due to a positive effect resulting from the leasing of our coax network, which will not be reflected to the same extent next year. The general conditions for the other segments continued to improve in the second and third quarters 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.

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. Accordingly, the majority of the Care segment is presented as a discontinued operation. After a contract regarding six properties was concluded in mid-April of the fiscal year, the sale of a further tranche comprising 27 care homes was agreed in early October 2024. The transaction is expected to be closed at the start of 2025. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 17.3 million in segment revenue in the first nine months of 2024 (9M 2023: € 17.7 million). In detail, Adjusted EBT developed as follows in the reporting period:

Adjusted EBT

in € million	9M 2023*	9M 2024	Change in %	12M 2023
Revenue in the Rental segment	2,429.3	2,481.8	2.2	3,253.4
Expenses for maintenance	-311.1	-344.8	10.8	-426.2
Operating expenses in the Rental segment	-299.6	-335.1	11.8	-425.5
Adjusted EBITDA Rental	1,818.6	1,801.9	-0.9	2,401.7
Revenue in the Value-add segment	904.7	1,009.7	11.6	1,224.7
thereof external revenue	94.9	149.1	57.1	130.9
thereof internal revenue	809.8	860.6	6.3	1,093.8
Operating expenses in the Value-add segment	-831.4	-863.8	3.9	-1,119.2
Adjusted EBITDA Value-add	73.3	145.9	99.0	105.5
Revenue in the Recurring Sales segment	209.1	268.3	28.3	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	-146.3	-214.2	46.4	-239.4
Adjusted result Recurring Sales	62.8	54.1	-13.9	79.9
Selling costs in the Recurring Sales segment	-11.2	-15.2	35.7	-16.5
Adjusted EBITDA Recurring Sales	51.6	38.9	-24.6	63.4
Revenue from disposal of Development to sell properties	267.9	190.6	-28.9	348.6
Cost of Development to sell	-233.4	-136.6	-41.5	-300.9
Carrying amount of assets sold of Development to sell	-	-27.8	-	-
Gross profit Development to sell	34.5	26.2	-24.1	47.7
Rental revenue Development	3.5	4.8	37.1	5.1
Operating expenses in the Development segment	-23.1	-31.0	34.2	-39.6
Adjusted EBITDA Development*	14.9	0.0	-100.0	13.2
Adjusted EBITDA Total (continuing operations)*	1,958.4	1,986.7	1.4	2,583.8
Adjusted net financial result	-461.8	-528.7	14.5	-625.1
Intragroup profit/losses	6.6	-10.0	-	17.7
Straight-line depreciation**	-83.0	-84.1	1.3	-110.2
Adjusted EBT (continuing operations)	1,420.2	1,363.9	-4.0	1,866.2
Adjusted EBT (continuing operations) per share in €***	1.77	1.67	-5.7	2.31
Minorities	94.8	121.4	28.1	136.0
Adjusted EBT (continuing operations) after minorities	1,325.4	1,242.5	-6.3	1,730.2
Adjusted EBT (continuing operations) after minorities per share in €***	1.65	1.52	-7.9	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 September 30, 2024, Vonovia employed 12,010 people (September 30, 2023: 11,937).

As of the end of the third quarter of 2024, Vonovia managed a portfolio comprising 541,619 of its own residential units (end of the third quarter of 2023: 547,998), 163,045 garages and parking spaces (end of the third quarter of 2023: 165,123)

and 8,431 commercial units (end of the third quarter of 2023: 8,737). Vonovia also managed 73,358 residential units (end of the third quarter of 2023: 70,681) on behalf of third parties as of the end of the third quarter of 2024.

Details on results of operations by segment

Rental Segment

At the end of September 2024, the portfolio in the Rental segment had a vacancy rate of 2.1% (end of September 2023: 2.1%), meaning that it was again nearly fully occupied.

In the first nine months of 2024, revenue in the Rental segment increased by 2.2% (9M 2023: 2.0%) to € 2,481.8 million (9M 2023: € 2,429.3 million). Of the segment revenue in the Rental segment in the 2024 reporting period, € 2,120.5 million is attributable to rental income in Germany (9M 2023: € 2,085.9 million), € 270.2 million to rental income in Sweden (9M 2023: € 255.2 million) and € 91.1 million to rental income in Austria (9M 2023: € 88.2 million). Organic rent growth (twelve-month rolling) totaled 3.8% (3.8% as of September 30, 2023). The current rent increase due to market-related factors came to 2.2% (2.0% as of September 30, 2023), while the increase from property value improvements translated into a further 1.3% (1.1% as of September 30, 2023). All in all, this produced a like-for-like rent

increase of 3.5% (3.1% as of September 30, 2023). New construction and vertical expansion measures also contributed 0.3% (0.7% as of September 30, 2023) to organic rent growth.

The average monthly in-place rent in the residential portfolio in the Rental segment came to € 7.94 per m² at the end of September 2024 as against € 7.67 per m² at the end of September 2023. The monthly in-place rent in the German portfolio at the end of September 2024 came to € 7.81 per m² (September 30, 2023: € 7.58 per m²), with a figure of € 10.59 per m² (September 30, 2023: € 9.78 per m²) for the Swedish portfolio and € 5.69 per m² for the Austrian portfolio (September, 2023: € 5.42 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	9M 2023*	9M 2024	Change in %	12M 2023*
Expenses for maintenance	311.1	344.8	10.8	426.2
Capitalized maintenance	184.0	179.0	-2.7	296.3
Maintenance measures	495.1	523.8	5.8	722.5
Modernization & portfolio investments	378.4	410.2	8.4	513.3
New construction (to hold)	221.9	117.3	-47.1	291.2
Modernization, portfolio investments and new construction	600.3	527.5	-12.1	804.5
Total sum of maintenance, modernization, portfolio investments and new construction	1,095.4	1,051.3	-4.0	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 nine months of 2024 amounted to € -335.1 million and were thus up by 11.8% on the figure for the first nine months of 2023 of € -299.6 million.

All in all, the Adjusted EBITDA Rental came to € 1,801.9 million in the first nine months of 2024, down slightly, namely by -0.9%, on the prior-year value of € 1,818.6 million.

Value-add Segment

In the first nine months of 2024, the Value-add segment was hit by the general price increases for construction services and materials, as well as productivity losses due to smaller-scale investments. Modernization and continuous investments in the existing portfolio showed positive development. They were up by 8.4% year-on-year in the first nine months of 2024, also thanks to our increased investment in new photovoltaic facilities and heat pumps. In the multimedia

business, the conclusion of an agreement to lease the existing coax network had an earnings effect of € 62.4 million in the first nine months of 2024.

All in all, revenue from the Value-add segment came to € 1,009.7 million in the 2024 reporting period, up by 11.6% on the value of € 904.7 million seen in the first nine months of 2023. External revenue from our Value-add activities with our end customers in the first nine months of 2024 amounted to € 149.1 million and had thus increased by 57.1% on the first nine months of 2023, for which the figure was € 94.9 million. This is largely due to a positive effect in multimedia from the leasing of coax networks, which will not be reflected to the same extent next year. Intra-Group revenue came to € 860.6 million in the first nine months of 2024, 6.3% higher than the value of € 809.8 million for the first nine months of 2023.

Operating expenses in the Value-add segment in the first nine months of 2024 amounted to € -863.8 million, an increase of 3.9% by comparison with the figure for the first nine months of 2023 of € -831.4 million.

Adjusted EBITDA Value-add came to € 145.9 million in the first nine months of 2024, up significantly on the figure of € 73.3 million reported for the first nine months of 2023.

Recurring Sales Segment

In the Recurring Sales segment, the income from disposal of properties came to € 268.3 million in the first nine months of 2024 with 1,516 units sold (9M 2023: 958), up by 28.3% on the value of € 209.1 million reported in the same period of 2023; with 1,214 in Germany (9M 2023: 657) and 302 in Austria (9M 2023: 301). Income of € 200.2 million is attributable to sales in Germany (9M 2023: € 126.5 million) and income of € 68.2 million is attributable to sales in Austria (9M 2023: € 82.6 million).

The fair value step-up for the first nine months of 2024 came to 25.3%, down on the prior-year figure of 42.9%. This is due to lower step-ups for sales in Germany and Austria.

Selling costs in the Recurring Sales segment came in at € -15.2 million in the first nine months of 2024, up by 35.7% on the value of € -11.2 million for the first nine months of 2023.

Adjusted EBITDA Recurring Sales came in at € 38.9 million in the first nine months of 2024, down by -24.6% on the value of € 51.6 million seen in the first nine months of 2023.

In the 2024 reporting period, 3,913 units from the Non Core/Other portfolio (9M 2023: 755) were also sold as part of our portfolio adjustment measures, with proceeds totaling

€ 456.2 million (9M 2023: € 133.7 million). At 0.7%, the fair value step-up for Non Core/Other disposals in the 2024 reporting period was lower than the figure for the first nine months of 2023 (7.3%).

Development Segment

The Development segment was impacted primarily by the increased construction costs and high interest rates in the first nine months of 2024.

In the Development to sell area, a total of 1,534 residential units (9M 2023: 507 units) were completed in the 2024 reporting period, of which 1,534 units in Germany (9M 2023: 380). No units were completed in Austria in the reporting period (9M 2023: 127). In the first nine months of 2024, income from the disposal of Development to sell properties amounted to € 190.6 million (9M 2023: € 267.9 million), with € 125.6 million attributable to project development in Germany (9M 2023: € 227.7 million) and € 65.0 million to project development in Austria (9M 2023: € 40.2 million). The resulting gross profit for Development to sell came to € 26.2 million in the first nine months of 2024 with a margin of 13.8% (9M 2023: € 34.5 million, margin 12.9%).

Development operating expenses came to € -31.0 million in the first nine months of 2024, which was 34.2% higher than the value of € -23.1 million for the first nine months of 2023. This increase mainly arose due to impairment losses of € 12.8 million recognized on Development to sell properties in the first nine months of 2024 (9M 2023: 0.0).

Adjusted EBITDA in the Development segment amounted to € 0.0 million in the 2024 reporting period (9M 2023: € 14.9 million).

In the "Development to hold" area, a total of 875 units were completed in the first nine months of 2024 (9M 2023: 1,292 units), of which 864 were in Germany (9M 2023: 822 units), 0 in Austria (9M 2023: 296 units) and 11 in Sweden (9M 2023: 174 units).

Adjusted EBT

The Adjusted EBITDA Total for continuing operations amounted to € 1,986.7 million in the first nine months of 2024 and was thus 1.4 % higher than the prior-year value of € 1,958.4 million in the first nine months of 2023.

In the 2024 reporting period, the non-recurring items eliminated in the Adjusted EBT came to € 220.2 million (9M 2023: € 157.9 million). The following table gives a detailed list of the non-recurring items:

Non-recurring Items

in € million	9M 2023	9M 2024	Change in %	12M 2023
Transactions*	102.0	29.3	-71.3	70.0
Personnel matters	36.7	164.3	>100	35.1
Business model optimization	13.6	21.3	56.6	34.9
Research & development	5.1	4.6	-9.8	6.8
Refinancing and equity measures	0.5	0.7	40.0	1.1
Total non-recurring items	157.9	220.2	39.5	147.9

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

The increase in HR-related non-recurring items is due to the reassessment of the probability of claims being asserted in connection with legal disputes with a social insurance provider.

Reconciliations

The adjusted net financial result changed from € -461.8 million in the first nine months of 2023 to € -528.7 million in the first nine months of 2024.

Reconciliation of Adjusted Net Financial Result

in € million	9M 2023	9M 2024	Change in %	12M 2023
Income from non-current securities and non-current loans	44.6	12.7	-71.5	60.6
Interest income finance lease	-	0.7	-	-
Interest received and similar income	13.6	34.8	>100	22.9
Interest expense from non-derivative financial liabilities	-561.3	-620.8	10.6	-765.1
Swaps (current interest expense for the period)	35.3	37.9	7.4	49.3
Capitalization of interest on borrowed capital Development	0.2	0.2	-	0.6
Income from investments	5.9	5.8	-0.9	6.6
Adjusted net financial result	-461.8	-528.7	14.5	-625.1
Accrued interest	-52.4	-26.6	-49.2	-25.6
Net cash interest*	-514.1	-555.3	8.0	-650.7

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

Interim profits came to € 10.0 million in the first nine months of 2024 (9M 2023: interim losses of € -6.6 million). Depreciation and amortization changed from € 83.0 million in the

first nine months of 2023 to € 84.1 million in the first nine months of 2024.

Overall, Adjusted EBT for continuing operations came to € 1,363.9 million in the first nine months of 2024, compared to € 1,420.2 million in the first nine months of 2023.

In the first nine months of 2024, profit for the period came to € -592.1 million (9M 2023: € -3,808.9 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

	9M 2023*	9M 2024	Change in %	12M 2023
Profit for the period	-3,808.9	-592.1	-84.5	-6,756.2
Profit from discontinued operations	-8.9	25.9	-	148.1
Profit from continuing operations	-3,817.8	-566.2	-85.2	-6,608.1
Income taxes	-1,533.3	64.2	-	-2,577.1
Earnings before tax (EBT)	-5,351.1	-502.0	-90.6	-9,185.2
Non-recurring items	157.9	220.2	39.5	147.9
Net income from fair value adjustments of investment properties	6,318.2	1,426.3	-77.4	10,651.2
Impairment/value adjustments	332.0	144.7	-56.4	334.2
Valuation effects and special effects in the financial result	-71.4	57.2	-	-176.1
Net income from investments accounted for using the equity method	24.1	28.2	17.0	75.7
Earnings contribution from Non Core/Other sales	1.6	11.0	>100	12.2
Period adjustments from assets held for sale	8.9	-21.7	-	6.3
Adjusted EBT (continuing operations)	1,420.2	1,363.9	-4.0	1,866.2
Straight-line depreciation	83.0	84.1	1.3	110.2
Adjusted net financial result	461.8	528.7	14.5	625.1
Intragroup profit/losses	-6.6	10.0	-	-17.7
Adjusted EBITDA Total (continuing operations)	1,958.4	1,986.7	1.4	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	9M 2023	9M 2024	Change in %	12M 2023
Adjusted EBT (continuing operations)	1,420.2	1,363.9	-4.0	1,866.2
Straight-line depreciation	83.0	84.1	1.3	110.2
Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)	-364.1	161.1	-	-340.2
Carrying amount of recurring sales assets/development assets sold	146.3	242.0	65.4	239.4
Capitalized maintenance	-184.0	-179.0	-2.7	-296.3
Dividends and payouts to non-controlling shareholders (minorities)	-18.4	-117.0	>100	-40.5
Income tax payments according to cash flow statement (w/o taxes on Non Core sales)	-87.4	-175.4	>100	-124.0
Operating Free Cash-Flow	995.7	1,379.7	38.6	1,414.8

Assets

Consolidated Balance Sheet Structure

	Dec. 31, 2023		Sep. 30, 2024	
	in € million	in %	in € million	in %
Non-current assets	85,121.4	92.5	82,338.2	90.5
Current assets	6,874.5	7.5	8,691.8	9.5
Total assets	91,995.9	100.0	91,030.0	100.0
Equity	29,944.6	32.5	28,605.8	31.4
Non-current liabilities	56,912.4	61.9	55,767.8	61.3
Current liabilities	5,138.9	5.6	6,656.4	7.3
Total equity and liabilities	91,995.9	100.0	91,030.0	100.0

The Group's total assets declined by € 965.9 million, from € 91,995.9 million as of December 31, 2023 to € 91,030.0 million.

The key trend in the non-current assets item is the € 2,647.9 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 remeasurement in the amount of € -1,426.3 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 September 30, 2024, resulting in a valuation of € 883.0 million. The adjustment in the amount of € 45.0 million was recognized affecting net income.

Within current assets, the reclassification to assets held for sale referred to above, in particular, resulted in this item increasing by € 1,291.5 million. Other changes in current assets were associated with the drop in trade receivables (€ -386.0 million), as well as with the increase in real estate inventories (€ 170.4 million) and cash and cash equivalents (€ 730.2 million).

On September 30, 2024, goodwill comprised 1.5% of total assets (December 31, 2023: 1.5%).

As of September 30, 2024, the gross asset value (GAV) of Vonovia's property assets came to € 83,255.3 million. This corresponds to 91.5% of total assets, compared to € 84,545.1 million or 91.9% at the end of 2023.

Total equity fell by € 1,338.8 million from € 29,944.6 million to € 28,605.8 million, due in particular to the profit for the period of € -592.1 million and the dividend distribution. The other comprehensive income of € -43.5 million was influenced to a significant degree by currency effects amounting to € -80.0 million.

The equity ratio stood at 31.4% as of September 30, 2024, compared with 32.5% at the end of 2023.

Liabilities rose by € 372.9 million from € 62,051.3 million to € 62,424.2 million. The total of non-current non-derivative financial liabilities fell by € 907.1 million, from € 39,636.5 million to € 38,729.4 million. Current non-derivative financial liabilities increased by € 1,072.1 million, from € 3,260.6 million to € 4,332.7 million.

Deferred tax liabilities fell by € 336.1 million from € 15,713.2 million to € 15,377.1 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 third quarter of 2024, the EPRA NTA came to € 36,746.3 million, down by -3.7% on the value of € 38,140.9 million seen at the end of 2023. EPRA NTA per share changed from € 46.82 at the end of 2023 to € 44.66 at the end of the third quarter of 2024.

EPRA Net Tangible Assets (EPRA NTA)

in € million	Dec. 31, 2023	Sep. 30, 2024	Change in %
Total equity attributable to Vonovia shareholders	25,682.6	24,445.4	-4.8
Deferred tax in relation to fair value gains of investment properties*	13,895.3	13,688.1	-1.5
Fair value of financial instruments**	-13.4	36.7	-
Goodwill	-1,391.7	-1,391.7	-
Intangible assets	-32.0	-32.2	0.6
EPRA NTA	38,140.9	36,746.3	-3.7
EPRA NTA per share in €***	46.82	44.66	-4.6

* Proportion of hold portfolio.

** Adjusted for effects from cross currency swaps.

*** EPRA NTA per share based on the shares carrying dividend rights on the reporting date.

Fair Values

Major market developments and valuation parameters that have an impact on the fair values of Vonovia are assessed on an ongoing basis.

The evaluation of the market trend with a view to September 30, 2024, showed a general sideways trend in fair values for Vonovia's real estate portfolios in the third quarter. The fair values recalculated at the end of the first half of the year have been adjusted to reflect the investments made up to September 30, 2024.

In addition, buildings under construction (New construction/ Development to hold) were completed during the nine-month period. A fair value measurement is performed for the first time when the properties are completed. This resulted in a valuation effect of € 8.3 million for the period from January 1 to September 30, 2024 (9M 2023: € 12.6 million).

A complete remeasurement of the entire portfolio, taking into account the updated portfolio data, market developments and in particular the discounting and capitalized interest rates, will be performed again for the annual financial statements.

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	9M 2023	9M 2024
Cash flow from operating activities	1,282.7	1,645.5
Cash flow from investing activities	-584.1	232.8
Cash flow from financing activities	-1,044.2	-1,134.2
Influence of changes in foreign exchange rates	-3.3	0.6
Net changes in cash and cash equivalents	-348.9	744.7
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	1,302.4	1,418.8
Cash and cash equivalents at the end of the period (incl. discontinued operations)	953.5	2,163.5
Less cash and cash equivalents from discontinued operations	-	-58.9
Cash and cash equivalents at the end of the period	953.5	2,104.6

The cash flow from operating activities came to € 1,645.5 million for the first nine months of 2024, compared with € 1,282.7 million for the first nine months of 2023.

The cash flow from investing activities shows net proceeds of € 232.8 million for the first nine months of 2024. Payments for the acquisition of investment properties came to € 690.9 million in the first nine months of 2024 (9M 2023: € 780.4 million). On the other hand, income from portfolio sales in the amount of € 1,076.1 million was collected (9M 2023: € 300.1 million).

The cash flow from financing activities of € -1,134.2 million (9M 2023: € -1,044.2 million) includes payments for regular and unscheduled repayments on financial liabilities in the amount of € 2,141.2 million (9M 2023: € 4,275.8 million) and, on the other hand, proceeds from issuing financial liabilities in the amount of € 2,309.4 million (9M 2023: € 3,299.1 million). Payouts for transaction and financing costs amounted to € 36.2 million (9M 2023: € 5.4 million). Interest paid in the first nine months of 2024 amounted to € 596.0 million (9M 2023: € 545.3 million). The payouts to shareholders of Vonovia SE came to € 506.4 million (9M 2023: € 372.9 million).

Net changes in cash and cash equivalents came to € 744.7 million.

Financing

In its announcement of August 23, 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 published prospectus for the € 40 billion program was expanded on October 7, 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 September 30, 2024, Vonovia had placed a total bond volume of € 23.6 billion, € 22.6 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 € 48.5 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.

On August 6, 2024, Vonovia took out secured financing with Hamburg Commercial Bank in the amount of € 135.0 million with a maturity of seven years. The amount was disbursed on August 28, 2024.

On August 26, 2024, Vonovia issued a CHF 235.0 million (€ 247.8 million) bond with a seven-year term. The coupon is 2.000% p.a. (or 3.897% p.a. after currency hedging).

On September 9, 2024, Vonovia took out a loan in the amount of € 110 million with a ten-year term with Münchener Hypothekenbank. The loan was disbursed on September 12, 2024.

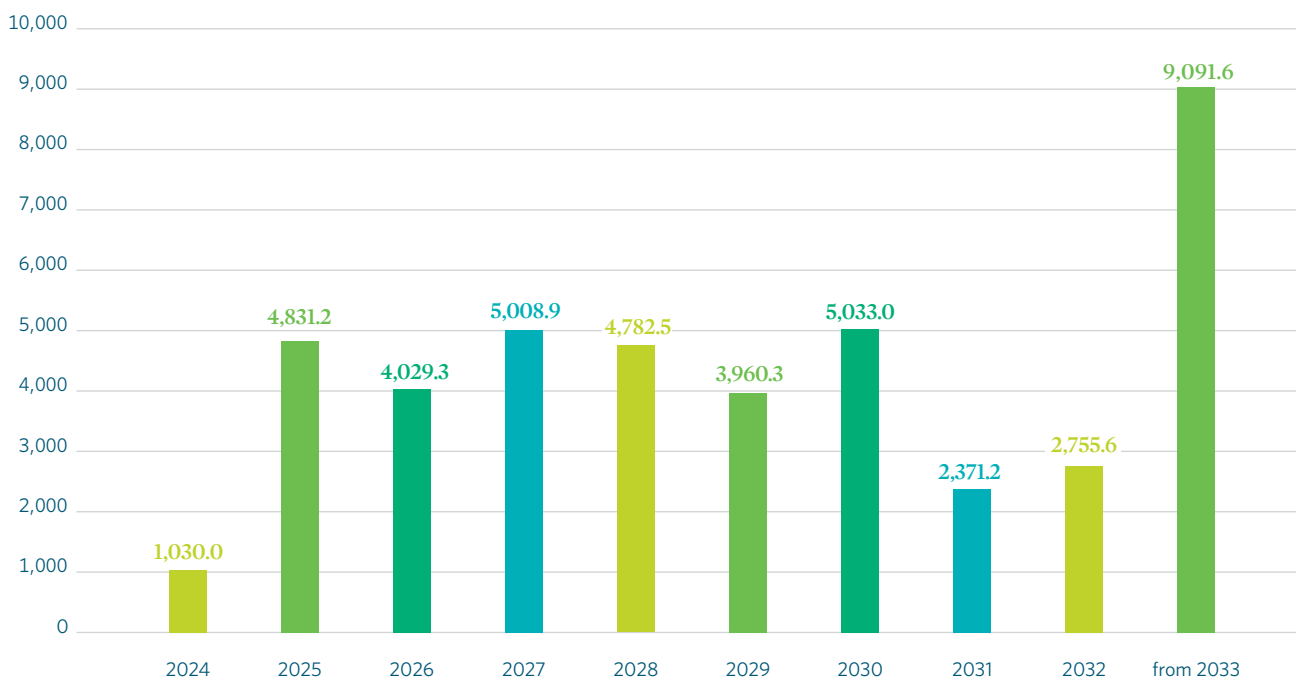
A bond in the amount of € 278.3 million was repaid as scheduled on September 16, 2024.

On September 26, 2024, Vonovia issued an SEK 500.0 million (€ 44.3 million) bond with a four-year term. The bond is a floating-rate bond (3M STIBOR plus 142 basis points).

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

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

in € million



The maturity profile also includes regular repayments.

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

in € million	Dec. 31, 2023	Sep. 30, 2024	Change in %
Non-derivative financial liabilities	42,933.0	43,062.1	0.3
Foreign exchange rate effects	-	-17.5	-
Cash and cash equivalents*	-1,737.1	-2,488.3	43.2
Net debt	41,195.9	40,556.3	-1.6
Sales receivables	-895.2	-442.0	-50.6
Adjusted net debt	40,300.7	40,114.3	-0.5
Fair value of the real estate portfolio	83,927.7	82,636.5	-1.5
Loans to companies holding immovable property and land	814.3	712.0	-12.6
Shares in other real estate companies	479.5	473.9	-1.2
Adjusted fair value of the real estate portfolio	85,221.5	83,822.4	-1.6
LTV	47.3%	47.9%	0.6 pp
Adjusted net debt	40,300.7	40,114.3	-0.5
Adjusted EBITDA total**	2,583.8	2,560.5	-0.9
Adjusted Net debt/Adjusted EBITDA total	15.6x	15.7x	0.1x

* Incl. term deposits not classified as cash equivalents.

** Total over four 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	Sep. 30, 2024	Change in %
Total financial debt		42,933.0	43,062.1	0.3
Total assets		91,995.9	91,030.0	-1.0
LTV	< 60.0%	46.7%	47.3%	0.6 pp
Secured debt		12,930.1	12,883.4	-0.4
Total assets		91,995.9	91,030.0	-1.0
Secured LTV	< 45.0%	14.1%	14.2%	0.1 pp
LTM Adjusted EBITDA		2,583.8	2,560.5	-0.9
LTM Net Cash Interest		650.7	691.9	6.3
ICR	> 1.8x	4.0x	3.7x	-0.3x
Unencumbered assets		47,296.5	47,126.8	-0.4
Unsecured debt		30,002.9	30,178.7	0.6
Unencumbered assets	> 125.0%	157.6%	156.2%	-1.4 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.

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**).

Compared to the opportunities and risks set out in the interim report for H1 2024, the following changes in the assessment of the overall risk position had arisen at the end of the third quarter of 2024: The overall number of risks has decreased from 118 in H1 2024 to 116 at the end of the third quarter. This reflects the fact that four green, non-significant risks are no longer applicable, while two new green, non-significant risks have been added. The number of significant amber risks fell to nine. The "Material impact of legal disputes" risk, which was previously classified as amber, has been reduced, in terms of the amount of loss, due to the recognition in the balance sheet of the risk associated with legal disputes with a social insurance provider in the amount of € 140.0 million (with a maximum risk of € 240.0 million), and is now classified as a green risk. In addition, the loss amount for the risk of "Higher refinancing costs due to changes in risk profile" was increased from € 180-450 million to € 450-900 million, with the probability of occurrence remaining unchanged at 5-39%. This is mainly attributable to an increased margin in a scenario of higher refinancing costs.

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. Continued high interest rates and inflation are leading to 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 from sales resulting in a smaller portfolio. For the **Value-add** segment, we anticipate a very strong increase in adjusted EBITDA in 2024, mainly driven by the ramp-up of our investment activities and a positive effect from the leasing of coax networks, which will not be reflected to the same extent next year. We also predict a strong increase in the EBITDA contribution provided by our **Development** segment based on an increased level of demand for new condominiums. Due to the prioritization of liquidity over profitability in the sale of existing apartments, we expect adjusted EBITDA for the **Recurring Sales** segment to be moderately below the previous year's level. At Group level, for 2024 we therefore expect to see an **Adjusted EBITDA Total** that is slightly higher than in the previous year.

The rise in interest rates over the last two years is resulting in a marked increase in borrowing costs and the associated negative 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 following table, which presents material and selected key figures, provides an overview of our forecast for 2024 and an initial outlook for the 2025 fiscal year.

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

	Actual 2023	Forecast for 2024	Forecast for 2024 in the 2024 Q1 Report	Forecast for 2024 in the 2024 Q3 Report	Outlook 2025
Adjusted EBITDA total	€2,538.8 million	€ 2.55–2.65 billion	Upper end of € 2.55–2.65 billion	Upper end of € 2.55–2.65 billion	€ 2.70–2.80 billion
Adjusted EBT	€ 1,866.2 million	€ 1.70–1.80 billion	Upper end of € 1.70–1.80 billion	Upper end of € 1.70–1.80 billion	€ 1.75–1.85 billion
EPRA NTA per share*	€ 46.82	suspended	suspended	suspended	suspended
Sustainability Performance Index (SPI)	111%	100%	100%	100%	-100%
Rental income	€ 3,253.4 million	-€ 3.3 billion	-€ 3.3 billion	-€ 3.3 billion	€ 3.3–3.4 billion
Organic rent growth	3.8%	3.4–3.6%	Upper end of 3.8–4.1%	Upper end of 3.8–4.1%	-4%
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. In light of the long-term expectation of -4% organic rent growth per year, Vonovia will no longer show the additional irrevocable rent increase separately.

Bochum, October 29, 2024

The Management Board