

The logo for VONOVIA, featuring the word in a white, bold, sans-serif font. The background of the slide is a photograph of a modern, multi-story apartment building with balconies, partially obscured by lush green trees. The entire image has a semi-transparent teal overlay.

VONOVIA

# Finalizing The Deutsche Wohnen Acquisiton

## Rights Issue Presentation

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November 22, 2021

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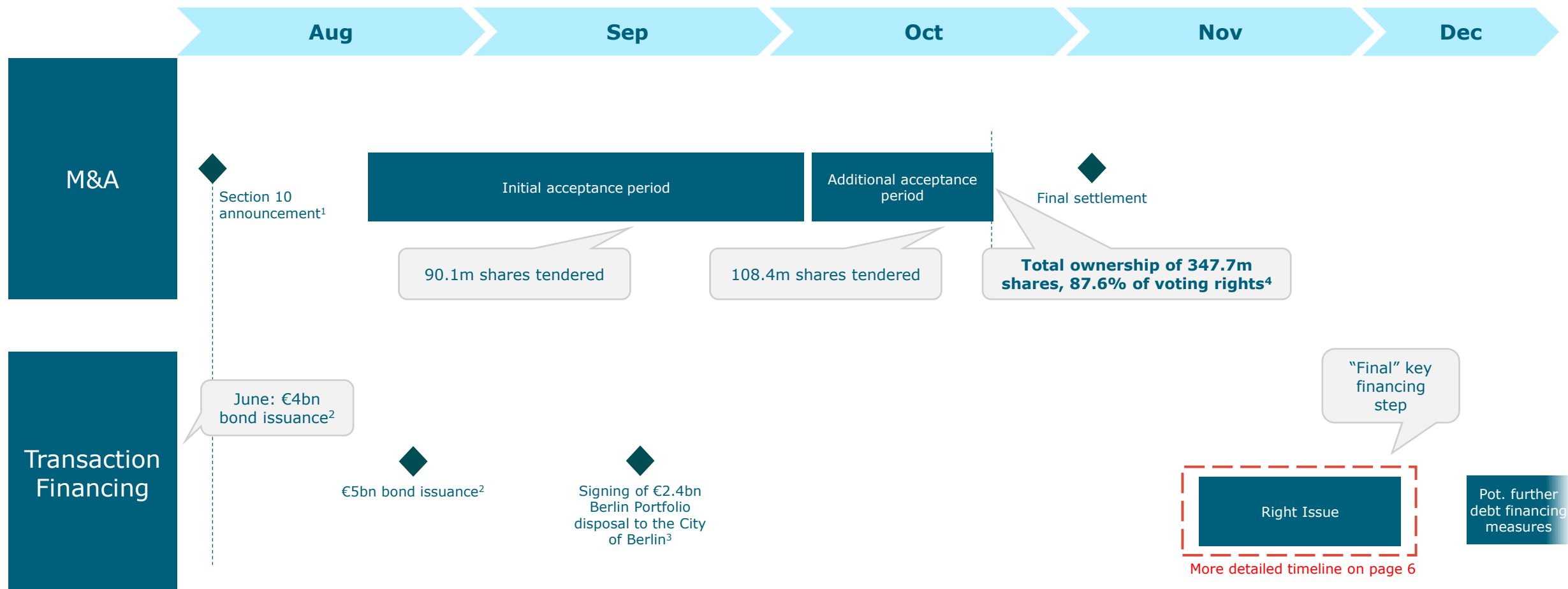
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Tables and diagrams may include rounding effects.

1. Transaction Overview pages 3-9
2. Company Overview pages 10-20
3. Appendix pages 21-29

# Final Chapter of Deutsche Wohnen Acquisition

## €8bn Equity Funding for the All-cash Acquisition of More than €30bn of Properties



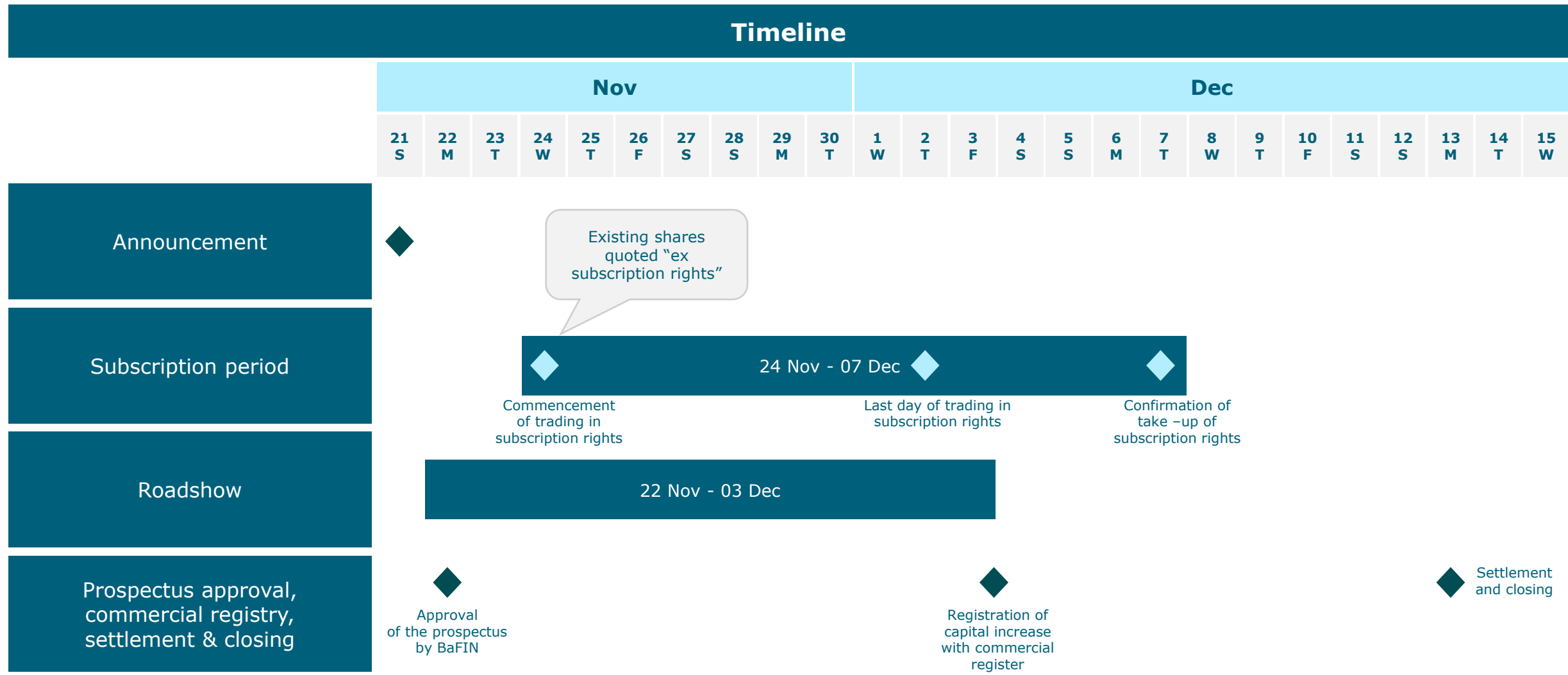
<sup>1</sup> Revised offer with Section 10 filing on 5 August 2021. <sup>2</sup> Not all proceeds have been used to fund the acquisition; partially general corporate purposes and refinancing of existing debt. <sup>3</sup> Envisaged closing in 2022. <sup>4</sup> Partially from on-market, bilateral and convertible acquisitions; number of voting rights excl. remaining treasury shares.

# Rights Issue Terms

Terms	
<b>Issuer</b>	<ul style="list-style-type: none"><li>▪ Vonovia SE</li></ul>
<b>Transaction type</b>	<ul style="list-style-type: none"><li>▪ Fully underwritten rights issue</li></ul>
<b>Offer size</b>	<ul style="list-style-type: none"><li>▪ €8,054m</li></ul>
<b>Rights ratio</b>	<ul style="list-style-type: none"><li>▪ 7 new for 20 old shares</li></ul>
<b>New shares to be issued</b>	<ul style="list-style-type: none"><li>▪ 201.3m shares (35% of shares capital)</li></ul>
<b>Subscription price</b>	<ul style="list-style-type: none"><li>▪ €40.00 per share</li></ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"><li>▪ Funding of Deutsche Wohnen acquisition, as well as funding of outstanding debt and transaction costs</li></ul>
<b>Irrevocable commitment</b>	<ul style="list-style-type: none"><li>▪ Irrevocable commitments to fully exercise subscription rights from APG<sup>1</sup> (4%) and Norges<sup>2</sup> (11%)</li></ul>
<b>Joint Global Coordinators</b>	<ul style="list-style-type: none"><li>▪ BofA Securities, Morgan Stanley, Société Générale</li></ul>
<b>Bookrunners</b>	<ul style="list-style-type: none"><li>▪ BNP Paribas, Citigroup, Commerzbank, Deutsche Bank, Goldman Sachs Bank Europe SE, ING, IMI-Intesa Sanpaolo, J.P. Morgan, Landesbank Baden-Württemberg, UBS Investment Bank, UniCredit Bank AG</li></ul>

<sup>1</sup> Certain funds managed by APG Asset Management N.V. <sup>2</sup> The Central Bank of Norway.

# Rights Issue Timeline

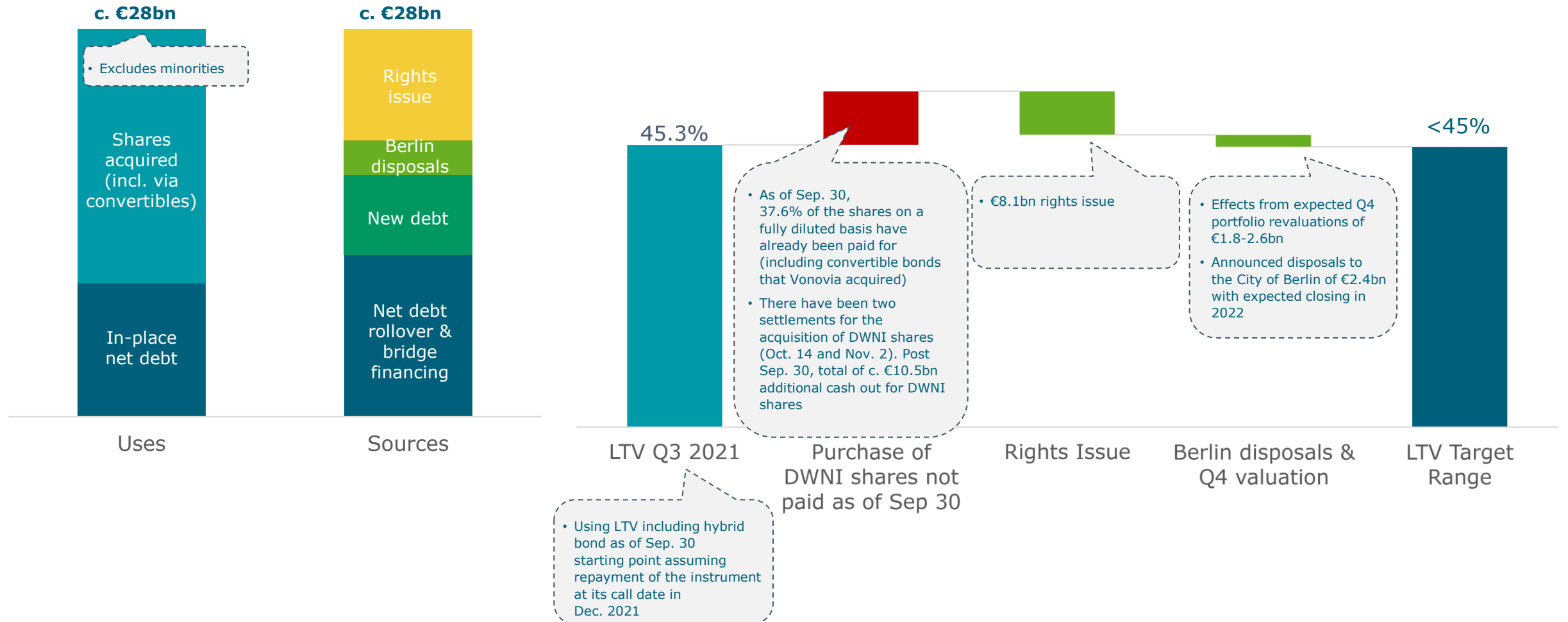


# Rights Issue Will Bring LTV Back Into Target Range

We Remain Committed to our 40-45% LTV Target Range

€28bn of acquisition consideration expected to be funded with €8bn of equity

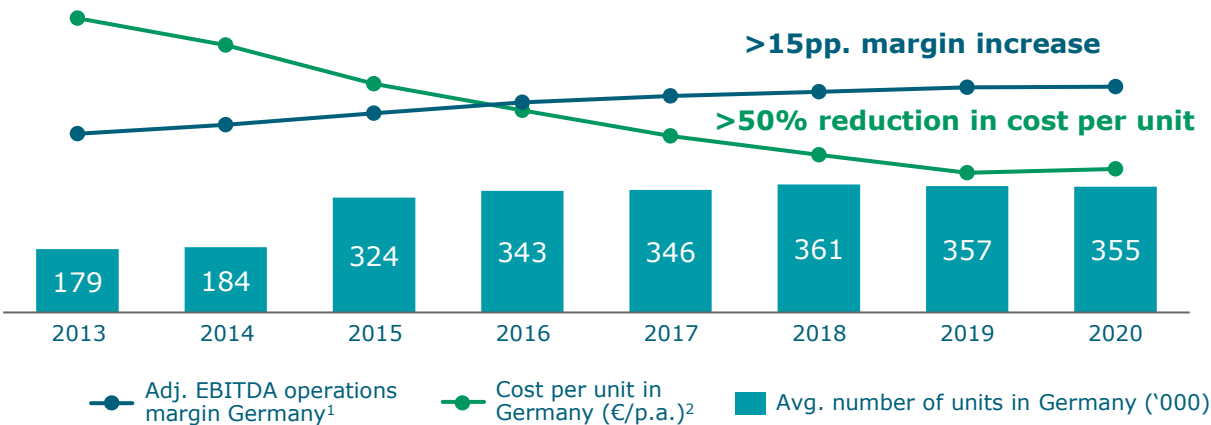
Pro forma LTV expected to be back in target range post rights issue





# Scale is a Key Differentiator in German Residential

## Scalability of the business clearly proven<sup>1</sup>



## Additional scale benefits

- **Customer experience:** Larger organization better positioned to offer wider and better customer services including own craftsmen, customer app, value-add services, 24/7 emergency hotline etc.
- **Incremental revenues:** Scale enables insourcing and internalization of margins from functions performed by third parties for most residential landlords
- **ESG:** Larger scale provides capacity and funds to engage in research and development in CO<sub>2</sub> reduction strategies and other areas
- **Modular construction:** Modular (new) construction and refurbishments including innovative fields such as wooden construction require meaningful scale to offer significant benefits due to upfront investments

## Vonovia (over-)achieved announced synergies in its M&A deals

Transaction	DeWAG	vitus	GAGFAH	SUDEWO SÜDDEUTSCHE WOHNEN	conwert Immobilien Invest SE	BUWOG group	VICTORIA PARK*	hembla	DEUTSCHE WOHNEN
Synergies (over-)delivered	✓	✓	✓	✓	✓	✓	no synergies in Swedish nucleus	✓	€105m EBITDA synergies announced

<sup>1</sup> Adj. EBITDA Operations margin (Adj. EBITDA Rental + Adj. EBITDA Value-add – intragroup profits) / Rental revenue. Margin 2019 and beyond includes positive impact from IFRS 16 based on German portfolio only <sup>2</sup> Cost per unit is defined as (Rental revenue – EBITDA Operations + Maintenance) / average no. of units based on German portfolio only



# Compelling Investment Case

## #1 Residential Player

- Europe's largest residential landlord and long-term owner of a 568k units<sup>1</sup> multifamily housing portfolio for small and medium incomes in metropolitan growth areas.
- Full-scale operator with proven economies of scale benefits – best-in-class costs per unit owned.
- Demonstrated track record to vertically and horizontally extend value chain – c. €200m EBITDA contribution from value-add and development business in 9M 2021.

## Uniquely Positioned

- Business model built around residential megatrends with unique positioning to capitalize on urbanization, energy efficiency, and demographic change.
- Asset basis in high demand due to historical high spreads between bund and residential yields, underpinned by a track record of non-core sales above book value.
- The granularity and B-to-C nature of our business are unique in real estate. Our strategy of standardization, industrialization and process optimization makes us the industry leader with best-in-class service levels and superior cost control.

## Attractive Risk Profile

- Strong fundamentals provide a positive backdrop and set the stage for further organic growth (~3.8% like-for-like rental growth expected in 2021<sup>2</sup>).
- Regulated environment safeguards attractive risk-adjusted returns and offers downside protection.
- Regulation supports robust and steady rent growth and entry barriers through high replacement costs.

## Future Growth Potential

- Organic earnings and value growth through stable cash flow generation, secured development pipeline and value uplift potential driven by strong demand and significant capital inflow into the asset class.
- Substantial long-term upside potential from acquisitions in selected European metropolitan areas. Low execution risk from track record of acquiring >470k apartments in nine large transactions since IPO.
- Consistent historical dividend growth expected to continue in the future.

## Built-in ESG Focus

- All of our actions have more than just an economic dimension.
- We provide a home to more than 1 million people from ca. 150 nations.
  - CO<sub>2</sub> emissions related to housing are one of the largest sources of greenhouse gas emissions and we have embarked on a climate path to have a CO<sub>2</sub> neutral portfolio by 2050.
  - As a listed, blue-chip company we are rightfully held to a high standard.

<sup>1</sup>Not considering the sale of c. 15k units to the City of Berlin. <sup>2</sup> Vonovia standalone/ planning assumption in the Pro Forma financials.

# Agenda

1. Transaction Overview pages 3-9
2. Company Overview pages 10-20
3. Appendix pages 21-29

# 9M 2021 Highlights

- Operating business continues to perform fully in line with expectations.
- Market fundamentals remain highly favorable.
- Continued focus on managing the residential megatrends with a view towards sustainability and adequate stakeholder reconciliation.

## 1 Financial Performance

- Total Segment Revenue €3,517m (+9.5% y-o-y).
- Adj. EBITDA Total €1,540.9m (+7.6% y-o-y).
- Group FFO €1,147.3m (+12.9%) and €1.99 per eop share (+10.8% y-o-y).

## 2 Valuation

- €1.6bn (+2.6% l-f-l) value growth in Q3 (VNA stand-alone).
- €1.8bn - €2.6bn (2.8%-4.0%) value growth estimated for Q4 (VNA stand-alone).
- EPRA NTA €70.26 per share (+12% ytd).<sup>1</sup>
- EPRA NTA €60.44 per share excluding purchaser's costs (+6.7% ytd).<sup>1</sup>

## 3 Capital Structure

- 45.3% LTV incl. the perpetual hybrid and 14.0x Net debt/EBITDA multiple<sup>2</sup> as of Sep. 30, 2021 (excl. €10.5bn payment obligations for DWNI shares transferred after Sep. 30, 2021).<sup>1</sup>
- Pro forma LTV below 45% when adjusted to reflect (i) €10.5bn payment obligations as of Sep 30, (ii) ca. €8bn rights issue, (iii) Berlin disposals and (iv) Q4 valuation growth (estimate €1.8-2.4bn, excluding DWNI).

## 4 2021E Guidance

- Vonovia-stand-alone guidance (excl. contributions from Deutsche Wohnen)
  - Adj. EBITDA Total guidance increased to around the upper end of the €2,055m - €2,105m range;
  - Group FFO guidance increased to €1,520m - €1,540m.

## 5 Deutsche Wohnen

- Vonovia now owns 87.6% of voting rights.
- Announced changes to Vonovia Management Board expected in Jan 2022.
- Integration project kicked off.

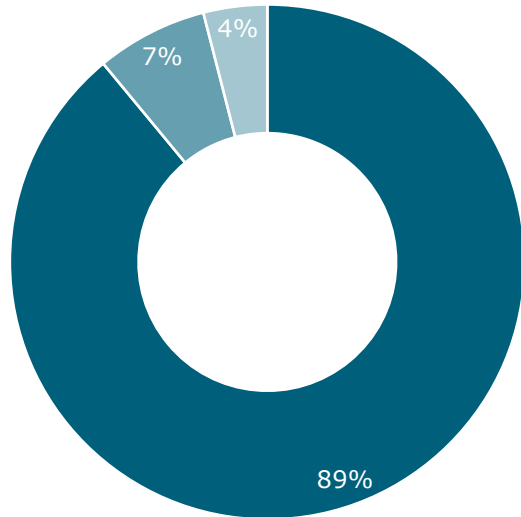
<sup>1</sup> Incl. Deutsche Wohnen on a fully consolidated basis as per Sep 30, 2021. This is based on 37.6% of shares (fully diluted for convertibles) already paid and excluding €10.5bn payment obligations outstanding as of the end of Q3 and before conversion of all convertibles. <sup>2</sup> Adj. net debt quarterly average over Adj. EBITDA Total (LTM), adj. for IFRS 16 effects.

# Europe's Leading Residential Property Owner and Operator

incl. DWNI

We are the long-term owner and full-scale operator of Europe's largest listed multifamily housing portfolio with ca. 568k apartments<sup>1</sup> for small and medium incomes in metropolitan growth areas.

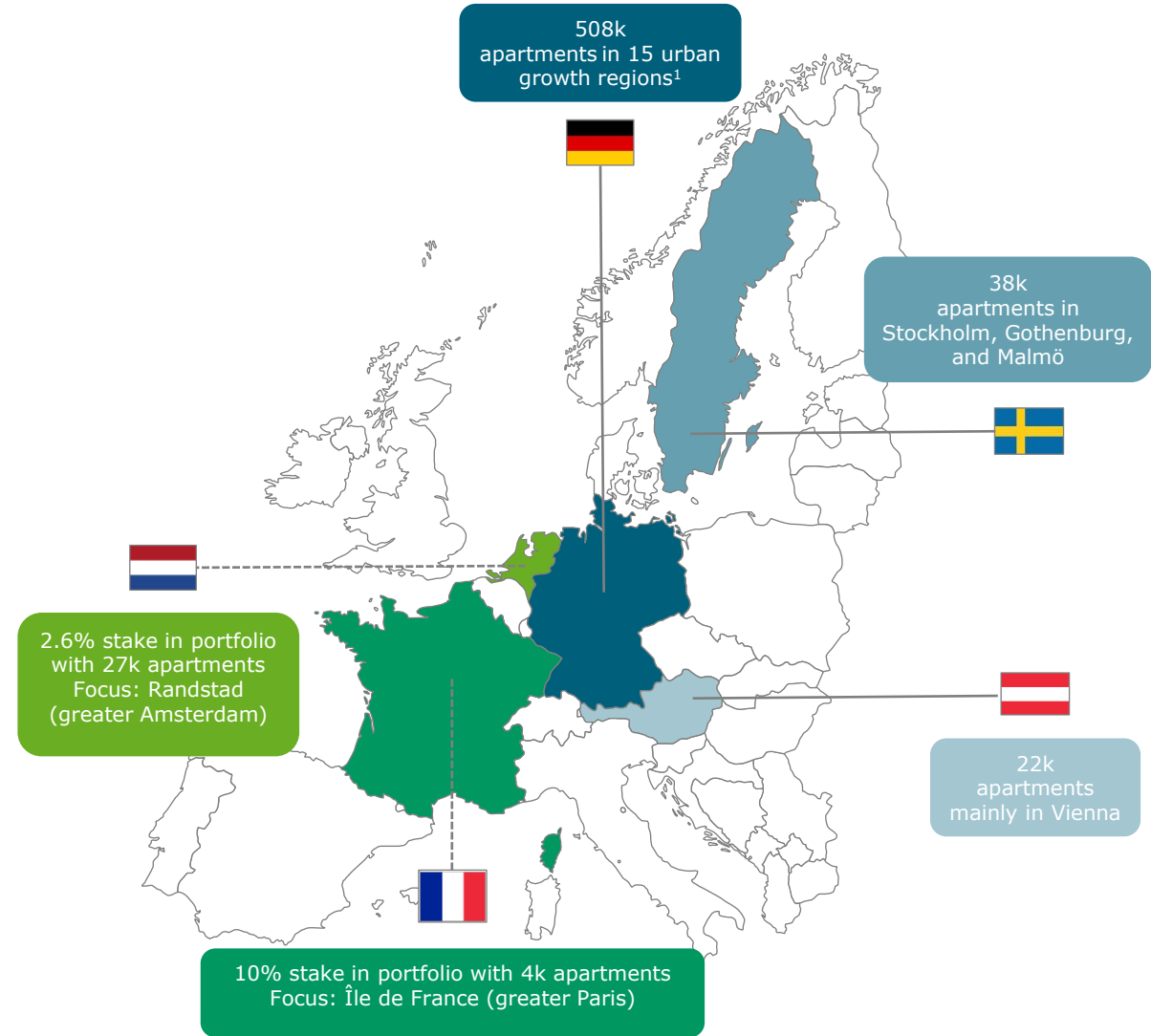
## Geographic split (by number of units)



Germany Sweden Austria

The small stakes we own in the Dutch and in the French portfolios are considered less of a financial investment and more R&D which allows to gain an even better understanding of the markets.

Fair Value  
€90bn<sup>1,2</sup>

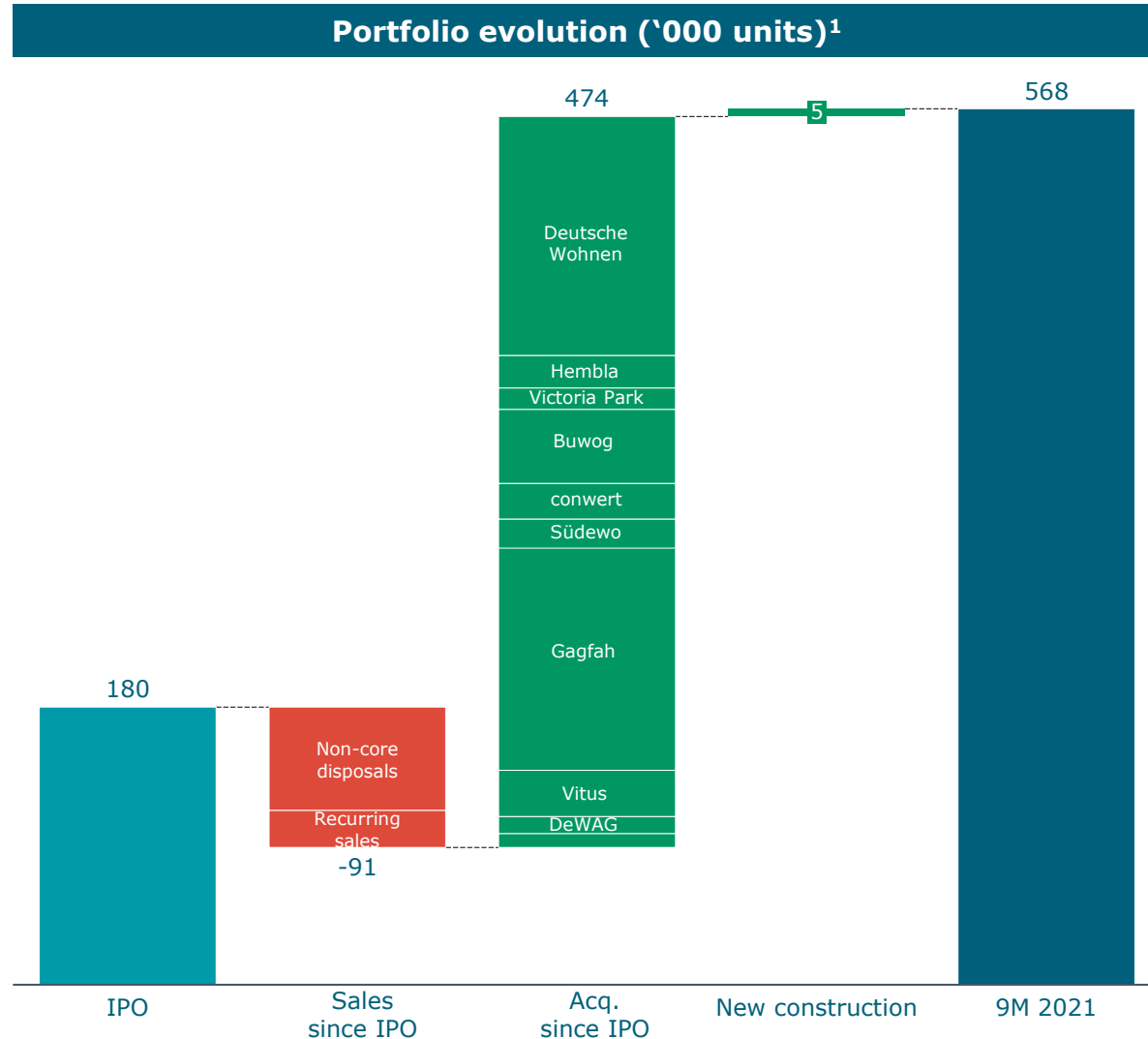


<sup>1</sup> Not considering the sale of c. 15k units to the City of Berlin. <sup>2</sup> Fair value of the developed land excluding €5,854.1m, of which €652.3m for undeveloped land and inheritable building rights granted, €833.6m for assets under construction, €923.8m for development, €1,261.0 for nursing portfolio, €396.8m IFRS effect and €1,786.6m other.



# Portfolio Evolution

## Execution of Strategy as Market Consolidator and Player of Scale



### Major transactions

Target	Year	Country	Units ('000)	Strategic rationale
DeWAG	2014	Germany	11	adding scale and additional exposure to growth regions
Vitus	2014	Germany	30	adding scale and additional exposure to growth regions
GAGFAH	2015	Germany	145	adding scale and establishing the German champion
SUDEWO SÜDDISCHE WOHNEN	2015	Germany	19	adding scale and additional exposure to growth regions
conwert Immobilien Invest SE	2017	Germany, Denmark	23	adding scale and additional exposure to growth regions
BUWOG group	2018	Germany, Denmark	48	adding scale in Germany and Austria; acquiring development capabilities
VICTORIA PARK	2018	Sweden	14	entry into Swedish market
hembla	2019	Sweden	21	adding scale in Sweden
DEUTSCHE WOHNEN	2021	Germany	155	adding scale and additional exposure in attractive regions

<sup>1</sup> Not considering the sale of c. 15k units to the City of Berlin.

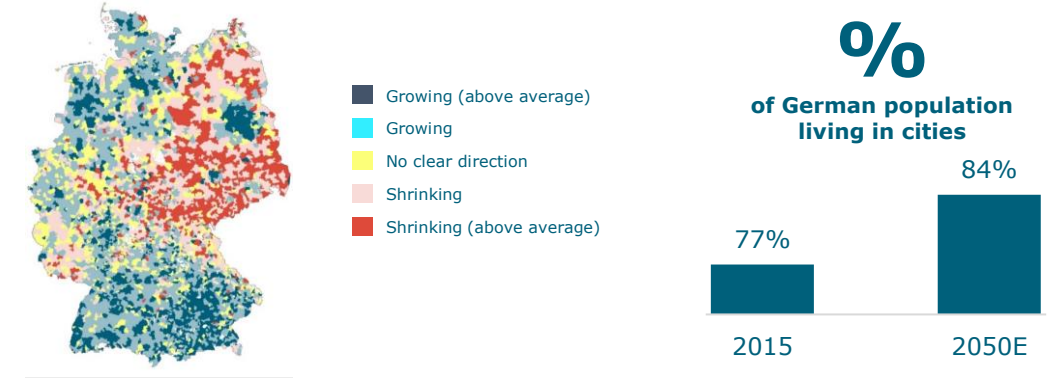
# Favorable Market Environment

## Urbanization, Replacement Costs, and Gap between Bund Yields and Resi Yields

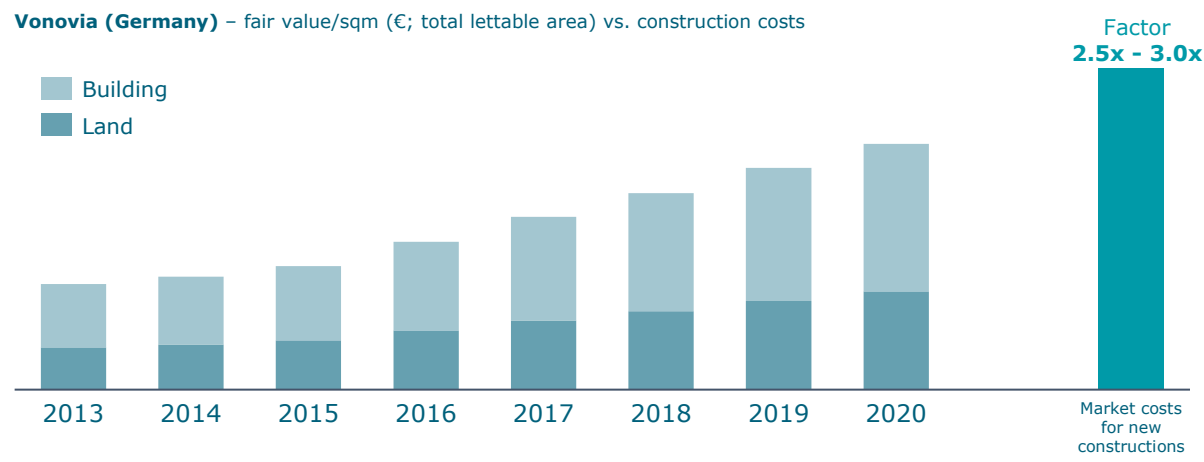
excl. DWNI

- Long-term trend of urbanization puts pressure on urban housing markets.
- In-place values are substantially below replacement costs.
- Continuously wide gap between bund yields and resi yields.

### Urbanization<sup>1</sup>

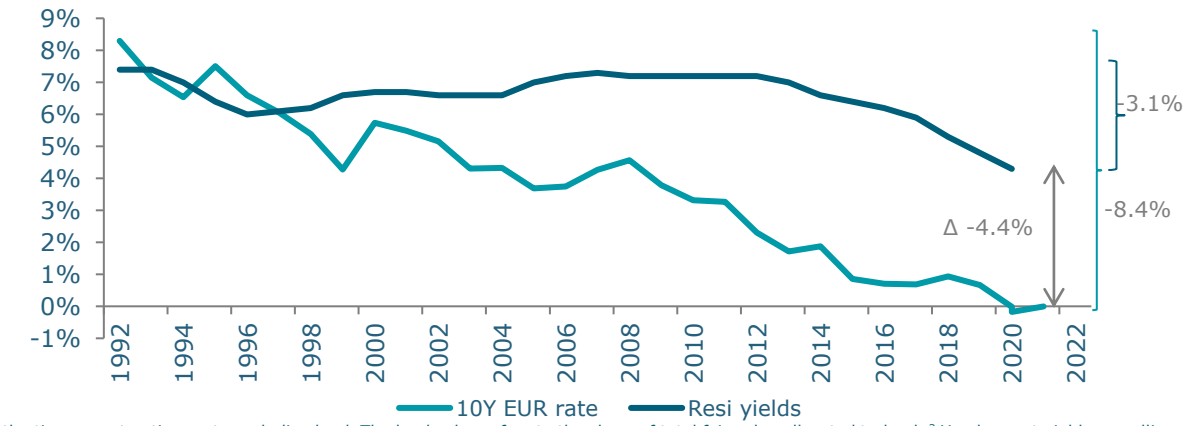


### Large gap between in-place values and replacement costs<sup>2</sup>



### German residential asset yields (%) vs. EUR interest rates (%)<sup>3</sup>

Supply/demand imbalance, rental regulation, market rent growth, location of assets etc. **outweigh the impact of interest rates** when it comes to pricing residential real estate.



<sup>1</sup> Source: BBSR (<https://gis.uba.de/maps/resources/apps/bbsr/index.html?lang=de>) <sup>2</sup> Note: VNA 2010 – 2014 refers to Deutsche Annington Portfolio at the time; construction costs excluding land. The land value refers to the share of total fair value allocated to land. <sup>3</sup> Yearly asset yields vs. rolling 200d average of 10y interest rates. Sources: Thomson Reuters, bulwiengesa (2020 resi yield is an estimate).



# Rent Growth

## Stable Market Rent Growth Leveraged with Investments

### Vonovia has three different organic rent growth drivers

1

**Incremental rent from market rent adjustments (“Mietspiegel”) and re-lettings without investments.**

2

**Incremental rent from modernization**

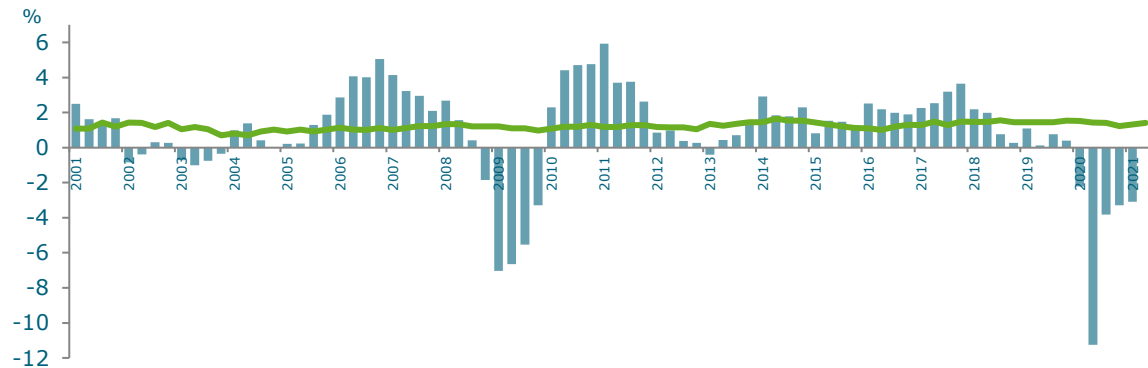
- energy efficiency improvements (“Upgrade Building”) and
- senior-friendly apartment conversion (“Optimize Apartment”).

3

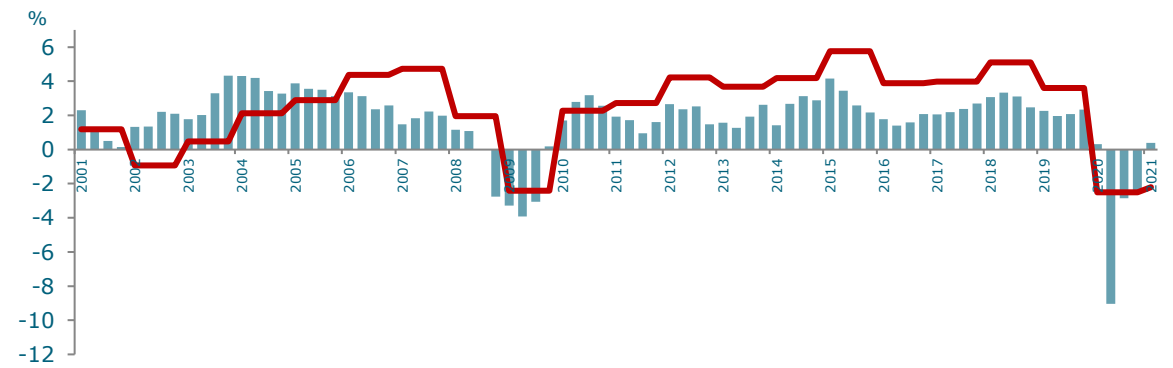
**Additional rent from new sqm.**

### Regulated environment provides stable market rent growth<sup>1</sup>

Regulated market rents (Germany)



Unregulated market rents (USA)



■ GDP, quarterly development y-o-y    ■ Market rent growth; quarterly development y-o-y

<sup>1</sup> Sources: Federal Statistics Office, GdW (German Association of Professional Homeowners), REIS, BofA Merrill Lynch Global Research, OECD, Note: Due to lack of q-o-q rent growth data for the US, the annual rent growth for a year is assumed to also be the q-o-q rent growth of that year.



# Megatrends – Challenge & Opportunity

**Our scale, sustainable business model and access to capital markets enable us to assume a leading role in our industry for finding and implementing solutions.**



## Urbanization

An increasing part of the population is moving into urban areas



**We are providing apartments at fair price levels to a growing urban population**

Our products and services give more than one million people an affordable home in their apartment and neighborhood.



## Energy efficiency

Ca. 1/3 of greenhouse gas emissions are related to real estate



**We are a driving force of the industry and have embarked on a climate path that will result in a CO<sub>2</sub> neutral portfolio by 2050**

The energy-efficient modernization of the housing stock and innovative solutions for carbon neutral residential neighborhoods are paramount for achieving climate protection targets.



## Demographic change

An increasing share of the population is 65+ years



**We are preparing at least one third of all Vonovia apartments that become vacant for elderly tenants**

Demographic changes require refurbishing apartments to enable an ageing population to stay in their homes with little or no assistance for longer.

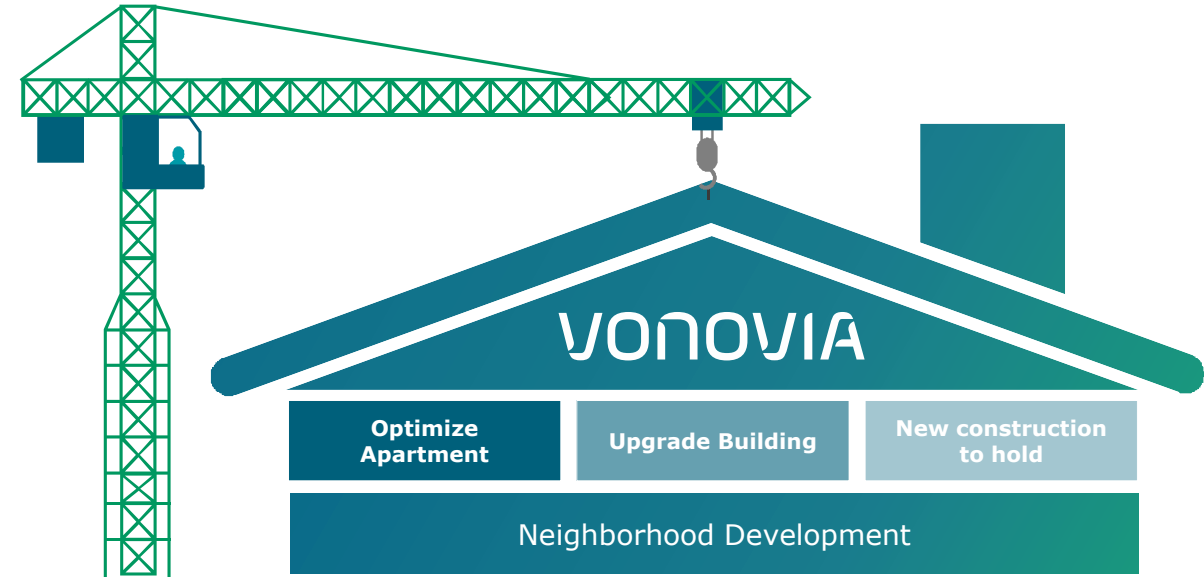
# Investment Program for Organic Growth

## Investing on the Basis of Megatrends

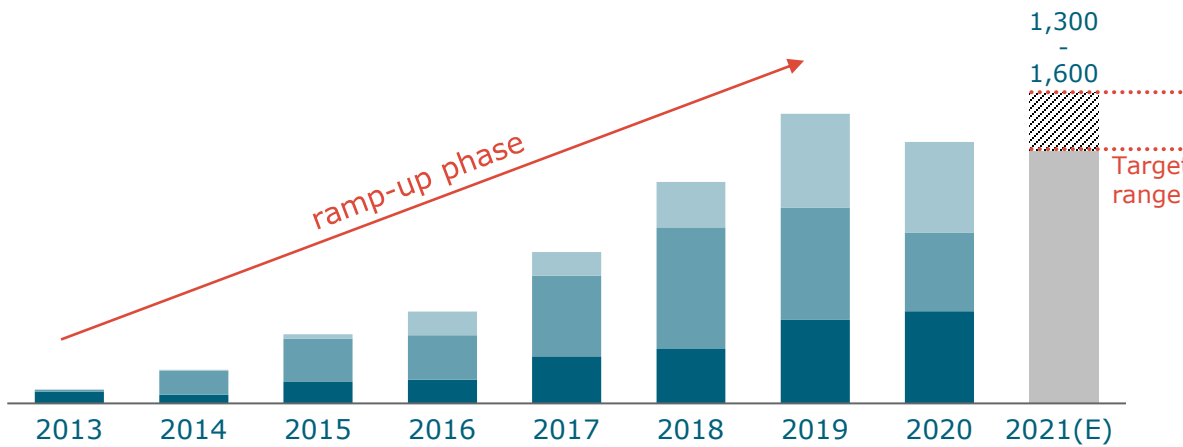
excl. DWNI

Our targeted investments in Optimize Apartments, Upgrade Buildings and New Construction to Hold lead to incremental rental revenue<sup>1</sup>, value appreciation and an overall improvement of our portfolio quality, including CO<sub>2</sub> emission reductions.

Our Target IRR for the overall investment program is ca. 9%.






**Investment program evolution (€m)**



- New construction to hold**: Construction of apartments for our own portfolio through entirely new buildings or floor additions to existing buildings, applying modular and conventional construction methods (*Excl. development to sell*).
- Upgrade Building**: Energy-efficient building modernization usually including new facades, roofs, windows and heating systems.
- Optimize Apartment**: Primarily senior-friendly apartment renovation usually including new bathrooms, modern electrical installations, new flooring, etc.

<sup>1</sup> An aggregate amount of ~€92m additional rent p.a. is still in the pipeline from the investment programs 2017 to 2021 where projects are underway but not fully completed. Note: The target volume of €1,300 - €1,600 million does not account for any additional impacts that may arise from using the new Federal Funding Regulation for Energy-Efficient Buildings ("BEG") and that may possibly lead to higher volumes.

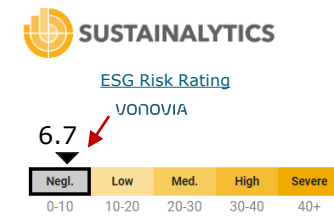
# Balanced Stakeholder Approach

<p><b>A home at a fair rent level</b></p> 	<p>Fair rental levels for low- to mid-income households</p>	<p>Self-imposed obligation to cap modernization rent increases to max. €2 per sqm; Guarantee to tenants 70+ years that rents will remain affordable even if market rents change</p>	<p>Hardship case management to effectively assist tenants in financial distress; No claw back of foregone rents after Berlin rent freeze was ruled unconstitutional</p>	<p>COVID-19 – special promise that we will find individual solutions for tenants who struggle financially; no one to lose the roof over their head</p>
<p><b>Contribution to society and stability of local neighborhoods</b></p> 	<p>242 social projects in our neighborhoods; Cooperation with non-profit organizations to support tenants in need</p>	<p>Vonovia Foundation supports multitude of social projects</p>	<p>34 neighborhood managers and social workers to assist tenants and promote unity in diversity in our neighborhoods</p>	<p>Customers from ca. 150 different countries and tenants from all walks of life</p>
<p><b>Top employer</b></p> 	<p>It is our ambition to be the best employer in the real estate and craftsmen industries</p>	<p>Employer appeal – we are an attractive employer for former, current and future employees</p>	<p>Talents – we actively support our employees in their development to become the experts and leaders of our industry</p>	<p>Culture &amp; change – we share a common culture of diversity, performance and appreciation in an developing organization that embraces change</p>

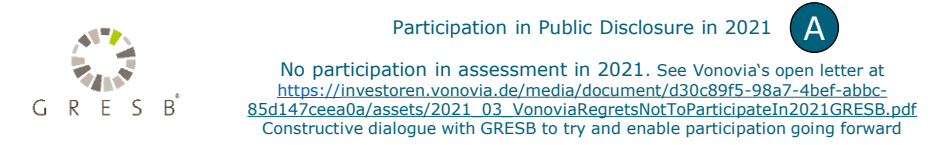
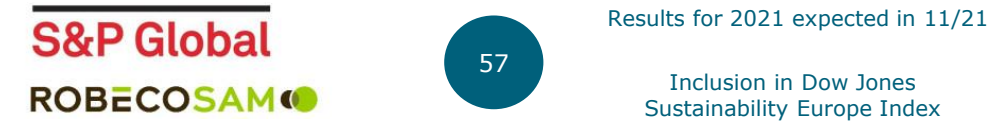
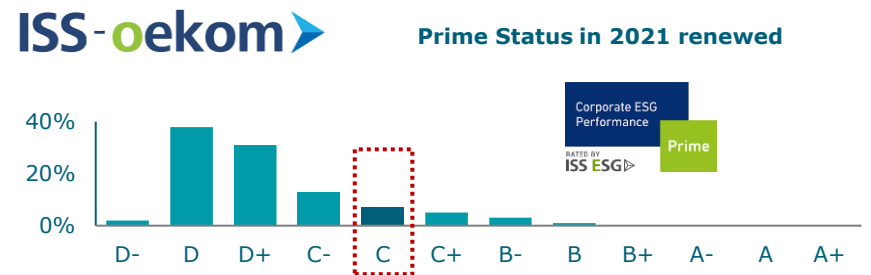
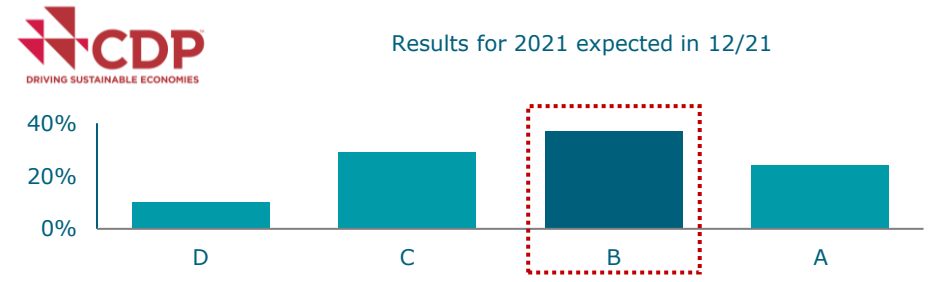
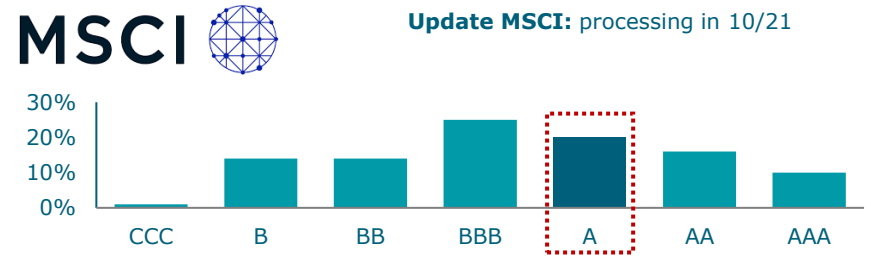
# Recognition of ESG Performance

## ESG Ratings and Indices

### ESG Ratings



- **Upgraded** in both ratings in 2021
- Risk rating within 1st percentile of global rating universe
- Ranked 21 out of universe of 14,469 companies globally
- Ranked 3 out of 1,038 companies within Real Estate group (as of Oct. 5, 2021)



### ESG Indices

Vonovia is a constituent of various ESG indices, including the following: DAX 50 ESG, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, STOXX Europe ESG Leaders 50, Dow Jones Sustainability Index Europe.

# Final Guidance 2021

## Increased Vonovia Stand-alone Guidance for Adj. EBITDA Total and Group FFO

- Guidance is for **Vonovia-stand-alone without Deutsche Wohnen** contribution.
- Actual FY2021 results will be including (a) DWNI at-equity contribution for 2 months, (b) Q4 DWNI FFO, and (c) transaction-related costs.

	2020 Actuals	Final 2021 Guidance (as of 11/2021)	Mid-Term Outlook
Total Segment Revenue	€4.4bn	~€4.9bn - ~€5.1bn ✓	growing
Rental Revenue	€2.3bn	~€2.3bn - ~€2.4bn ✓	growing
Organic rent growth (eop)	3.1% (3.6% excl. one-off effect in Berlin)	~3.8% ✓	stable
Recurring Sales (# of units)	2,442	~2,800 ✓	stable
FV step-up Recurring Sales	39.6%	>35% ✓	stable
Adj. EBITDA Total	€1,910m	around upper end of €2,055m - €2,105m range ↑	growing
Group FFO	€1,348m	€1,520m - €1,540m ↑	growing
Dividend (€/share)	1.69	~70% of Group FFO per share <sup>1</sup> ✓	stable payout ratio; €/share growing
Investments	€1.3bn	~€1.3bn - ~€1.6bn ✓	at least stable
SPI	Starting point established	~105% ✓	at least stable

<sup>1</sup> (Vonovia stand-alone Group FFO + (Deutsche Wohnen 2021 FFOE \* ~65% theoretical payout rate DWNI \* 87.6% Vonovia stake)) \* ~70% Vonovia payout rate.

# Appendix

# Combined Portfolio

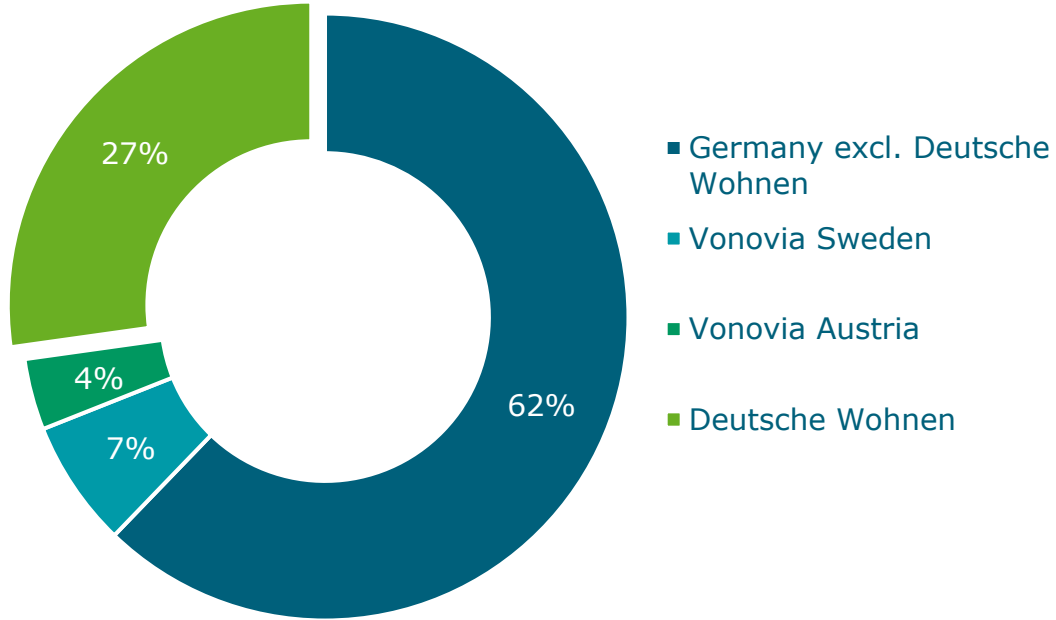
## Contribution of Deutsche Wohnen into Total Portfolio

Impact of acquisition on portfolio metrics (Q3 2021)<sup>1</sup>

Portfolio split based on residential units (Q3 2021)

	<b>Vonovia</b>	+	<b>Deutsche Wohnen</b>	=	<b>Combined</b>
<b>Residential Units</b>	414k	+	155k	=	568k
<b>Fair value<sup>2</sup> (€m)</b>	62,311	+	27,610	=	89,921
<b>Residential In-place Rent (€m)</b>	2,263	+	782	=	3,045

Fair value of standing residential portfolio



<sup>1</sup> Incl. ca 15k units to be sold to the City of Berlin of which c. 4k from Vonovia and the remainder from DWNI. <sup>2</sup> Fair value of the developed land excluding €5,854.1m, of which €652.3m for undeveloped land and inheritable building rights granted, €833.6m for assets under construction, €923.8m for development, €1,261.0 for nursing portfolio, €396.8m IFRS effect and €1,786.6m other.



# EPRA NTA and NRV

incl. DWNI

- Sep. 30, 2021 data **including Deutsche Wohnen** on a fully consolidated basis with
  - 50% of deferred taxes included for EPRA NTA;
  - 100% of purchaser's costs included for EPRA NTA.
- Excluding purchaser's costs the EPRA NTA pro forma per share was €60.44 as of Sep. 30, 2021.

€m (unless indicated otherwise)	EPRA NTA			EPRA NRV		
	Sep. 30, 2021 <sup>1</sup>	Dec. 31, 2020	Delta	Sep. 30, 2021 <sup>1</sup>	Dec. 31, 2020	Delta
IFRS Equity attributable to shareholders	26,493.2	23,143.9	+14.5%	26,493.2	23,143.9	+14.5%
Deferred tax in relation to FV gains of investment property <sup>2</sup>	15,111.2	10,466.7	+44.4%	19,577.4	11,947.8	+63.9%
FV of financial instruments <sup>3</sup>	51.5	54.9	-6.2%	51.5	54.9	-6.2%
Goodwill as per IFRS balance sheet	-6,739.1	-1,494.7	>100%	-	-	-
Intangibles as per IFRS balance sheet	-145.9	-117.0	-24.7%	-	-	-
Revaluation of the intangibles <sup>4</sup>	-	-	-	4,610.0	4,610.0	-
Purchaser's costs <sup>2</sup>	5,647.0	3,434.8	+64.4%	6,137.1	3,920.8	+56.5%
<b>NAV</b>	<b>40,417.9</b>	<b>35,488.6</b>	<b>+13.9%</b>	<b>56,869.2</b>	<b>43,677.4</b>	<b>+30.2%</b>
NOSH (million)	575.3	565.9	+1.7%	575.3	565.9	+16.6%
<b>NAV (€/share)</b>	<b>70.26</b>	<b>62.71</b>	<b>+12.0%</b>	<b>98.86</b>	<b>77.18</b>	<b>+28.1%</b>

<sup>1</sup> Incl. Deutsche Wohnen on a consolidated basis as of Sep. 30. <sup>2</sup> VNA Hold Portfolio only for EPRA NTA. Total portfolio for EPRA NRV. 50% of Deutsche Wohnen deferred taxes included for EPRA NTA in 2021; 100% of Deutsche Wohnen Purchasers' costs (referred to as Real Estate Transfer Tax in the prospectus) included for EPRA NTA in 2021. <sup>3</sup> Adjusted for effects from cross currency swaps. <sup>4</sup> No revaluation of intangibles in Q3 (only once a year in Q4). <sup>5</sup> Preliminary since "Anticipated Acquisition Method" has been used, which assumes an acquisition of 100% of Deutsche Wohnen.

# LTV & Net Debt/EBITDA Multiple

## DWNI Transaction Structure Leads to Temporarily Elevated Metrics

incl. DWNI

€m (unless indicated otherwise)	Sep. 30, 2021 <sup>1</sup>	Dec. 31, 2020	Delta
Non-derivative financial liabilities	46,179.9	24,084.7	+91.7%
Foreign exchange rate effects	-31.6	-18.9	+67.2%
Cash and cash equivalents	-3,173.2	-613.3	>100%
Net debt	42,975.1	23,452.5	+83.2%
Sales receivables/prepayments	-60.1	-122.3	-50.9%
<b>Adj. net debt</b>	<b>42,915.0</b>	<b>23,330.2</b>	<b>+83.9%</b>
Fair value of real estate portfolio	95,378.7	58,910.7	+61.9%
Loans to companies holding immovable property and land	950.4	-	-
Shares in other real estate companies	700.4	324.8	>100%
<b>Adj. fair value of real estate portfolio</b>	<b>97,029.5</b>	<b>59,235.5</b>	<b>+63.8%</b>
LTV	44.2%	39.4%	+480bps
<b>LTV (incl. perpetual hybrid)</b>	<b>45.3%</b>	<b>41.1%</b>	<b>+420bps</b>
<b>Net debt/EBITDA multiple<sup>2</sup></b>	<b>14.0x</b>	<b>12.3x</b>	<b>+1.7x</b>

- We remain committed to our LTV target range of 40-45%.
- The reported LTV and Net debt/EBITDA multiple as of Sep 30 do not include the purchase price of €10.5bn for Deutsche Wohnen shares not yet paid as of the end of Q3.

<sup>1</sup> Incl. Deutsche Wohnen on a consolidated basis as of Sep. 30. <sup>2</sup> Adj. net debt quarterly average over Adj. EBITDA Total (LTM), adj. for IFRS 16 effects.

# Rights Issue Mechanics Designed to Fully Compensate Shareholders for Issuance Discount

- **Shares are issued at a discount** to the prevailing market price to existing shareholders by way of subscription rights on a pro-rata basis
- On the opening of the subscription period the shares go “ex-rights” meaning that the **rights are detached from each share and traded separately**
- At issuance, shares will trade at the Theoretical Ex-Rights Price (“**TERP**”) defined as the weighted average price of the shares outstanding prior to the discounted rights issue and the new shares issued at the subscription price calculated as follows:

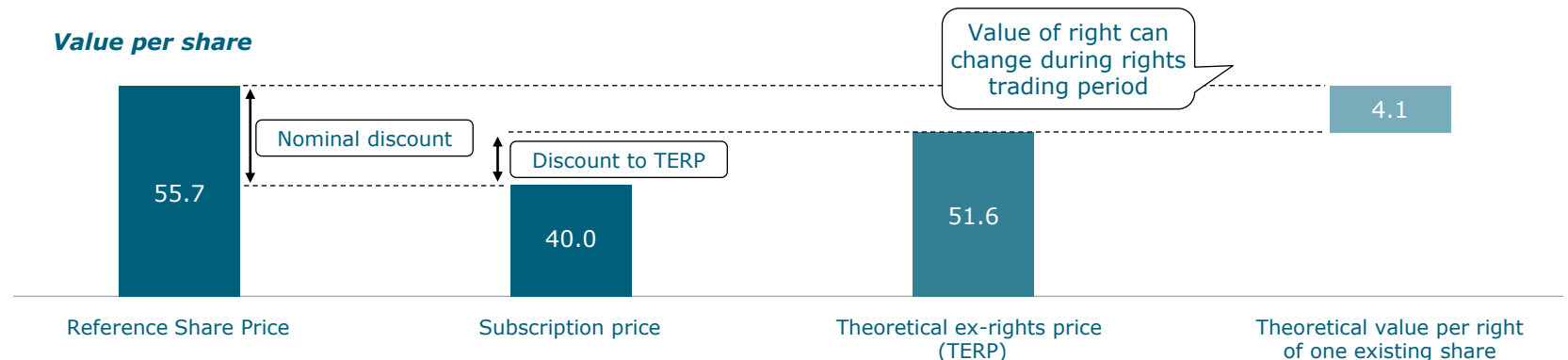
## Pricing and calculations (based on last price pre-launch)<sup>(1)</sup>

<b>Total shares outstanding (million)</b>	<b>575</b>
Rights ratio (new shares for old shares)	7 for 20
New shares issued (million)	201.3
<b>Reference share price<sup>(1)</sup> (€)</b>	<b>55.7</b>
<b>Subscription price per new share (€)</b>	<b>40.0</b>
<i>Nominal discount versus last share price</i>	28.2%
Size of rights issue (€ million, gross proceeds)	8,054
<b>TERP (€) (based on reference share price)</b>	<b>51.6</b>
<i>Discount of subscription price to TERP</i>	22.5%

## Calculating the TERP



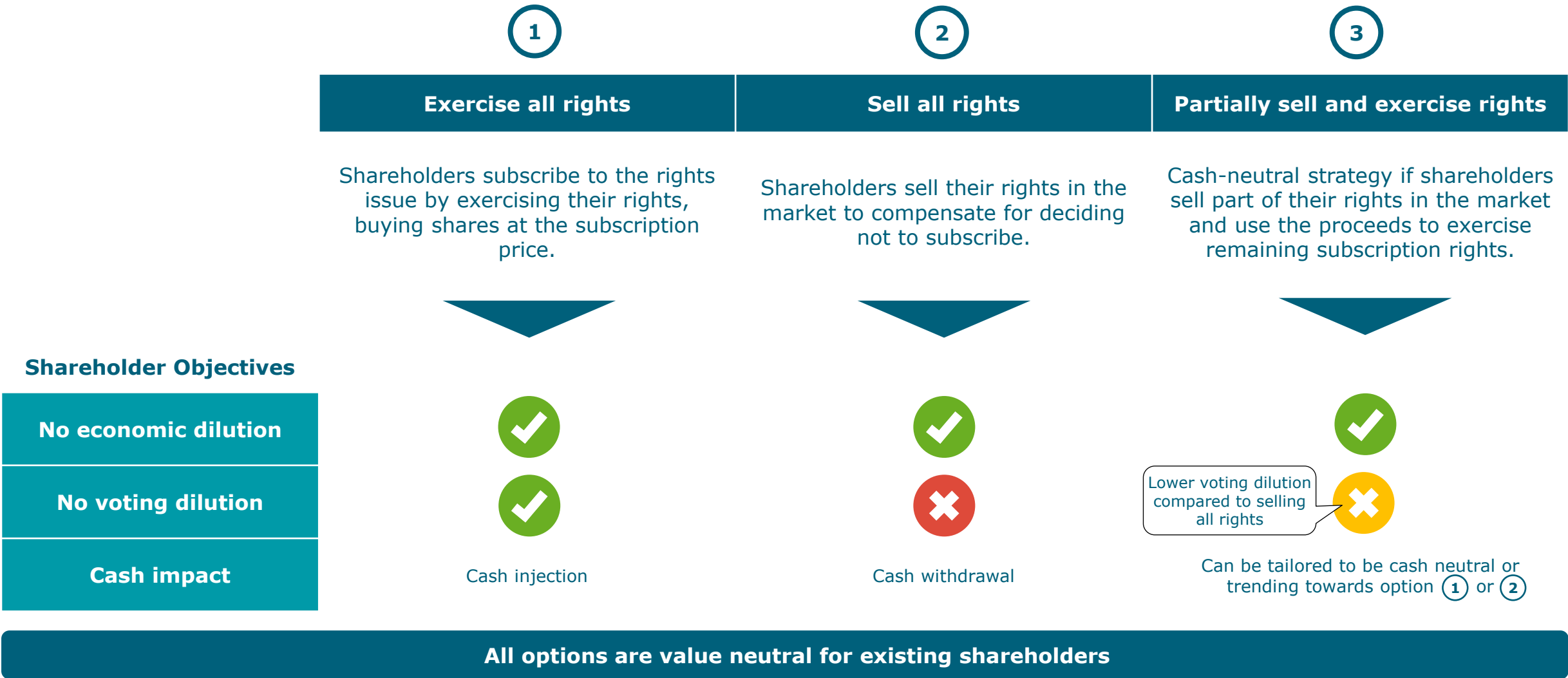
## Value per share



<sup>1</sup> Closing share price of Vonovia as of 19-Nov-2021.

# All Rights Strategies Are Value Neutral<sup>1</sup>

## Optionality around Subscription Rights



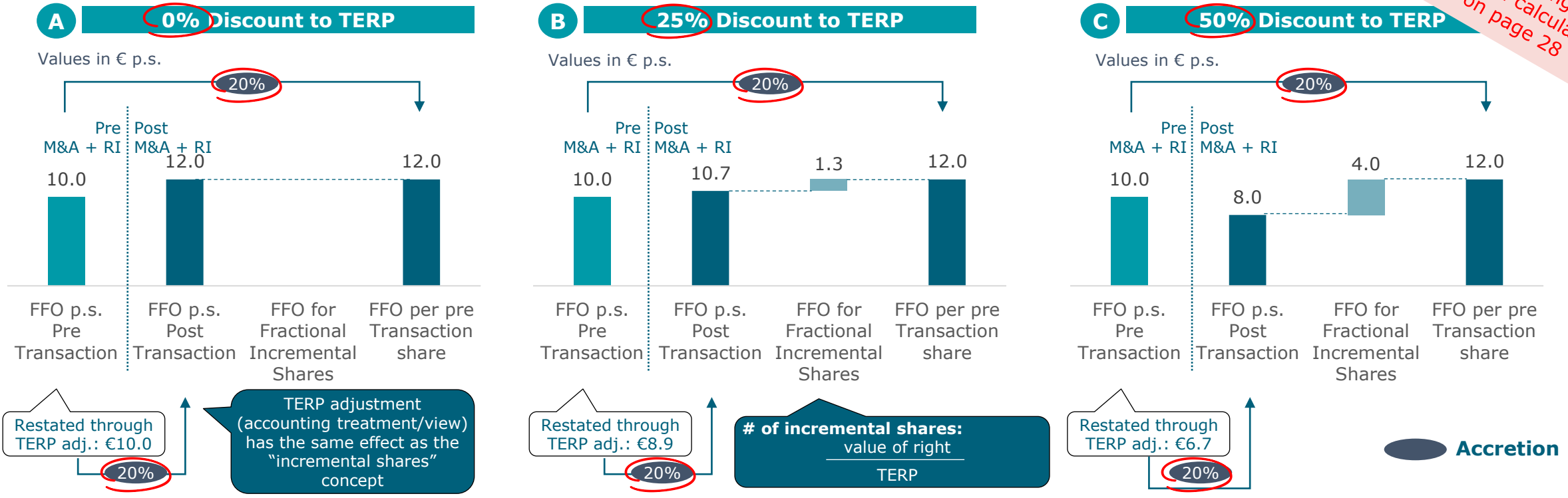
Lower voting dilution compared to selling all rights

Note: Subscription rights that are not exercised in time will lapse and be of no value, meaning that no compensation will be payable for subscription rights that are not exercised. <sup>1</sup> On a pre-tax basis.



# TERP Discount Does Not Impact Shareholder Accretion

Illustrative figures; detailed calculation on page 28



- **TERP discount is irrelevant from a shareholder FFO or NTA accretion perspective**
- **The value of a subscription right "neutralizes" the issuance discount in full**
- **The value of a subscription right is directly linked to the TERP discount (higher discount leads to a higher value of a right as TERP decreases with discount)**
- **The value of subscription right can be translated into "incremental" shares**
- **From an accounting perspective, historical figures will be adjusted by the TERP factor, which economically and mathematically is the same as incremental future earnings from the "incremental" shares**

Note: Illustrative example with more detailed assumptions and calculations on page 28. Assumes for illustrative purposes 300m shares outstanding pre transaction at a share price of €100/share, rights issue proceeds of €10bn, FFO pre M&A and RI of €3.0bn and €4.8bn post M&A and RI

# TERP Discount Does Not Impact Shareholder Accretion

## Backup Calculation for FFO Accretion on Previous Page

Illustrative figures

	0% TERP Discount	25% TERP Discount	50% TERP Discount
TSO pre rights issue (m shares)	300	300	300
Share price pre rights issue (€ p.s.)	100.0	100.0	100.0
Illustrative shares owned pre rights issue (shares)	1.0	1.0	1.0
Rights issue proceeds (€m)	10,000	10,000	10,000
TERP (€ p.s.)	100.0	88.9	66.7
Discount to TERP	0%	25%	50%
Subscription price (€ p.s.)	100.0	66.7	33.3
<b>Value of right (€ per right)</b>	-	<b>11.1</b>	<b>33.3</b>
Subscription ratio (new shares per old share)	1:3	1:2	1:1
Shares issued (m shares)	100	150	300
Shares post rights issue (m shares)	400	450	600
<b># of "incremental shares" per subscription right (#)</b>	-	<b>0.125</b>	<b>0.500</b>
FFO pre M&A + rights issue (€m)	3,000	3,000	3,000
FFO per share pre M&A + rights issue (€ p.s.)	10.0	10.0	10.0
FFO post M&A + rights issue (€m)	4,800	4,800	4,800
FFO per share post M&A + rights issue (€ p.s.)	12.0	10.7	8.0
<b>Shares owned post M&amp;A + rights issue for each share pre M&amp;A + rights issue (shares)</b>	<b>1.0</b>	<b>1.1</b>	<b>1.5</b>
<b>FFO per share multiplied with shares owned (€)</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>
<b>FFO accretion</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>

Value of right divided by TERP; shows theoretical cash neutral purchase of additional shares through partial disposal of subscription rights and using proceeds to subscribe to new shares

Initial shares owned plus "incremental shares"

Value of rights directly mitigate potential dilution through higher share count from higher TERP discount through "incremental shares"



# IR Contact & Financial Calendar

## Contact

Rene Hoffmann (Head of IR)  
 Primary contact for Sell side, Buy side  
 +49 234 314 1629  
[rene.hoffmann@vonovia.de](mailto:rene.hoffmann@vonovia.de)



Stefan Heinz  
 Primary contact for Sell side, Buy side  
 +49 234 314 2384  
[stefan.heinz@vonovia.de](mailto:stefan.heinz@vonovia.de)

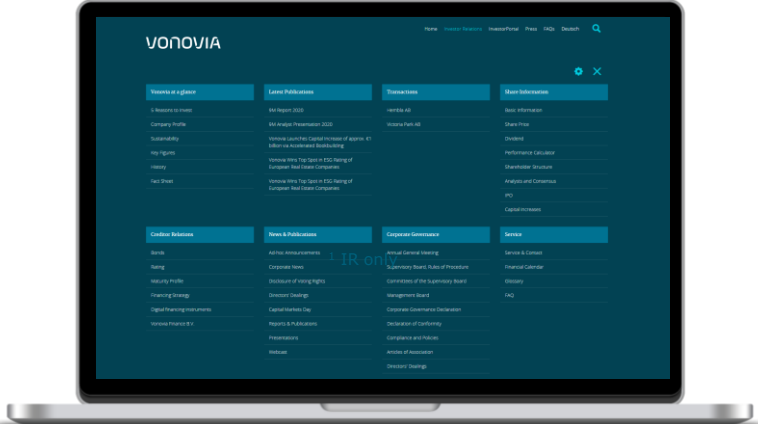


Oliver Larmann  
 Primary contact for private investors, AGM  
 +49 234 314 1609  
[oliver.larmann@vonovia.de](mailto:oliver.larmann@vonovia.de)



General inquiries  
[investorrelations@vonovia.de](mailto:investorrelations@vonovia.de)

<https://investors.vonovia.de>



## Financial Calendar 2021

- Dec 1 UBS Global Real Estate Conference
- Dec 2 Société Générale Premium Review Conference

Dates are subject to change. The most up-to-date [financial calendar](#) is always available online.

